Interbank Settlement Arrangements for the ASXF Batch in RITS

Information Note for Members

Payments Settlements Department
Reserve Bank of Australia

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Contents

1 Introduction

This paper discusses arrangements for the ASX Financial Settlements Batch (ASXF Batch), which is managed by ASX Financial Settlements Pty Limited (the Batch Administrator, or ASXFS). The ASXF Batch facilitates the financial settlement in RITS of conveyancing transactions completed using the electronic conveyancing system provided and operated by Sympli Australia Pty Limited (the Upstream Business Operator, or Sympli).

The ASXF Batch uses the Reservation Batch functionality in RITS, which enables funds to be reserved in the Exchange Settlement Accounts (ESAs) of all paying participants in the batch before property title changes are lodged with the relevant Land Registry. Reserved funds are settled in RITS once the title lodgement is complete.

This paper discusses the operational and contingency arrangements of which participants in the ASXF Batch need to be aware.

Capitalised words not otherwise defined in this document have the meanings set out in the following RITS user guides: Overview of Functionality; ESA Management; and Batch Participant.

2 Operational Arrangements

2.1 Overview of the ASXF Batch Process

Electronic conveyancing transactions are managed in the system of the Upstream Business Operator. The Upstream Business Operator handles the lodgement of title transfer/change with the relevant Land Registry. The Batch Administrator facilitates financial settlement of the transaction in RITS, using the RITS Reservation Batch functionality.

Figure 1 outlines the high-level settlement process using the RITS Reservation Batch functionality.

Figure 1. E-conveyancing and interbank settlement process
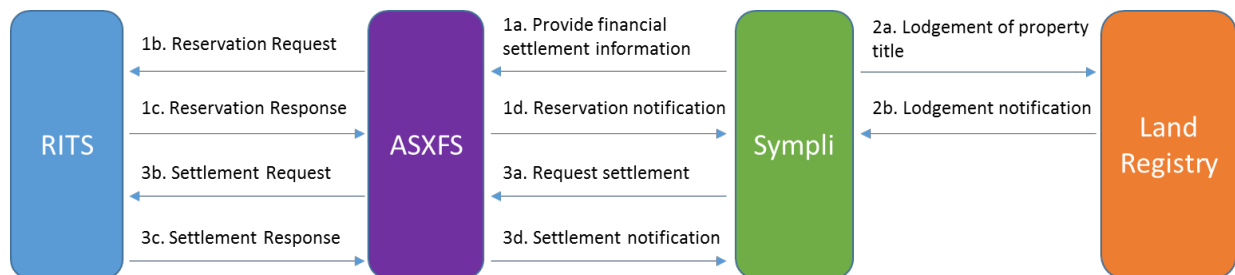
1.   *Reservation.* Sympli, the Upstream Business Operator, provides financial settlement information to ASXFS, the Batch Administrator (1a). The Batch Administrator converts the settlement information into a Reservation Batch, and requests reservation of ESA funds in RITS for each net payer in the ASXF Batch (1b). The Batch Administrator receives confirmation of a successful reservation of funds (1c) and notifies the Upstream Business Operator (1d).

2.   *Lodgement.* The Upstream Business Operator electronically lodges title with the relevant Land Registry (2a) and is notified of successful lodgement (2b).

3. *Settlement.* The Upstream Business Operator requests financial settlement (3a). The Batch Administrator requests settlement of previously reserved funds in RITS (3b). Settlement completes and RITS sends a settlement confirmation to the Batch Administrator (3c). The Batch Administrator confirms financial settlement to the Upstream Business Operator (3d).

These processes are outlined in detail below.

2.1.1 Reservation of ESA Funds

Once all parties to a transaction are ready to proceed with settlement, the Upstream Business Operator will send the financial details of the transaction to the Batch Administrator. The Batch Administrator will use the information provided by the Upstream Business Operator to create and send to RITS a Reservation Request to reserve funds in the ESAs of all ASXF Batch Participants who are net payers in the transaction.

ASXF Batch Participants should note the following:

- The ASXF Batch is a multilaterally netted batch. The Reservation Request sent to RITS contains the net settlement position of each ASXF Batch Participant that is party to the transaction. Each ASXF Batch Participant will either have a net payable position, net receivable position, or zero position. The sum of the individual net settlement positions will always equal $0.

- Each Reservation Request has a Batch Administrator-assigned unique identifier called the Batch Identification Number (BIN). For each Reservation Request received by RITS, subsequent messages (exchanged between the Batch Administrators and RITS) identify that Reservation Request by the BIN. A BIN must be unique within the last 14 days.

