

## **Appendix E – Contingency Procedures for the SF Automated Processes**

### **1 Introduction**

- 1.1 In the event of a disruption to the operations of the automated processes set out in Appendix A and Appendix B, the Authority may allow the use of the contingency procedures as set out below on a case-by-case basis. Eligible Counterparties who encounter any issues with the automated processes should immediately notify the Authority at the official dealing lines<sup>1</sup>.

### **2 MEPS+ Offline Contingency Module (“OCM”) Activation**

- 2.1 In the event that MEPS+ OCM is activated, the automated SF processes as documented in Appendix A and B will not be available. Eligible counterparties shall follow the procedures documented in this section to initiate SF transactions.
- 2.2 During the Operating Window of the SF for SGD deposits or obtaining SGD using SGS, MAS Bills or MAS FRN, an Eligible Counterparty shall first inform MDD via the official dealing lines<sup>2</sup> of its intention to obtain or deposit SGD at the Borrowing Rate or Deposit Rate respectively. Subsequently, Eligible Counterparties must submit the front-office confirmation of transaction details via the Reuters FX Trading (FXT) system or, in the event that the Eligible Counterparty cannot access or does not have access to the FXT, by facsimile or such other means as MDD may agree with the Eligible Counterparty. Please refer to paragraph 3 and 4 of this Appendix for sample template confirmations to be sent to the Authority via FXT.
- 2.3 MDD shall confirm the transaction details<sup>3</sup> with the Eligible Counterparty via the official dealing lines<sup>4</sup> before the transaction is effected.
- 2.4 In the confirmation submitted via the FXT or, in the event that an Eligible Counterparty cannot access or does not have access to the FXT, by facsimile or such other means as MDD may agree with the Eligible Counterparty, an Eligible Counterparty shall indicate that the transaction is for the SF, and include the following details:
- (a) whether the Eligible Counterparty is obtaining SGD liquidity or depositing SGD;
  - (b) the amount to be obtained or deposited;
  - (c) date of the first and second settlement leg;

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<sup>1</sup> Refer to Clause 18.3 of the Agreement.

<sup>2</sup> Refer to Clause 18.3 of the Agreement.

<sup>3</sup> Unlike automated SF, where certain transaction details, e.g. interest rate, interest rate amount and settlement amounts are non-critical errors, Eligible Counterparties are required to revise and resend any incorrect transaction details when performing manual SF.

<sup>4</sup> Refer to Clause 18.3 of the Agreement.

- (d) in relation to a transaction involving SGS, MAS Bills or MAS FRN – the issue codes and corresponding nominal amounts of each security used in the transaction; and
  - (e) in relation to non-primary dealer Eligible Counterparties, a telephone number for the Authority’s verbal confirmation with such Eligible Counterparties.
- 2.5 The Eligible Counterparty shall submit front office confirmations in the format set out in paragraph 3 and 4, and the Authority reserves the right to reject any confirmation which is inaccurate, is not in the format set out in the sample confirmations below, fails to include the details set out below, or fails to comply with any relevant requirements (e.g. minimum size).
- 2.6 For back-office confirmations, Eligible Counterparties may refer to the relevant sections of the Operations and Contingency Manual for MEPS+ Participants and Non-Participants<sup>5</sup>. For SF Deposit, subject to MAS’ confirmation that its access to SWIFT network remains intact, Eligible Counterparties shall send a MT320 SWIFT confirmation (without the unique identifier). In the event that MAS loses its access to SWIFT network, Eligible Counterparties shall submit a MT320 trade confirmation via email (sent from the group email address of the bank’s back office to MAS Finance Department’s email address, [MAS\\_SGD\\_Ops@mas.gov.sg](mailto:MAS_SGD_Ops@mas.gov.sg)), in the form of a zipped and password encrypted PDF document, and follow up with the SWIFT MT320 message once SWIFT connectivity is restored. For SF Repo, a fax trade confirmation shall be submitted to MAS Finance Department.
- 2.7 Eligible Counterparties do not need to send SF Deposit transactions via the OCM file. For SF Repo transactions, the security transaction message (MT542 - Deliver Free of Payment) should be submitted in a standalone OCM file<sup>6</sup> via MASNET email with subject title clearly labelled as “[Bank Name] SF Repo transaction for [Date in the format of DDMMYYYY]” followed by the fax control form.

**3 Sample Front Office Confirmation to Deposit S\$10 Million**

MAS SF Deposit	
Deposit Rate	xx.xx%
Start Date	01/07/2017 (dd/mm/yyyy)
End Date	02/07/2017 (dd/mm/yyyy)
Total Nominal	\$10 M

Rate can be found at the following [link](#).

<sup>5</sup> Please contact your MEPS+ Liaison Officer on a periodic basis for an updated copy of the MEPS+ User Manual to familiarise yourselves with the OCM and SWIFT manual contingency procedures.

<sup>6</sup> Please note that the OCM file containing SF Repo transaction should not contain any other non-SF repo transactions. Any other non-SF transactions shall be submitted to MAS in a separate OCM file.

**4 Sample Front Office Confirmation to Obtain SGD Using a S\$10 Million Nominal Amount of SGS Repo, MAS Bills Repo or MAS FRN Repo**

MAS SF Obtaining of S\$		
Repo rate	xx.xx%	Rate can be found at the following <a href="#">link</a> .
Start Date	01/07/2017 (dd/mm/yyyy)	
End Date	02/07/2017 (dd/mm/yyyy)	
Issue Code	NX98100H	
Clean Price/ Yield	xxx.xx%	3dp for bills 2dp for bonds 2dp for FRN
Dirty Price	\$xxx.xx	
Haircut	x%	
Effective Price	\$xxx.xx	Please refer to following <a href="#">link</a>
Total nominal	\$10 M	
First leg settlement amount	\$xxx.xx	
Second leg settlement amount	\$xxx.xx	Please refer to paragraph 3 of Appendix B

The previous Business Day's closing clean price for bonds; or the previous Business Day's closing yield for bills.

Dirty price valued on start date

**5 SWIFT Manual Contingency ("MC") Procedures**

SF Repo

5.1 In the event of a SWIFT network failure for Eligible Counterparties and activation of SWIFT MC processes, Eligible Counterparties shall continue to follow the automated processes for SF Repo as set out in Appendix B (i.e. SF identifier has to be included in the MT543 messages). However, the submission of automated SF Repo instruction SWIFT messages shall be via the SWIFT MC processes, i.e. SWIFT messages shall be submitted to MAS in a MC file which is transmitted via MASNET by 6.30pm, or 30 minutes before the end of the MEPS+ operating window, whichever is later. Eligible Counterparties are also required to fax the authorised control form to the MAS Finance Department. MAS reserves the right to reject the SF Repo transaction if the file and/or fax Control Form are received after the above cut-off time.

5.2 Eligible Counterparties without access to SWIFT MC should complete "Annex 17 Manual Input Form – SG SMB Transactions" from the Annexes of the Operations and Contingency Manual for MEPS+ Participants and Non-Participants, ensure that it is signed by the required signatories, and hand-deliver the form to MAS by 6.15pm, or at least 45 minutes before the end of the MEPS+ operating window, whichever is later. Eligible Counterparties using Manual Input Form shall also execute steps documented in paragraph 2.2 to 2.7 of this Appendix. MAS reserves the right to reject the SF Repo transaction if the Manual Input form is received after the above cut-off time.

SF Deposit

5.3 For SF Deposit, Eligible Counterparties shall follow the processes as set out in paragraphs 2.2 to 2.7 of this Appendix.