



Standards

Standards MT Release 2019

Discussion paper and Minutes

Settlement and Reconciliation

Distribution: Settlement and Reconciliation Maintenance Working Group
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1 Introduction

Maintenance working group members:	Representing:	Present
Hiroaki Okumura Mitsubishi bank	Japan	X
Annemie Loose/ Annette Brandt – Euroclear	ICSD	X
Jason Brasile – Statestreet	United States of America	X
Robin Leary – Citibank	United Kingdom	X
Denis Andrejew – DB	Germany	X
Ton Van Andel – ABN Amro	Netherlands	X
Stephan Schuetter – UBS	Switzerland	X
Monica Chow – HSBC	Honk Kong	X
Davy Van Nieuwenborg – KBC	Belgium	X
Axelle Wurmser – BNP Paribas	France	X
Arnaud Jochems – Clearstream	ICSD / Luxembourg	X

2 Overview of User Change requests

2.1 CR 001423: Quarterly Statements for MiFID II (Article 63)

Origin of request	
Requesting Group:	UK&IE S&R NMPG
Sponsors	
UK&IE S&R NMPG	
Message type(s) impacted	
MT 535	
Complies with regulation	
Regulation MiFID II	
Business impact of this request	
<p>MEDIUM</p> <p>The addition of a quarterly statement frequency indicator would just be another in the list of those available that could be used where needed.</p> <p>The addition of a free text field to replace what is currently being sent in the MT 599's would be a bigger impact</p>	
Commitment to implement the change	
<p>Number of messages sent and received:</p> <p>Percentage of messages impacted:</p> <p>Commits to implement and when: UK&IE NMPG in 2019</p>	
Business context	
<p>Article 63 of the MiFID II regulation states the following:</p> <p>.. Article 63</p> <p>1. Investment firms that hold client financial instruments or client funds shall send at least on a quarterly basis, to each client for whom they hold financial instruments or funds, a statement in a durable medium of those financial instruments or funds unless such a statement has been provided in any other periodic statement. Upon client request, firms shall provide such statement more frequently at a commercial cost. The first subparagraph shall not apply to a credit institution authorised under Directive 2000/12/EC in respect of deposits within the meaning of that Directive held by that institution.</p> <p>2. The statement of client assets referred to in paragraph 1 shall include the following information:</p>	

(a) details of all the financial instruments or funds held by the investment firm for the client at the end of the period covered by the statement;

(b) the extent to which any client financial instruments or client funds have been the subject of securities financing transactions;

(c) the extent of any benefit that has accrued to the client by virtue of participation in any securities financing transactions, and the basis on which that benefit has accrued;

(d) a clear indication of the assets or funds which are subject to the rules of Directive 2014/65/EU and its implementing measures and those that are not, such as those that are subject to Title Transfer Collateral Agreement;

(e) a clear indication of which assets are affected by some peculiarities in their ownership status, for instance due to a security interest;

(f) the market or estimated value, when the market value is not available, of the financial instruments included in the statement with a clear indication of the fact that the absence of a market price is likely to be indicative of a lack of liquidity. The evaluation of the estimated value shall be performed by the firm on a best effort basis. In cases where the portfolio of a client includes the proceeds of one or more unsettled transactions, the information referred to in point (a) may be based either on the trade date or the settlement date, provided that the same basis is applied consistently to all such information in the statement. The periodic statement of client assets referred to in paragraph 1 shall not be provided where the investment firm provides its clients with access to an online system, which qualifies as a durable medium, where up-to-date statements of client's financial instruments or funds can be easily accessed by the client and the firm has evidence that the client has accessed this statement at least once during the relevant quarter. 3. Investment firms which hold financial instruments or funds and which carry out the service of portfolio management for a client may include the statement of client assets referred to in paragraph 1 in the periodic statement it provides to that client pursuant to Article 60(1).

The change will impact any country and institution covered by the regulation and will allow MT 535's to be sent quarterly, if not already covered by a more frequent communication, and the text needed to cover the requirements in paragraphs 2b-2e of Article 63

Nature of change

Three changes are proposed:

1. Introduce a new Quarterly statement frequency code to field :22F::SFRE in Sequence A (GENL) of the MT 535

Current options are ADHO (Ad Hoc), DAIL (Daily), INDA (Intra-Day), MNTH (Monthly), WEEK (Weekly) and YEAR (Yearly). Any recipient of a MT 535 on a YEARly basis would not comply with the regulation and the current work around is to use a Data Source Scheme with a non-SWIFT Standard code (eg :22F::SFRE/SMPG/QUAR). Adding QUTR would cover all needs (QUTR already exists as a quarterly statement frequency indicator in the ISO 20022 statement message, semt.002).

2. Introduce a new optional 17B flag qualifier in Sequence A, GENL, to indicate that the holdings on the account may be subject to security interest, lien or right of set-off or not, eg

16R:GENL

...

:17B::ACTI//Y (existing mandatory flag)

:17B::CONS//N (existing mandatory flag)

:17B::SLRS//Y (new optional "Security Interest, Lien or Right of Set-Off" flag)

:16S:GENL

The definition should be on the lines of what institutions are sending in the MT 599 currently, eg

"Custody Assets recorded on your client statement may, depending on your activity, be subject to a security interest, lien or right of set-off in favour of the entity with whom you hold an account (as detailed in any relevant agreements between you and us, as amended from time to time) and/or one or more third parties (including without limitation a sub-custodian, central securities depository, central clearing counterparty or clearing broker), which may or may not be an affiliate. Books and records of Custody Assets are maintained in respect of which a security interest, lien or right of set-off has been granted in our favour, by us or, where we have been informed that this is the case, to such a third party."

3. Introduce a new Statement Narrative field in the Additional Information sequence C of the MT 535 to all the transmission of text to indicate securities interest etc. on the account and holdings

Workaround

The current work around is to use a Data Source Scheme with a non-SWIFT Standard code (eg :22F::SFRE/SMPG/QUAR) and send an accompanying MT 599 for the text

Examples

MT 535
 :16R:GENL
 :28E:1/ONLY
 :20C::SEME//1234567890
 :23G:NEWM
 :98C::PREP//20180329220000
 :98A::STAT//20180329
 :22F::SFRE/SMPG/QUAR (should be :22F::SFRE//QUTR)
 :22F::CODE//COMP
 :22F::STTY//CUST
 :22F::STBA//SETT
 :97A::SAFE//987654
 :17B::ACTI//Y
 17B::CONS//N
 :16S:GENL
 ...

MT 599
 :20:599REFERENCE
 :21:1234567890
 :79:CUSTODY ASSETS RECORDED ON YOUR CLIENT STATEMENT
 MAY, DEPENDING ON YOUR ACTIVITY, BE SUBJECT TO A
 SECURITY INTEREST, LIEN OR RIGHT OF SET-OFF IN
 FAVOUR OF THE [INSTITUTION] ENTITY WITH WHOM YOU HOLD AN
 ACCOUNT (AS DETAILED IN ANY RELEVANT AGREEMENTS
 BETWEEN YOU AND US,
 -

Standards Illustration

ISO15022 ILLUSTRATION

MT 535 Format Specifications

MT 535 Statement of Holdings						
Status	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content/Options	No.
Mandatory Sequence A General Information						
M	16R			Start of Block	GENL	i 1
[...]						
M	16S			End of Block	GENL	i 15
End of Sequence A General Information						
-----> Optional Repetitive Sequence B Sub-safekeeping Account						
M	16R			Start of Block	SUBSAFE	i 16
[...]						
M	16S			End of Block	SUBSAFE	i 74
----- End of Sequence B Sub-safekeeping Account						
-----> Optional Repetitive Sequence C Additional Information						
M	16R			Start of Block	ADDINFO	i 75
----->						
O	95a	4!c	Party	(see qualifier description)	P, Q, or R	i 76

----->						
O	19A	4!c	Amount	(see qualifier description)	:4!c//[N]3!a15d	i 77

O	70E	ADTX	Narrative	Additional Text	:4!c//800x	78
M	16S			End of Block	ADDINFO	i 79

MT 535 Statement of Holdings

Status	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content/Options	No.
----- End of Sequence C Additional Information						

MT 535 Field Specifications**78. Field 70H: Narrative: Additional Text****FORMAT**

Option H :4!c//2500z (Qualifier)(Narrative)

PRESENCE

Optional in optional subsequence C

QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ADTX	N		H	Additional Text

DEFINITION

This qualified generic field specifies:

ADTX	Additional Text	Provides additional information or specifies in more detail the content of a message. This field may only be used when the information to be transmitted, cannot be coded.
------	-----------------	--

USAGE RULES

Unless bilaterally agreed between the Sender and Receiver, narrative field 70a must not contain information that can be provided in a structured field.

MT 535 Field Specifications

7. Field 22F: Indicator

FORMAT

Option F :4!c/[8c]/4!c (Qualifier)(Data Source Scheme)(Indicator)

PRESENCE

Mandatory in mandatory sequence A

QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	M	SFRE	N		F	Statement Frequency Indicator
[...]						
4	M	STBA	N		F	Statement Basis

DEFINITION

This qualified generic field specifies:

CODE	Complete/Updates Indicator	Specifies whether the statement is complete or contains changes only.
SFRE	Statement Frequency Indicator	Specifies the frequency of the statement.
STBA	Statement Basis	Specifies the type of balances on which the statement is prepared.
STTY	Statement Type	Specifies the usage purpose of the statement of holding.

CODES

If Qualifier is SFRE and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

ADHO	Ad-Hoc	Statement is sent following a request by the Receiver.
DAIL	Daily	Statement is sent daily (once per day, end-of-day).
INDA	Intra-Day	Statement is sent intra-day (multiple reports during the day).
MNTH	Monthly	Statement is sent monthly (once per month).
QUTR	Quarterly	Statement is sent quarterly (four times per year).
WEEK	Weekly	Statement is sent weekly (once per week).
YEAR	Yearly	Statement is sent yearly (once per year).

CODES

If Qualifier is CODE and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

COMP	Complete	Statement gives complete information (including information (positions, instruction statuses) which is unchanged).
DELT	Delta	Statement contains changes which have not yet been reported (delta report, that is, changes only).

CODES

If Qualifier is STTY and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

[...]

