5 October 2023
ESMA74-2119945925-1689

Reply form

on the call for evidence on shortening of the settlement cycle

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **15 December 2023.**

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type < ESMA_QUESTION_SETT_0>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA_CP1_SETT _nameofrespondent.

  For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA_CP1_SETT _ABCD.
- Upload the Word reply form containing your responses to ESMA's website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at *www.esma.europa.eu* under the heading *'Your input - Consultations'.*

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading 'Data protection'.

Who should read this paper?

All interested stakeholders are invited to respond to this consultation paper. In particular, ESMA invites market infrastructures (CSDs, CCPs, trading venues), their members and participants, other investment firms, issuers, fund managers, retail and wholesale investors, and their representatives to provide their views to the questions asked in this paper.

1 General information about respondent

Name of the company / organisation	GFMA's Global FX Division
Activity	Associations, professional bodies, industry representatives
Are you representing an association?	☒
Country / Region	Europe

2 Questions

Q1 : Please describe the impacts on the processes and operations from compressing the intended settlement date to T+1 and to T+0. Please:

(i) provide as much detail as possible on what issues would emerge in both cases and how they could be addressed with special attention to critical processes (matching, allocation, affirmation and confirmation) and interdependencies. Where relevant please explain if these are general or asset class/instrument/ trade specific.

(ii) Identify processes, operations or types of transaction or financial instrument class that would be severely impacted or no longer doable in a T+1 and in a T+0 environment.

Please, suggest if there are legislative or regulatory actions that would help address the problems. Where relevant please explain if these are general or asset class/instrument/ trade specific.

<ESMA_QUESTION_SETT_1>

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<ESMA_QUESTION_SETT_1>

Q2 : **What would be the consequences of a move to a shorter settlement cycle for (a) hedging practices (i.e. would it lead to increase pre-hedging practices?), (b) transactions with an FX component?**

<ESMA_QUESTION_SETT_2>

The Global Foreign Exchange Division (GFXD) of the Global Financial Markets Association (GFMA) welcomes the opportunity to provide comments to ESMA's Call for Evidence on shortening the settlement cycle.

The GFXD was formed in co-operation with the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). Its members comprise 24 global FX market participants[1], collectively representing the majority of the FX inter-dealer market[2] (according to the Euromoney league table).

In responding to this question, we would like to highlight two papers that we have published in relation to FX and a shortened settlement cycle – and we have attached these to our response for reference. The first paper assesses the FX considerations of the move to T+1 securities settlement in the United States (US)[3], and we also recommend that ESMA assesses the feedback/market impact of the US go live in May 2024. The second paper reviews the requirements and dependencies necessary for increasing volumes of same day trading/settlement (T0) for wholesale FX[4] and we provide 9 recommendations to help market participants in their analysis.

The wholesale FX market is the largest in the world - recent analysis from the Bank of International Settlements (BIS) reported that the average turnover in April 2022 for the global wholesale FX market was $7.5 trillion a day. Sovereign entities, central banks and other government-sponsored entities rely on the FX market to be well-functioning and liquid, and corporations and investors regularly participate in the market for important operational needs:

- To reduce risk by hedging currency exposures
- To pay suppliers and to be paid for services outside their home market
- To convert their returns from international investments into domestic currencies
- To make cross-border investments and raise funding outside home markets

Foreign investors in EU securities (which are denominated in euros) execute FX transactions to fund the purchase or sale in euros from their local currencies. Accelerating EU securities settlement to T+1 or T0 impacts related FX transactions and could increase the risk that the funding of the security transaction (which is dependent on FX settlement) may not occur in time. It is therefore critical that any changes which could impact the ability to safely execute and settle FX transactions are carefully considered.

Similar to other asset classes, the FX front to back transaction lifecycle includes execution, allocation, confirmation, and settlement. The main consequence of moving to a shortened settlement cycle is that market participants will have to perform these functions in a much shorter timeframe. The FX market is cross-border by definition, operating across multiple jurisdictions and time-zones (trading at sales desks in five jurisdictions – the United Kingdom, the United States, Hong Kong SAR, Singapore and Japan – amounted to 78% of all FX trading ("net-gross" basis))[5]. It is critical that there is sufficient time to enable these lifecycle functions to be performed by market participants who need to contact each other across multiple jurisdictions (i.e. multiple time zones).

