Standards

Standards MT Release 2012

Maintenance Change Requests– Maintenance Working Group Final Minutes

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| **Settlement and Reconciliation** |

MWG Meeting: August 23 – 24, 2011

Distribution: Settlement and Reconciliation Maintenance Working Group / ISO 20022 Securities S&R SEG evaluation team / ISO Securities SEG

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Table of Contents

1 Introduction 3

ISO 15022 – 20022 Maintenance Process 3

Standards Illustrations in this Document 3

SR 2012 change requests. 3

CR Title Colour notation 3

Contact persons: 3

MWG Meeting Attendees: 4

2 Overview of User Change requests 5

2.1 CR 000200: MX/MT Reporting Only indicator (RPTO) codeword within the SETR qualifier 5

2.2 CR 000201: MX/MT Exchange Traded Funds (ETF) - Addition of a new code to identify ETF trades for settlement. 14

2.3 CR 000202: MX/MT Addition of a new code “Accrued Interest Amount” to “Unmatched Reason” code list in MT548, MT549, and their ISO20022 equivalents (semt.018, semt.021, sese.024, sese.032, and sese.034) 23

2.4 CR 000204: MX/MT Addition of qualifiers to “Quantity of Financial Instrument” in MT508 and its ISO20022 equivalents (semt.015 (IntraPositionMovementConfirmation)) 34

2.5 CR 000257: ISO 20022 CR0122 – MX/MT Addition of a NumberCounts element, as found within the SecuritiesSettlementTransactionInstruction, preceding the Linkage Block 51

2.6 CR 000269: ISO 20022 CR0121 – MX Responsible Parent BIC required to properly identify the RefOwner within the linkage block 58

2.7 CR 000270: ISO 20022 CR0124 – MX/MT Addition of the following reason codes within the ProcessingStatus Rejected 66

2.8 CR 000271: ISO 20022 CR0125 – MX/MT Addition of the following reason code within the SettlementStatus “Pending” 84

2.9 CR 000272: ISO 20022 CR0126 – MX/MT Addition of a new code within the PartialSettlement element of the AdditionalParameters 93

2.10 CR 000273: ISO 20022 CR0127- MX/MT Addition of the following reason code within the ProcessingStatus “Cancelled” 100

2.11 CR 000274: ISO 20022 CR0129 – MX Addition of the message identifier of the original message (query) for which a response is not possible due to an error condition. 105

2.12 CR 000276: ISO 20022 CR0050 – MX Securities Lending message elements 109

2.13 CR 000254: ISO 20022 CR0119 – MX Change of message element name from Settled to Settlement Quantity 124

2.14 CR 000255: ISO 20022 CR0120 – MX Change of data type for the positive statuses 127

2.15 CR 000275: ISO 20022 CR0142 – MX/MT Corrections to the messages in order to be in line with modelling guidelines and/or to be in line with ISO 15022 130

# Introduction

ISO 15022 – 20022 Maintenance Process

As from this year, a joint maintenance process has been put in place for ISO 20022 and 15022 and Settlement Reconciliation messages with the support of the ISO 20022 RMG and of the SWIFT Board.

This joint maintenance will ensure interoperability between the two standards and a more efficient maintenance process.

The title of each CR indicates whether the requested change(s) may impact ISO 20022 (MX), ISO 15022 (MT) or both (MX/MT) messages.

Standards Illustrations in this Document

Standards illustrations are provided by SWIFT Standards. They are not part of the original request.

Any standard illustrations (rules, codes, qualifiers, wordings) are **only for illustration purposes**. It does not mean SWIFT Standards is in agreement with the maintenance request or that the final standards solutions (for accepted maintenance requests) will be as shown in this document.

The MT Standards Release Guide (+ potential erratum) and the ISO 20022 Message Definition Reports are the ONLY source of reliable information based on which implementation of changes should be made. Any other documentation (including this one) is subject to change.

SR 2012 change requests.

This document contains all the CRs investigated this year for implementation in SR 2012.

The requests originator is indicated as follows:

* + Requesting Country; Country code of requesting NMPG or UG; eg. BE
  + Requesting Group: a SWIFT User Group or a National (Securities) Market Practice Group with the acknowledgement of the UGC or Recognized industry group eg. SMPG (the global Securities Market Practice Group)

CR Title Colour notation

In GREEN are items that are accepted

In RED are items that are rejected, postponed, withdrawn or linked to agreed items

Contact persons:

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MWG Meeting Attendees:

The following people were present at the S&R MWG Meeting of August 23 and 24 August 2011.

* Taketoshi Mori (JP)
* Shunichiro Unno (JASDEC)
* Jason Brasile (ISO 20022 Securities SEG Facilitator)
* Genevy Dimitrion (US)
* Kevin Wooldridge (ISO 20022 SEG convenor)
* Simon Burke (UK)
* Denis Andrejew (DE)
* Charles Raymond Boniver (BE/LU)
* Gunnar Dickfeld (Bundesbank-T2S)
* Annemie Loose (ICSD)
* Ton Van Andel (NL)
* Axelle Wurmser (FR)
* Evelyne Piron (SWIFT)
* Karine Taquet (SWIFT)