- RITS performs validation checks on all Reservation Requests. If the Reservation Request is valid, RITS will attempt to reserve funds in the ESAs of all ASXF Batch Participants who are net payers in the batch. Reservations are treated as Priority transactions. Where RITS deems an incoming Reservation Request from the Batch Administrator to be invalid (for example, due to the inclusion of an institution that is not an ASXF Batch Participant, or the individual net settlement positions not adding to $0), RITS immediately rejects the Reservation Request and sends the Batch Administrator a Reservation Response message notifying the unsuccessful reservation and advising the reason for reject. The Batch Administrator will have to resubmit the Reservation Request.

- Reservation of funds will be successful if all payers in the Reservation Request have sufficient ESA funds. In determining whether a paying ASXF Batch Participant has sufficient ESA funds, RITS tests against that institution's Available RITS Balance, which is equal to RITS Balance less current Reserved Funds.

  If the reservation attempt is unsuccessful due to one or more of the payers having insufficient funds, RITS will reject the Reservation Request. The Batch Administrator will be able to view, via the RITS User Interface (UI), which ASXF Batch Participant had insufficient ESA funds and prevented the reservation from being completed.

- Following successful reservation of all funds for a Reservation Request, RITS notifies the Batch Administrator via a Reservation Response message. Reserved ESA funds remain in the net paying

ASXF Batch Participants' ESAs, but are 'partitioned'. These funds can only be used for settlement of the Reservation Batch for which the Reservation Request was earlier received and will not be available for other settlements, as demonstrated in Figures 2(a) through 2(c) below.

- Reserved ESA funds remain partitioned until the associated Settlement Request is received from the Batch Administrator, the reservation is recalled by the Batch Administrator by sending a Reservation Recall Request, or the end of the Reservation Batch day is reached.

- RITS stores relevant details from the Reservation Request, including the paying ASXF Batch Participants, Receiving ASXF Batch Participants and settlement amounts. These details are used for settlement of the reserved funds when the associated Settlement Request is received from the Batch Administrator.

- Separate Reservation Batches cannot be linked in RITS; each Reservation Batch is independent. Note that it is possible for Reservation Batches to have a dependency in the Upstream Business Operator's system.

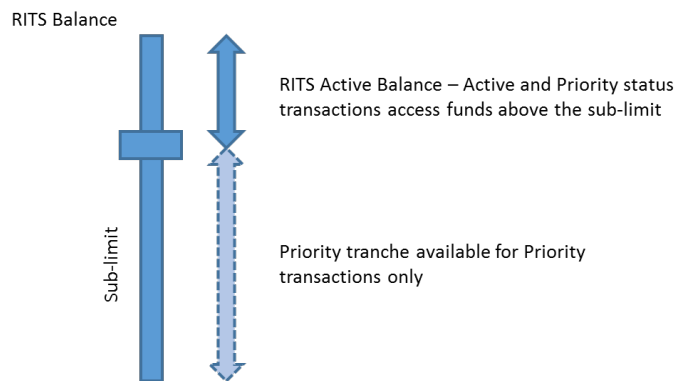**Figure 2(a). RITS Balance with an ESA Sub-limit**

RITS Balance

RITS Active Balance – Active and Priority status transactions access funds above the sub-limit

Priority tranche available for Priority transactions only

Sub-limit

Figure 2(b). RITS Balance with a Sub-limit and Funds Reservation

RITS Balance

RITS Active Balance – Active and Priority status transactions access funds above the sub-limit

Priority tranche available for Priority transactions only

Reserved ESA funds for Reservation Batch settlement – only relevant Reservation Batch settlements will settle against these funds

Sub-limit
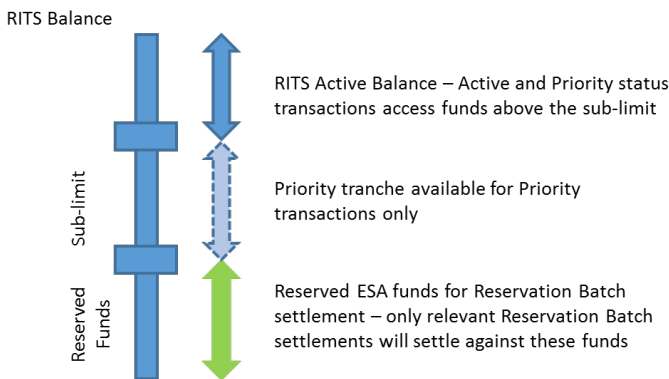
Reserved Funds

Figure 2(c). RITS Balance with No Sub-limit and Funds Reservation

RITS Balance

RITS Active Balance – available for Active and Priority status transactions

Reserved ESA funds for Reservation Batch settlement – only relevant Reservation Batch settlements will settle against these funds
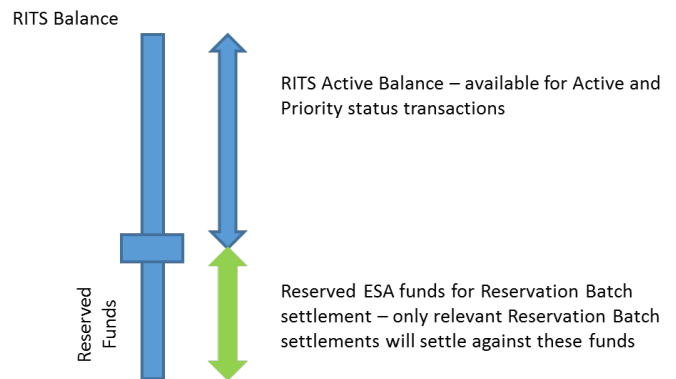
Reserved Funds

2.1.2 Lodgement

- Once it has received confirmation from the Batch Administrator that ESA funds have been reserved, the Upstream Business Operator will attempt to lodge the property title(s) transfer/change with the relevant Land Registry(s).