Whilst the wholesale FX market can and does execute T+1 and T0 transactions today (noting T0 transactions are largely for funding purposes), volumes specifically for T0 are limited due to the inherent challenges in performing these lifecycle functions/processes within a considerably shortened timeframe.

Since 2013, the global FX industry has leveraged the BCBS 'Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions'[6]. ESMA should note that there is industry-wide focus on leveraging payment versus payment (PvP)[7] processes to mitigate FX Settlement Risk [Principal Risk], defined in the supervisory guidance to mean 'The risk of outright loss of the full value of a transaction resulting from the counterparty's failure to settle. This can arise from paying away the currency being sold, but failing to receive the currency being bought. (Also referred to as "Herstatt Risk")'.

Mitigating the amount of FX Settlement Risk[8] has been a primary FX market focus since 1974 - for both market participants and supervisors/regulators including the BIS[9] and is also referenced in the FX Global Code[10].

Continuous Linked Settlement (CLS) Bank Intl.[11] mitigates Settlement Risk via a multilaterally-netted PvP mechanism, akin to delivery versus payment (DvP) for securities. Members of CLS Bank can settle eligible FX transactions via PvP for 18 currencies (including T+1), and the industry as a whole is keen to ensure as many transactions as possible settle via CLS, or other PvP platforms.

Further details of some of the pre-at-post trade considerations which may be impacted by shortened settlement cycles are:

1. Pre-trade

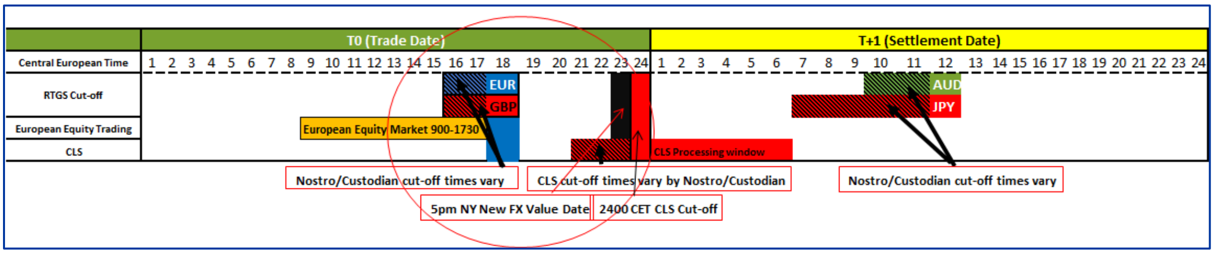
Account opening: KYC/AML checks and loading and verification of Standard Settlement Instructions (SSIs) will need to be performed in a shorter timeframe, noting this requires significant coordination and communication between counterparties to the transaction. This also includes agreements to settle in CLS.

Block trading: FX Block trading for institutional clients will require added pre-trade vigilance for new account set-ups.

2. At trade

Funding and liquidity management: Market participants may be required to execute an FX transaction during periods of reduced liquidity, especially when intending to settle the FX transaction in CLS. This may require enhanced levels of communication between divisions, including Treasury and Trading to ensure that funds are available in the right currency at the right time/place. Chart 1 illustrates the FX cut-off times for cross border transactions for European securities transactions. Similarly to transaction execution models in the US, some equity transactions are executed at "Market-On-Close" (MOC) in the E.U., meaning the equity transaction is executed at 1730 CET. The exact amount of currency needed to be transacted becomes known at that point. Depending on the location of the market participant, this could result in more next day (i.e. T0) trading for Asia based participants.

Chart 1 FX Cut-off times for European Security Trading (CET)



3. Post-trade

Processes: The FX post-trade process includes allocation, matching, confirmation, and settlement. All these processes require high levels of coordination between counterparties to the transaction as well as multiple intermediaries, e.g. confirmation platforms, custodians, Nostro agents (who provide Nostro accounts)[12], all of which will have their individual deadlines/timeframes and processes which must be complied with and respected. While some of these processes may be electronic or automated in nature, this is not the case for all and may require additional bilateral manual coordination.

