**Questionnaire to prospective Settlement Banks in the Nordic Imbalance Settlement**

28 December 2020

To initiate the process to become a Settlement Bank in the Nordic Imbalance Settlement, please fill out this form and return it by email to Finance@esett.com.

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| 1. About the respondent
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| Date | Kirjoita tekstiä napsauttamalla tätä. |
| Name of the bank | Kirjoita tekstiä napsauttamalla tätä. |
| Mailing address | Kirjoita tekstiä napsauttamalla tätä. |
| Registration number in Trade/Company Register | Kirjoita tekstiä napsauttamalla tätä. |
| Country | Kirjoita tekstiä napsauttamalla tätä. |
| Bank identifier code (BIC) | Kirjoita tekstiä napsauttamalla tätä. |
| Contact person | Kirjoita tekstiä napsauttamalla tätä. |
| Contact person’s email | Kirjoita tekstiä napsauttamalla tätä. |
| Contact person’s phone | Kirjoita tekstiä napsauttamalla tätä. |
| 1. Scope of services
 |
| * 1. In which of the following countries do you provide bank accounts?
 | [ ]  Finland[ ]  Norway[ ]  Sweden[ ] Denmark | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. In which of the following currencies do you provide bank accounts?
 | [ ]  EUR[ ]  NOK[ ]  SEK[ ]  DKK | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. Are you able to provide On-Demand Guarantees according to the template defined by eSett? (provided separately)
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| 1. Operational and technical capabilities
 |
| Request for Transfer transactions |
| * 1. Are you a member of SWIFT?
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. Have you implemented the “Request for Transfer” service, as defined by SWIFT, on a bilateral basis with Nordea Bank Finland i.e. are you able to process “Request for Transfer” instructions forwarded to you in MT101 format by Nordea Bank Finland?
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. Are you able to execute the outgoing payments in response to incoming “Request for Transfer” instructions as Same-Day Value payments in accordance with the schedule defined in eSett’s Operating Procedures? (See Appendix 1)
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. When executing Same-Day Value payments in response to incoming MT101 messages, are you able to include in the remittance information field of the outgoing payment message (MT103 field 70) at least the 35 first characters of any remittance information supplied in field 70 of the incoming MT101 message?
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. In the case that the execution of a Request for Transfer instruction issued by eSett should fail, how will eSett get notified about this?
 | Kirjoita tekstiä napsauttamalla tätä. |
| * 1. In your implementation of the “Request for Transfer” service, are you fully compliant with the “Request for Transfer Service Level Rules & Regulations” issued by SWIFT?[[1]](#footnote-2)
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| Balance reporting |
| * 1. Are you able to report the BRPs’ end-of day account balances in standard MT940 format as defined by SWIFT?
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. By what time will the end-of-day balance reports be available for retrieval?
 | Kirjoita tekstiä napsauttamalla tätä. |
| * 1. How can eSett get information about the BRP’s transactions and account balances during the day in cases when this is needed?
 | Kirjoita tekstiä napsauttamalla tätä. |
| * 1. Are you able to report the BRPs’ intra-day account balances in standard MT941 format as defined by SWIFT? NB: MT941 reporting is not a requirement by eSett but nevertheless valuable if it can be provided.
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| * 1. If MT941 reporting is provided, at what time of day are different intra-day balance reports available for retrieval? (e.g. intra-day balance as at XX:XX is available at YY:YY)
 | Kirjoita tekstiä napsauttamalla tätä. |
| Compliance with Operating Procedures |
| * 1. Are you able to fully operate by eSett’s Operating Procedures in all respects? (See Appendix 1)
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |
| 1. Agreements
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| *eSett has defined the following standard agreements to govern the relationship and transactions between eSett, the Settlement Bank and the BRP:** *Settlement Bank Agreement to be signed by the Settlement Bank and eSett*
* *Pledged Cash Account Agreement to be signed by the BRP, the Settlement Bank and eSett*
* *On-Demand Guarantee to be signed by the Settlement*
* *Valid bilateral agreement with eSett’s settlement bank Nordea for execution of request for transfer transactions*
 |
| * 1. Are you able to fully comply with the terms in these agreements?
 | [ ]  Yes[ ]  No | Comment:Kirjoita tekstiä napsauttamalla tätä. |

**Appendix 1 – eSett’s Operating Procedures**

This Appendix describes the operating procedures between eSett and the Settlement Banks in the Nordic Imbalance Settlement. These procedures may be amended by eSett from time to time. Ability of the Bank to operate according to these procedures is a prerequisite for eSett to be able to allow the BRPs to use the Bank as their Settlement Bank in the Nordic Imbalance Settlement.

