



**International Securities Lending Association (ISLA) Operations Market Best Practice Committee**

**STATEMENT OF MARKET GUIDANCE:  
BILLING STATEMENT REPORT FORMAT FOR EQUITY LOANS**

**General**

ISLA issued a Market Guidance Paper on Billing Compare in November 2008. The aim of that paper was to communicate appropriate standards and best practice for the whole billing process including delivery, reconciliation, payment and claim of funds. This statement of market guidance is intended to support and build on that paper, by proposing a standardised format for billing statements.

ISLA continues to support the use of automated vendor solutions as best practice for billing delivery and reconciliation. However, a large proportion of market participants are not yet in a position to employ such automated solutions, and consequently billing teams expend a large amount of time and resource reconciling billing statements in as many different formats as they have counterparties. The aim of this paper is to specify standardised billing statement formats, in terms of file type and content, which market participants are encouraged to adopt. Use of standardised formats will enable increased automation and efficiency of reconciliation in a number of ways:

- Vendors will be able to provide these formats as standard packages within widely used exposure management platforms.
- Files will be able to feed into one-sided billing reconciliations offered by automated vendors, offering the party who has signed up to the vendor a similar standard of billing reconciliation product that they receive in a fully automated billing comparison.
- Market participants will be able to increase the efficiency of their internal billing process by developing an internal automated solution for processing counterparty billing statements, in a uniform format, rather than the wide variety of different formats that are currently employed.

**File Types**

Market participants currently produce billing statements in different file formats, ranging from Microsoft Excel or csv type files to HTML documents or Adobe Acrobat pdf files. **It is recommended that all market participants send billing statements to their counterparties in an easily manipulable file format, specifically tab delimited files which can be easily loaded into Microsoft Excel or machine read by the recipient.** This is to enable recipients or vendor platforms to adjust the formatting as necessary to enable bills to be reconciled and processed automatically.

## **File Content – General Approach**

The ISLA billing file is designed to provide a stock lending billing statement in a structured format which can both be easily machine read for automated reconciliation and manually reviewed / annotated by Operations staff in MS Excel.

ISLA billing files contain a separate record for each trade and for each date range within a billing period where the same quantity, price, loan value and fee / rebate rate apply. The billing amount for each such date range is the TOTAL amount accrued for the trade relating to the specified date range.

The “from” and “to” date fields on each record specify the inclusive date range to which the billing amount relates. Where a record applies for one day only, both fields contain the same date. For example: From 20090101 to 20090101 means this record applies for 1 day on 1 January 2009 only. As an alternative example, from 20090101 to 20090131 means this record applies for 31 days (the whole of January) from 1 January until 31 January. Billing records for a single trade are presented in contiguous incrementing periods without any date overlap as sequential lines in the billing file.

Summaries of the total fees and rebates, payable and receivable by currency are included in the billing file for the convenience of human readers of the files. Summary records MUST agree to the sum of the billing amounts specified on the detail trade by trade records, as the summary records are ignored by automated reconciliation processes. Summaries by sub account code and / or parent / major account code may also be provided at the option of the sender. Summary records are output after all detail trade records at the bottom of the billing file.

To identify the summary billing records within the billing file, the security code field (sec\_code) is set to a dummy value of “TOTAL”, “TOTALACCT” or “TOTALPARENT” and the security description is set to either “GRAND TOTAL”, “ACCOUNT TOTAL” or “PARENT TOTAL”. The appropriate entries are chosen depending on whether the total being provided is a grand total, an account total or a total by parent account.

Fields that are not applicable to any particular summary record are left blank. For example, on a Grand Total record, the only fields that are populated are the sec\_code, sec\_description, fee\_rebate\_ind, billing\_ccy, billing\_amount and pay\_rcv\_ind fields. All other fields are left blank. A summary by account uses the same fields as the grand total, except that cpty\_cd and cpty\_descr are also populated. For summaries by parent account, cpty\_major\_cd and cpty\_major\_descr are the only additional fields which are populated in addition to the fields for grand total summary records.

## **Format Specification**

Data should be provided in a tab delimited field format with two header lines and one footer line (see below). Any tabs and CR+LF characters within the data itself MUST be converted into 2 spaces instead before being output into the data file. Records are delimited using CR+LF (0x0D 0x0A ASCII) characters (i.e. standard windows/DOS format text file with one tab delimited record per line). The ISLA billing statement file is designed to be displayed in a user friendly format in Microsoft Excel and will show the bill in separate columns for each field with a corresponding field name at the top of each column.

Numeric values should be provided with explicit decimals, leading negative signs (where applicable) and without any thousands comma separators. Prices and nominal amounts (in the quantity field) should be supplied with up to 10 decimal places of accuracy and other monetary values should be supplied with no more than 3 decimal places. Dates should be provided in century year month date format, with no separators – i.e. YYYYMMDD. Percentage rate fields (e.g. fee\_rate / rebate\_rate) should be expressed as a whole number representing the percentage required, but without the ‘%’ character – For example, a value of ‘4.25’ for a rate field means 4.25%. Currencies should be specified using the 3 character currency code in accordance with ISO 4217. All data fields, including text fields, should NOT have any quotes around them and should ensure that any embedded tabs / carriage return / line feed characters in the data fields have been converted to spaces before being included in the file.

The first header line details the sender and intended recipient of the bill, the applicable billing date range / month and the date and time the statement was generated. The second header line details the names of the data fields included in the file, so that when the file is opened in Excel, each column is correctly labelled.