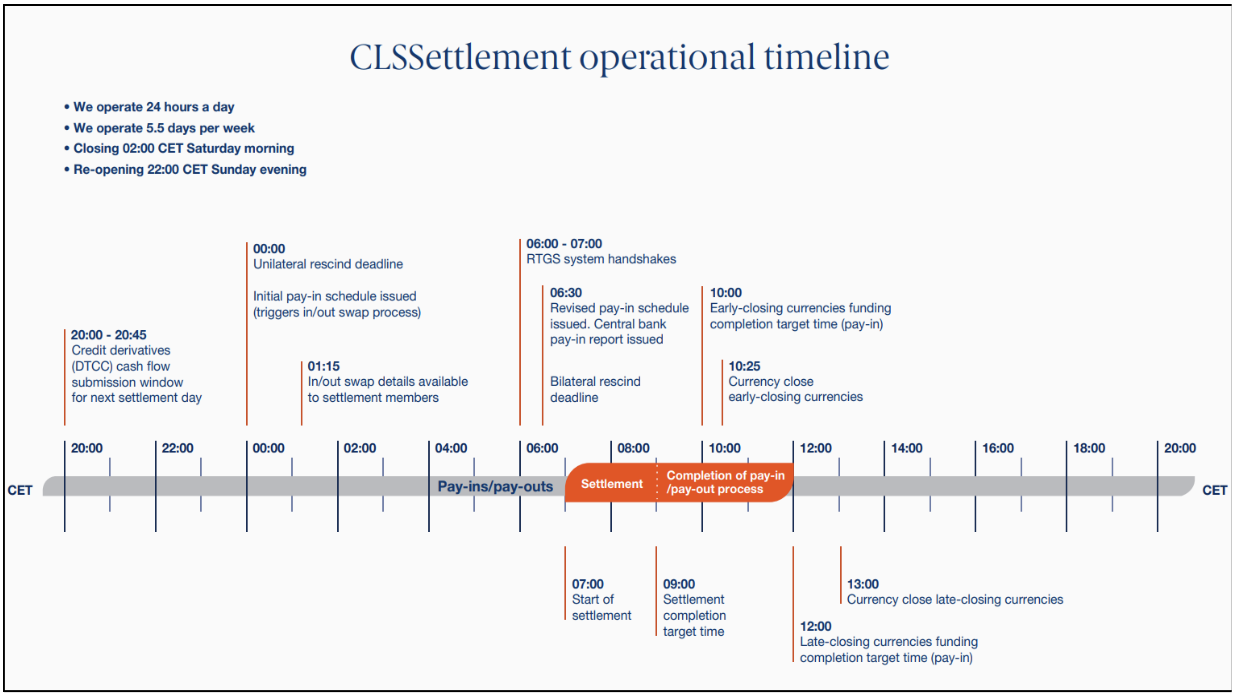
FX Settlement: There are multiple factors when considering the settlement of FX transactions and mitigation of FX Settlement Risk. The preferred option is to settle on a PvP basis, the least preferred option is to settle trades on a bilateral, gross basis (noting that for non PvP settlement the industry preference is to net-settle).

- **CLS:** If the currency and counterparty are CLS eligible, and the transaction is processed within the CLS timeline, T+1 FX transactions can be settled inside CLS to mitigate Settlement Risk. The critical cut-off time for T+1 transactions processed inside of CLS is 12am (midnight) CET on trade date, noting that this may allow some T0 Asia trades to be included in CLS for settlement. Nostro agents can often enforce their own cut-off times prior to the CLS 12am CET cut-off, to help ensure all transactions are captured and processed into the CLS system. FX transactions that miss the CLS cut-off time can still be booked for T+1 value providing they are executed/processed before any associated cut-off times (including the local central bank currency cut-off times) and will be settled outside of CLS. Whilst Settlement Risk reduction techniques can be used, these will not involve CLS and therefore may attract increased levels of Settlement Risk.