MT 535 Field Specifications

14. Field 17B: Flag

FORMAT

Option B :4!c//1!a (Qualifier)(Flag)

PRESENCE

Mandatory in mandatory sequence A

QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	M	ACTI	N		B	Activity Flag
2	O	AUDT	N		B	Audited Statement
3	M	CONS	N		B	Sub-safekeeping Statement
4	O	LOTS	N		B	Tax Lots
5	O	SLRS	N		B	Security Interest, Lien or Right of Set-Off

DEFINITION

This qualified generic field specifies:

ACTI	Activity Flag	Indicates whether holdings are reported in this statement.
AUDT	Audited Statement	Indicates whether the statement is audited.
CONS	Sub-safekeeping Statement	Indicates whether the statement reports holdings at subsafekeeping account level.
LOTS	Tax Lots	Indicates whether the statement includes tax lots reporting.
SLRS	Security Interest, Lien or Right of Set-Off	Indicates whether the holdings on the account are subject to security interest, lien or right of set-off.

CODES

Flag must contain one of the following codes (Error code(s): K17):

N	No	No.
Y	Yes	Yes.

ISO20022 ILLUSTRATION

SecuritiesBalanceCustodyReportV09

Content

This section describes the content of this repository item.



- ▶ Pagination [1,1] : Pagination
- ▶ Statement General Details [1,1] : Statement45
 - ▶ Report Number [0,1] : Number3Choice
 - Query Reference [0,1] : Max35Text
 - Statement Identification [0,1] : Max35Text
 - ▶ Statement Date Time [1,1] : DateAndDateTimeChoice
 - ▶ Frequency [1,1] : Frequency22Choice
 - ▶ Update Type [1,1] : UpdateType15Choice
 - ▶ Statement Basis [1,1] : StatementBasis7Choice
 - Activity Indicator [1,1] : YesNoIndicator
 - Sub Account Indicator [1,1] : YesNoIndicator
 - Security Interest Lien Right Set Off [1,1] : YesNoIndicator
 - Textual : ReportNumberRule
- ▶ Account Owner [0,1] : PartyIdentification98
- ▶ Account Servicer [0,1] : PartyIdentification100
- ▶ Safekeeping Account [1,1] : SecuritiesAccount26
- ▶ Intermediary Information [0,10] : Intermediary32
- ▶ Balance For Account [0,*] : AggregateBalanceInformation30
- ▶ Sub Account Details [0,*] : SubAccountIdentification42
- ▶ Account Base Currency Total Amounts [0,1] : TotalValueInPageAndStatement1
- CrossElementComplexRule : BalanceForAccountOrSubAccountDetailsRule
- CrossElementComplexRule : BalanceForAccountReportingRule
- Textual : SecuritiesMarketPracticeGroupGuideline
- CrossElementComplexRule : SubAccountDetailsBalanceForAccountPresenceRule

SecuritiesBalanceAccountingReportV09

Content

This section describes the content of this repository item.



- ▶ Pagination [1,1] : Pagination
- ▶ Statement General Details [1,1] : Statement40
 - ▶ Report Number [0,1] : Number3Choice
 - Query Reference [0,1] : Max35Text
 - Statement Identification [0,1] : Max35Text
 - ▶ Statement Date Time [1,1] : DateAndDateTimeChoice
 - ▶ Frequency [1,1] : Frequency25Choice
 - ▶ Update Type [1,1] : UpdateType15Choice
 - ▶ Statement Basis [1,1] : StatementBasis7Choice
 - Activity Indicator [1,1] : YesNoIndicator
 - Audited Indicator [1,1] : YesNoIndicator
 - Sub Account Indicator [1,1] : YesNoIndicator
 - Tax Lot Indicator [0,1] : YesNoIndicator
 - Security Interest Lien Right Set Off [1,1] : YesNoIndicator
 - Textual : ReportNumberRule
- ▶ Account Owner [0,1] : PartyIdentification98
- ▶ Account Servicer [0,1] : PartyIdentification100
- ▶ Safekeeping Account [1,1] : SecuritiesAccount26
- ▶ Intermediary Information [0,10] : Intermediary32
- ▶ Balance For Account [0,*] : AggregateBalanceInformation31
- ▶ Sub Account Details [0,*] : SubAccountIdentification43
- ▶ Account Base Currency Total Amounts [0,1] : TotalValueInPageAndStatement2
- ▶ Alternate Reporting Currency Total Amounts [0,1] : TotalValueInPageAndStatement2
- CrossElementComplexRule : BalanceForAccountOrSubAccountDetailsRule
- CrossElementComplexRule : BalanceForAccountReportingRule
- Textual : SecuritiesMarketPracticeGroupGuideline
- CrossElementComplexRule : SubAccountDetailsBalanceForAccountPresenceRule

SWIFT Comment

SWIFT advises that instead of a Narrative field, a flag in the FIA sequence could be added to identify the Financial Instrument that are under this regulation,

For the “Security Interest, Lien or Right of Set-Off” flag, SWIFT illustrated the change in the semt.002 and sem.003. This should be discussed by the group.

In ISO 20022 we propose to have the narrative structured in the Supplementary Data.

Working Group Meeting

Discussion

The submitter introduced the CR.

In ISO150022 :

The addition of a new quarterly statement frequency code in field :22F::SFRE//QUTR was agreed without real discussion.

The group decided to add the flag in Sequence A General in field :17B::SLRS//Y with the predefined regulatory text in a new Narrative field in Seq C Additional Information field :70E:: as illustrated.

The regulation is understood by the MWG, to include the protection flag at the Financial Instrument Level but today the information is set at the account level. Please find below a possible workaround, without any specific implementation to be done during SR2019, should there be a need to include this information at the Financial Instrument level:

The SLRS code should be included with DSS "SMPG" in Seq B1a Financial Instrument Attributes in field :22F::FORM/SMPG/SLRS. Any predefined regulatory text can be included within the same sequence in field :70E::FIAN//.

In ISO200022 :

The group agreed to follow the SWIFT advice to add a flag in the Statement General Details building block of the semt.002 and semt.003 as illustrated. The narrative should be structured in the Supplementary Data as proposed.

Should there be a need to include this information at the Financial Instrument level the following workaround should be used:

The SLRS code should be included in the Proprietary part of the RegistrationForm field with "SLRS" as Identification and "SMPG" as issuer.

SecuritiesBalanceCustodyReportV09

Content

This section describes the content of this repository item.

formo



- ▶ Pagination [1,1] : Pagination
- ▶ Statement General Details [1,1] : Statement45
- ▶ Account Owner [0,1] : PartyIdentification98
- ▶ Account Servicer [0,1] : PartyIdentification100
- ▶ Safekeeping Account [1,1] : SecuritiesAccount26
- ▶ Intermediary Information [0,10] : Intermediary32
- ▶ Balance For Account [0,*] : AggregateBalanceInformation30
 - ▶ Financial Instrument Identification [1,1] : SecurityIdentification19
 - ▶ Financial Instrument Attributes [0,1] : FinancialInstrumentAttributes64
 - ▶ Place Of Listing [0,1] : MarketIdentification3Choice
 - ▶ Day Count Basis [0,1] : InterestComputationMethodFormat4Choice
 - ▶ Registration Form [0,1] : FormOfSecurity6Choice
 - ▶ Code [1,1] : FormOfSecurity1Code
 - ▶ Bearer [BEAR]
 - ▶ Registered [REGD]
 - ▶ Proprietary [1,1] : GenericIdentification30
 - ▶ Identification [1,1] : Exact4AlphaNumericText
 - ▶ Issuer [1,1] : Max35Text
 - ▶ Scheme Name [0,1] : Max35Text
 - ▶ Payment Frequency [0,1] : Frequency23Choice
 - ▶ Payment Status [0,1] : SecuritiesPaymentStatus5Choice
 - ▶ Variable Rate Change Frequency [0,1] : Frequency23Choice
 - ▶ Classification Type [0,1] : ClassificationType32Choice
 - ▶ Option Style [0,1] : OptionStyle8Choice
 - ▶ Option Type [0,1] : OptionType6Choice
 - ▶ Denomination Currency [0,1] : ActiveOrHistoricCurrencyCode
 - ▶ Coupon Date [0,1] : ISODate
 - ▶ Expiry Date [0,1] : ISODate
 - ▶ Floating Rate Fixing Date [0,1] : ISODate

Summary Content Business Traces Impact Analysis Versions/Subsets

Decision

ACCEPTED

2.2 CR 001446: Add sequence for Penalties information in the MT 537

Origin of request	
Requesting Group:	SMPG
Sponsors	
SMPG	
Message type(s) impacted	
MT 537	
Complies with regulation	
Regulation - CSDR	
Business impact of this request	
<p>HIGH</p> <p>It is the addition of a whole sequence in the MT 537 and an addition of a new function of the message in MT 537.</p>	
Commitment to implement the change	
<p>Number of messages sent and received:</p> <p>Percentage of messages impacted:</p> <p>Commits to implement and when: Institutions that are impacted by CSDR; settlement platforms trading venues, CCPS, CSDs and all their participants and their clients in 2019</p>	
Business context	
<p>The European Central Securities Depositories Regulation (CSDR) is one of the key regulations adopted in the aftermath of the 2008 financial crisis. Among many things CSDR requires participants to settle their transactions on intended settlement date, and requires CSDs to take measures to:</p> <ul style="list-style-type: none"> • encourage and incentivise the timely settlement of transactions by its participants through different settlement features • monitor settlement fails and provide regular reporting to the competent and relevant authorities • prevent and address settlement fails through mandatory cash penalties and buy-in mechanism <p>CSDs will implement a penalty mechanism for settlement fails which will serve as an effective deterrent for participants that cause settlement fails. Cash penalties will be calculated and reported on a daily basis for each business day that a transaction fails to be settled after its intended settlement date until the moment of the actual settlement date or until the end of buy-in process</p> <p>CSDR Articles related to penalties are:</p> <p>Article 16.5. A CSD shall charge and collect at least monthly the net amount of cash penalties to be paid by each participant. On a daily basis, the CSD shall provide to participants the details of the calculation of the penalties for every failed settlement instruction, indicating the account to</p>	

which each failed settlement instruction refers.

Article 17.1. The CSD shall redistribute to the receiving participants that suffered from a settlement fail the net amount of cash penalties that it has collected in accordance with Article 16, at least monthly.

Article 17.2. On a daily basis, a CSD shall provide the receiving participants with the details of the calculation of the cash penalties for each failed settlement instruction, indicating the account to which the failed settlement instruction refers to.

Article 30

1. The receiving participant, through its clients, shall inform without undue delay the receiving trading party of the existence of a settlement fail. The receiving trading party shall verify, on the business day following the expiry of the extension period, whether the buy-in is not possible in accordance with Article 21(b).