# Overview of User Change requests

## CR 000200: MX/MT Reporting Only indicator (RPTO) codeword within the SETR qualifier

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| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  LIMITED - Only a restricted number of SWIFT users will be impacted by this change request  Limited since only those markets/users who send reporting only transactions for accounting purposes would be impacted by this change. This will depend on if the solution is to move the RPTO to a different qualifier vs. lift the network rule not allowing SETR to be repetitive.  Business applications impact:  LOW – Low Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year:< number of messages per year >  Number of users impacted:< approximately how many users >  Country, community or group committed to implement this change:ISITC - US  Year they will implement this change:2012 | |
| **Nature of Change** | |
| The 22F::SETR qualifier is currently not allowed to be repetitive within the MT54x instruction messages, which leads to issues when the sending party needs to notify the receiver the transaction is for accounting only via the 22F::SETR//RPTO codeword and also notify the receiver the transaction type (PAIR, TURN, TRPO, TRVO, etc) which is also under the SETR qualifier. This request is either move the 22F::SETR//RPTO codeword to under the STCO qualifier which is repetitive or lift the usage rule to allow the 22F::SETR qualifier to allow to be repetitive.  Should the request be denied, ISITC will consider an alternative solution using the 22F::STCO/ISIT/\_\_\_\_ data source scheme as a workaround. The valid business scenarios which exist in the US market that the 22F::SETR// qualifier is required to indicate the transaction settlement purpose, while also required to notify the receiver the transaction is for accounting purposes only include:  22F::SETR//PAIR or TURN required to notify of a pair-off or turn-around, but also 22F::SETR//TRPO or TRVO to identify as a tri party repo  Swift recommends moving the code under qualifier STCO. | |
| **Business context** | |
| Currently, the recommended indicator for notifying the receiver an entire transaction is for accounting purposes only is 22F::SETR//RPTO. If the account servicer is acting as both custodian and fund accountant, it should not act on any part of the transaction from a custody perspective. For example, if cash party details and settlement instructions are included in the CASH Party sequence with the 22F::SETR//RPTO stated in Seq. E, no cash movement should be instructed as the intention was this was for informational purposes only. Examples of product types that are booked for accounting purposes only include listed derivatives (options and forwards), bank loans, tri-party repo contract instructions. Note that the current workaround can lead to permanent misuse of 22F:: qualifiers with data source scheme. | |
| **Message Type(s) Impacted** | |
| MT 540, MT 541, MT 542, MT 543, MT 544, MT 545, MT 546, MT 547, MT548, MT 536, MT537, sese.023, sese.024, sese.025, sese.026, semt.017, semt.018, sese.032 | |
| **Examples** | |
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| **Standards Illustration** | |
| **ISO 15022**  **MT 540-547**  **MT 541 Format Specifications**   | **MT 541 Receive Against Payment** | | | | | | | | | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | | **Qualifier** | | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | | | M | 16R | |  | |  | Start of Block | GENL | *1* | | M | 20C | | SEME | | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G | |  | |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | | PREP | | Date/Time | Preparation Date/Time | A, C, or E | *4* | | **----->** | | | | | | | | | | O | 99B | 4!c | | Number Count | | (see qualifier description) | :4!c//3!n | *5* | | **-----|** | | | | | | | | |   **…**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Mandatory Sequence E Settlement Details** | | | | | | | | M | 16R |  |  | Start of Block | SETDET | 62 | | **----->** | | | | | | | | M | 22F | 4!c | Indicator | (see qualifier description) | :4!c/[8c]/4!c | 63 | | **-----|** | | | | | | |   **…**  63. Field 22F: Indicator  FORMAT   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifOption F | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c/[8c]/4!c | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif(Qualifier)(Data Source Scheme)(Indicator) |   PRESENCE  Mandatory in mandatory sequence E QUALIFIER (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | O | STCO | R | C15 | F | Settlement Transaction Condition Indicator | | 2 | M | SETR | N |  | F | Type of Settlement Transaction Indicator | | ... |  |  |  |  |  |  | | 5 | O | RTGS | N |  | F | Securities Real-Time Gross Settlement Indicator | | 15 | O | SETS | N |  | F | Settlement System/Method Indicator |   **DEFINITION**  **This qualified generic field specifies:**   |  |  |  | | --- | --- | --- | | … | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | |  |  |  | | SETR | Type of Settlement Transaction Indicator | Specifies underlying information regarding the type of settlement transaction. | | … |  |  | | STCO | * Settlement Transaction Condition Indicator | Specifies the conditions under which the order/trade is to be settled. |   **CODES**  **If Qualifier is STCO and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):**   |  |  |  | | --- | --- | --- | | ASGN | Assignment | Transfer of ownership of the asset to another party during the closing of an option. | | … |  |  | | RPTO | Reporting | Relates to a transaction that is for reporting purposes only. | | … |  |  | |  |  |  | |  |  |  | |  |  |  |   **CODES**  **If Qualifier is SETR and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):**   |  |  |  | | --- | --- | --- | | BSBK | Buy Sell Back | Relates to a buy sell back transaction. | | … |  |  | | ~~RPTO~~ | ~~Reporting~~ | ~~Relates to a transaction that is for reporting purposes only.~~ | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif… |  |  |   **MT548**  Same illustration as above for field 22 F in sequence B Transaction Details  **MT 536**  Same illustration as above for field 22 F in sequence B1a2 Transaction Details  **MT 537**  Same illustration as above for field 22 F in sequence B2b and C2 Transaction Details  **ISO 20022**  **sese.023**     |  |  |  |  | | --- | --- | --- | --- | | SecuritiesTransactionType | | |  | | Code |  |  | | | |  | CNCB | CentralBankCollateralOperation | | | |  | BSBK | BuySellBack | | | |  | COLI | CollateralIn | | | |  | COLO | CollateralOut | | | |  | CONV | DepositoryReceiptConversion | | | |  | FCTA | FactorUpdate | | | |  | INSP | MoveOfStock | | | |  | ISSU | Issuance | | | |  | MKDW | MarkDown | | | |  | MKUP | MarkUp | | | |  | NETT | Netting | | | |  | NSYN | NonSyndicated | | | |  | OWNE | ExternalAccountTransfer | | | |  | OWNI | InternalAccountTransfer | | | |  | PAIR | PairOff | | | |  | PLAC | Placement | | | |  | PORT | PortfolioMove | | | |  | REAL | Realignment | | | |  | REDI | Withdrawal | | | |  | REDM | Redemption | | | |  | RELE | DepositoryReceiptReleaseCancellation | | | |  | REPU | Repo | | | |  | RODE | ReturnDeliveryWithoutMatching | | | |  | ~~RPTO~~ | ~~Reporting~~ | | | |  | RVPO | ReverseRepo | | | |  | SBBK | SellBuyBack | | | |  | SBRE | BorrowingReallocation | | | |  | SECB | SecuritiesBorrowing | | | |  | SECL | SecuritiesLending | | | |  | SLRE | LendingReallocation | | | |  | SUBS | Subscription | | | |  | SYND | SyndicateUnderwriters | | | |  | TBAC | TBAClosing | | | |  | TRAD | Trade | | | |  | TRPO | TripartyRepo | | | |  | TRVO | TripartyReverseRepo | | | |  | TURN | Turnaround | | | |  | CORP | CorporateAction | | | |  | CLAI | MarketClaim | | | |  | AUTO | AutoCollateralisation | | |   SettlementTransactionCondition   |  |  |  | | --- | --- | --- | | Code |  |  | |  | ASGN | Assignement | |  | BUTC | BuytoCover | |  | CLEN | Clean | |  | DIRT | Dirty | |  | DLWM | DeliveryWithoutMatching | |  | DRAW | Drawn | |  | EXER | Exercised | |  | FRCL | FreeCleanSettlement | |  | KNOC | KnockedOut | |  | PHYS | Physical | |  | RESI | Residual | |  | RPTO | Reporting | |  | SHOR | ShortSell | |  | SPDL | SpecialDelivery | |  | SPST | SplitSettlement | |  | EXPI | Expired | |  | PENS | PendingSale | |  | UNEX | Unexposed | |  | TRIP | TripartySegregation | |  | NOMC | NoAutomaticMarketClaim | |  | TRAN | Transformation | |  | RHYP | Rehypothecation |   **sese.025**  Same illustration as above in SecuritiesTransactionType3Choice and SettlementTransactionCondition6Choice  **sese.026**  Same illustration as above in SecuritiesTransactionType3Choice and SettlementTransactionCondition7Choice  **semt.017**    Same illustration as above in SecuritiesTransactionType3Choice and SettlementTransactionCondition6Choice at the FinancialInstrumentDetails and SubAccount Details levels  **semt.018**  Same illustration as above in SecuritiesTransactionType2Choice and SettlementTransactionCondition6Choice at the Status and the Transaction levels.  **sese.032**  Same illustration as above in SecuritiesTransactionType1Choice and SettlementTransactionCondition6Choice at the SettlementParameters level. | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| Code SETR is indeed the most appropriate qualifier for code RPTO but making SETR repetitive is not an option as we do not want to have conflicting transaction types. Qualifier STCO was therefore considered as a better option. The new code will be typed as a Yes/No indicator, this is related to a modelling constraint and it was also acknowledged by the group that having the possibility to clearly state NO (message is for Custody only and not accounting) could be useful. The group also considered making the code more generic to cater for potential other requirements but it was decided to stick to the requirement. |
| **Decision** |
| Accepted in both ISO 15022 and ISO 20022 |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000201: MX/MT Exchange Traded Funds (ETF) - Addition of a new code to identify ETF trades for settlement.