- Where lodgement of Registry Instruments with the relevant Land Registry(s) is unsuccessful, and therefore settlement is not required, the Batch Administrator will request RITS to release underlying reserved funds by sending a Reservation Recall Request.

2.1.3 Settlement

- If lodgement of the property title transfer/change is successful, the Batch Administrator will send a Settlement Request to RITS.

- Immediately after the receipt of a valid Settlement Request from the Batch Administrator, RITS will attempt settlement of the reserved funds. The Reservation Batch transactions will be placed on the RITS Queue with ESA, Credit and Cash Account statuses of Priority. These statuses cannot be changed, including via the RITS UI (such as the setting of override statuses or use of the bulk update functionality). Settlement is expected to be almost instantaneous as ESA funds for the Reservation Batch would already have been reserved. Once settled, the funds no longer appear as 'reserved' funds in RITS.

- Settlement will effectively occur using the reserved funds in the net paying ASXF Batch Participants' ESAs. When settlement occurs, the net paying ASXF Batch Participants' ESAs will be debited, and the ESAs of net receiving ASXF Batch Participants will be credited.

2.2 ASXF Batches and the RITS System Queue

Reservation Requests for the ASXF Batch are treated in RITS as Priority transactions. Reservation Requests are not queued – they are either successful or, if unsuccessful, rejected. Reservations, and the aggregate amount of reserved funds, are visible in various RITS enquiries (see Section 6).

Following the receipt of a Settlement Request, ASXF Batch transactions are placed on the RITS Queue for settlement and settle almost immediately as all payer institutions would have sufficient ESA funds due to prior reservation. ASXF Batch transactions are therefore not expected to be visible on participants' RITS Queued Payments Management screens.

ASXF Batch transactions arrive on the RITS Queue with ESA, Credit and Cash Account Statuses of Priority. It is not possible to change these statuses manually or by using override statuses or bulk update functionality.

2.3 ASXF Batch Processing Times

RITS will process the ASXF Batch during the standard RITS Reservation Batch processing times.

2.3.1 Reservation Batch Processing - Normal Days

Reservation Batch processing in RITS does not occur during the Morning Settlement Session[1], RITS begins processing Reservation Batches (including reservation and subsequent settlement of reserved funds) after the commencement of the Daily Settlement Session at 09:15.

Although RITS is capable of settling Reservation Batches until 22:00, at the time that the Reservation Batch functionality was developed banks' cash desk staff requested that settlement of Reservation Batches should be completed prior to the close of cash market at 18:30 AEST/20:30 AEDT. As such, cut-off times of 18:05 AEST/20:05 AEDT for new reservations and 18:30 AEST/20:30 AEDT for settlement or recall of Reservation Batches apply. At 18:30 AEST/20:30 AEDT RITS releases any ESA funds that are reserved, and does not settle any Reservation Batches after this time.

2.3.2 Reservation Batch Processing - NSW Bank/Public Holidays

On the NSW Bank Holiday in August and the NSW Labour Day public holiday in October, the cash market closes earlier than usual. RITS is open for the processing of Reservation Batches on these days but the Reservation Batch day is shortened to ensure that Reservation Batches are finalised before the close of the cash market. The end time applied to new reservations is 17:10 and the end time for settling or recalling Reservation Batches is 17:35.

NSW and Victoria both observe the Queen's Birthday Public Holiday in June. This is not a national public holiday (it is not observed in WA). Interbank settlement of Reservation Batches through RITS cannot occur on this day, even if the local Land Registry is open.

3 Participation

3.1 Participant Eligibility Criteria

A participant in the ASXF Batch must be a Member of RITS and hold an active ESA. Participants in the ASXF Batch must be able to utilise the full Reservation Batch timeline in RITS. Participation in the ASXF Batch by Members that are not Evening Agreed, and hence do not normally operate until the close of the cash market and Reservation Batch processing times, will be at the discretion of the RBA.

3.1.1 Establishment of ASXF Batch Participants

A RITS Member may submit a request to ASXFS to become a participant in the ASXF Batch. The Reserve Bank will liaise with the Member for all aspects relating to its RITS membership and the set-up, testing and other on-boarding activities for RITS. This would include the establishment and allocation of branches, and the set-up of the Member as a participant in the ASXF batch stream in RITS (see Section 5). The Reserve Bank, ASXFS and the ASXF Batch Participant will agree on a live date.