Article 32

4. The market value referred to in paragraph 2 ["reference price"] shall be determined as follows:

for financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014 admitted to trading on a trading venue within the Union, the value determined on the basis of the closing price of the most relevant market in terms of liquidity referred to in Article 4(6)(b) of Regulation (EU) No 600/2014;

for financial instruments admitted to trading on a trading venue within the Union other than those referred to in point (a), the value determined on the basis of the closing price of the trading venue within the Union with the highest turnover;

for financial instruments other than those referred to in points (a), and (b), the value determined on the basis of a price calculated using a pre-determined methodology approved by the competent authority of the CSD that refers to criteria related to market data, including market prices available across trading venues or investment firms.

Nature of change

Addition of a Penalty/Penalty Redistribution sequence in the MT 537 (Statement of Pending Transactions).

- This sequence should be mandatory only if sub-function is PENA (Penalties) - NEW qualifier

- Fields required in the Penalty / Penalty Redistribution sequence:

Days since Intended Settlement Date

Basis Points penalty applicable (i.e. a numeric value 1, 0.5, 0.25, etc) allow alternative types of calculation to be represented here to be future proof and global

Reference Price (at end of trading date of today for instrument that failed)

Trading Venue (as used for the reference price) Reference Market Price

Penalty Amount applied on today's date

Aggregate Amount Penalty or Penalty Redistribution

The changes will not be implemented in the corresponding ISO 20022 messages as a new

message will be created for this specific purpose.

As there are still discussions at the industry level on the technical requirements, some attributes might be missing (or updated) from the current illustrations of this CR. The final alignment with the technical requirements will be done when it is approved by the industry.

Workaround

No workaround currently exists due to the number of additional fields required.

Examples

/

Standards Illustration

ISO15022 ILLUSTRATION

MT 537: (5) Field 23G: Function of the Message

Format

Option G	4!c[/4!c]	(Function)(Subfunction)
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Presence

Mandatory in mandatory sequence A

Definition

This field identifies the function of the message.

Codes

Function must contain one of the following codes (Error code(s): [T86](#)):

CANC	Cancellation Request	Message requesting the cancellation of a previously sent message.
NEWM	New	New message.

Codes

Subfunction, when present, must contain one of the following codes (Error code(s): [T85](#)):

CODU	Copy Duplicate	Message is a copy to a party other than the account owner/account servicer, for information purposes and the message is a duplicate of a message previously
------	----------------	---

		sent.
COPY	Copy	Message is a copy to a party other than the account owner/account servicer, for information purposes.
DUPL	Duplicate	Message is for information/confirmation purposes. It is a duplicate of a message previously sent.
PENA	Penalties	Message is a reporting of penalties to a party involved in the transaction like the account owner/account servicer.

MT 537 Format Specifications

Optional Sequence D Penalties							
M	16R			Start of Block	PENA		70
---->							
M	95a	4!c	Party	(see qualifier description)	L, P		71

----> Mandatory Repetitive Subsequence D1 Claims for Party and currency							
M	16R			Start of Block	CLAI		72
---->							
M	95a	4!c	Party	(see qualifier description)	L, P		73

---->							
M	19A	4!c	Amount	(see qualifier description)	:4!c//[N]3!a15d		74

----> Optional Repetitive Subsequence D1a Claims(penalties) per Counterparty							
M	16R			Start of Block	CLAIM		75
---->							
M	95a	4!c	Party	(see qualifier description)	L, P		76

M	19A	AGNT	Amount	Aggregated Net Amount	:4!c//[N]3!a15d		77
----> Optional Repetitive Subsequence D1a1 Penalty Details							
M	16R			Start of Block	PENDET		78
---->							
M	20C	4!c	Penalty Reference	(see qualifier description)	:4!c//16x		79

M	22F	PTYP	Indicator	Type Of Penalty Indicator	:4!c/[8c]/4!c		80
O	25D	PNST	Status	Penalty Status	:4!c/[8c]/4!c		81

O	70D	REAS	Status Narrative	Reason Narrative	:4!c//6*35x	82
M	19A	AMCO	Amount Computed	Amount	:4!c//[N]3!a15d	83
M	99B	DAYS	Number Days	Number Days	:4!c//3!n	84
----> Optional Repetitive Subsequence D1a1A Calculation Details						
M	16R			Start of Block	CADET	85
M	98a	PEDA	Date/Time	Penalty Date/Time	A, C, E	86
M	22F	CALM	Indicator	Calculation Method Indicator	:4!c//[8c]/4!c	87
Optional Subsequence D1a1A1 Financial Instrument and Attributes						
M	16R			Start of Block	FIA	88
---->						
O	35B			Identification of the Financial Instrument	[ISIN1!e12!c] [4*35x]	89

O	12a	CLAS	Type of Financial Instrument	Classification Type	A, C	90
---->						
O	90a	4!c	Price	(see qualifier description)	A, B	91

---->						
O	92A	4!c	Rate	(see qualifier description)	:4!c//[N]15d	92

O	70E	FIAN	Narrative	Financial Instrument Attribute Narrative	:4!c//10*35x	93
M	16S			End of Block	FIA	94
End of Optional Subsequence D1a1A1 Financial Instrument and Attributes						
O	92A	PDRA	Rate	Penalty discount rate	:4!c//[N]15d	95
----> Mandatory Repetitive Subsequence D1a1A2 Penalty Breakdown Amounts						
M	16R			Start of Block	AMT	96
---->						
M	19A	4!c	Amount	(see qualifier description)	:4!c//[N]3!a15d	97

O	92B	EXCH	Rate	Exchange Rate	:4!c//3!a/3!a/15d	98
M	16S			End of Block	AMT	99
---- End of Mandatory Repetitive Subsequence D1a1A2 Penalty Breakdown Amounts						
----> Optional Repetitive Subsequence D1a1A3 Related Transaction						
M	16R			Start of Block	RELTRAN	100

---->						
M	20C	4!c	Reference	(see qualifier description)	:4!c//16x	101

----> Optional Repetitive Subsequence D1a1A3a Transaction Details						
M	16R			Start of Block	TRAN	102
M	22F	TRTR	Indicator	Trade Transaction Type	:4!c/[8c]/4!c	103
---->						
M	98a	4!c	Date/Time	(see qualifier description)	A, B, C	104

---->						
M	97a	4!c	Account	(see qualifier description)	A, B, E	105

---->						
O	95a	4!c	Party	(see qualifier description)	L, P, Q, R	106

---->						
M	22H	4!c	Indicator	(see qualifier description)	:4!c//4!c	107

---->						
M	36B	PSTA	Quantity of Financial Instrument	Posting Quantity	:4!c//4!c/15d	108

M	19A	PSTA	Amount	Posting Amount	:4!c//[N]3!a15d	109
---->						
M	98a	4!c	Date/Time	(see qualifier description)	A, B, C	110

----> Mandatory Repetitive Subsequence D1a1A3a1 Status						
M	16R			Start of Block	STAT	111
---->						
M	25D	4!c	Status	(see qualifier description)	:4!c/[8c]/4!c	112

----> Optional Repetitive Subsequence D1a1A3a1A Reason						
M	16R			Start of Block	REAS	113
M	24B	4!c	Reason	(see qualifier description)	:4!c/[8c]/4!c	114
O	70D	REAS	Narrative	Reason Narrative	:4!c//6*35x	<u>11</u>

M	16S			End of Block	REAS	11
---- End of Optional Repetitive Subsequence D1a1A3a1A Reason						
M	16S			End of Block	STAT	117
---- End of Mandatory Repetitive Subsequence D1a1A3a1 Status						
O	70E	AINF	Narrative	Additional Information Narrative	:4!c//10*35x	118
M	16S			End of Block	TRAN	117
---- End of Optional Repetitive Subsequence D1a1A3a Transaction Details						
M	16S			End of Block	RELTRAN	116
---- End of Optional Repetitive Subsequence D1a1A3 Related Transaction						
O	70E	AINF	Narrative	Additional Information Narrative	:4!c//10*35x	121
M	16S			End of Block	CADET	116
---- End of Optional Repetitive Subsequence D1a1A Calculation Details						
O	70E	AINF	Narrative	Additional Information Narrative	:4!c//10*35x	123
M	16S			End of Block	PENDET	112
---- End of Optional Repetitive Subsequence D1a1 Penalty Details						
O	70E	AINF	Narrative	Additional Information Narrative	:4!c//10*35x	125
M	16S			End of Block	CLAIM	112
---- End of Optional Repetitive Subsequence D1a Claims(penalties) per Counterparty						
O	70E	AINF	Narrative	Additional Information Narrative	:4!c//10*35x	127
M	16S			End of Block	CLAI	112
---- End of Mandatory Repetitive Subsequence D1 Claims for Party and currency						
O	70E	AINF	Narrative	Additional Information Narrative	:4!c//10*35x	129
M	16S			End of Block	PENA	112
End of Optional Sequence D Penalties						
Optional Sequence DE Additional Information						
M	16R			Start of Block	ADDINFO	131
---->						
O	95a	4!c	Party	(see qualifier description)	P, Q, R	132

M	16S			End of Block	ADDINFO	133
End of Optional Sequence E Additional Information						



MT537_CSDR_Penalties.pdf

For a detailed view on all the added fields, please use the imbedded document:

SWIFT Comment

A CSDR market practice document should be created to clarify the “penalties” and “buy-in” message usage.

The 23G field in sequence A is updated to ease the routing of the penalties message.

Working Group Meeting

Discussion

Paul Janssens (Swift Standards – Regulation Bridge) introduced the CR with the attach PPT



CSDR_MWG_201808
.pptx

As the Regulatory Technical Standard is not yet published by the regulator, the group should not agree on an undetermined content yet. It has been proposed to the MWG to approve the change request at the conceptual level.

The CR include a new sub-function in Seq A :23G : and a conditional sequence (PENA), as illustrated.

Specific fields within the PENA Sequence will be finalised after the regulation publication and clarification later this year.

