

CSDs: [Indeval \(Mexico\)](#)

Date: 28 May 2009

SMI Markets: [Mexico](#)CMIRR Markets: [Mexico](#)

Indeval Requires Mandatory Matching of FOP Deliveries

On 25 May 2009, the S.D. Indeval (Indeval) implemented a new requirement through its settlement system, DALI to match the deliverer's and receiver's Free of Payment (FOP) instructions prior to settlement. This mechanism is aimed at preventing securities dumping and reducing the number of reconciliations and the input of incorrect instructions in the market.

Under the new requirement, the trade will remain as failed until both FOP instructions are matched at DALI. Previously, matching was executed directly between the custodians out of DALI's control as it was considered that there was almost no risk in delivering free securities at the sub-custodians acting upon instructions.

However, due to the increase in the number of unrecognised securities being delivered through this method, there was also a rise in the amount of reconciliations required.

CSD Risk Impact

Indeval (Mexico)

CSD Rating: A+

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

The new required mandatory matching of FOP deliveries by Indeval will help mitigate the risk of failed trades in the market as well as reducing the number of reconciliations and the input of incorrect instructions.

Market Information Impact

Mexico

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Mexico

Market Rating: A+

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = AA-

Flash Impact = Positive

The new required mandatory matching of FOP deliveries by Indeval will help mitigate the risk of failed trades in the market as well as reducing the number of reconciliations and the input of incorrect instructions.

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