Westpac
Australia's First Bank

Continuous Linked Settlement Daily Timeline

Example:- Sydney Eastern Standard Time		Central European Time (CET)
	08.00	00.00 — 00.00 Deadline for amend & unilateral rescind. Initial 'Pay-In Schedule' issued by CLSB.
Tokyo 08.00	09.00	
	10.00	
	11.00	03.00
	12.00	
	13.00	.
London 05.00	14.00	06.00 06.30 Deadline for bilateral rescind. Revised 'Pay-In Schedule' issued by CLSB.
Pay-in window for AUD & JPY (3 hrs)	15.00	**07.00** Settlement window begins.
	16.00	**08.00** 1st 'Pay-In' due - all currencies.
	17.00	**09.00** 2nd 'Pay-In' due. Target settlement completion time.
	18.00	**10.00** 3rd 'Pay-In' due. Final 'Pay-In' for AUD & JPY.
	19.00	**11.00** 4th 'Pay-In' due for CAD, CHF, EUR, GBP & USD.
New York 06.00	20.00	**12.00** End of settlement window. 5th & final 'Pay-In' due for CAD, CHF,EUR, GBP & USD.
	21.00	
	22.00	22.45 Final 'Pay-Out' of any long position held by CLS members.

How CLSB works

Minimal risk due to 'payment vs payment' system. Both sides of the Foreign Exchange (FX) transaction are paid simultaneously. If one side of the payment is not made the other side is not made.

•All CLSB trades are irrevocable.

•5 hour settlement window for North American and European currencies.

•3 hour settlement window for Asia-Pacific currencies.

How settlement occurs

• Westpac and other settlement members confirm the FX transaction electronically and send a copy to CLSB.

•CLSB matches both confirmations of trades and stores them until their payment /value day.

•At 00.00 hours Central European Time (CET) on the payment day, CLSB computes an initial 'pay-in schedule' for each member.

•CLSB examines and calculates each member's required net 'Pay-In'.

•At 06.30 the final 'Pay-In Schedule' is issued to the settlement member.

•The settlement members begin 'Pay-In' process at 08.00 CET. This has the effect of pre-funding the member's accounts at the CLSB.

•The net proceeds are paid out to the settlement members.

•Any missed pay-in by a settlement member results in its trades being stopped.

•Prior to 00.00 hours CET, settlement members can unilaterally rescind any of its trades.

•Between 00.00 and 06.30, trades can only be rescinded bilaterally - by both parties to the trade.

As at: 11 December, 2000