- **Settlement Risk Reduction Techniques:** Market participants, when settling FX transactions outside CLS, should look to apply risk reduction techniques such as bilateral settlement netting or 'On-us' settlement[13].

- **FX Settlement Fails:** There are established global industry processes to manage and address FX settlement fails[14]. A move to T+1 settlement for securities potentially increases the risk of a late FX payment which could increase costs and operational risk for market participants and potentially cause the settlement failure of the corresponding security.

- **Chart 2 CLS Operational Timeline**



Source: clssettlement_overview_feb2022.pdf

Timing considerations: The ability to trade EU securities related FX and settle on a T+1 PvP basis (noting the industry-wide desire to reduce FX Settlement Risk) will depend on multiple timing deadlines including:

- **Local currency cut-off times:** Each country has its own local currency cut-off times for same-day currency payments. This ultimately determines whether an FX transaction can be settled on time, and is dependent on the operating hours of the settlement systems of the central bank in which currency is settling. In the EU, the T2[15] is the relevant RTGS system and its operating hours are generally between 0700 – 1800 CET.
- **Nostro agents and custodians:** Nostro agents and custodians may enforce their own processing deadlines, which will be independent of either CLS or local central bank operating hours. Market participants need to consider this in their ability to trade and settle on a T+1 basis.

4. Settlement Risk

Reducing Settlement Risk is a key priority for both supervisors and FX market participants and is achieved by using PvP mechanisms such as CLS. T+1 FX transactions can and are currently settled inside CLS to mitigate Settlement Risk, assuming the currency pair and counterparty are CLS eligible, and the transaction is processed within the CLS timelines. The critical cut-off time for T+1 transactions processed inside of CLS is 12am (midnight) CET on trade date. Nostro agents (plus other parties e.g. custodians) can often enforce their own cut-off times prior to the CLS 12am CET cut-off, to help ensure all transactions are captured and processed into the CLS system. These could be many hours before the CLS cut-offs and are a significant contributor to ensuring FX transactions can be settled via CLS. Therefore, whilst Settlement Risk mitigation can take place (see the above section for examples on how this can occur), this will not involve CLS and therefore likely to attract increased levels of Settlement Risk.

5. **Additional Considerations for T0**

Changing security settlement cycles are not expected to result in the whole global FX market moving to T0 and current market conventions, e.g. spot, forward, are expected to continue to exist. It could however be that following analysis, the cost implications of offering FX on a T0 basis outweigh the benefits especially when considering the additional resource and changes to existing technologies to support such new requirements.

The FX trade lifecycle functions referenced above will need to be performed over a shorter timeframe – leaving little or no room for error. There are a series of additional considerations required to enable FX settlement on a T0 basis at scale.

We have discussed these considerations in depth in our recent paper "Accelerated FX Settlement- Moving to T0 and continuous settlement"[16]. These considerations include:

PvP Settlement: Currently, there is limited industry-wide ability to settle T0 wholesale FX on a PvP basis. A supervisory drive to increase volumes of T0 trading and settlement without a functioning and widely adopted, multilaterally netted (i.e. liquidity efficient) PvP solution (s) will likely increase FX Settlement Risk. We believe that this is contrary to the 2013 BIS guidance on managing FX Settlement Risk as well as the Global Code.

Settlement Date: Existing conventions, such as Settlement Date (Value Date) may also need revisiting to accommodate T0 PvP settlement across time zones. In our 2020 paper titled 'Expanding Payment versus Payment (PvP) opportunities'[17] we suggested that Settlement Date may ultimately align with the 'global trading date', i.e. a globally consistent 24-hour period. This topic however requires careful consideration and debate between the private and public sectors, given the significantly wider implications to traditional FX and other asset classes. Success, however, may yield a standardised 24-hour operating period, enabling more opportunity for the PvP and DvP of FX and associated securities.

Nostro account reconciliations: This is the process where the receipt of funds is performed. Currently this process typically takes place on the day after settlement and any late receipts will usually attract an interest compensation claim. Both the Nostro account reconciliation process and the process for managing FX settlement fails (interest compensation claims process) will require re-engineering to reflect the shortened T0 settlement cycle. The Nostro agent will be required to provide information to ensure that the Nostro account reconciliation occurs on Settlement Date and as close to settlement time as possible. This does not happen in today's workflows.