3.1.2 ASXF Batch Participant withdrawal from the ASXF Batch

An existing ASXF Batch Participant wishing to cease participating in the ASXF Batch should approach ASXFS. Once ASXFS has notified the Reserve Bank of the planned withdrawal, the Reserve Bank will liaise with the Member regarding the timing of the relevant entries to give effect to the withdrawal in RITS.

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[1] This is due to the restricted settlement arrangements that apply during that session, which is primarily for funding and settlement of the previous day's low value clearings.

4   Contingency Arrangements

4.1   Management of Contingencies

The Reserve Bank will manage events affecting RITS, which include the operation of the Reservation Batch facility in RITS. The Batch Administrator and the Upstream Business Operator will manage events in their respective systems that impact on the settlement of the ASXF Batch.

If a disruption to the ASXF Batch continues for an extended period, the party responsible for managing this issue will advise ASXF Batch Participants of the contingency and when normal processing is expected to be restored. This may be done by telephone or email. The Batch Administrator may communicate with ASXF Batch Participants in relation to certain Upstream Business Operator issues that affect the settlement of the ASXF Batch.

4.2   Manual ASXF Batch Upload

Under normal operations, the Batch Administrator will submit ASXF Batch requests via a secure link. Under certain contingency events, for example if the link is unavailable, the Batch Administrator may upload Reservation Requests, Settlement Requests and Reservation Recall Requests through the RITS User Interface. These uploaded requests will be treated in the same way as when submitted via the secure link.

4.3   Extension to Reservation and/or Settlement Cut-off Times

On any given day, ASXFS, as the Batch Administrator, may request an extension to the reservation and/or settlement cut-off times. Any extensions will be granted at the discretion of the RBA. If this occurs, Members' RITS operational and liquidity contacts will receive a service notification via email and/or SMS.

4.4   Failure to Settle

ASXF Batch Participants should be aware that the reservation of funds process does not give the net receiving ASXF Batch Participants a right or entitlement over funds held in another Member's ESA, regardless of whether lodgement has successfully proceeded or not. If an ASXF Batch Participant is declared insolvent and suspended in RITS, any existing reservations in which that ASXF Batch Participant is a party would not be able to be settled, and any outstanding ASXF Batches involving that participant would be rejected. ASXF Batch Participants need to give consideration as to the consequences of the failure or suspension of an ASXF Batch Participant between reservation and settlement.

5   RITS Set-up Requirements

5.1   Introduction

This section provides information to RITS Members on the arrangements and administrative tasks required to begin participation in the ASXF Batch.

Members should note that the set-up activities listed below will need to be performed twice, once on the RITS Pre-Production Environment and again on the RITS Production Environment (prior to batch activation).

It is recommended that Members consult with existing RITS users within their organisation as part of their review of the required set-up activities. RITS user guides are available on the [RITS Information Facility](#). A general [Overview of RITS Functionality](#) is also available from this site.

5.2   Overview of RITS Set-up Activities

To prepare for participation in the ASXF Batch, the RITS Member must complete a number of set-up activities. The key set-up activities are as follows, with the entity that undertakes the activity shown in brackets. Each of these activities is discussed in greater detail below.

- Establish a new RITS branch and cash account, if required, for ASXF Batch transactions (RITS Help Desk, based on Member instruction).

- Nominate a branch to be used for ASXF Batch settlement (Member).

- Set up users and roles for ASXF Batch monitoring (Member – user with 'Password Administrator' role).

- Select AIF messages, as required (Member - user with 'Unsolicited Advices' role).

5.3   RITS Branches/Cash Accounts

The ASXF Batch is set up as a batch stream in RITS (Batch Stream ID 'ASXF').

The Reserve Bank recommends that ASXF Batch Participants establish a new branch for the ASXF Batch stream. This allows participants to isolate management of the ASXF Batch from other RITS feeder transactions. The Bank encourages Members to use the Branch suffix XF (e.g. BANKXF, where 'BANK' represents the Member's RITS mnemonic). ASXF Batch Participants should note that this will likely have flow on effects within their systems.

The Reserve Bank also recommends that ASXF Batch Participants set up a new cash account for the ASXF Batch stream. The cash account can be a real bank account that exists in the Member's own banking application, or a notional account. Cash accounts are used to identify transactions in a number of notifications and reports, including AIF Pre-Settlement Advices, AIF Post-Settlement Advices, MT950 ESA statements and the Cashlist report, which may be used by participants for internal posting and/or reconciliation of ASXF transactions.

The required forms and information to set up a new branch/cash account are '[Feeder, Batch and Other Branches](#)' form and '[RITS Branch Allocation](#)' form, and are available on the RITS Information Facility (https://www.rba.gov.au/rits/info/forms.htm).