Decision

Accepted

2.3 CR 001463: Add sequence for Penalties information in the MT 548

Origin of request	
Requesting Group:	SMPG
Sponsors	
SMPG	
Message type(s) impacted	
MT 548	
Complies with regulation	
Regulation - CSDR	
Business impact of this request	
HIGH It is the addition of a whole sequence in the MT 548 and an addition of a new function of the message in MT 548.	
Commitment to implement the change	
Commits to implement and when: Institutions that are impacted by CSDR; settlement platforms trading venues, CCPS, CSDs and all their participants and their clients in 2019	
Business context	
<p>The European Central Securities Depositories Regulation (CSDR) is one of the key regulations adopted in the aftermath of the 2008 financial crisis. Among many things CSDR requires participants to settle their transactions on intended settlement date, and requires CSDs to take measures to:</p> <ul style="list-style-type: none"> • encourage and incentivise the timely settlement of transactions by its participants through different settlement features • monitor settlement fails and provide regular reporting to the competent and relevant authorities • prevent and address settlement fails through mandatory cash penalties and buy-in mechanism <p>CSDs will implement a penalty mechanism for settlement fails which will serve as an effective deterrent for participants that cause settlement fails. Cash penalties will be calculated and reported on a daily basis for each business day that a transaction fails to be settled after its intended settlement date until the moment of the actual settlement date or until the end of buy-in process</p> <p>CSDR Articles related to penalties are:</p> <p>Article 16.5. A CSD shall charge and collect at least monthly the net amount of cash penalties to be paid by each participant. On a daily basis, the CSD shall provide to participants the details of the calculation of the penalties for every failed settlement instruction, indicating the account to which each failed settlement instruction refers.</p>	

Article 17.1. The CSD shall redistribute to the receiving participants that suffered from a settlement fail the net amount of cash penalties that it has collected in accordance with Article 16, at least monthly.

Article 17.2. On a daily basis, a CSD shall provide the receiving participants with the details of the calculation of the cash penalties for each failed settlement instruction, indicating the account to which the failed settlement instruction refers to.

Article 30

1. The receiving participant, through its clients, shall inform without undue delay the receiving trading party of the existence of a settlement fail. The receiving trading party shall verify, on the business day following the expiry of the extension period, whether the buy-in is not possible in accordance with Article 21(b).

Article 32

4. The market value referred to in paragraph 2 ["reference price"] shall be determined as follows:

for financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014 admitted to trading on a trading venue within the Union, the value determined on the basis of the closing price of the most relevant market in terms of liquidity referred to in Article 4(6)(b) of Regulation (EU) No 600/2014;

for financial instruments admitted to trading on a trading venue within the Union other than those referred to in point (a), the value determined on the basis of the closing price of the trading venue within the Union with the highest turnover;

for financial instruments other than those referred to in points (a), and (b), the value determined on the basis of a price calculated using a pre-determined methodology approved by the competent authority of the CSD that refers to criteria related to market data, including market prices available across trading venues or investment firms.

Nature of change

Addition of a Penalty/Penalty Redistribution sequence in the MT 548 (Securities Settlement Status Advice) for Penalties reporting

- This sequence should be mandatory only if sub-function is PENA (Penalties) - NEW qualifier
- Fields required in the Penalty / Penalty Redistribution sequence:

Days since Intended Settlement Date

Basis Points penalty applicable (i.e. a numeric value 1, 0.5, 0.25, etc) allow alternative types of calculation to be represented here to be future proof and global

Reference Price (at end of trading date of today for instrument that failed)

Trading Venue (as used for the reference price) Reference Market Price

Penalty Amount applied on today's date

Aggregate Amount Penalty or Penalty Redistribution

The changes will not be implemented in the corresponding ISO 20022 messages as a new message will be created for this specific purpose.

As there are still discussions at the industry level on the technical requirements, some attributes

might be missing (or updated) from the current illustrations of this CR. The final alignment with the technical requirements will be done when it is approved by the industry.

Workaround

No workaround currently exists due to the number of additional fields required.

Examples

/

Standards Illustration

ISO15022 ILLUSTRATION

MT 548: (3) Field 23G: Function of the Message

Format

Option G 4!c[/4!c] (Function)(Subfunction)

Presence

Mandatory in mandatory sequence A

Definition

This field identifies the function of the message.

Codes

Function must contain one of the following codes (Error code(s): [T86](#)):

CAST	Cancellation Request Status	Message reporting on a cancellation request status.
INST	Transaction Status	Message reporting on an instruction status.

Codes

Subfunction, when present, must contain one of the following codes (Error code(s): [T85](#)):

CODU	Copy Duplicate	Message is a copy to a party other than the account owner/account servicer, for information purposes and the message is a duplicate of a message previously sent.
------	----------------	---

COPY	Copy	Message is a copy to a party other than the account owner/account servicer, for information purposes.
DUPL	Duplicate	Message is for information/confirmation purposes. It is a duplicate of a message previously sent.
PENA	Penalties	Message is a reporting of penalties to a party involved in the transaction like the account owner/account servicer.

Usage Rules

To reply to a cancellation request, Function is CAST. The reference in the linkages sequence must contain the Receiver's reference of the cancellation request.

To give the status of a transaction processing command, Function is INST. The reference in the linkages sequence must contain the Receiver's reference of the transaction processing command.

To give the status of a transaction, Function is INST. The reference in the linkages sequence must contain the Receiver's reference of the transaction (original instruction).

For the fields' illustration, please refer to the CR 001446: Add sequence for Penalties information in the MT 537.

SWIFT Comment

To be discussed during the MWG, the MT 548 is included as a different CR even though the penalties reporting to both the failing party and the receiving party must be done on a daily basis and not real time.

Including this information in the MT 548 might be more efficient and easy when charging the appropriate account with the penalty amount; however, as this message is widely used, the impact will be considerable.

Please note that the penalties' data will only concern the transaction referred to in the MT548. The monthly aggregation penalties will not be sent in the MT548.

A CSDR market practice document should be created to clarify the "penalties" and "buy-in" message usage.

The 23G field in sequence A is updated to ease the routing of the penalties message.

Working Group Meeting

Discussion

This CR was discussed as part of the CR 001446.

The MWG questioned why this is needed within the MT548 if only required to be reported on a daily basis and not real time. Argument was made by ICSD that if a customer cannot support the MT537, and they need to send the detail at a transaction level via MT548. Preference is to have the sequence available within the MT548 if required.

A vote took place and the majority voted in favour of adding the conditional sequence (PENA) to the MT548.

Decision

ACCEPTED

3 Overview of SWIFT Change requests

3.1 CR 001447: Align Buy-in code in ISO15022 and ISO20022 (BYIY vs BIYI)

Origin of request	
Requesting Group:	SWIFT
Sponsors	
SWIFT	
Message type(s) impacted	
Any ISO20022 message with BIYI.	
Complies with regulation	
None	
Business impact of this request	
LOW	
Commitment to implement the change	
NA	
Business context	
In the different standard we are using two codes to describe the same element. The definitions of these two codes are equal. As this code will be used for the CSDR regulation, SWIFT is requesting harmonisation of these two codes.	
Nature of change	
Assess the impact of each code and propose the replacement of the one with the least impact by the other one.	
Examples	
In ISO 15022 (e.g. MT 545) the buy in code is already implemented with the value BYIY, whereas the same code in sese.025 has the value BIYI.	
The result will be different code values in the lifecycle of an ISO 15022 trade.	

Standards Illustration

ISO20022 ILLUSTRATION

SecuritiesSettlementTransactionAllegementReportV07

Content

This section describes the content of this repository item.



- ▶ ● Pagination [1,1] : Pagination1
- ▶ ● Statement General Details [1,1] : Statement63
- ▶ ● Account Owner [0,1] : PartyIdentification98
- ▶ ● Safekeeping Account [1,1] : SecuritiesAccount19
- ▲ ● Allegement Details [0,*] : SecuritiesTradeDetails71
 - Account Owner Transaction Identification [0,1] : Max35Text
 - Account Servicer Transaction Identification [0,1] : Max35Text
 - Market Infrastructure Transaction Identification [0,1] : Max35Text
 - Processor Transaction Identification [0,1] : Max35Text
 - Trade Identification [0,*] : Max35Text
 - Common Identification [0,1] : Max35Text
 - Pool Identification [0,1] : Max35Text
 - Collateral Transaction Identification [0,*] : Max35Text
 - ▶ ⌵ Securities Movement Type [1,1] : ReceiveDelivery1Code
 - ▶ ⌵ Payment [1,1] : DeliveryReceiptType2Code
 - ▶ ⌵ Status [0,1] : AllegementStatus3Choice
 - ▶ ● Place Of Trade [0,1] : PlaceOfTradeIdentification1
 - ▶ ● Place Of Clearing [0,1] : PlaceOfClearingIdentification1
 - ▶ ⌵ Trade Date [0,1] : TradeDate8Choice
 - ▶ ⌵ Settlement Date [1,1] : SettlementDate17Choice
 - ▶ ● Deal Price [0,1] : Price7
 - ▶ ● Number Of Days Accrued [0,1] : Max3Number
 - ▶ ● Financial Instrument Identification [1,1] : SecurityIdentification19
 - ▶ ● Financial Instrument Attributes [0,1] : FinancialInstrumentAttributes91
 - ▶ ⌵ Trade Transaction Condition [0,*] : TradeTransactionCondition5Choice
 - ▶ ⌵ Type Of Price [0,1] : TypeOfPrice29Choice
 - ▶ ● Quantity And Account Details [1,1] : QuantityAndAccount67
 - ▶ ● Securities Financing Details [0,1] : SecuritiesFinancingTransactionDetails38
 - ▲ ● Settlement Parameters [1,1] : SettlementDetails141
 - Hold Indicator [0,1] : YesNoIndicator
 - ▲ ⌵ Securities Transaction Type [1,1] : SecuritiesTransactionType38Choice
 - ▲ ⌵ Code [1,1] : SecuritiesTransactionType21Code
 - ◆ Auto Collateralisation [AUTO]
 - ◆ Buy In [BBI] → [BYTY]
 - ◆ Buy Sell Back [BSBK]
 - ◆ Central Bank Collateral Operation [CNCB]
 - ◆ Collateral In [COLI]
 - ◆ Collateral Out [COLO]
 - ◆ Corporate Action [CORP]

SWIFT Comment

SWIFT proposes to keep the Buy-In code from ISO15022 (BYIY) and update the ISO20022 (BIYI) code.

The community is less impacted. By setting the code to “obsolete” in ISO20022, it doesn’t prevent the current message from being used. We will not force the migration to the new ISO20022 messages.

The change request assumes that the change will be implemented only in the ISO20022 messages that are subject to maintenance.