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| **Origin of request** | |
| Requesting Country: | AU Australia |
| Requesting Group: | Australia and New Zealand Securities Market Practice Group for Settlement and Reconciliations |
| **Urgency of this request:** | |
| HIgh | |
| **Business Impact of this request** | |
| Business impact:  OTHER (explain in the comment box below)  This will only impact users in the Australian market as it is a requirement imposed by the ASX on settlement of ETF’s traded on the ASX.  Business applications impact:  HIGH - High Impact on business applications  High impact on business users’ applications as having a code to identify ETF trades will allow Straight Through Processing (STP) to occur. Without the code, all trades have to be manually repaired for settlement. | |
| **Commitment to implement the change** | |
| Expected traffic per year:22,522 messages in 2010  With the growth of ETF products in the Australian market, settlement volumes are expected to increase significantly over the next few years.  Number of users impacted:40-50 (figure includes Market makers, Institutional brokers, Prime brokers and Custodians).  Country, community or group committed to implement this change:Australia  Year they will implement this change:2012 | |
| **Nature of Change** | |
| MT540-547 messages - addition of a code in Sequence E, Block 16R SETDET, Field 22F, Qualifier SETR to identify ETF trades. Suggested new code of ‘ETFT’.  MT548 messages - addition of a code in Sequence B, Block 16R SETTRAN, Field 22F, Qualifier SETR to identify ETF trades. Suggested new code of ‘ETFT’. | |
| **Business context** | |
| The ASX Settlement Operating Rules outline the mandatory requirement to flag all ETF related trades for settlement. ETF units are created in the primary market in creation unit quantities, which consists of a fixed number of ETF units in exchange for the creation unit portfolio, which is a basket of securities that is equivalent in value to the ETF units that comprise a creation unit. The basket of securities also has to be flagged with ‘F’ for settlement.  Currently there is no appropriate code within the MT messages that can be used to identify these trades that are subject to specific settlement activity. The participants in the Australian market who are impacted by this have adopted manual workarounds to try to correctly identify ETF related trades, which ultimately involves making the trades that would normally follow STP, fail STP, to allow for manual repair.  Until there is a unique code that can be used, all participants will continue to be exposed to potential rule breaches if they don’t correctly settle an ETF related trade, as well as increased risk associated with manual processing intervention. | |
| **Message Type(s) Impacted** | |
| MT 540, MT 541, MT 542, MT 543, MT 544, MT 545, MT 546, MT 547, MT 548, MT 536, MT 537, sese.023, sese.024, sese.025, sese.026, semt.017, semt.018, sese.032, **MT 578 / sese equivalent** | |
| **Examples** | |
| *Mandatory Sequence E Settlement Details*  *Block 16R SETDET*  *Field 22F:Indicator*  *Qualifier: SETR – Type of Settlement Transaction Indicator; Specifies underlying information regarding the type of settlement transaction.*  *There are 35 codes that can be used with SETR but none accurately describe the underlying transaction to be related to an ETF that has been traded on the primary market.*  *Suggested Code to be added – ETFT*  *Eg.*  *16R SETDET*  *22F SETR//ETFT*  *(Note: For MT548, it would be in Sequence B and Block 16R SETTRAN)* | |
| **Standards Illustration** | |
| **ISO 15022**  **MT 540-547**  **MT 541 Format Specifications**   | **MT 541 Receive Against Payment** | | | | | | | | | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | | **Qualifier** | | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | | | M | 16R | |  | |  | Start of Block | GENL | *1* | | M | 20C | | SEME | | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G | |  | |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | | PREP | | Date/Time | Preparation Date/Time | A, C, or E | *4* | | **----->** | | | | | | | | | | O | 99B | 4!c | | Number Count | | (see qualifier description) | :4!c//3!n | *5* | | **-----|** | | | | | | | | |   **…**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Mandatory Sequence E Settlement Details** | | | | | | | | M | 16R |  |  | Start of Block | SETDET | 62 | | **----->** | | | | | | | | M | 22F | 4!c | Indicator | (see qualifier description) | :4!c/[8c]/4!c | 63 | | **-----|** | | | | | | |   **…**  63. Field 22F: Indicator  FORMAT   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifOption F | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c/[8c]/4!c | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif(Qualifier)(Data Source Scheme)(Indicator) |   PRESENCE  Mandatory in mandatory sequence E QUALIFIER (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | O | STCO | R | C15 | F | Settlement Transaction Condition Indicator | | 2 | M | SETR | N |  | F | Type of Settlement Transaction Indicator | | ... |  |  |  |  |  |  | | 5 | O | RTGS | N |  | F | Securities Real-Time Gross Settlement Indicator | | 15 | O | SETS | N |  | F | Settlement System/Method Indicator |   **DEFINITION**  **This qualified generic field specifies:**   |  |  |  | | --- | --- | --- | | … | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | |  |  |  | | SETR | Type of Settlement Transaction Indicator | Specifies underlying information regarding the type of settlement transaction. | | … |  |  | | STCO | * Settlement Transaction Condition Indicator | Specifies the conditions under which the order/trade is to be settled. |   CODES  If Qualifier is SETR and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifBSBK | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifBuy Sell Back | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifRelates to a buy sell back transaction. | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCNCB | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCentral Bank Collateral Operation | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifRelates to a collateral delivery/receipt to a National Central Bank for central bank credit operations. | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCOLI | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCollateral In | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifRelates to a collateral transaction, form the point of view of the collateral taker or its agent. | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCOLO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCollateral Out | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifRelates to a collateral transaction, form the point of view of the collateral giver or its agent. | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCONV | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifDR Conversion | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifRelates to a depository receipt conversion. | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifETFT | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifExchange Traded Funds | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifRelates to an ETF creation or redemption. | |  |  |  | |  |  |  | | … |  |  | |  |  |  | |  |  |  | |  |  |  |   **MT548**  Same illustration as above for field 22 F in sequence B Transaction Details  **MT 536**  Same illustration as above for field 22 F in sequence B1a2 Transaction Details  **MT 537**  Same illustration as above for field 22 F in sequence B2b and C2 Transaction Details  **ISO 20022**  **sese.023**     |  |  |  |  | | --- | --- | --- | --- | | SecuritiesTransactionType | | |  | | Code |  |  | | | |  | CNCB | CentralBankCollateralOperation | | | |  | BSBK | BuySellBack | | | |  | COLI | CollateralIn | | | |  | COLO | CollateralOut | | | |  | CONV | DepositoryReceiptConversion | | | |  | ETFT | Relates to an ETF creation or redemption | | | |  | FCTA | FactorUpdate | | | |  | … |  | | | |  |  |  | | |  |  | | --- | |  | |  |   **sese.025**  Same illustration as above in SecuritiesTransactionType3Choice and SettlementTransactionCondition6Choice  **sese.026**  Same illustration as above in SecuritiesTransactionType3Choice and SettlementTransactionCondition7Choice  **semt.017**    Same illustration as above in SecuritiesTransactionType3Choice and SettlementTransactionCondition6Choice at the FinancialInstrumentDetails and SubAccount Details levels  **semt.018**  Same illustration as above in SecuritiesTransactionType2Choice and SettlementTransactionCondition6Choice at the Status and the Transaction levels.  **sese.032**  Same illustration as above in SecuritiesTransactionType1Choice and SettlementTransactionCondition6Choice at the SettlementParameters leve. | |
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**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| There were some discussions around the fact that field 12A in the Financial Instrument Attributes sequence should be used. The AU experts explained that the ETF code is needed at the SETR level because in Australia, it is the rule to identify the transactions that are made for the creation of the basket of an ETF funds. Similarly, when the ETF fund is liquidated, then the assets are sold and on those redemptions, the transactions have also to be marked.  The grouped agreed with the argument and accepted the CR (with definition “Relates to an ETF creation/redemption”) but stressed the point that this issue should raised at the SMPG level and that a market practice should be created in order to make sure there is no conflict between the info location in the FIA sequence (field 12A) and the one in the Settlement Transaction Type. |
| **Decision** |
| Accepted in ISO 15022 and ISO 20022. |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
|  |  | |
| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000202: MX/MT Addition of a new code “Accrued Interest Amount” to “Unmatched Reason” code list in MT548, MT549, and their ISO20022 equivalents (semt.018, semt.021, sese.024, sese.032, and sese.034)