Although RITS treats all Reservation Batches as Priority transactions, the Reserve Bank requests that ASXF Batch Participants turn cash account limit processing to Off for cash accounts used for the ASXF Batch.

5.4 User Set-up

Requests for new RITS users can be made by completing the 'User Access Request' form or 'User Access Request - Multiple Users' form, available from the RITS Information facility. Any questions on user access should be directed to the RITS Help Desk (1800 659 360 or via email to rits@rba.gov.au).

Members should note that a Production logon must be generated for each user access request in order for the user to be provided with a RITS Digital Certificate. This process applies even if the request is for access to RITS Pre-Production only. The Member Password Administrator can ensure users are only granted roles in the relevant environment as necessary.

5.4.1 Linking users to branches

Members that set up a new branch for ASXF Batch transactions will need to ensure that users are linked to that branch in order to view transactions for that branch. This is in addition to users having the relevant role(s).

Members using an existing branch will need to ensure that users are linked to the relevant branch.

The Member Password Administrator manages users' links to branches in the function **User Privileges**.

5.5 Automated Information Facility (AIF) Messages

ASXF Batch Participants can choose to receive Post-Settlement Advices via the AIF when an ASXF Batch settles. Members can also receive end-of-day ESA statements (MT950) via the AIF.

To receive AIF messages, Members must belong to the AIF Closed User Group (CUG). Members wishing to become AIF users will need to submit an application to SWIFT to join the AIF CUG. The AIF CUG application can be made by going to www.swift.com, and becoming a member of and subscribing to AIF (Test and Production). Processing of the application by SWIFT typically takes around two weeks.

5.5.1 Post-Settlement Advices

AIF Post-Settlement Advices - Interbank Debit (MT198 SMT036) and Interbank Credit (MT198 SMT037) - are available to be selected for Reservation Batch transactions. These advices would be sent upon successful settlement of an ASXF Batch. They show, amongst other details, the Batch Administrator-assigned BIN, transaction ID, time settled, settlement amount and the RITS cash account across which settlement occurred. A user must select **Unsolicited Advices** from the **Member Admin** tab on the menu to make the necessary selections. Post-Settlement Advices are selected at the branch level.

Figure 3 shows examples of two Post-Settlement Advices – a debit and a credit element from the same Reservation Batch. In the batch ABCD is the net payer of $750,000 and DEFG is the net receiver of $1,500,000. The Post-Settlement Advice – Interbank Debit (MT198 SMT036) is sent to ASXF Batch Participant ABCD. The Post-Settlement Advice – Interbank Credit (MT198 SMT037) is sent to ASXF Batch Participant DEFG.

The RITS-assigned transaction ID for each ASXF Batch Participant's transaction appears in Field 21 (blue and green boxes). Field 22C contains the Batch Administrator-assigned BIN of the Reservation Batch (red boxes); this field is only present in Post-Settlement Advices for batch feeder transactions. As the two example advices shown below relate to the same Reservation Batch, the BIN is the same. Fields 905 and

904 contain the first four characters of the Member's own SWIFT BIC. The Batch Stream ID is provided in field 908 (orange boxes). The date and settlement amounts are provided in field 32A (purple boxes). The 62M fields display the RITS balance and Cash Account balance respectively. The RITS balance is the running balance after the transaction has settled, i.e. the balance before the transaction plus the amount of the transaction as shown in field 32A. The Cash Account balance differs from the total RITS balance because an ESA can have multiple cash accounts linked to it. The balance in the ASXF cash account would represent the sum of ASXF transactions, and not the amounts in the other cash accounts.

Figure 3. Post-Settlement Advices for Reservation Batch Transactions

```
Interbank Debit (MT198 SMT036)        Interbank Credit (MT198 SMT037)
{4:                                    {4:
:20:U50588440                          :20:U50588441
:12:036                                :12:037
:77E:                                  :77E:
:21 RITS37099548                       :21 RITS37099552
:22C:ASXF230119123456                  :22C:ASXF230119123456
:905:ABCD                              :904:DEFG
:25:099-009-374-8031912                :25:011-001-46999-9308
:32A 190123AUD750000,00                :32A 190123AUD1500000,00
:901:112439                            :901:112439
:908 ASXF                              :908 ASXF
:62M:C190123AUD100000000,00            :62M:C190123AUD250000000,00
:62M:D190123AUD50000000,00             :62M:D190123AUD100000000,00
-}                                     -}
```

Please refer to the RITS/SWIFT User Guide on the RITS Information Facility for more information on each field in these advices.

5.5.2   ESA Statement (MT 950)

Each ASXF Batch transaction will appear in the ESA Statement (MT950 – Interim & Final) and ESA Statement Intraday Response (MT942). Figure 4 shows examples of field 61 (statement line) for Reservation Batch transactions from the ESA Statement (MT950) of ABCD and DEFG.