Significantly, in addition to the re-engineered interest compensation claims process, market participants will also need to consider additional new processes should funds not be received when expected, such as a financial penalty or the re-pricing of the trade. All of this will require effective and quick communication between those divisions involved across the FX Value Chain including credit and treasury.

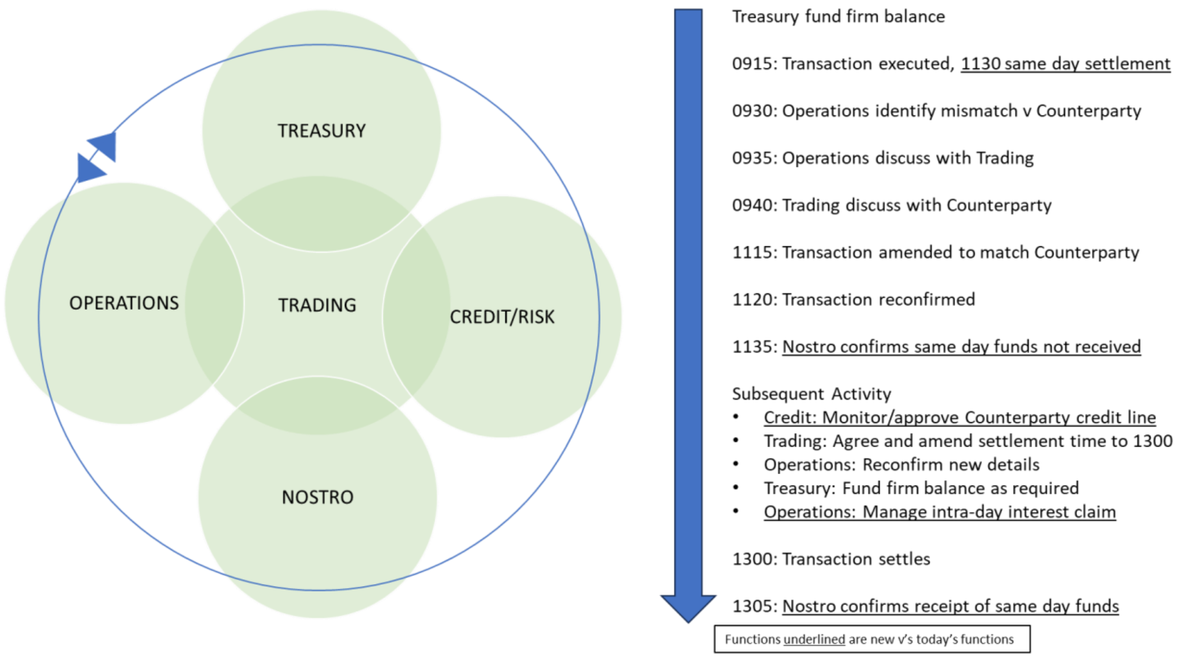
Communication: In order to perform functions in a shorter period of time, there needs to be quick, clear and full sharing of information between multiple divisions such as Trading, Operations, Credit and Treasury – and between counterparties to the trade (see Figure 1 below).

For example, at execution it may be necessary to record the actual time at which the transaction will settle on a PvP basis. This information will then need to be passed to:

i Operations teams to ensure that the transaction is processed (e.g. allocated, confirmed, instructed for settlement) in good time for settlement

ii The Treasury teams to ensure that funds are available at the Nostro account to enable the settlement

Figure 1: Circular flow of information - example T0 FX transaction



Dual processes: A big challenge to overcome will be the ability to perform any new functions to support T0 settlement in conjunction with today's existing processes, as there may be a reduced desire to support multiple trading and settlement models (with very different timeframes and requirements) as standalone units. Market participants will need to perform a cost benefit analysis, before planning, assessing, and then adopting at scale, multiple new processes/systems/operating practices which can be expected to be performed in conjunction with existing practices.

6. Pre-hedging

For FX, it is unclear at this time if pre-hedging, as in the context of the Global Code[18], will be impacted by a shortening of the security settlement cycle.