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | JP Japan |
| Requesting Group: | ISITC Japan |
| **Urgency of this request:** | |
| HIgh | |
| **Business Impact of this request** | |
| Business impact:  LIMITED - Only a restricted number of SWIFT users will be impacted by this change request  This is the addition to the existing code list and only users who will use the new code will be impacted.  Business applications impact:  LOW – Low Impact on business applications  JASDEC and its PSMS (Pre-Settlement Matching System) users are currently using the code “NARR” (Narrative Reason) for this purpose, and this will be replaced by the new code in ISO20022 messages. | |
| **Commitment to implement the change** | |
| Expected traffic per year:The traffic would not be so heavy.  Number of users impacted:Approximately 700 PSMS users  Country, community or group committed to implement this change:JASDEC and its PSMS users in Japan  Year they will implement this change:JASDEC: 2014  JASDEC PSMS users: from 2014 to 2019 | |
| **Nature of Change** | |
| Addition of a new code to the code list for Unmatched Reason (:24B::NMAT), in order to indicate that Accrued Interest Amount does not match. | |
| **Business context** | |
| JASDEC PSMS uses Accrued Interest Amount as one of its matching criteria.  PSMS is widely used in Japan as CMU (Central Matching Utility), and does trade/settlement matching in two ways as follow.  Trade matching process is covered by ISO20022 Post-trade matching messages, which is currently under development. Although Accrued Interest Amount is one of the matching criteria in trade matching, PSMS currently uses the code “NARR” (Narrative Reason) as an alternative. Therefore, PVG (Pilot Validation Group) decided to add the unmatched reason code for it in setr.044 (Securities Trade Confirmation Status Advice), now followed by the Securities SEG evaluation.  Settlement matching process is covered ISO20022 S&R messages. Accrued Interest Amount is one of the matching criteria also in settlement matching, but currently there is no reason code for it. Now PSMS also uses the code “NARR” as an alternative.  In order to keep alignment between Post-trade (trade matching) and S&R (settlement matching), the new unmatched reason code should be also added in S&R messages. | |
| **Message Type(s) Impacted** | |
| MT 548, MT549, MT 537, sese.024, semt.018, semt.021, ~~sese.032~~, sese.034, | |
| **Examples** | |
| **[ISO15022 Representation]**  Status Advice (MT548)  (Mandatory Repetitive Subsequence A2 Status)  :25D::MTCH//NMAT  (Optional Repetitive Subsequence A2a Reason)  :24B::NMAT//**XXXX (New Code)** (1)  Note: In Post-trade arena, the code “ACRU” is used for this purpose.  **[ISO20022 Representation]**  Status Advice (sese.024)  <MtchgSts>  <Umtchd>  <Rsn>  <Cd>  <Cd>**XXXX (New Code)**</Cd>  </Cd>  </Rsn>  </Umtchd>  </MtchgSts> | |
| **Standards Illustration** | |
| **ISO 15022**  **MT 548**  **MT 548 Format Specifications**   | **MT 548 Settlement Status and Processing Advice** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | M | 20C | SEME | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | PREP | Date/Time | Preparation Date/Time | A, C, or E | *4* | | **-----> Mandatory Repetitive Subsequence A1 Linkages** | | | | | | | | M | 16R |  |  | Start of Block | LINK | *5* | | O | 13a | LINK | Number Identification | Linked Message | A or B | *6* | | M | 20C | 4!c | Reference | (see qualifier description) | :4!c//16x | *7* | | M | 16S |  |  | End of Block | LINK | *8* | | **-----| End of Subsequence A1 Linkages** | | | | | | | | **-----> Mandatory Repetitive Subsequence A2 Status** | | | | | | | | M | 16R |  |  | Start of Block | STAT | *9* | | M | 25D | 4!c | Status | (see qualifier description) | :4!c/[8c]/4!c | *10* | | **-----> Optional Repetitive Subsequence A2a Reason** | | | | | | | | M | 16R |  |  | Start of Block | REAS | *11* | | M | 24B | 4!c | Reason | (see qualifier description) | :4!c/[8c]/4!c | *12* | | O | 70D | REAS | Narrative | Reason Narrative | :4!c//6\*35x | *13* | | M | 16S |  |  | End of Block | REAS | *14* | | **-----| End of Subsequence A2a Reason** | | | | | | | | M | 16S |  |  | End of Block | STAT | *15* | | **-----| End of Subsequence A2 Status** | | | | | | |   **MT 548 Field Specifications**  12. Field 24B: Reason  FORMAT   |  |  |  | | --- | --- | --- | | Option B | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Reason Code) |   PRESENCE  Mandatory in optional subsequence A2a  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | M | CAND | N | C6 | B | Cancellation Reason | | … |  |  |  |  |  |  | |  | or | NMAT | N | C6 | B | Unmatched Reason | | … |  |  |  |  |  |  |   DEFINITION  This qualified generic field specifies:   |  |  |  | | --- | --- | --- | | NMAT | Unmatched Reason | Specifies the reason why the instruction has an unmatched status. |   CODES  If Qualifier is NMAT and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):   |  |  |  | | --- | --- | --- | | ACRU | Accrued Interest Amount | Accrued interest amount does not match. | | ADEA | Account Servicer Deadline Missed | Instruction was received after the account servicer's deadline. Processed on best effort basis. | | CADE | Disagreement Transaction Call Delay | Transaction call delay does not match. |   **MT 549 Format Specifications**   | **MT 549 Request for Statement/Status Advice** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | M | 20C | SEME | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | STAT | Date/Time | Statement Date/Time | A or C | *4* | | O | 69a | STAT | Period | Statement Period | A or B | *5* | | M | 13A | REQU | Number Identification | Requested Message Type | :4!c//3!c | *6* | | O | 95a | ACOW | Party | Account Owner | P or R | *7* | | M | 97a | SAFE | Account | Safekeeping Account | A or B | *8* | | **----->** | | | | | | | | O | 22F | 4!c | Indicator | (see qualifier description) | :4!c/[8c]/4!c | *9* | | **-----|** | | | | | | |   …   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **-----> Optional Repetitive Sequence B Statement by Status/Reason and/or by Financial Instrument** | | | | | | | | M | 16R |  |  | Start of Block | BYSTAREA | *15* | | O | 25D | 4!c | Status | (see qualifier description) | :4!c/[8c]/4!c | *16* | | **----->** | | | | | | | | O | 24B | 4!c | Reason | (see qualifier description) | :4!c/[8c]/4!c | *17* | | **-----|** | | | | | | | | **----->** | | | | | | | | O | 35B |  |  | Identification of the Financial Instrument | [ISIN1!e12!c] [4\*35x] | *18* | | **-----|** | | | | | | | | M | 16S |  |  | End of Block | BYSTAREA | *19* | | **-----| End of Sequence B Statement by Status/Reason and/or by Financial Instrument** | | | | | | |   **MT 549 Field Specifications**  17. Field 24B: Reason  FORMAT   |  |  |  | | --- | --- | --- | | Option B | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Reason Code) |   PRESENCE  Optional in optional sequence B  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | O | NMAT | R | C3 | B | Unmatched Reason | | … |  |  |  |  |  |  |   DEFINITION  This qualified generic field specifies:   |  |  |  | | --- | --- | --- | | CACK | Repo Call Acknowledgement Reason | Specifies additional information on the repo call request acknowledgement. | | … |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | NMAT | Unmatched Reason | Specifies the reason why the instruction has an unmatched status. | |  |  |  | | … |  |  | |  |  |  | |  |  |  |   CODES  If Qualifier is NMAT and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):   |  |  |  |  |  | | --- | --- | --- | --- | --- | | ACRU | | Accrued Interest Amount | Accrued Interest Amount does not match. | | | … |  | | |  | |  |  | | |  | |  |  | | |  | |  |  | | |  |   **MT 537**  Same illustrations as above for field 24B in sequences B1 and C3a Reason  **ISO 20022**  **sese.024**     |  |  |  |  |  | | --- | --- | --- | --- | --- | | Reason |  |  | UnmatchedReason1 |  | |  | Code |  | UnmatchedReason1Choice | | |  |  | Code | UnmatchedReason2Code | |  |  |  |  |  | | --- | --- | --- | --- | | Code | UnmatchedReason2Code | | | |  |  | ACRU | Accrued Interest Amount | |  |  | CMIS | NoMatch | |  |  | DDAT | SettlementDate |  |  |  |  | | --- | --- | --- | | ACRU | Accrued Interest Amount | Accrued interest amount does not match. | |  |  |  |   **semt.018**  Same illustrations as above for the Status and Transactions levels  **semt.021**     |  |  |  |  | | --- | --- | --- | --- | | UnmatchedReason | |  | UnmatchedReason2Choice | |  | Code |  | UnmatchedReason3Code |  |  |  |  |  | | --- | --- | --- | --- | | Code |  | UnmatchedReason3Code | | |  |  | ACRU | Accrued Interest Amount | |  |  | CMIS | NoMatch | |  |  | DDAT | SettlementDate |  |  |  |  | | --- | --- | --- | | ACRU | Accrued Interest Amount | Accrued interest amount does not match. |   **sese.034**     |  |  |  |  |  | | --- | --- | --- | --- | --- | | Reason |  | UnmatchedReason2 | |  | |  | Code | UnmatchedReason3Choice | | | |  |  | UnmatchedReason1Code | | | |  |  |  | ACRU | Accrued Interest Amount | |  |  |  | ADEA | AccountServicerDeadlineMissed | |  |  |  | CADE | RepurchaseCallDelay | |  |  |  | … |  |  |  |  |  | | --- | --- | --- | | ACRU | Accrued Interest Amount | Accrued interest amount does not match. | | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| The group approved the business case. There were some discussions around the code to be used but the final decision was to completely align with the code (ACRU) and definition present in the post trade area (message setr.044).  A standard code will also be introduced in ISO 15022 as this code could indeed be useful to other markets then JP. |
| **Decision** |
| Approved in ISO 15022 and ISO 20022. . |

**Final Decision of the ISO 20022 Securities SEG**

|  |  |
| --- | --- |
| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
|  |  | |
| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000204: MX/MT Addition of qualifiers to “Quantity of Financial Instrument” in MT508 and its ISO20022 equivalents (semt.015 (IntraPositionMovementConfirmation))

