ERCC recommendations to support settlement efficiency

1) **Shaping of settlement instructions:**
   - Existing best practice should apply on a mandatory and automated basis
   - Ideally, to be implemented as a joint industry effort, or if not possible, supported by authorities

2) **Use of auto-partialling:**
   - Should be applied whenever feasible
   - All CSDs to implement partial release functionality to overcome remaining technical obstacles
   - Availability of partial release and usage of auto-partialling should be monitored closely

3) **Auto-borrowing programmes:**
   - All CSDs to offer auto-borrowing programmes & CSD participants strongly encouraged to use them where possible
   - CCPs should have a strict requirement in their rules for members to sign up to auto-borrowing
   - CSDs and ICSDs to develop a framework to help oversee their use
   - Targeted opt-outs may be necessary but should be extremely limited – most liquid asset classes shouldn’t require opt-outs

4) **Other aspects:**
   - CCP rulebooks: need for stricter measures and concrete escalation procedures for parties that repeatedly and consistently fail?
   - Further focus needed on other operational elements which impact the efficiency of the overall settlement environment
   - Developing relevant data points and measurements will be essential to support the recommendations