1. Bank of America, Bank of New York Mellon, Barclays, BNP Paribas, Citi, Credit Agricole, Deutsche Bank, Goldman Sachs, HSBC, ING, JP Morgan, Lloyds, Mizuho, Morgan Stanley, MUFG Bank, NatWest Markets, Nomura, Northern Trust, RBC, Standard Chartered Bank, State Street, UBS, US Bank and Wells Fargo
2. According to Euromoney league table
3. gfxd-fx-considerations-for-t1-u.s-securities-settlement-may23-003.pdf (gfma.org)
4. gfma.org/wp-content/uploads/2023/08/mag-accelerated-fx-settlement-final-july-2023.pdf
5. OTC foreign exchange turnover in April 2022 (bis.org)
6. Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions (bis.org)

7. Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions (bis.org)
8. BIS – CPMI Dec22 -Daily FX market Settlement Risk is $2.2tri – representing 31% of daily turnover. "FX settlement risk: an unsettled issue" https://www.bis.org/publ/qtrpdf/r_qt2212i.htm
9. BIS - CPMI Jul22 "Facilitating increased adoption of payment versus payment (PvP)" https://www.bis.org/cpmi/publ/d207.htm
10. https://www.globalfxc.org/fx_global_code.htm
11. https://www.cls-group.com/news/publications/clssettlement-in-a-day-how-it-works/
12. Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions (bis.org)
13. Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions (bis.org)
14. guidance-for-resolving-interest-compensation-claims-apr2023.pdf (gfma.org)
15. https://www.ecb.europa.eu/paym/target/t2/html/index.en.html
16. gfxd-fx-considerations-for-t1-u.s-securities-settlement-may23-003.pdf (gfma.org)
17. https://www.gfma.org/wp-content/uploads/2020/03/expanding-pvp-opportunities-march-2020.pdf
18. https://www.globalfxc.org/docs/fx_global.pdf

<ESMA_QUESTION_SETT_2>

Q3 : Which is your current rate of straight-through processing (STP), in percentage of the number and of the volume of transactions broken down per type of transaction or per instrument as relevant? In case STP is used only for certain processes/operations, please identify them. Which are the anticipated challenges that you envisage in improving your current rate of STP?

<ESMA_QUESTION_SETT_3>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_3>

Q4 : Please describe the impacts that, in your views, the shortening of the securities settlement cycle could have beyond post-trade processes, in particular on the functioning of markets (trading) and on the access of retail investors to financial markets. If you identify any negative impact, please identify the piece of legislation affected (MiFID II, MiFIR, Short Selling Regulation…) and elaborate on possible avenues to address it.

<ESMA_QUESTION_SETT_4>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_4>

Q5 : What would be the costs you would have to incur in order to implement the technology and operational changes required to work in a T+1 environment? And in a T+0 environment? Please differentiate between one-off costs and on-going costs, comparing the on-going costs of T+1 and T+0 to those in the current T+2 environment. Where relevant please explain if these are general or asset class/instrument/ trade specific.

<ESMA_QUESTION_SETT_5>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_5>

Q6 : In your view, by how much would settlement fails increase if T+1 would be required in the short, medium and long term? What about T+0? Please provide estimates where possible.

<ESMA_QUESTION_SETT_6>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_6>

Q7 : In your opinion, would the increase in settlement fails/cash penalties remain permanent or would you expect settlement efficiency to come back to higher rates with time? Please elaborate.

<ESMA_QUESTION_SETT_7>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_7>

Q8 : Is there any other cost (in particular those resulting from potential impacts to trading identified in the previous section) that ESMA should take into consideration? If yes, please describe the type of cost and provide estimates.

<ESMA_QUESTION_SETT_8>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_8>

Q9 : Do you agree with the mentioned benefits? Are there other benefits that should be accounted for in the assessment of an eventual shortening of the securities settlement cycle?

<ESMA_QUESTION_SETT_9>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_9>

Q10 :Please quantify the expected savings from an eventual reduction of collateral requirements derived from T+1 and T+0 (for cleared transactions as well as for non-cleared transactions subject to margin requirements).