The first header line should contain the following key / value pairs with each key and value separated by colon and space and each key/value pair separated by tabs:

```
File_type: ISLABillingV1<tab>From: Lender ABC, Boston<tab>To: Borrower XYZ,
London<tab>Period_start: 20090101<tab>Period_end: 20090131<tab>Generated: 20090203 03:47
```

In the above header line, <tab> should be replaced with an actual ASCII Tab character, “Lender ABC, Boston” should be replaced with the name of the sender, “Borrower XYZ, London” should be replaced with the name of the recipient and “20090101” should be replaced with the applicable start of the month being billed, “20090131” should be replaced with the applicable end of month being billed and “20090203 03:47” should be replaced with the date and time that the file was created.

The second header line should contain the field names (as shown in the “Field” column in the table below) separate by tabs. Only the fields actually included in the file should be output in the second header line. These field names should show what data is in each column when the file is opened in Excel. An example of this would be:

```
cpy_major_cd<tab>cpy_major_descr<tab>cpy_cd<tab>cpy_descr<tab>sec_code<tab>...
```

The final line is a file footer which has a record count using the same format as the first header line:

```
Record_count: 2568
```

In the above footer line, “2568” should be replaced with the actual number of data records included in the file (i.e the number of lines in the file excluding the 2 header lines and the 1 footer line).

Field	Description	Example Entry
cpy_major_cd	Parent / Major Account Code	ABC
cpy_major_descr	Parent / Major Account Description	ABC Lenders
cpy_cd	Sub Account Code	ABC 1
cpy_descr	Sub Account Description	ABC Account 1
sec_code	Primary security identifier	1234567

<b>Field</b>	<b>Description</b>	<b>Example Entry</b>
sec_code_type	Type of the primary security identifier – e.g. ‘SE’ for Sedol, ‘CP’ for cusip, ‘IS’ for ISIN, ‘QK’ for Quick code	SE
sec_description	Description of Security	Test security one
sec_isin	ISIN code (need at least one of ISIN, Cusip, Sedol or Quick)	GB0012345674
sec_cusip	Cusip code	568432154
sec_sedol	Sedol code	1234567
sec_quick	Quick code	6859
sec_type	Optional field: Security type: ‘E’ for Equities and ‘F’ for Fixed Income securities. This should be populated with ‘F’ when the security is a fixed income style security (i.e. where the “quantity” on loan is expressed as a nominal value) or ‘E’ for other securities.	E
sec_country	Option field: Security country of issue. Contains the two character ISO 3166 code for the country in which the security was issued.	GB
trade_reference	Unique Internal Trade Reference, as per the sender’s books and records system	58756126
borrow_loan_ind	Borrow / Loan Indicator (e.g. ‘B’ for borrows) from the perspective of the file sender. (i.e. a Lender would send ‘L’ for their loans)	L
collateral_type_ind	Collateral type for the trade - e.g. ‘C’ash (i.e. rebate trade), ‘N’ for non-cas, or pool cash	C
date_from	The starting date of the period described by this record	20090110
date_to	The ending date of the period that this record described.  N.B. There will generally be several records per trade, with successive Date From/Date To periods. The Date From / Date To periods should be contiguous, and should not overlap. As a general rule, no From Date should be less than the start of the billing period and no End Date should be greater than the end of the billing period.	20090110
quantity	Quantity / Nominal Value on loan	750000
loan_ccy	Loan currency in ISO 4217 format (e.g. USD)	USD
loan_price	Price of the loan (in loan currency)	5.74
loan_value	Loan value used to calculate the fee or rebate	4306250.00
fee_rebate_ind	Indicator for fees or rebates - ‘F’ for fees or ‘R’ for rebates.	‘F’
fee_rebate_rate	The applicable fee or rebate rate for this period	1.25
billing_ccy	The currency of the billing amount	USD
billing_amount	The fee or rebate amount billed in billing_ccy. This number is signed NEGATIVE when payable and POSITIVE when receivable from the perspective of the bill sender.  Where a minimum fee applies when the trade closes, the billing amount should INCLUDE the minimum fee on the final billing record and the amount of the minimum fee should also be populated in the minimum_fee field below.	-149.52
pay_rcv_ind	Indicates whether the billing amount is payable or receivable. ‘P’ for pay (i.e. negative billing amount) and ‘R’ for receive (positive billing amount).	‘P’

<b>Field</b>	<b>Description</b>	<b>Example Entry</b>
minimum_fee	<p>Populated with a minimum fee, but only if a minimum fee has been incurred – This field should be left blank otherwise. Only expected for the final period of a transaction, where the transaction has not reached the agreed minimum fee. The value expected is the difference between the agreed minimum fee and the transaction fees to date.</p> <p>This number is signed NEGATIVE when payable and POSITIVE when receivable from the perspective of the bill sender.</p>	
min_fee_pay_rcv_ind	<p>Indicates whether the minimum fee is payable or receivable. 'P' for pay (i.e. negative minimum fee) and 'R' for receive (positive minimum fee). This field should be left blank when the minimum fee field is left blank.</p>	

**Notes:**

1. Account Identification - At least one of "Cpty Cd" or "Cpty Major Cd" must be supplied, so the applicable account can be identified.
2. Security Identification - As many security identifiers (ISIN, Cusip, Sedol, Quick) should be supplied as possible to maximise chance of matching. At least one code must be supplied.

**Summary**

- The preferred option for billing delivery and reconciliation is use of an automated vendor solution.
- The purpose of standardising billing statement formats is to allow market participants to reduce the number of different formats which they have to process for counterparties not using automated platforms.
- This can be achieved by encouraging as many market participants as possible to adopt files with the same content fields, and which have a manipulable format, which will allow them to be processed by a vendor platform or in-house automated solutions.
- Market participants are encouraged to send their billing statements monthly in tab delimited format as specified in this paper, suitable for opening in Microsoft Excel or to be machine read.
- This will facilitate more automated reconciliation and easier manual annotation and review by Operations staff.

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