**1 Collecting of the BRP’s payable amounts**

To collect the BRP’s payable amounts arising in the Nordic Imbalance Settlement, eSett instructs the Settlement Bank to debit the BRP’s Pledged Cash Account and transfer the funds to eSett’s account in eSett’s Bank (currently Nordea Bank Finland Plc). These instructions shall be provided and carried out in accordance with the “Request for Transfer” service defined by SWIFT and implemented by banks on a bilateral basis. The Settlement Bank needs to have signed necessary agreements with eSett's Bank and the BRPs to enable the execution of Request for Transfer transactions as defined herein.

The Request for Transfer instructions issued by eSett are forwarded by eSett’s Bank to the Settlement Bank through the SWIFT network in accordance with the MT101 message format specified by SWIFT. The Settlement Bank shall execute the Request for Transfer instructions in accordance with its Request for Transfer service based on the “Request For Transfer Service Level Rules & Regulations” published by SWIFT and in accordance with any bilateral agreement between the Settlement Bank and eSett’s Bank. When executing the instructed payment, the Bank shall include in the remittance information field of the outgoing payment message (MT103 field 70), unaltered, at least the 35 first characters of any remittance information supplied in field 70 of the incoming MT101 message.

The payments in response to Request for Transfer instructions shall be executed as Same-Day Value payments, provided that the Request for Transfer instructions issued by eSett through eSett’s Bank have been received by the Settlement Bank by the time stipulated in Table 1 below. Same-day value shall mean that the payment is executed on the same day as the instructions are received and that the funds are available to eSett’s Bank on that same day.

Table 1 Schedule for Request for Transfer transactions

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Message or transaction** | **Description** | **Deadline** |
| (1) | **Incoming Request for Transfer from eSett** | Deadline for when an incoming Request for Transfer instruction sent by eSett through eSett's bank shall be available to the Settlement Bank in order for deadline (2) to apply. | 11:00 CET D+0 |
| (2) | **Outgoing payment transfer to eSett** | Deadline for when a payment transfer from the BRP's Pledged Cash Account to eSett's account in response to a Request for Transfer instruction from eSett shall be available to eSett's bank, provided that the incoming Request for Transfer instruction was available to the Settlement Bank by the deadline (1). | 14:45 CET D+0 |

The Settlement Bank shall immediately inform eSett or eSett’s Bank if it, due to any reason, is unable to execute a payment from a Pledged Cash Account as instructed by eSett. In such situations, the Settlement Bank shall also, to the extent possible, indicate the reason why the payment instruction could not be executed.

**2 Reporting of Balances and Transactions on the Pledged Cash Account**

For the purpose of collateral monitoring and ensuring orderly settlement of the BRPs’ payable amounts, eSett needs to have up to date information about the balances and transactions on the BRPs’ Pledged Cash Accounts.

The Settlement Bank shall make daily end-of-day transaction and balance reports on the BRPs’ Pledged Cash Accounts available to eSett in the MT940 format defined by SWIFT. The Settlement Bank shall transfer the MT940 reports to eSett’s Bank through the SWIFT network by 5:30 am CET each banking day of the Settlement Bank and eSett shall retrieve the reports from eSett’s Bank.

In addition and when required, the Settlement Bank shall respond to eSett’s reasonable enquiries concerning intra-day transactions and balances on a Pledged Cash Account. The Settlement Bank may provide such information in the MT941 format defined by SWIFT, or manually.

**3 Release of Excess Funds on a Pledged Cash Account**

If the balance on a Pledged Cash Account is higher than what is necessary for the BRP to meet the Collateral Requirement and any other requirement specified by eSett in accordance with the Imbalance Settlement Agreement, the BRP may request from eSett that the balance in excess of the aforementioned requirements (“Excess Funds”) be released from the Pledged Cash Account.

Upon the receipt of a valid request to release Excess Funds, eSett will send an MT101 message specified by SWIFT through the SWIFT network or an email to the Settlement Bank to instruct the Settlement Bank to make the Excess Balance available to the Account Holder. The Settlement Bank shall then transfer the Excess Balance to another designated account of the Account Holder. The account to be used for this purpose shall be agreed between the Account Holder and the Settlement Bank.

While it is acknowledged that any (positive) interest accrued to the funds on the Pledged Bank Account (if any) is in the scope of the pledge under the Pledged Cash Account Agreement it is stated for clarity, that the Settlement Bank Agreement or the Pledged Cash Account Agreement does not prevent the Settlement Bank from utilising its possible right to set-off accrued negative interest payable by the Account Holder (if any) to the Settlement Bank under the terms and conditions of the Pledged Cash Account if such negative interest will not be otherwise charged.

1. Available at <http://www.swift.com/resources/documents/standards_request_to_transfer_level_rules_and_regulations.pdf> [↑](#footnote-ref-2)