



OTP Bank Group

Market: Croatia

Date: January 25, 2024

Category: Market info

The hold and release mechanism and partial settlement within Croatian CDCC

Summary: The hold and release mechanism and partial settlement

CDCC (Croatian CSD, SKDD) informed their members that the conditions prescribed by Article 12 of the RTS on settlement discipline have been met, which refer to the introduction of the hold and release mechanism and partial settlement.

During 2023, SKDD monitored that:

- ✓ the value of failed settlements does not exceed EUR 2.5 billion per year;
- ✓ the rate of failed settlements, based on the number of settlement instructions or the value of settlement instructions, is less than 0.5% per year.

For the year 2023, the annual value of failed settlements is EUR 196,578,238.86, the rate of failed settlements by number of instructions is 0.39% and the rate of failed settlements by value of instructions is **0.62%**.

The 0.12% overrun refers to 400 failed settlement instructions out of 101.308 instructions recorded last year in the settlement system with a total value of EUR 31,533,817,626.16.

Data on failed settlements:

- ✓ SEFP (Settlement Fail Penalty) – 50 settlement instructions.
- ✓ LMPF (Late matching Fail Penalty) – 350 settlement instructions (average duration of LMPF failure is 3.1 days per transaction) with the main reasons for LMPF late received instructions from clients.

Kindly note that following the above, CDCC will introduce the functionality of the hold and release mechanism and partial settlement within the following year, whereas CDCC will inform the public about all the details in a timely manner.



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For any additional questions, please feel free to contact us at settlement@otpbanka.hr .

Impact: The hold and release mechanism and partial settlement

Required actions: -

Application date: -

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