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| --- | --- |
| **Origin of request** | |
| Requesting Country: | JP Japan |
| Requesting Group: | ISITC Japan |
| **Urgency of this request:** | |
| HIgh | |
| **Business Impact of this request** | |
| Business impact:  LIMITED - Only a restricted number of SWIFT users will be impacted by this change request  “SecuritiesSubBalanceType” is optional item and the users who do not use it are not impacted.  Business applications impact:  LOW – Low Impact on business applications  “SecuritiesSubBalanceType” is optional item and the users who do not use it are not impacted. | |
| **Commitment to implement the change** | |
| Expected traffic per year:The traffic would not be so heavy.  Number of users impacted:Approximately 60 users (JDCC participants)  Country, community or group committed to implement this change:JDCC (JASDEC DVP Clearing Corporation, 100% subsidiary of JASDEC) participants  Year they will implement this change:2014 - 2019 | |
| **Nature of Change** | |
| Regarding MT508, add two new qualifiers to “Quantity of Financial Instrument” in order to differentiate “Securities-to-be-Received” and “Pledged Securities” to “Quantity of Financial Instrument”.  Regarding semt.015 (IntraPositionMovementConfirmation), add “SecuritiesSubBalanceType” to ”QuantityBreakdown”. | |
| **Business context** | |
| Regarding Non-Exchange Transaction of equities, convertible bonds, etc., in Japan, Delivery Versus Payment is realized by gross settlements of securities and net settlements of funds (Gross-Net DVP) on JDCC (JASDEC DVP Clearing Corporation, 100% subsidiary of JASDEC).  In this system, JDCC always manages that the value of Collateral Monitor (= “Assurance Assets” minus “Net Debit”) must not be a negative number. The “Assurance Assets” consists of 3 kinds of amounts, namely “Participant Fund” deposited to JDCC by the participant, “Securities-to-be-Received” by the participant from JDCC and “Pledged Securities” deposited to JDCC by the participant. “Securities-to-be-Received” and “Pledged Securities” are evaluated as amounts on mark-to-market basis. The “Net Debit” is the amount calculated by deducting the amount to be credited from the amount to be debited associated with DVP settlement.  To comply with the rules above, JDCC participants should monitor the Increased/Decreased amount of Collateral Monitor. When a JDCC participant executes delivery settlement, its “Net Debit” reduces accordingly and the amount of Collateral Monitor increases and vice versa. “Execution” is defined as a transfer from delivering party to JDCC and “Completion” is defined as a transfer from JDCC to receiving party. So JDCC/JASDEC notifies this change to JDCC participants when they settle the trades. When an available balance is insufficient, “Securities-to-be-Received” and/or “Pledged Securities” are allotted and the securities settlement is executed. The amount of Collateral Monitor is also affected by this allotment. Regarding the intra position movement, this allotment is also executed, however currently it is impossible to differentiate “Securities-to-be-Received” and “Pledged Securities” in MT508.  FYI, the change request to add these items to MT545-7 (and its ISO 20022 equivalents (sese. 025)) and MT508 (and its ISO 20022 equivalents (semt. 015) was accepted last year. | |
| **Message Type(s) Impacted** | |
| MT 508, semt.015 | |
| **Examples** | |
| A JDCC participant tries an intra position movement of 500 units of certain equity and it has 300 units of the equity in its available balance, 100 in “Securities-to-be-Received” and 100 in “Pledged Securities”. In this 500 units intra position movement, allotted 100 units from “Securities-to-be-Received” and allotted 100 units from “Pledged Securities” are used. After this intra position movement, JASDEC will send an intra position movement confirmation to the participant as follows.  **[ ISO15022 Representation ]**  (Mandatory Sequence B Intra-Position Details)  :36B::ESTT//UNIT/500,  :19A::COMT//NJPY140000, <--- already added in SR2011  (Optional Subsequence B1 Financial Instrument Attributes)  :36B::**(New Qualifier for “Securities-to-be-Received”)**//UNIT/100,  :36B::**(New Qualifier for “Pledged Securities”)**//UNIT/100,  **[ ISO20022 Representation ]**  <FinInstrmAttrbts>  <QtyBrkdwn>  <LotQty>  <Unit>100</Unit>  </LotQty>  **<SctiesSubBalTp>**  **<Id>(Proprietary code for “Securities-to-be-Received”)</Id>**  **<Issr>JSDC</Issr>**  **</SctiesSubBalTp>**  </QtyBrkdwn>  <QtyBrkdwn>  <LotQty>  <Unit>100</Unit>  </LotQty>  **<SctiesSubBalTp>**  **<Id>(Proprietary code for “Pledged Securities”)</Id>**  **<Issr>JSDC</Issr>**  **</SctiesSubBalTp>**  </QtyBrkdwn>  </FinInstrmAttrbts>  <IntraPosDtls>  <SttldQty>  <Unit>500</Unit>  </SttldQty>  <CollMntrAmt> <--- already added in SR2011  <Amt Ccy=”JPY”>140000</Amt>  <CdtDbtInd>DBIT</CdtDbtInd>  </CollMntrAmt>  </IntraPosDtls> | |
| **Standards Illustration** | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ISO 15022**  **MT 524**  **MT 524 Format Specifications**   | **MT 524 Intra-Position Instruction** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | M | 20C | SEME | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | PREP | Date/Time | Preparation Date/Time | A, C, or E | *4* | | O | 22F | PRIR | Indicator | Priority Indicator | :4!c/[8c]/4!c | *5* | | **Optional Subsequence A1 Linkages** | | | | | | |   **…**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Mandatory Sequence B Intra-Position Details** | | | | | | | | M | 16R |  |  | Start of Block | INPOSDET | *12* | | O | 95a | ACOW | Party | Account Owner | P or R | *13* | | M | 97a | SAFE | Account | Safekeeping Account | A or B | *14* | | O | 94a | SAFE | Place | Place of Safekeeping | B, C, or F | *15* | | M | 36B | SETT | Quantity of Financial Instrument | Quantity of Financial Instrument to be Settled | :4!c//4!c/15d | *16* | | O | ~~13a~~  13B | ~~LOTS~~  SSBI | Number Identification | ~~Lot Number~~  Securities Sub Balance Identification | ~~A or B~~  :4!c/[8c]/30x | 17 | | M | 35B |  |  | Identification of the Financial Instrument | [ISIN1!e12!c] [4\*35x] | *18* | | **Optional Subsequence B1 Financial Instrument Attributes** | | | | | | |   **…**   |  | | --- | | **End of Sequence B Intra-Position Details** |   **MT 524 Field Specifications**  17. Field 13a: Number Identification: Lot Number  FORMAT   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifOption B | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c/[8c]/30x | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif(Qualifier)(Data Source Scheme)(Number) |   PRESENCE  Optional in mandatory sequence B  QUALIFIER  (Error code(s): T89)   | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifOrder** | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM/O** | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifQualifier** | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifR/N** | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCR** | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifOptions** | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifQualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif1 | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifSSBI | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifN | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif B | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifSecurities Sub Balance Identification |   DEFINITION  This qualified generic field specifies:   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifSSBI | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifSecurities Sub Balance Identification | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifNumber identifying a Securities Sub balance Type (e.g. restriction identification etc…) |   NETWORK VALIDATED RULES  Number (Format Option B) must not start or end with a slash '/' and not contain two consecutive slashes '//' (Error code(s): T26).  **MT 508**  **MT 508 Format Specifications**   | **MT 508 Intra-Position Advice** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | **----->** | | | | | | | | M | 20C | 4!c | Reference | (see qualifier description) | :4!c//16x | *2* | | **-----|** | | | | | | | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | PREP | Date/Time | Preparation Date/Time | A, C, or E | *4* |   **…**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Mandatory Sequence B Intra-Position Details** | | | | | | | | M | 16R |  |  | Start of Block | INPOSDET | *10* | | O | 95a | ACOW | Party | Account Owner | P or R | *11* | | M | 97a | SAFE | Account | Safekeeping Account | A or B | *12* | | O | 94a | SAFE | Place | Place of Safekeeping | B, C, or F | *13* | | **----->** | | | | | | | | M | 36B | 4!c | Quantity of Financial Instrument | (see qualifier description) | :4!c//4!c/15d | *14* | | **-----|** | | | | | | | | O | ~~13a~~  13B | ~~LOTS~~  SSBI | Number Identification | ~~Lot Number~~  Securities Sub Balance Identification | ~~A or B~~  :4!c/[8c]/30x | 16 | | O | 19A | COMT | Amount | Collateral Monitor Amount | :4!c//[N]3!a15d | 15 | | M | 35B |  |  | Identification of the Financial Instrument | [ISIN1!e12!c] [4\*35x] | 16 | | **Optional Subsequence B1 Financial Instrument Attributes** | | | | | | |   **…..**  **Same illustration as for MT 524**  **MT 538**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **-----> Mandatory Repetitive Subsequence B2a Intra-Position Movement** | | | | | | | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif16R | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifStart of Block | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifINPOS | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf036.htm#mt538-36-field-16r)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *36* | | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif-----> Optional Repetitive Subsequence B2a1 Linkages** | | | | | | | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif16R | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifStart of Block | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifLINK | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf037.htm#mt538-37-field-16r)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *37* | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif13a | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifLINK | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifNumber Identification | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifLinked Message | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifA or B | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf038.htm#mt538-38-field-13a)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *38* | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif20C | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif4!c | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifReference | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif(see qualifier description) | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c//16x | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf039.htm#mt538-39-field-20c)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *39* | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif16S | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifEnd of Block | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifLINK | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf040.htm#mt538-40-field-16s)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *40* | | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif-----| End of Subsequence B2a1 Linkages** | | | | | | | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif36B | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifESTT | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifQuantity of Financial Instrument | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifQuantity of Financial Instrument Settled | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c//4!c/15d | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf041.htm#mt538-41-field-36b)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *41* | | O | ~~13a~~  13B | ~~LOTS~~  SSBI | Number Identification | ~~Lot Number~~  Securities Sub Balance Identification | ~~A or B~~  :4!c/[8c]/30x | 42 | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif19A | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCOMT | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifAmount | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCollateral Monitor Amount | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c//[N]3!a15d | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf043.htm#mt538-43-field-19a)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *43* | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif93A | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifTOBA | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifBalance | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifBalance To | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c/[8c]/4!c | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf044.htm#mt538-44-field-93a)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *44* | | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif----->** | | | | | | | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif98a | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif4!c | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifDate/Time | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif(see qualifier description) | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifA or C | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf045.htm#mt538-45-field-98a)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *45* | | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif-----|** | | | | | | | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif22F | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCAEV | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifIndicator | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifCorporate Action Event Indicator | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c/[8c]/4!c | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf046.htm#mt538-46-field-22f)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *46* | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif70E | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifSPRO | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifNarrative | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifSettlement Instruction Processing Narrative | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif:4!c//10\*35x | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf047.htm#mt538-47-field-70e)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *47* | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifM | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif16S | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifEnd of Block | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gifINPOS | [See specification](file:///\\be-file01\ktaquet$\Data\SR\2011\Standards%20Release%20Guide\books\us5mb\algf048.htm#mt538-48-field-16s)\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif *48* | | **\\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mb\cursor0.gif-----| End of Subsequence B2a Intra-Position Movement** | | | | | | |   **Same illustration as MT 524**  **ISO 20022**  **semt.013**  **A quantity breakdown message component is created at the Balance From/Balance To level. The Lot Number in Intra-position details is renamed to Securities sub-balance identification.**    **Change of name from Lot Number to Securities Sub Balance Identification**    **semt.015**  **A quantity breakdown message component is created at the Balance From/Balance To level. The Lot Number in Intra-position details is renamed to Securities sub-balance identification.**    **Change of name from Lot Number to Securities Sub Balance Identification**    **semt.016** |