<ESMA_QUESTION_SETT_10>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_10>

Q11 : If possible, please provide estimates of the benefits that you would expect from T+1 and from T+0, for example the on-going savings of potentially more automated processes.

<ESMA_QUESTION_SETT_11>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_11>

Q12 : How do you assess the impact that a shorter settlement cycle could have on the liquidity for EU markets (from your perspective and for the market in general)? Please differentiate between T+1 and T+0 where possible.

<ESMA_QUESTION_SETT_12>

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<ESMA_QUESTION_SETT_12>

Q13 : What would be the benefits for retail clients?

<ESMA_QUESTION_SETT_13>

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<ESMA_QUESTION_SETT_13>

Q14 : How would you weigh the benefits against the costs of moving to a shorter settlement cycle? Please differentiate between a potential move to T+1 and to T+0.

<ESMA_QUESTION_SETT_14>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_14>

Q15 : Please describe the main steps that you would envisage to achieve an eventual shorter securities settlement cycle. In particular, specify: (i) the regulatory and industry milestones; and (ii) the time needed for each milestone and the proposed ultimate deadline.

<ESMA_QUESTION_SETT_15>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_15>

Q16 : Assuming that the EU institutions would decide to shorten the securities settlement cycle in the EU, how long would you need to adapt to the new settlement cycle? And in the case of a move to T+0?

<ESMA_QUESTION_SETT_16>

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<ESMA_QUESTION_SETT_16>

Q17 : Do you think that the CSDR scope of financial instruments is adequate for a shorter settlement cycle? If not, what would be in your views a more adequate scope?

<ESMA_QUESTION_SETT_17>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_17>

Q18 : Is it feasible to have different settlement cycles across different instruments? Which are the ones that would benefit most? Which least?

<ESMA_QUESTION_SETT_18>

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<ESMA_QUESTION_SETT_18>

Q19 : Which financial instruments/ transaction types are easier to migrate to a shorter settlement period in the EU capital markets? Does the answer differ by asset class? Should it be feasible/advisable to have different migration times for different products/markets/assets? If yes, please elaborate.

<ESMA_QUESTION_SETT_19>

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<ESMA_QUESTION_SETT_19>

Q20 : Do you think that the settlement cycle for transactions currently excluded by Article 5 of CSDR should be regulated? If you think that the settlement cycle of some or all of these transactions should be regulated, what would be in your view an appropriate length for their settlement cycle?

<ESMA_QUESTION_SETT_20>

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<ESMA_QUESTION_SETT_20>

Q21 : Please describe the impact(s) that the transition to T+1 in other jurisdictions has had or will have on your operations, assuming the EU remains on a T+2 cycle.

<ESMA_QUESTION_SETT_21>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_21>

Q22 : Can you identify any EU legislative or regulatory action that would reduce the impact of the move to T+1 in third countries for EU market participants? Please specify the content of the regulatory action and justify why it would be necessary. In particular, please clarify whether those regulatory actions would be necessary in the event of a transition of the EU to a shorter settlement cycle, or they would be specific only to address the misaligned cycles.

<ESMA_QUESTION_SETT_22>

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<ESMA_QUESTION_SETT_22>

Q23 : Do you see benefits in the harmonisation of settlement cycles with other non-EU jurisdictions?

<ESMA_QUESTION_SETT_23>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_23>

Q24 : Would reducing the settlement cycle bring any other indirect benefits to the Capital Markets Union and the EU's position internationally?

<ESMA_QUESTION_SETT_24>

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<ESMA_QUESTION_SETT_24>

Q25 : Do you consider that the adaptation of EU market participants to the shorter settlement cycles in other jurisdictions could facilitate the adoption of T+1 or T+0 in the EU? Please elaborate.

<ESMA_QUESTION_SETT_25>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_25>

Q26 : Would different settlement cycles in the EU and other non-EU jurisdictions be a viable option?

<ESMA_QUESTION_SETT_26>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_26>

Q27 : Please elaborate about any other issue in relation to the shortening of the securities settlement cycle in the EU or in third-country jurisdictions not previously addressed in the Call for Evidence.

<ESMA_QUESTION_SETT_27>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_SETT_27>