Working Group Meeting

Discussion
Swift presented the CR. The group didn’t have any remarks.
Decision
ACCEPTED

4 Overview of ISO20022 Change requests

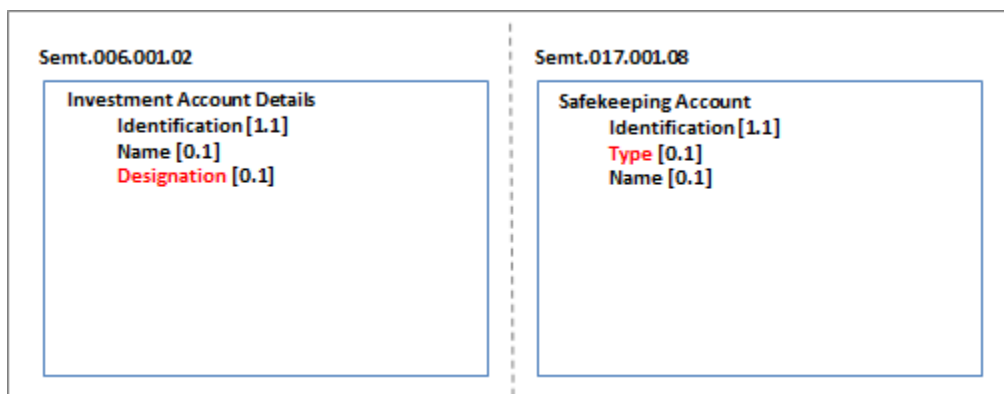
4.1 CR 001469: Update semt.017 to allow usage for the Funds business area (ISO20022 - CR0733)

Origin of request													
Requesting Country:													
Requesting Group:	SMPG IF												
Sponsors													
Message type(s) impacted													
semt.017													
Complies with regulation													
None													
Business impact of this request													
The users of the ISO 20022 funds messages would like to harmonise with S & R and use the same message for a statement of transaction. Currently funds uses the Statement Of Investment Fund Transactions, semt.006.													
Commitment to implement the change													
Business context													
The users of the ISO 20022 funds messages would like to harmonise with S & R and use the same message for a statement of transaction. Currently funds uses the Statement Of Investment Fund Transactions, semt.006.													
Nature of change													
<p>SMPG IF carried out a gap analysis between semt.006 and semt.017 to see if semt.017 was usable 'as is', but found some missing functionality. Thus, in order for funds to use semt.017 (and drop semt.002) some new optional elements and other modifications are required.</p> <p>Add the following elements:</p> <table border="1"> <thead> <tr> <th>#</th> <th>Requirement</th> <th>Type of Change</th> </tr> </thead> <tbody> <tr> <td></td> <td>Safekeeping Account</td> <td></td> </tr> <tr> <td>1</td> <td>Add Designation (Location to be determined)</td> <td>Optional element</td> </tr> <tr> <td>2</td> <td>Add Intermediary Information [0.10]</td> <td>Optional element</td> </tr> </tbody> </table>		#	Requirement	Type of Change		Safekeeping Account		1	Add Designation (Location to be determined)	Optional element	2	Add Intermediary Information [0.10]	Optional element
#	Requirement	Type of Change											
	Safekeeping Account												
1	Add Designation (Location to be determined)	Optional element											
2	Add Intermediary Information [0.10]	Optional element											

	Financial Instrument Details/ <i>'Investment Funds Financial Instrument Attributes'</i>	
3a	Add Supplementary Identification	Optional element
3b	Add Securities Form	Optional element
3c	Add Class Type	Optional element
3d	Add Distribution Policy	Optional element
3c	Add Classification Type	Optional element
	Financial Instrument Details/Price Details	
4	Type – add codes	Code
	Financial Instrument Details /Transaction /	
5	Add Master Reference	Optional element
6	Add Client Reference (+ Reference Issuer + Message Name)	Optional element
7	Add Deal Reference	Optional element
8	Add Leg Identification	Optional element
9	Add Leg Execution Identification	Optional element
	Transaction / Transaction Details	
10	SettlementTransactionOrCorporateActionEventType / SecuritiesTransactionType – add codes	Code
11	SettlementTransactionOrCorporateActionEventType / CorporateActionEventType – add codes	Code
12	Securities Movement Type	Definition update
13	Add Order Date Time	Optional element
	Transaction / Transaction Details / Settlement Parameters	
14	Add Partially Executed Indicator	Optional element

[1] Safekeeping Account / Designation [0.1] – optional new elements

This shows a comparison of the 'account' sequence in the semt.006 and semt.017:



#	Element Name	Definition	M/O	Data Type
1	Designation	Supplementary registration information	[0.1]	Max35Text

		applying to a specific block of units for dealing and reporting purposes. The supplementary registration information may be used when all the units are registered, for example, to a funds supermarket, but holdings for each investor have to be reconciled individually.		
--	--	---	--	--

The Designation element is present already in the S & R Securities Balance Custody Report semt.002.001.09 message. The Designation element is present in the funds order (setr) messages and the funds transfer (sese) messages. The element Designation should be 'near' the safekeeping account element since it is information about the account.

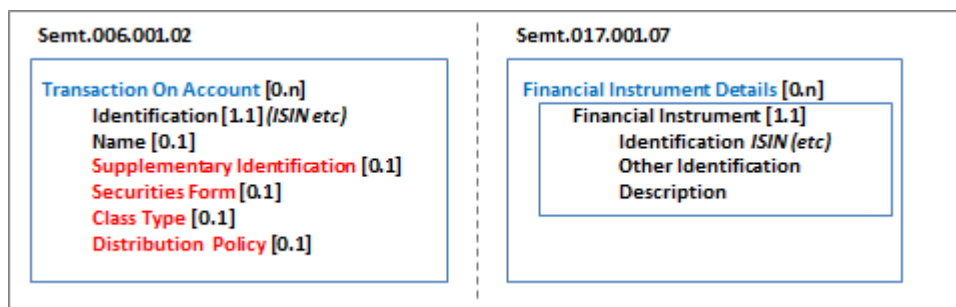
[2] Intermediary Information [0.10] – optional new elements

2	Intermediary Information	Party that provides services relating to financial products to investors, for example, advice on products and placement of orders for the investment fund.	[0.10]	Intermediary42
---	---------------------------------	--	--------	----------------

In semt.006, the Intermediary Information sequence is located 'near' the account and is thus at the 'level' of the message – in other words, an intermediary is not at the level of the transaction being reported, but at the level of the account. The appropriate place in semt.017 would need to be defined.

[3] Financial Instrument Identification elements – optional new elements

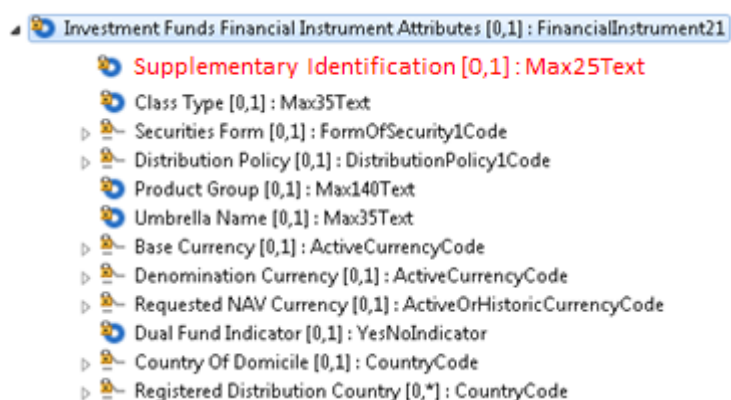
This shows a comparison of the 'financial instrument details' elements in the semt.006 and semt.017:



#	Element Name	Definition	M/O	Data Type
a	Supplementary Information	Additional information about the financial instrument to help identify the instrument.	[0..1]	Max35Text
b	Securities Form	Form, that is, ownership, of the security, for example, registered or bearer.	[0..1]	Form Of Security 1 Code

c	Class Type	Features of units offered by the fund. For example, a unit may have a specific load structure, for example, front end or back end, an income policy, for example, pay out or accumulate, or a trailer policy, for example, with or without. Fund classes are typically denoted by a single character, for example, 'Class A', 'Class 2'.	[0..1]	Max35Text
d	Distribution Policy	Income policy relating to a class type, that is, if income is paid out or retained in the fund.	[0..1]	Distribution Policy 1 Code
e	Classification Type	Classification type of the financial instrument, as per the ISO Classification of Financial Instrument (CFI) codification, for example, common share with voting rights, fully paid, or registered.	[0..1]	SecurityClassificationType1Choice

In the Securities Balance Custody Report semt.002.001.09 message, there is an 'Investment Funds Financial Instrument Attributes' sequence typed by FinancialInstrument21. Perhaps a similar sequence could be added to semt.017:



[4] Price Details – codes

Element	Child Code List	Parent Code list
Type	TypeOfPrice16Code	TypeOfPriceCode

Add the following codes:

	Code	Code Name	Definition	Code in parent
1	BIDE	Bid	Price is the calculated bid price of a dual-priced fund (offer-bid prices), ie, the selling price of the units for the investor.	YES
2	OFFR	Offer	Price is the calculated offer price of a dual-priced investment fund (offer-bid prices), ie, the buying price of the units for an investor.	YES
3	NAVL	NetAssetValue	Price is the net asset value per unit that is used either as a transacting price for a single-priced investment fund class, or as a notional price for the calculation of other prices.	YES
4	CREA	Creation	Price is the calculated creation price of a dual-priced investment fund (creation-cancellation prices) and the highest possible buying price of the units before the initial charge. The actual buying or offer price, which includes charges, will be higher.	YES
5	CANC	Cancellation	Price is the calculated cancellation price of a dual-priced investment fund (creation-cancellation price), and the lowest possible valuation of the units on any one-day. The actual selling or bid price is usually higher.	YES
6	INTE	Interim	Price is the non-official interim price given to an investor before the executed price.	YES
7	SWNG	Swing	Price is the calculated net asset value price of a single-priced investment fund. The price is adjusted to take into account the dealing costs due to individual large deals, or due to a significant imbalance in volumes of subscriptions vs redemptions, as an alternative to dilution levy.	YES
8	MIDD	Mid	Price is the average price between the bid and offer prices.	YES
9	RINV	Reinvestment	Price is the price used when reinvesting units after distribution.	YES
10	SWIC	Switch	Price is the price used when transferring units between products.	YES
11	DDVR	DailyDividendRate	Price is the net income of a financial instrument, calculated on each dealing day, and divided by all the units outstanding on that day.	YES
12	ACTU	Actual	True offer price.	YES

[5] Master Reference – optional new element

Element Name	Definition	M/O	Data Type
Master Reference	Unique and unambiguous identifier for a	[0.1]	Max35Text

	group of individual orders, as assigned by the instructing party. This identifier links the individual orders together.		
--	---	--	--

This is important for funds transfer messages as well as order messages. In the context of the funds Single Leg Transfer (SLT) process, this is a reference created by the transferee's bank. This reference is assigned to the 'portfolio transfer' as a whole and is quoted on all the messages in the transfer of each individual ISIN of the portfolio. This reference enables the transfer agent to reconcile an individual movement on an account to the portfolio transfer.