**SWIFT Comment**

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| --- |
| This information really belongs to a Quantity Breakdown message component.  This change request is related to SR 2011 CR II.24 (JASDEC) and CR II.23 (T2S)  In order to have a good understanding of this change request it is important we go back to was what was decided last year regarding the above mentioned changes requests for these messages  **II.23 (T2S)**  **Restriction Type and Restriction Reference (Set up) using semt.013.001.01 and semt.015.001.01 in ISO 20022 and MT 508 and MT 524 in ISO 15022**  For the set up of the restriction, the restriction type will be included using the issuer name (or DSS in ISO 15022) in the Balance From and Balance To fields. **No need for any changes to the Standards**.  For the confirmation of the restriction semt.015.001.01, the restriction type will also be included in the Balance From and Balance To fields with the issuer name (or DSS in ISO 15022). The restriction reference sent by T2S to the participant will be included in a new message element, Lot Number (or Identification) at the Intra-Position Details level. **Lot Number was therefore added for SR 2011.**  **Restrictions type and Restriction Reference (Increase) – using semt.013.001.01 and semt.015.001.01**  For the increase instruction, the restriction type will be included using the issuer name in the Balance From and Balance To fields. The restriction reference referring to the original restricted position will have to be added as a new message element, Lot Number (or Identification), at the Intra-Position Details level.  Note: the group decided that in Seq B1, Financial Instrument Attributes, the qualifier LOTS in field 13a, Number Identification will not be deleted as it serves other purposes.  **II.24 (JASDEC)**  In ISO 15022 the following items will be added to the MT 508.  In ISO 20022 the following items will be added to semt.015.001.01.  **The Increased/Decreased Quantity of Securities-to-be-Received and the Increased/Decreased Quantity of Pledged Securities**  The current Balance From and Balance to will be used with an issue name (DSS in ISO 15022). As both the pledged and the to-be-received securities will be used up for a specific delivery, two intra-position movement confirmations will have to be sent. **No changes are necessary.** This conclusion was wrong and did not meet the requirements of JASDEC. Therefore it must be covered again this year.  **The Increased/Decreased amount of Collateral Monitor Amount**  An new optional, non repetitive, amount message element (new field19A in ISO 15022) will be added to the message component/sequence Intra-Position Details. Qualifier will be COMT  The business case of Jasdec is:  *A JDCC participant tries an intra position movement of 500 units of certain equity and it has* ***300 units*** *of the equity in its* ***available balance****, 100 in “Securities-to-be-Received” and 100 in “Pledged Securities”. In this 500 units intra position movement, allotted 100 units from “Securities-to-be-Received” and allotted 100 units from “Pledged Securities” are used. After this intra position movement, JASDEC will send an intra position movement confirmation to the participant*  So  Balance FROM = Available  Balance TO = Sub Balance X  Settled Quantity 500  As in reality only 300 units are available, Jasdec will use up:  - 100 units (Lot Quantity- new field)) from the To-Be-Received sub-balance (Securities Sub-balance Type – new field )  - 100 units (Lot Quantity - new field) from the Pledged sub-balance (Securities Sub Balance Type – new field)  This information should be included in the intra-position movement confirmation at the Intra-Position Details level as Lot Quantity and Securities Sub-balance Type message elements. However how do we know whether it refers to the Balance From or the Balance To?  In the business case of Jasdec it would always refer to Balance From.  In the business case of T2S (need for a Lot number of the restriction) it would refer to the Balance To for a restriction confirmation and a restriction increase.  **Question to T2S**, would you ever have a restriction decrease? In this case the Lot Number would refer to the Balance From.  Message elements needed:  - Lot Number (added for SR 2011)  - Lot Quantity  - Securities Sub-balance type  belongs to a Quantity Breakdown message component.  Therefore:   * + based on the Jasdec requirements the Quantity breakdown would have to be included in the confirmation at the Balance From level   + based on T2S requirements the QB would have to be included in the instruction and the confirmation at the Balance To level.   For alignment purposes shouldn’t we also include the QB at the Balance From level in the instruction?  The lot number will then have to be moved from the intra-position details to the QB message component.  No changes were requested for the intra-position movement report. This will have to be discussed further at the MWG. |
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**Working Group Meeting**

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| **Discussion** |
| The group acknowledged that the elements required by both Jasdec and T2S i.e. the Lot Quantity, the Securities Sub Balance Type and the Lot Number should be part of a quantity break down message component at the Balance From and the Balance To Level in the Intra-position Movement Instruction and Confirmation to align with what was done in the Settlement instruction and confirmation. The group also agreed on the fact that the Lot Number at the Intra-position Details level would not be deleted as this was added for T2S last year and it refers more to a reference then to a number. Moreover it applies to the movement as a whole and not specifically to a quantity breakdown. In order to avoid the confusion between the Lot Number at the Balance From/To levels and the Lot Number at the Intra-position Movement Details level it was agreed that for this latter the name will be changed.  Conclusion: it was decided to add the quantity breakdown including the 3 message elements to the Balance From and the Balance To in the Intra-position Movement Instruction and confirmation but NOT in the Intra-position Movement Report as this was not required. This will be more coherent with what is done for the Securities Settlement Transaction Instruction and Confirmation.  The Lot Number at the Intra-position Movement Details in the Intra-position Movement Instruction, Confirmation and Report will be kept but the name/definition will be changed.  The Jasdec requirements only impact them and their participants therefore the group felt it was **not necessary** to include the Quantity Breakdown in the Balance From and the Balance To in the ISO 15022 messages. Nevertheless regarding the existing Lot Number in the Intra-position Details in the Intra-position Movement Instruction, Confirmation and Report the name/definition change will be applied in both ISO 20022 and ISO 15022.  The correct usage of the Lot Number (in or out of the quantity breakdown) will have to be clarified at a market practice level as the structure between the Securities Settlement Transaction and the Intra-position Movement is not completely aligned. |
| **Decision** |
| Approved in ISO 20022 and partly in ISO 15022 |

**Final Decision of the ISO 20022 Securities SEG**

|  |  |
| --- | --- |
| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
|  |  | |
| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000257: ISO 20022 CR0122 – MX/MT Addition of a NumberCounts element, as found within the SecuritiesSettlementTransactionInstruction, preceding the Linkage Block

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| --- | --- |
| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages Users will be impacted  Business applications impact:  HIGH - High Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Addition of a NumberCounts element, as found within the SecuritiesSettlementTransactionInstruction, preceding the Linkage Block. | |
| **Business context** | |
| Business Context:  In the context of the management of pools within the settlement process, T2S requires a pool counter to determine the total number of instructions within a given pool. This pool counter will enable T2S to perform a consistency check ensuring that the correct number of instructions has been received before submitting the instructions for settlement. The pool counter is also necessary in the interest of harmonising the approach regarding the inclusion of S&R instructions within pools. This counter is currently present within the SecuritiesSettlementTransactionInstruction in the form of a NumberCounts element which provides the total number of linked transactions. A similar approach should be adopted for intra-position and intra-balance movement instructions (alignment of this Pillar III camt message also necessary).  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonised and standardised messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonised and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  The addition of this counter will allow the instructing parties to indicate the total number of linked instructions (within a pool) across all instructions. Its presence will allow T2S to perform the necessary validations thus ensuring that a pool is not submitted for settlement with either too few or too many instructions. | |
| **Message Type(s) Impacted** | |
| semt.013, MT 524 | |
| **Examples** | |
| Currently if five SecuritiesSettlementTransactionInstruction messages are sent including a pool id ‘POOLX’ within the Linkage Block the NumberCounts Block will indicate a TotalOfLinkedInstructions element equal to ‘5’.  This allows T2S to set-up the pool counter to 5 and check afterwards that it will not include a 6th instruction in the pool.  In case the pool is created with an intra-position movement (intra-balance similarly), the current message definition does not include a <NbCounts> block, therefore T2S cannot set-up the pool with the appropriate number of instructions expected to be in the pool.   |  | | --- | |  | | |
| **Standards Illustration** | |
| **ISO 15022**  **MT 524 Format Specifications**   | **MT 524 Intra-Position Instruction** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | M | 20C | SEME | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | PREP | Date/Time | Preparation Date/Time | A, C, or E | *4* | | O | 99B | 4!c | Number Count | (see qualifier description) | :4!c//3!n | *5* | | O | 22F | PRIR | Indicator | Priority Indicator | :4!c/[8c]/4!c | *~~5~~6* | | **Optional Subsequence A1 Linkages** | | | | | | | | M | 16R |  |  | Start of Block | LINK | *~~6~~* *7* | | O | 22F | LINK | Indicator | Linkage Type Indicator | :4!c/[8c]/4!c | *~~7~~8* | | O | 13a | LINK | Number Identification | Linked Message | A or B | *~~8~~9* | | M | 20C | 4!c | Reference | (see qualifier description) | :4!c//16x | *~~9~~* 10 | | M | 16S |  |  | End of Block | LINK | *~~10~~* *11* | | **End of Subsequence A1 Linkages** | | | | | | | | M | 16S |  |  | End of Block | GENL | *~~11~~12* | | **End of Sequence A General Information** | | | | | | |   **MT 524 Network Validated Rules**  **Cx**  In sequence A, if the Total of Linked Settlement Instructions (field :99B::TOSE) is present, then the Current Settlement Instruction Number (field :99B::SETT) must be present (Error code(s): E90).   | **Sequence A if field :99B::TOSE is ...** | **Sequence A then field :99B::SETT is ...** | | --- | --- | | Present | Mandatory | | Not present | Optional |   5. Field 99B: Number Count  FORMAT   |  |  |  | | --- | --- | --- | | Option B | :4!c//3!n | (Qualifier)(Number) |   PRESENCE  Optional in mandatory sequence A  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | O | SETT | N | Cx | B | Current Settlement Instruction Number | | 2 | O | TOSE | N |  | B | Total of Linked Settlement Instructions |   DEFINITION  This qualified generic field specifies:   |  |  |  | | --- | --- | --- | | SETT | Current Settlement Instruction Number | Sequential number of the instruction in a range of linked settlement instructions. | | TOSE | Total of Linked Settlement Instructions | Total number of settlement instructions that are linked together. |   USAGE RULES  The current Intra-Position Movement instruction number must be specified when the Sender wants to indicate that this Intra-position movement instruction is linked to one or more movements.  **ISO 20022**  Addition of the number count message component above linkages | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| No discussion. |
| **Decision** |
| Accepted for ISO 20022 and ISO 15022 |