Table 1 below explains each component of field 61. The RITS-assigned transaction ID for each transaction is provided (blue and green boxes). Also note that the Batch Stream ID for the Reservation Batch is present (orange boxes). The date and settlement amounts are shown (purple boxes). The 'Other Bank Code' field shows the first four characters of the ASXF Batch Participant's own SWIFT BIC (red boxes).

Figure 4. ESA Statement Lines for Reservation Batch Transactions


```
Interbank Debit (MT950 SMT999)

:61: 190123 D 750000,00 NMSC RITS37099548 112439 ABCD ASXF xxx-xxx-xxxxxxx

Interbank Credit (MT950 SMT999)

:61: 190123 C 1500000,00 NMSC RITS37099552 112439 DEFG ASXF xxx-xxx-xxxxxxx
```

Table 1. Statement Line in the ESA Statement – Description of Content

Item	Format	Example
Date	YYMMDD	190123
Credit or Debit	1 alphabetical character	C / D
Amount	Up to 15 numeric characters	750000,00
Type of Payment (shows "NMSC" for all non-SWIFT transactions)	4 alphanumeric characters	NMSC
External TRN (RITS-assigned transaction ID)	Up to 16 alphanumeric characters	RITS37099555
Time Settled	HHMMSS	112439
Other Bank Code	4 alphabetical characters (optional)	First 4 characters of Member's own SWIFT BIC.
RITS Tran Type (for batch transactions = Batch Stream ID)	Message format allows up to 5 alphabetical characters. Batch Stream IDs are only 4 characters	ASXF
Cash Account Number	Up to 20 alphanumeric characters	XXX-XXX-XXXXXXXXXXXX

5.5.3   Other AIF Advices

ASXF Batch Participants can request the Pre-Settlement Advice Credit Level (MT198 SMT028), ESA Level (MT198 SMT029), and Pre-Settlement Advice – Pending Credit (MT198 SMT041) for Reservation Batches. If requested, these advices are sent when the Settlement Request arrives on the RITS Queue for settlement testing.

Figure 5 shows examples of these advices for RITS Members ABCD and DEFG. The fields contained in these advices are similar to those for Post-Settlement Advices (see Section 5.5.1). In addition, field 113 displays the ESA Status, Credit Status and Cash Account Status of the Reservation Batch transaction. These statuses are always Priority for Reservation Batches.

Figure 5. Pre-Settlement Advices for Reservation Batch Transactions

```
Pre-Settlement Advice Credit Level (MT198 SMT028)

{4:
:20:U50588440
:12:028
:77E:
:21:RITS37099548
:22C:ASXF230119123456
:905:ABCD
:25:099-009-374-8031912
:32A:190123AUD750000,00
:901:112039
:908:ASXF
:113:PPP
-}

Pre-Settlement Advice ESA Level (MT198 SMT029)

{4:
:20:U50588440
:12:029
:77E:
:21:RITS37099548
:22C:ASXF230119123456
:905:ABCD
:25:099-009-374-8031912
:32A:190123AUD750000,00
:901:112039
:908:ASXF
:113:PPP
-}

Pre-Settlement Advice Credit Level (MT198 SMT041)

{4:
:20:U50588441
:12:041
:77E:
:21:RITS37099552
:22C:ASXF230119123456
:905:DEFG
:25:011-001-46999-9308
:32A:190123AUD1500000,00
:901:112039
:908:ASXF
-}
```

ASXF Batch Participants can request an Unsettled Advice at End-of-Day (MT198 038) for ASXF Batches that are removed from the Queue as unsettled at the end of the Reservation Batch day. These advices are usually sent shortly after 18:30 AEST/20:30 AEDT.

6 Monitoring the ASXF Batch through the RITS UI

As well as receiving AIF advices and statements, ASXF Batch Participants can monitor their ASXF Batch transactions through the RITS UI. The RITS UI screens provide information about ESA funds currently reserved for the ASXF Batch, and the status of transactions. Details of the relevant RITS UI screens are shown below.

6.1 Reservation Batch Summary

The Reservation Batch Summary screen in RITS provides summary information on Reservation Batches, as displayed in Figure 6. The ASXF Batch Participant can use the Batch Stream ID filter to select the ASXF Batch. In this screen, an ASXF Batch Participant can view, in relation to the ASXF Batch, its: total value of outwards reserved funds and the number of reservations in which it is a paying participant; total value of inwards reserved funds and the number of reservations in which it is a receiving participant; and its net position in funds reserved for the ASXF Batch (the net of reserved inward and reserved outward).

Note that 'Reserved Inward' funds represent the aggregate of the ASXF Batch Participant's net settlement positions in Reservation Batches in which its position is net receiver and that have a status of Reserved. These funds are not in the ASXF Batch Participant's ESA; inward funds are only credited to the ESA upon settlement.