[6] Client Reference – optional new element

Element Name	Definition	M/O	Data Type
Client Reference	Unique and unambiguous investor's identification of the order. This reference can typically be used in a hub scenario to give the reference of the order as assigned by the underlying client.	[0.1]	Message Component Additional Reference 8
Reference	Reference issued by a party to identify an instruction, transaction or a message.	[1.1]	Max35Text
Reference Issuer	Issuer of the reference.	[0.1]	
Message Name	Name of the message.	[0.1]	

In the context of funds Single Leg Transfer SLT, the transferee and transferor agree the transfer. The transferee provides a 'transfer-in reference' to the transferor to specify in its transfer-out instruction to the transfer agent. This 'transfer-in reference', together with the reference issuer element, is the 'key' reference to identify the transfer from the transferee's perspective. In the transfer messages, the 'transfer-in reference' together with the BIC of the party that issued the reference <RefIssr> is carried in the ClientReference sequence in those messages sent on the 'transfer-in side (and in the CounterpartyReference element in those messages on the 'transfer-out side' of the transaction).

The transfer agent, passes this 'transfer-in reference' through to the transferee in the transfer-in confirmation it subsequently sends to the transferee.

When the transfer agent sends a statement to the transferee, this 'transfer-in reference' together with the reference issuer, must be specified. As said, it is the key reference used by the transferee to reconcile the transfer.

(There may also be a 'transfer-out reference' assigned by the transferor that is quoted on all messages in the transaction.)

The funds SMPG believe that it is important that any movement of the account as a result of a single leg transfer on the account can be reconciled easily back to the party instructing the transfer-out and to the portfolio (master reference).

(A counterparty reference has not been requested for semt.017 because when the transfer agent sends the statement to the 'delivering side', the transfer agent will use the delivering party's transfer reference as provided in the transfer-out instruction in the TransferReference in the AccountServicerTransactionIdentification element.) As there is no transfer-in instruction in

the funds SLT process, there is no 'transfer reference to be quoted in the subsequent transfer-in confirmation message and the 'transfer-in reference' together with the BIC of the party that issued the reference <RefIssr> is what is used.)

[7] Deal Reference – optional new element

Element Name	Definition	M/O	Data Type
Deal Reference	Unique and unambiguous identifier for the order execution, as assigned by the confirming party.	[0.1]	Max35Text

It was suggested to Funds SMPG that this reference is the equivalent of the existing reference element 'Trade Identification' but funds decided to request Deal Reference.

[8] Leg Identification – optional new element

Element Name	Definition	M/O	Data Type
Leg Identification	Unique technical identifier for the instance of the leg within a switch.	[0.1]	Max35Text

In a funds order switch (setr) message, there can be many redemption legs and many subscription legs all part of the same 'order'. The instructing party can assign a reference to each leg. The executing party can assign a reference to each execution. As each leg means a movement on the account, for reconciliation purposes it is necessary to identify the leg reference.

[9] Leg Execution Identification

Element Name	Definition	M/O	Data Type
Leg Execution Identification	Unique identifier for the instance of the leg execution within a switch confirmation.	[0.1]	Max35Text

For further information, see Leg Identification above.

[10] Settlement Transaction Or Corporate Action Event Type / Securities Transaction Type - code

Element	Child Code List	Parent Code list
SecuritiesTransactionType	SecuritiesTransactionType19Code	SecuritiesTransactionTypeV2Code

Add the following codes:

	Code	Code Name	Definition	In parent code list already?
1	TRIN	TransferIn (*1)	Transaction is an incoming credit to an account on the shareholders register, and is not linked to a shift in	NO

			investment (subscription or switch), but to account management.	
2	TOUT	TransferOut (*1)	Transaction is a debit to an account on the shareholders register, and is not linked to a shift in investment (redemption or switch), but to account management.	NO
3	SSPL	SubscriptionSavingsPlan	Transaction is a subscription for a savings plan, that is, money set aside by individuals in the framework of a structured plan for a special purpose, for example, retirement.	NO
4	RWPL	RedemptionWithdrawingPlan	Transaction is a withdrawal by individuals in the framework of a structured plan for investments made in the past.	NO
5	SUAA	SubscriptionAssetAllocation	Transaction is a subscription in an asset allocation plan that enables investors to allocate, by percentage a certain amount of cash into several sub-funds of a same umbrella structure.	NO
6	REAA	RedemptionAssetAllocation	Transaction is a redemption in an asset allocation plan which enables investors to withdraw, by percentage a certain amount of cash from several sub-funds of a same umbrella structure.	NO

(*1) SWIFT Standards S & R team: Instead of adding codes for TransferIn and TransferOut, the following code could be used:

Code	Name	Definition		
OWNE	ExternalAccountTransfer	Relates to an account transfer involving more than one instructing party (messages sender) and/or account servicer (messages receiver).		

In conjunction with the Securities Movement Type code (Deliver or receive), it can be deduced whether the transaction is a transfer out or a transfer in.

If this code is to be used by funds, then the definition needs updating for funds – for the single leg transfer process there is only one actual instructing party (on the delivering/transfer out-side), although notionally there are two.

It could be argued that as the codes already present for a switch transaction are granular (switch in and switch out), then the codes should be granular for a transfer with a transfer-in and a transfer-out code.

[11] Settlement Transaction Or Corporate Action Event Type / Corporate Action Event Type - code

Element	Child Code List	Parent Code list
---------	-----------------	------------------

CorporateActionEventTy pe	CorporateActionEventType28C ode	CorporateActionEventTypeV6C ode
------------------------------	------------------------------------	------------------------------------

Add the following code:

#	Code	Code Name	Definition	In parent code list already?
1	NAME	NameChange	Event is a name change. The issuing company changes its name. The event shows the change from old name to new name and may involve surrendering physical shares with the old name to the registrar.	YES

This code is required for funds. It is already present in the parent code list.

[12] Securities Movement Type – definition update

Current Definition	Proposed Definition
Specifies if the movement on a securities account results from a deliver or a receive instruction.	Direction of the transaction being reported, that is, securities are received or delivered.

The definition update is proposed because the current definition seems to imply the movement on an account only results from an deliver or receive instruction – actually the movement on the account could be the result of a corporate action. Thus, more neutral language is proposed.

[13] Order Date Time – new optional element

Element Name	Definition	M/O	Data Type
Order Date Time	Date and time at which the order was placed by the investor.	[0.1]	DateAnd DateTime 2Choice

In S & R, this is regarded as the equivalent of ‘trade date’. However, in investment funds there is a distinction made between the date the order is placed by the investor and the trade date, which, for funds, is the date the price is applied. An order could be placed today, however, may be executed for a trade date of several days or a week (or a month) later, so a distinction needs to be made between the two dates.

[14] Partially Executed Indicator – new optional element

Element Name	Definition	M/O	Data Type
Partially Executed Indicator	Indicates whether the order has been partially executed, that is, the confirmed quantity does not match the ordered quantity for the given financial instrument.	[0.1]	YesNoIndicator

Examples

Standards Illustration

ISO20022 ILLUSTRATION

SecuritiesTransactionPostingReportV08

Content

This section describes the content of this repository item.



- ▶ Pagination [1,1] : Pagination1
- ▶ Statement General Details [1,1] : Statement61
- ▶ Account Owner [0,1] : PartyIdentification98
- ▶ Safekeeping Account [1,1] : SecuritiesAccount19
- ▶ Financial Instrument Details [0,*] : FinancialInstrumentDetails28
 - ▶ Financial Instrument Identification [1,1] : SecurityIdentification19
 - ▶ Investment Funds Financial Instrument Attributes [0,1] : FinancialInstrument21
 - Supplementary Information [0,1] : Max35Text
 - Class Type [0,1] : Max35Text
 - ▶ Securities Form [0,1] : FormOfSecurity1Code
 - ▶ Distribution Policy [0,1] : DistributionPolicy1Code
 - ▶ Price Details [0,1] : PriceInformation18
 - ▶ Safekeeping Place [0,1] : SafeKeepingPlace1
 - ▶ Opening Balance [0,1] : OpeningBalance3
 - ▶ Closing Balance [0,1] : ClosingBalance3
 - ▶ Transaction [1,*] : Transaction62
- ▶ Sub Account Details [0,*] : SubAccountIdentification51
 - CrossElementComplexRule : FinancialInstrumentDetailsOrSubAccountDetailsRule
 - CrossElementComplexRule : FinancialInstrumentDetailsReportingRule
 - Textual : SecuritiesMarketPracticeGroupGuideline
 - CrossElementComplexRule : SubAccountDetailsFinancialInstrumentPresenceRule

SecuritiesTransactionPostingReportV08

Content

This section describes the content of this repository item.



- ▶ Pagination [1,1] : Pagination1
- ▶ Statement General Details [1,1] : Statement61
- ▶ Account Owner [0,1] : PartyIdentification98
- ▶ Safekeeping Account [1,1] : SecuritiesAccount19
- ▶ Financial Instrument Details [0,*] : FinancialInstrumentDetails28
 - ▶ Financial Instrument Identification [1,1] : SecurityIdentification19
 - ▶ Investment Funds Financial Instrument Attributes [0,1] : FinancialInstrument21
 - ▶ Price Details [0,1] : PriceInformation18
 - ▶ Type [1,1] : TypeOfPrice30Choice
 - ▶ Code [1,1] : TypeOfPrice16Code
 - ◆ Actual [ACTU]
 - ◆ Bid [BIDE]
 - ◆ Cancellation [CANC]
 - ◆ Creation [CREA]
 - ◆ Daily Dividend Rate [DDVR]
 - ◆ Indicative [INDC]
 - ◆ Interim [INTE]
 - ◆ Market [MRKT]
 - ◆ Mid [MIDD]
 - ◆ Net Asset Value [NAVL]
 - ◆ Offer [OFFR]
 - ◆ Reinvestment [RINV]
 - ◆ Swing [SWNG]
 - ◆ Switch [SWIC]
 - ▶ Proprietary [1,1] : GenericIdentification30
 - ▶ Value Type [1,1] : YieldedOrValueType1Choice

SWIFT Comment

To simplify the comment section, we provide feedback only for the requested updates where there is an issue.