**Final Decision of the ISO 20022 Securities SEG**

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| --- | --- |
| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000269: ISO 20022 CR0121 – MX Responsible Parent BIC required to properly identify the RefOwner within the linkage block

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All SWIFT Users will be impacted  Business applications impact:  HIGH - High Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Responsible Parent BIC required to properly identify the RefOwner within the linkage block and should be added across all messages containing linkages blocks within S&R for harmonization purposes. | |
| **Business context** | |
| Business Context:  Based on the SR2011 CRII.19 in which it was requested the addition of Party associated with reference in linkage block, a new element RefOwner was added.  In the context of Linked Instructions, a party may link its instruction to the instruction of another party using the original instructing party reference. To do so, the party specifies the original instructing party reference and the Party identifier (BIC) as a RefOwner within the linkage block of an instruction.  These references can be provided by different parties belonging to different CSDs in T2S. Therefore the RefOwner is not sufficient to identify uniquely the party owning the instruction reference that is required to be linked to.  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonised and standardised messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonised and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  Enable Market Infrastructures to identify uniquely references provided by participants within a linkage block. The adding of the Parent Party Identifier will allow for the identification of the correct instruction as the Owner Reference is unique per Participant but can be common to several Participants. Therefore, it will help to avoid any inconsistency. | |
| **Message Type(s) Impacted** | |
| semt.013, sese.023, sese.030, sese.031, sese.032, sese.033. | |
| **Examples** | |
| Party1-CSD1 sends an instruction (SI1) with ref “ABC”, T2S duplicate check associates the ref ‘ABC’ to the instructing party Party1-CSD1 identified by a couple of BICs.  Party1-CSD2 sends an instruction (SI2) with ref “ABC”, T2S duplicate check associates the ref ‘ABC’ to the instructing party Party1-CSD2 identified by a couple of BICs.  Party2-CSD1 wants to link its instruction (SI3 / ref “DEF”) with the instruction of Party1-CSD2. (Party2-CSD1 has the privilege to do so)  The references (‘ABC’) and the RefOwners (Party1) are the same; the only distinction is the CSD to which they belong, it is therefore necessary to have an additional field to populate the BIC of the CSD of the instructing party of the linked instruction, i.e. in this case CSD2. | |
| **Standards Illustration** | |
| **ISO 15022 illustration**  As this information is relevant only between the participant and the Market Infrastructure and not downstream, the CR as no impact on ISO 15022 messages.  **ISO 20022 illustration**  Addition of the responsible parent message component at the linkages level  **semt.013**    **sese.023**    **sese.030**    **sese.031**    **sese.032**    **sese.033** | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| The group acknowledges the business case (even though they believe that references sent by the participant should be unique) but considers that the existing reference owner field should be enough. The Bic of the direct participant will be included in Proprietary message component, message element Identification (Max35Text) and the CSD will be mentioned in the Issuer message element.  The group also discussed that possible future discussions should take place in order to make the structure of the Proprietary Id message component (Generic Identification19) more flexible to allow as an identification a BIC or a MIC or other alternate Ids. |
| **Decision** |
| Rejected. |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000270: ISO 20022 CR0124 – MX/MT Addition of the following reason codes within the ProcessingStatus Rejected