Figure 6. Reservation Batch Summary

6.2 Batch Enquiry

ASXF Batch Participants may use this enquiry to view their ASXF Batch obligations. This screen shows ASXF Batches for which funds have been reserved as well as those that have settled or have been recalled. A 'Status' filter can be located in the RITS Batch Enquiry screen. ASXF Batches for which funds are currently reserved will have the status 'Reserved', those that have been settled will have the status 'Settled' and those that have been recalled or rejected will have the status 'Deleted'.

Figure 7 displays the Batch Enquiry screen for RITS Member ABCD. The 'ASXF' Batch Stream ID, which will apply to all ASXF Batches, is shown (orange box). The BIN for each ASXF Batch (red box) is unique. In this example, ASXF Batch Participant ABCD is a payer in two ASXF Batches with a 'Reserved' status and a receiver in another. One batch in which ABCD is a receiver, and one batch in which ABCD is a payer,

have already settled. Three batches have the status Deleted due to having been rejected, or having been reserved and then recalled.

Figure 7. Batch Enquiry Showing Reservation Batch Transactions

6.3   ESA Position Enquiry

The ESA Position enquiry screen displays funds reserved for Reservation Batches.

The ESA Position screen in Figure 8(a) shows ASXF Batch Participant ABCD's Reserved Funds and Available RITS Balance in the RITS Balance part of the screen (red box). The Reserved Funds amount is the sum of ABCD's 'debit' net settlement positions in *all* Reservation Batches where the participant is a payer (including the ASXF Batch) and that currently have a status of Reserved (i.e. pending a Settlement Request from the Batch Administrator). In this example the Reserved Funds balance of $1,000,000 reflects the sum of $750,000 and $250,000, which are ABCD's net settlement positions in all of the Reservation Batches in which it is a payer (as listed in Figure 7, above).

The Available RITS Balance = RITS Balance - Reserved Funds, and is the amount of funds available for the settlement of other Priority ESA status transactions.

The RITS Active Balance is defined as: RITS Active Balance = Available RITS Balance - ESA Sub-limit

The Calculated Net ESA Position, Calculated Net ESA Position (Adjusted for Late DE) and Projected ESA Surplus/Shortfall figures take into account inward and outward reserved funds. Inward and outward reserved funds are included in the Queued In, Queued Out, Adjusted Queued In and Adjusted Queued Out figures in the Details panels (Figure 8(b)) even though Reservation Batches with a status of Reserved are not on the RITS Queue. The No. of Transactions figures in these panels also include reservations.

Figure 8(a). ESA Position Showing Reserved ESA Funds

ESA Position					
ESA Balance					
ESA Balance	$10,000,000.00	RITS Balance	$10,000,000.00	FSS Balance	

RITS Balance		**LVSS Multilateral Run (MR)**
RITS Balance	$10,000,000.00	
Reserved Funds	$1,000,000.00	Only displayed when LVSS Multilateral Run in progress
Available RITS Balance	$9,000,000.00	
ESA Sub-Limit	$2,000,000.00	
RITS Active Balance	$7,000,000.00	

Intraday RBA Repos Completed Today		**Indicative Position in Open RBA Repos Contracted at Cash Rate Target**	
First Leg	$0.00	Overnight Position	$0.00
Second Leg[1]	$0.00	Completed Today[2]	$0.00
Current Net Position	$0.00	Indicative Position	$0.00

ESA Position Summary			
Calculated Net ESA Position	$9,000,000.00	Calculated Net ESA Position (Adjusted for Late Payments)	$9,000,000.00
		Projected ESA Surplus/Shortfall[3]	$0,000,000.00

[1] Figures for outstanding Intraday RBA Repos will be misleading if there are overnight repos carried forward from the previous day.

[2] The position in Open RBA Repos contracted at the Cash Rate Target is indicative only as the settlement consideration for transactions 'Completed Today' may not be the same as the change to the Open RBA Repo position.

[3] 'Calculated Net ESA Position (Adjusted for Late Payments)' less 'Indicative Position in Open RBA Repos Contracted at Cash Rate Target'.

Figure 8(b). Details Panels of ESA Position Screen

6.4 Queued Payments Management - Summary Screen

The Summary panel of the Queued Payments Management – ESA/Credit Status/LVSS Settle Method screen shows an ASXF Batch Participant's reserved inward and outward funds for *all* Reservation Batches. Figure 9 displays this screen for ASXF Batch Participant ABCD. Note that Reservation Batches with a status of Reserved are not queued transactions, and are therefore not listed in the results panel.