- “Master Reference”: Would the current “Common Reference” be sufficient? If not, please clarify.
- “Client Reference”: from an S&R perspective it is the practice to use “AccountOwnerTransactionIdentification”. Adding a new reference could create confusion in S&R.
- “Deal Reference”: from an S&R perspective “TradeIdentification” is used.
- “Leg Identification”: from an S&R perspective “AccountOwnerLegIdentification” is used. Please clarify the difference between “AccountOwnerLegIdentification” and “Leg Identification”
- “LegExecutionIdentification”: from an S&R perspective “AccountServicerLegIdentification” is used. Please clarify the difference between “AccountServicerLegIdentification” and “LegExecutionIdentification”.
- For the additional, SecuritiesTransactionType codes:
 - “TransferIn” : in S&R, “ExternalAccountTransfer” with the combination of the SecuritiesMovementType (RECE) is used.
 - “TransferOut” : in S&R, “ExternalAccountTransfer” with the combination of the SecuritiesMovementType (DELI) is used.
 - “SubscriptionSavingsPlan” and “SubscriptionAssetAllocation” : what is the difference between the two referenced codes and the current “Subscription” code? Can we remove the current one if the new ones need to be added? Please clarify.
 - “RedemptionWithdrawingPlan” and “RedemptionAssetAllocation” : what is the difference between the two referenced codes and the current “Redemption” code? Can we remove the current one if the new ones need to be added? Please clarify.
- Corporate Action code: After discussing with Corporate Action Analysts, “NameChange” is obsolete. The code to be used is “CHANGE (CHAN)”. The “NameChange” code must not be used and will be removed from the ISO20022 repository.
- Securities Movement Type change of definition: as this is a key field in S&R, it is suggested that no change be made. The impact of changing the definition will trigger the need to harmonise all other S&R messages. What is the added value of this new definition?
- “Order Date Time” addition: in the semt.017 the “Pricedetail/QuotationDate” exists as well as the “TradeDate”. The addition of a new field might add complexity to the message. The combination of the two current fields is sufficient.
- “Partially Executed Indicator”: In the semt.017, we already have the “PartialSettlementIndicator” that expresses if the transaction can be subject to Partial Settlement or not.
The quantity “Partially Settled” can be found in the sese.025 (confirmation of instruction). If the confirmation is previously received, why do you need this information in a “TransactionPostingReport”? Please clarify.

Working Group Meeting

Discussion

The submitter presented the CR.

The group discussed the business benefit of the usage of the semt.017 by the Funds community. Investment Funds WG lead highlighted the volume on network of the semt.006 is low today. So, it is difficult to argue the business need at this point. But, by performing this consolidation it would allow the deletion of the semt.006 message from ISO catalogue and reduce costs for firms who may need to support both messages.

The group went through all changes requested. One general remark is that the definition of all added element will contains a clear sentence to mention that the field is for the Funds community.

Will be added to the semt.017 :

1. SafekeepingAccount/Designation
2. Intermediary Information
3. FinancialInstrumentIdentification elements

A new building block will be created (as illustrated) that contains the requested fields (Supplementary Information, Securities Form, Class Type, Distribution Policy, Classification Type)

4. Type of Price codes
5. Master Reference
6. Client Reference

8. "Leg Identification" will be added as "AccountOwnerLegIdentification".
9. "LegExecutionIdentification" will be added as "AccountServicerLegIdentification".
10. SecuritiesTransactionType codes:
 - a. "TransferIn"
 - b. "TransferOut"

Will NOT be added to the semt.017

7. The "Deal Reference": "TradeIdentification" will be used.
10. The additional, SecuritiesTransactionType codes:
 - c. "SubscriptionSavingsPlan"
 - d. "SubscriptionAssetAllocation"
 - e. "RedemptionWithdrawingPlan"
 - f. "RedemptionAssetAllocation"
11. Corporate Action code: "NameChange"
12. Securities Movement Type change of definition.
13. "Order Date Time"
14. "Partially Executed Indicator"

Decision

ACCEPTED with alternative solution.

4.2 CR 001470: Re-balancing between securities positions to comply with regulatory requirements. (ISO20022 - CR0744)

Origin of request	
Requesting Country:	
Requesting Group:	T2S, Clearstream, Iberclear
Sponsors	
N/A	
Message type(s) impacted	
<ul style="list-style-type: none"> - Sese.024.001.08 - SecuritiesSettlementTransactionStatusAdviceV08 - Sese.025.001.07 - SecuritiesSettlementTransactionConfirmationV07 - Sese.032.001.07 - SecuritiesSettlementTransactionGenerationNotificationV07 - Semt.017.001.07 - SecuritiesTransactionPostingReportV07 - Semt.018.01.008 - SecuritiesTransactionPendingReportV08 	
Complies with regulation	
None	
Business impact of this request	
<p>From T2S perspective the REBL code is needed in the sese.024, sese.025 and sese.032 message. The new code is not needed in the allegation notification message (sese.028) because rebalancing transactions in T2S will always be generated already matched.</p> <p>The related bookings will be reported in the EOD reports of the current business day and therefore semt.017 and semt.018 need to include the new code as well.</p>	
Commitment to implement the change	
Business context	
<p>CSD services that require EOD rebalancing include e.g.</p> <ul style="list-style-type: none"> • In Clearstream, a sweep is required in the context of TEFRA D processing or for automated mark-up / mark-down services in the context of issuance processing. • In Euroclear, ESES CSDs need to re-balance securities positions from 'earmarked for auto-collateralisation' to 'non-earmarked for auto-collateralisation'. Reverse movements can also be generated at start of day, if required by clients. This stems from local regulations which forbid custodians to keep such earmarked positions overnight when securities belong to third parties. • In Iberclear, the need for an account sweep is driven by the Spanish market reform which requires that all holdings on individual accounts belonging to the financial intermediary need to be swiped to the own account of that financial intermediary at EOD. • In VP SECURITIES, it is expected that a demand for account sweeps will arise, i.e. that for 	

some customer accounts it will be requested from account owners to move all holdings from a certain account into another account end of day

At the end of day closure or start of day for CSD participants T2S creates related settlement instructions for value same day and transfers the eligible positions from the debited securities accounts or restrictions types to the SAC/RT to be credited.

End of day transfers will settle during RTS before the final closure of the operational day. Start of Day transfers will settle before the start of the 'standard' settlement activity. For both kinds of transfers, related bookings will be reported in the EOD reports of the current business day.

For the identification of these instructions the new ISO code REBL will be used.

While no need has been identified in T2S for the new ISO code REBL to be available in the sese.023 message (settlement instruction), the SEG may consider whether extending the list of related messages to include the sese.023 would be relevant.

Nature of change

There are scenarios where CSDs need to operate some re-balancing between securities positions at the end of day or start of day, to comply with regulatory or service requirements. Such rebalancing must be performed based on the last end of day balance of the CSD participant. Some CSD services that require end of day (EOD) rebalancing are explained in section D.

It is required that T2S provides the means to CSDs that allow them to generate, on a daily basis 'standing', 'already matched FOP transfers' among securities accounts belonging to their System Entity. These transfers will consist in transferring the whole or part of position of the SAC at the end of day or start of day.

To identify such instructions a new ISO securities transaction type code (REBL = rebalancing) is required.

From T2S perspective the REBL code is needed in the sese.024, sese.025 and sese.032 message. The new code is not needed in the allegement notification message (sese.028) because rebalancing transactions in T2S will always be generated already matched.

The related bookings will be reported in the EOD reports of the current business day and therefore semt.017 and semt.018 need to include the new code as well

Examples

Standards Illustration

ISO20022 ILLUSTRATION

- ▶ Settlement Status [0,1] : SettlementStatus17Choice
- ▲ Transaction Details [0,1] : TransactionDetails105
 - Trade Identification [0,*] : Max35Text
 - Pool Identification [0,1] : Max35Text
 - Corporate Action Event Identification [0,1] : Max35Text
 - Triparty Agent Service Provider Collateral Transaction Identification [0,1] : Max35Text
 - Client Triparty Collateral Transaction Identification [0,1] : Max35Text
 - Client Collateral Instruction Identification [0,1] : Max35Text
 - Triparty Agent Service Provider Collateral Instruction Identification [0,1] : Max35Text
 - ▶ Account Owner [0,1] : PartyIdentification98
 - ▶ Safekeeping Account [1,1] : SecuritiesAccount19
 - ▶ Safekeeping Place [0,1] : SafeKeepingPlace1
 - ▶ Place Of Trade [0,1] : PlaceOfTradeIdentification1
 - ▶ Place Of Clearing [0,1] : PlaceOfClearingIdentification1
 - ▶ Financial Instrument Identification [1,1] : SecurityIdentification19
 - ▶ Settlement Quantity [1,1] : Quantity6Choice
- ▶ Settlement Amount [0,1] : AmountAndDirection51
- ▶ Late Delivery Date [0,1] : DateAndDateTime2Choice
- ▶ Expected Settlement Date [0,1] : DateAndDateTime2Choice
- ▶ Expected Value Date [0,1] : DateAndDateTime2Choice
- ▶ Settlement Date [1,1] : SettlementDate19Choice
- ▶ Trade Date [0,1] : TradeDate8Choice
- Acknowledged Status Time Stamp [0,1] : ISODateTime
- Matched Status Time Stamp [0,1] : ISODateTime
- ▶ Securities Movement Type [1,1] : ReceiveDelivery1Code
- ▶ Payment [1,1] : DeliveryReceiptType2Code
- ▲ Settlement Parameters [1,1] : SettlementDetails143
 - ▶ Hold Indicator [0,1] : HoldIndicator6
 - ▶ Settlement Transaction Condition [0,*] : SettlementTransactionCondition16Choice
 - ▲ Securities Transaction Type [1,1] : SecuritiesTransactionType37Choice
 - ▲ Code [1,1] : SecuritiesTransactionType20Code
 - ◆ Auto Collateralisation [AUTO]
 - ◆ Borrowing Reallocation [SBRE]
 - ◆ Buy In [BVI]
 - ◆ Buy Sell Back [BSBK]
 - ◆ Central Bank Collateral Operation [CNCB]
 - ◆ Collateral In [COLI]
 - ◆ Collateral Out [COLO]
 - ◆ Corporate Action [CORP]
 - ◆ Depository Receipt Conversion [CONV]
 - ◆ Depository Receipt Release Cancellation [RELE]
 - ◆ Exchange Traded Funds [ETFT]
 - ◆ External Account Transfer [OWNE]
 - ◆ Factor Update [FCTA]
 - ◆ Internal Account Transfer [OWNI]
 - ◆ Issuance [ISSU]
 - ◆ Lending Reallocation [SLRE]
 - ◆ Mark Down [MKDW]
 - ◆ Market Claim [CLAI]
 - ◆ Mark Up [MKUP]
 - ◆ Move Of Stock [INSP]
 - ◆ Netting [NETT]
 - ◆ Non Syndicated [NSYN]
 - ◆ Pair Off [PAIR]
 - ◆ Placement [PLAC]
 - ◆ Portfolio Move [PORT]
 - ◆ Realignment [REAL]
 - ◆ Rebalancing [REBL]

SWIFT Comment

No comment.

Working Group Meeting

Discussion

The submitter introduced the CR.

The group questioned the addition of the code in the sese.023 as mentioned in the CR. The group decided to add the code only in the requested messages.

The group agreed on the CR and decided that the code should be added in the SecuritiesTransactionType and not under the SettlementTransactionCondition.

The CR will not be added in the corresponding ISO15022 messages since T2S is only using ISO20022.

Decision

ACCEPTED with alternative solution.

4.3 CR 001471: Add Restriction References in the sese.030 and consequently in the sese.031 (ISO20022 - CR0745)

Origin of request	
Requesting Country:	
Requesting Group:	T2S, Deutsche Bundesbank on Behalf of the German National User Group (NUG)
Sponsors	
N/A	
Message type(s) impacted	
<ul style="list-style-type: none"> - Sese.030.001.07 - SecuritiesSettlementConditionsModificationRequestV07 - Sese.031.001.07 - SecuritiesSettlementConditionModificationStatusAdviceV07 	
Complies with regulation	
None	
Business impact of this request	
<p>This request proposes to add Restriction References in the sese.030 and consequently in the sese.031. It is suggested to add the new block 'Restriction References' in the 'Request Details' section of both messages, sese.030 and sese.031 (see figure). According to other blocks (i.e. Linkages) within the Request Details it is proposed to add the Restriction References in the same way, i.e. one code indicating the action (ADDS, REMS, ADDC, REMC) and one field for the reference.</p>	
Commitment to implement the change	
Business context	
<p>This change request would enable a more efficient cash management of sensitive settlements.</p> <p>T2S provides its actors with a functionality to reserve dedicated liquidity to be used for the settlement of the cash leg of a specific DVP settlement transaction.</p> <p>In order to reserve liquidity, the owner of the cash account can move liquidity into a dedicated sub-balance, resulting in a blocking of the requested cash amount. This process is known as "cash blocking". The blocked amount is identified by a unique restriction reference assigned by T2S and can only be used for settlement purposes if the same restriction reference is specified in a DVP settlement instruction.</p> <p>Accordingly, in order to know the restriction reference to be entered in the settlement instruction expected to make use of the blocked amount, the cash blocking needs to take place first.</p> <p>In reality, most RVP settlement instructions are submitted without knowing that a need for dedicated liquidity would arise later on in the settlement process. Only at a later point in time when there is an actual lack of cash and there are several DVP instructions competing for additional</p>	

incoming liquidity, the need to allocate liquidity to a specific instruction may arise. Similar situations in which the restriction reference is not known upfront may arise if the DVP instruction is instructed by a third party.

The current design of the sese.030 limits the availability to block cash for a specific purpose after the DVP instruction has already been submitted; indeed, it is not possible to add/remove any restriction references after the settlement instruction was created.


Therefore it is requested to add the Restriction Reference in the sese.030 to allow adding and removing of the restriction references even after the settlement instruction was created. The sese.031 needs to be changed accordingly to inform about the changed process indicator.

In addition to cash restrictions, for consistency reason and potentially future usage, it is proposed to add Restriction References in sese.030 and sese.031 not only for the cash side but also for the securities side.

Nature of change

Add Restriction References in the sese.030 and consequently in the sese.031. It is suggested to add the new block 'Restriction References' in the 'Request Details' section of both messages, sese.030 and sese.031 (see figure). According to other blocks (i.e. Linkages) within the Request Details it is proposed to add the Restriction References in the same way, i.e. one code indicating the action (ADDS, REMS, ADDC, REMC) and one field for the reference.

Examples

▼  Securities Settlement Conditions Modification Request V03 (sese.030.001.03)		
>  Account Owner	0	1
>  Safekeeping Account	1	1
▼  Request Details	1	*
>  Reference	1	1
....		
>  Restriction References 	0	*
▼  Code	1	1
◆ Add Securities Restriction Reference [ADDS]		
◆ Remove Securities Restriction Reference [REMS]		
◆ Add Cash Restriction Reference [ADDC]		
◆ Remove Cash Restriction Reference [REMC]		
>  Restriction Reference	1	1

Standards Illustration

ISO20022 ILLUSTRATION

▼ Securities Settlement Conditions Modification Request V03 (sese.030.001.03)		
> Account Owner	0	1
> Safekeeping Account	1	1
▼ Request Details	1	*
> Reference	1	1
....		
> Restriction References	0	*
▼ Code	1	1
◆ Add Securities Restriction Reference [ADDS]		
◆ Remove Securities Restriction Reference [REMS]		
◆ Add Cash Restriction Reference [ADDC]		
◆ Remove Cash Restriction Reference [REMC]		
> Restriction Reference	1	1

SWIFT Comment

Will the stakeholders be able to handle this with a sese.030 or is a cancel / replace better suited?

Working Group Meeting

Discussion

The submitter presented the CR.

The group discussed that SWIFT comment on the cancel/Replace and decided to follow the submitter with the CR since the cancel/replace requires both party to agree.

The CR will not be added in the corresponding ISO15022 messages since T2S is only using ISO20022.

As the proposed block can be repeated, it can be applied for the cash restriction as well as for the securities restrictions.

Decision

ACCEPTED with an extended solution.

4.4 CR 001473: Change the pattern of datatype related to BIC (ISO20022 - CR0751)

Origin of request	
Requesting Country:	
Requesting Group:	ISO 20022 Registration Authority
Sponsors	
N/A	
Message type(s) impacted	
All message definitions that use the AnyBICIdentifier or the BICIdentifier or the BICNonFIIdentifier.	
Complies with regulation	
None	
Business impact of this request	
No business impact.	
Commitment to implement the change	
<p>Because the current datatypes have been marked as “obsolete”, all new messages will have to use the new datatypes.</p> <p>All existing messages that use these datatypes will need to be updated at the occasion of their next maintenance (i.e. if another CR impacts these messages), unless decided otherwise by the relevant SEG/TSG.</p>	
Business context	
The patterns of the current datatypes AnyBICIdentifier , BICFIIdentifier and BICNonFIIdentifier are not fully aligned with the patterns described in ISO 9362.	
Nature of change	
<p>- Change the pattern of datatype AnyBICIdentifier from:</p> <p><input type="checkbox"/> [A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}</p> <p>To:</p> <p><input type="checkbox"/> [A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1}</p> <p>- Change the pattern of datatype BICFIIdentifier from:</p> <p><input type="checkbox"/> [A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}</p> <p>To:</p> <p><input type="checkbox"/> [A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1}</p> <p>- Change the pattern of datatype BICNonFIIdentifier from:</p>	

☐ [A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}

To:

☐ [A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1}

For this purpose, the RA has created three new datatypes:

- AnyBICDec2014Identifier
- BICFIDec2014Identifier
- BICNonFIDec2014Identifier

And, to avoid further re-use of the current datatypes, the RA has changed the registration status of the current AnyBICIdentifier, BICFIDec2014Identifier and BICNonFIDec2014Identifier to "Obsolete".

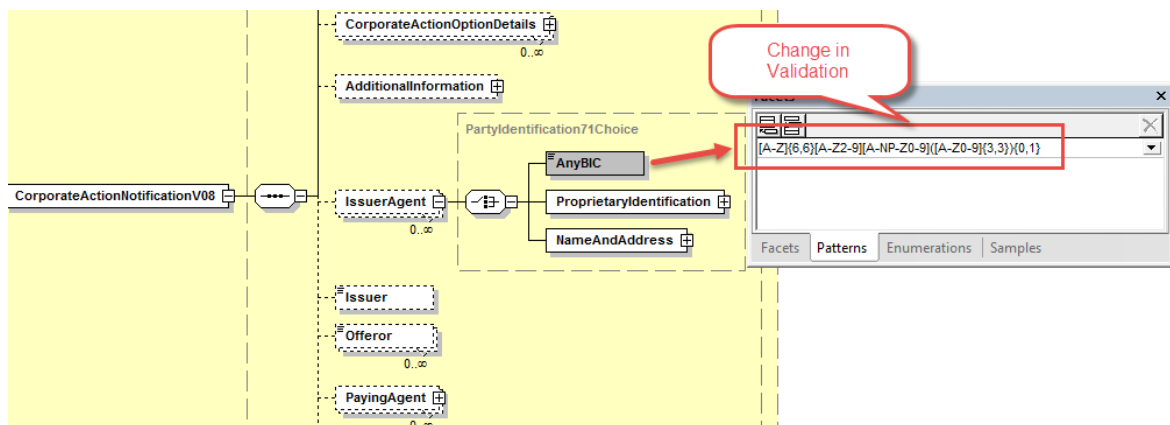
Examples

EXAMPLE of a BIC that will go through validation with this change and not currently:
"WG11US335AB".

ISO20022 ILLUSTRATION

This change has no impact on the structure of the messages, it only changes the "validation pattern" of the data type and therefore it impacts the schema.

The current pattern of the AnyBICIdentifier in the MX messages is illustrated below for the seev.031.



AnyBICIdentifier

Code allocated to a financial or non-financial institution Business identifier code (BIC)".

[A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}

From SR2019 the validation pattern will change as follows:

Name	AnyBICDec2014Identifier
Documentation	Code allocated to a financial or non-financial institution by the - Business identifier code (BIC)".
Min Length	
Max Length	
Length	
Pattern	[A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}[A-Z0-9]{3,3}{0,1}

SWIFT Comment

When implementing the BIC, SWIFT has been more restrictive than the ISO standard and has always applied only alphabetic values. This continues after the implementation of the revised standard as well.

Please refer to the BIC Implementation paper
: <https://www.swift.com/file/5981/download?token=je3v2pjb>

The change request assumes that the change will be implemented only on the ISO20022 messages that are subject to maintenance.

Working Group Meeting

Discussion

The CR was presented.

Since there is no impact to the current business and since this CR brings alignment between ISO15022 and ISO20022, the group agreed.

Decision

ACCEPTED

End of document