Figure 9. Queued Payments Management

6.5   Reservation Batch Rejections

The enquiry screen Reservation Batch Rejections in RITS is shown in Figure 10. It displays the net settlement position in those Reservation Batches, in which the ASXF Batch Participant is a participant, that have been rejected due to insufficient ESA funds being available for the reservation to take place. If the viewing ASXF Batch Participant was itself the participant that caused the reject, its ASXF Batch branch mnemonic will be displayed in the Insufficient ES Funds column. If another ASXF Batch Participant has caused the rejection of the reservation due to insufficient ESA funds, the viewing ASXF Batch Participant will not be able to see which participant caused the rejection (the Insufficient ESA Funds column will be blank for these batches). This enquiry screen does not display a Reservation Batch that was rejected for a reason other than insufficient ESA funds.

Figure 10. Reservation Batch Rejections

6.6   Settled Payments Enquiry

Figure 11 shows the RITS Settled Payments enquiry screen for RITS Member ABCD. ASXF Batch Participants may use this enquiry to view or download their settled ASXF Batches.

In this example, the ASXF Batch in which ABCD was a payer of $250,000 has settled. The screen shows the settlement time. Note that Time Rec (received) is the time at which the Reservation Batch arrived on the RITS Queue for settlement testing following receipt of a Settlement Request from the Batch Administrator; this is not the time at which ESA funds were reserved (which will have been some time earlier).

Figure 11. RITS Settled Payments Enquiry Showing a Settled Reservation Batch

6.7   Transaction Enquiry - Details

Figures 13 shows the RITS Transaction Details screen for RITS Member ABCD and DEFG. This screen is accessed by selecting a transaction from the list returned when performing a RITS Transaction Enquiry

(refer to Figure 12 below). ASXF Batch Participants may use this screen to view additional details about settled ASXF Batch transactions.

Figure 13 shows ABCD's debit amount of $250,000. The screen shows the RITS-assigned Transaction ID (labelled Ext TRN; blue box) and the Batch Administrator-assigned BIN (red box). The transaction type for ABCD as the payer in the batch is BCHPY (the transaction type for a batch receipt would be BCHRC).

Figure 12. RITS Transaction Enquiry for Reservation Batch Transactions

Figure 13. RITS Transaction Details for Settled Debit Reservation Batch Transaction

7   RITS Fees

RITS volume and value transaction fees are applied to Reservation Batch transactions as per usual billing practices. They apply to settled Reservation Batch transactions only; there are no fees applicable to the reservation of funds.

As with existing batch streams, Reservation Batch settlement fees are shown as separate line items to other batch settlements on Members' RITS invoices and billing enquiries.

8 RBA Contact Information

Members should contact the RITS Help Desk if they have any questions in relation to operational set-up for Reservation Batches in RITS. Contact details are as follows:

Phone: 1800 659 360
Email: rits@rba.gov.au

Business-related enquiries in relation to arrangements for ASXF Batches in RITS using the 'Reservation of ESA Funds model' can be directed to the following Reserve Bank staff:

Manager, Business Policy and Services
Payments Settlements Department
Phone: (02) 9551 8624
Email: RITSMembership@rba.gov.au

or

Senior Manager, Business Policy and Services
Payments Settlements Department
Phone: (02) 9551 8941

9 ASXFS Contact Information

Questions for ASXFS can be directed to:

FSM Service Desk
Phone: 1300 362 257
Fax: 02 9256 0456
Email: asxfs@asx.com.au

10   Glossary

ASXF Batch Participant	An ESA holder that is an Approved Batch Participant (as defined in the RITS Regulations) in the ASXF Batch.
ASXFS	ASX Financial Settlements Pty Ltd
Batch Identification Number (BIN)	A 16 character ID that is assigned to a batch by the Batch Administrator. A BIN must be unique within the last 14 days. The first four characters are fixed and reflect the Batch Stream ID.
Batch Stream ID	A four-character ID used to identify batches in RITS enquiry and reports. A separate Batch Stream ID is used for each batch type (e.g. ASXB for CHESS Batch, ASXF for ASXF Batch).
Land Registry	The Land Registry in each state/territory maintains the secure system of Torrens Title in Australia. Each Office holds a register which contains title to all land under the Land Title Act, and is responsible for transfer/change of title on the register.
Lodgement	The lodgement of a title transfer/change for registration with a state/territory Land Registry.
Reservation Batch	A group of interbank ESA credits and debits that Batch Administrators submit to RITS for simultaneous settlement via the Reservation Batch process, where funds are initially reserved in ESAs, then later settled.
Reservation Recall Request	A Reservation Recall Request is sent by the Batch Administrator to RITS to request that previously reserved funds for a Reservation Batch are released, as settlement will not take place.
Reservation Request	A Reservation Request contains details of a Reservation Batch and is sent by the Batch Administrator to RITS to request the reservation of funds in the ESAs of paying ASXF Batch Participants in the Reservation Batch.
Settlement Request	A Settlement Request is sent by the Batch Administrator to RITS to request interbank settlement in RITS of a Reservation Batch for which funds have previously been reserved.
Upstream Business Operator	The entity that provides financial data to the Batch Administrator for the Batch Administrator to enter the Reservation Batch into RITS for Settlement.

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