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages users will be impacted  Business applications impact:  LOW – Low Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Addition of the following reason codes within the ProcessingStatus Rejected across multiple messages:   |  | **Name** | **Definition** | **Messages impacted** | **Origin of the CR** | | --- | --- | --- | --- | --- | | 1 | InvalidModificationRequest | Unrecognized or invalid modification request | sese.031 | New functionality | | 2 | InvalidBalance | Unrecognized or invalid balance | semt.014,sese.024, ~~semt.018~~ | New functionality | | 3 | InvalidSender | Unrecognized or invalid sender | semt.014, sese.024, sese.027, sese.031, semt.022 | New functionality | | 4 | InvalidRestrictionReference | Unrecognized or invalid Restriction Reference | sese.024, semt.022 | New functionality | | 5 | InvalidLink | Unrecognized or invalid Link Reference | semt.014, sese.024, sese.031, semt.022 | New functionality | | 6 | RuleRejection | Instruction invalid due to CSD Validation Rule | semt.014, sese.024, semt.022 | New functionality | | 7 | InvalidSecurity (DSEC) | Unrecognised or invalid financial instrument identification. | semt.014 | Similar approach than in sese.024 | | 8 | MinimumSettlementQuantity (MINO) | Quantity instructed is lower than the minimum existing settlement quantity for the financial instrument. | semt.014 | Similar approach than in sese.024 | | 9 | MultipleSettlementQuantity (MUNO) | Quantity instructed is not a multiple of an existing settlement quantity lot for the financial instrument. | semt.014 | Similar approach than in sese.024 | | 10 | QuantityRejection (DQUA) | Unrecognised or invalid instructed quantity | semt.014 | Similar approach than in sese.024 | | 11 | NotFoundRejection (NRGN) | Cancellation request rejected as instruction could not be found. | sese.031 | Similar approach than in sese.027, eliminating the specification of a cancellation in its definition. Already done in SR 2011. | | |
| **Business context** | |
| Business Context:  The inclusion of T2S in the chain of participants in the Market has introduced new flows and new functionalities. Many of them demand new validations and controls in the incoming messages producing new reactions in response.  These validations require either the creation of new reason codes across multiple messages or the addition of some reason codes which already exist in some messages but are not available in some others.    Following is a justification for the addition of each new/already existing reason codes:  #1. InvalidModificationRequest:  A modification request is rejected with this ReasonCode when it intends to modify an element other than the ones allowed by T2S.  #2. InvalidBalance:  Within T2S, a Settlement Instruction or a Settlement Restriction is rejected when it intends to use an invalid Balance.  #3. InvalidSender:  Within T2S, an instruction is rejected if it is instructed by an invalid or unrecognized sender. Swift comment: would existing SAFE reason be enough? Is it necessary from a processing perspective to make the difference between a safekeeping account issue and a sender issue (i.e. cannot send an instyruction for a specific account)?  #4. InvalidRestrictionReference:  When making use of a Restriction Reference in a Settlement Instruction or when increasing/decreasing a Settlement Restriction, such a reference has to be valid.  #5. InvalidLink:  Within T2S, a Settlement Instruction or Settlement Restriction is rejected when it provides invalid linkage information.  #6. RuleRejection:  In addition to all the validations that T2S makes to the instruction, it also checks whether there could be some specific “CSD validations rules”. An instruction is rejected when a CSD has set a rejection CSD validation rule.  In T2S CSDs can define additional validation rules based on a set of attributes defined in T2S static data. When an instruction fulfils the rule for processing type rejection, the instruction is rejected. T2S does not provide granular details in this particular scenario as the rules are dynamically defined by the CSDs.  #7. InvalidSecurity (DSEC):  T2S rejects a Settlement Restriction that intends to instruct the movement of unrecognized or invalid securities within T2S.  The DSEC reason code already exists within the SecuritiesSettlementTransactionStatusAdvice (sese.024) message and the same reason code needs to be used for the IntraPositionMovementStatusAdvice (semt.014) message.  #8. MinimumSettlementQuantity (MINO):  T2S rejects a Settlement Restriction that intends to instruct the movement of securities with a quantity lower than the Minimum Settlement Unit specified in T2S.  The MINO reason code already exists within the SecuritiesSettlementTransactionStatusAdvice (sese.024) message and the same reason code needs to be used for the IntraPositionMovementStatusAdvice (semt.014) message.  #9. MultipleSettlementQuantity (MUNO):  T2S rejects a Settlement Restriction that intends to instruct the movement of securities, not related to Corporate Actions, with a quantity that is neither a multiple of Settlement Unit Multiple nor a Deviating Settlement Unit.  The MUNO reason code already exists within the SecuritiesSettlementTransactionStatusAdvice (sese.024) message and the same reason code needs to be used for the IntraPositionMovementStatusAdvice (semt.014) message.  #10. QuantityRejection (DQUA):  T2S rejects a Settlement Restriction that intends to instruct the movement of securities with a quantity not greater than zero.  The DQUA reason code already exists within the SecuritiesSettlementTransactionStatusAdvice (sese.024) message and the same reason code needs to be used for the IntraPositionMovementStatusAdvice (semt.014) message.  #11. NotFoundRejection (NRGN):  When cancelling a Settlement Instruction or a Settlement Restriction, the sender specifies the reference of the instruction being cancelled and its transaction details. In case the instruction could not be found, the cancellation request is rejected indicating the “NRGN” reason code.  When modifying a Settlement Instruction or a Settlement Restriction, the sender specifies the reference of the instruction being modified and its additional information. In case the instruction could not be found, the modification request is rejected but no reason code is available for this specific control.  The existing reason code ‘NRGN’ for the SecuritiesTransactionCancellationRequestStatusAdvice message (sese.027) specifies the reason for this kind of rejection. The same reason code should be added for the SecuritiesSettlementConditionModificationStatusAdvice message (sese.031) eliminating the specification of a cancellation in its definition. Swift comment: already done in SR 2011  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonized and standardized messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonized and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  With such new reason codes, T2S Parties will be provided with a more specific and relevant reason for the rejection status of their instructions. | |
| **Message Type(s) Impacted** | |
| semt.014, ~~semt.018~~ (if it is rejected it is not pending anymore), sese.024, sese.027, sese.031, MT 548. | |
| **Examples** | |
| Following are some examples for each of the requested reason codes:  #1. InvalidModificationRequest:  There can be several situations in which this error can arise:   * The message SecuritiesSettlementConditionsModificationRequest is used to request the modification of a processing indicator or another non-matching information. The underlying instructions that can be modified are either, a settlement instruction or a settlement restriction and the conditions are not always the same i.e. a settlement restriction cannot be held or released. When a hold or release process indicator is received for a settlement restriction the request has to be rejected. * T2S does not allow participants to modify more than one process indicator with one message. This cannot be controlled directly by the message rules. When there is more than one element to be modified in the message, T2S would reject the request. * Since T2S does not prune any elements from the message, it could happen that the only request to be modified is one that is not used in T2S, then, nothing will be modified and therefore T2S will reject the request.   #2. InvalidBalance:  There can be several situations in which this error can arise:   * The Balance From and Balance To specified in a Settlement Restriction on securities must exist as a Restriction Type in T2S. * A Settlement Restriction on securities or cash cannot specify the same Balance From and Balance To.   #3. InvalidSender:  In general, this is the control made on the roles and privileges. There can be several situations in which this error can arise:   * The Instructing Party specified in a Settlement Instruction must exist in T2S Static Data. * The Instructing Party BIC indicated in a Settlement Instruction must be valid on the Intended Settlement Date and additionally on the current Business Day if the Intended Settlement Date is in the past. * For Already Matched Settlement Instructions, the sender of a Settlement Instruction must be authorized to send a Settlement Instruction on both the delivering and the receiving Securities Accounts. * If the relevant Depositary is an external CSD, the sender of a Settlement Instruction must be authorised to send a Settlement Instruction on behalf of that external CSD.   #4. InvalidRestrictionReference:  There can be several situations in which this error can arise:   * The Restriction Reference specified in a Settlement Restriction on securities must exist in T2S. * The Restriction Reference specified in a Settlement Instruction for the use of a restricted securities position must be related to a Blocked or Reserved securities position. * A Settlement Instruction Free of Payment cannot make use of a restricted cash balance. * The Restriction Reference specified in a Settlement Restriction on securities must apply on securities. * If a Settlement Instruction specifies a Restriction Reference related to cash, the Settlement Instruction must be debiting cash.   #5. InvalidLink:  There can be several situations in which this error can arise:   * When the instruction has a Settlement link indicator “WITH” and the existing Linked Instruction is already settled/cancelled. * When the instruction has a Settlement link indicator “WITH” and the existing Linked Instruction is for a different Intended Settlement Date. * The number of instructions belonging to a Pool must be the same that the Linked Instruction Counter of the Settlement Instruction or Settlement Restriction. * When a Condition Modification Instruction tries to amend the linkages of a Settlement Instruction with an unlink type and , the corresponding link does not exist for the referenced Settlement Instruction.   #6. RuleRejection:  In addition to all the validations that T2S makes to the instruction, it also checks whether there could be some specific “CSD validations rules”. These “CSD Validation Rules” can be of any kind depending on the respective CSD.   * The instruction has been rejected because of a CSD validation rule.   #7. InvalidSecurity (DSEC):  No example is deemed necessary.  #8. MinimumSettlementQuantity (MINO):  No example is deemed necessary.  #9. MultipleSettlementQuantity (MUNO):  No example is deemed necessary.  #10. QuantityRejection (DQUA):  No example is deemed necessary.  #11. NotFoundRejection (NRGN):  No example is deemed necessary. | |
| **Standards Illustration** | |
| **ISO 15022**  All the accepted codes will be included in the MT 548  MT548  :25D::IPRC//CAND  **MT 548 Format Specifications**   | **MT 548 Settlement Status and Processing Advice** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | M | 20C | SEME | Reference | Sender's Message Reference | :4!c//16x | *2* | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | PREP | Date/Time | Preparation Date/Time | A, C, or E | *4* | | **-----> Mandatory Repetitive Subsequence A1 Linkages** | | | | | | | | M | 16R |  |  | Start of Block | LINK | *5* | | O | 13a | LINK | Number Identification | Linked Message | A or B | *6* | | M | 20C | 4!c | Reference | (see qualifier description) | :4!c//16x | *7* | | M | 16S |  |  | End of Block | LINK | *8* | | **-----| End of Subsequence A1 Linkages** | | | | | | | | **-----> Mandatory Repetitive Subsequence A2 Status** | | | | | | | | M | 16R |  |  | Start of Block | STAT | *9* | | M | 25D | 4!c | Status | (see qualifier description) | :4!c/[8c]/4!c | *10* | | **-----> Optional Repetitive Subsequence A2a Reason** | | | | | | | | M | 16R |  |  | Start of Block | REAS | *11* | | M | 24B | 4!c | Reason | (see qualifier description) | :4!c/[8c]/4!c | *12* | | O | 70D | REAS | Narrative | Reason Narrative | :4!c//6\*35x | *13* | | M | 16S |  |  | End of Block | REAS | *14* | | **-----| End of Subsequence A2a Reason** | | | | | | |   **MT 548 Field Specifications**  10. Field 25D: Status  FORMAT   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mc\cursor0.gifOption D | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mc\cursor0.gif:4!c/[8c]/4!c | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mc\cursor0.gif(Qualifier)(Data Source Scheme)(Status Code) |   PRESENCE  Mandatory in mandatory subsequence A2  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | | **Qualifier** | **R/N** | | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | 1 | M | | CPRC | N | |  | D | Cancellation Processing Status | |  | **or** | | **IPRC** | **N** | |  | **D** | **Instruction Processing Status** | |  | or | | MTCH | N | |  | D | Matching Status | |  | or | | SETT | N | |  | D | Settlement Status | |  | or | | SPRC | N | |  | D | Request for Statement/Status Advice Status | |  | or | | CALL | N | |  | D | Repo Call Request Status | |  | or | | INMH | N | |  | D | Inferred Matching Status | |  | **or** | | **TPRC** | **N** | |  | **D** | **Processing Change Command Status** | |  | | |  | | |  | | | | |   CODES  If Qualifier is IPRC and Data Source Scheme is not present, Status Code must contain one of the following codes (Error code(s): K25):   |  |  |  | | --- | --- | --- | | CAND | Cancelled | Instruction has been cancelled (in an MT548, as an answer to an MT549 instruction status request). | | CANP | Pending Cancellation | A cancellation request from yourself for this instruction is pending waiting for further processing (in an MT548, as an answer to an MT549 instruction status request). | | CGEN | Generated | The transaction was created by the account servicer or a third party. It was not instructed directly by the account owner. | | CPRC | Cancellation Request | A cancellation request from your counterparty for this transaction is pending waiting for your cancellation request. | | MPRC | Modification Request | A modification request from your counterparty for this transaction is pending waiting for your modification request or your consent. | | PACK | Acknowledged/Accepted | Instruction has been acknowledged by the account servicer. | | PPRC | Pending Processing | Processing of the instruction is pending. | | **REJT** | **Rejected** | **Instruction has been rejected for further processing.** | | REPR | Repair | Instruction is accepted but in repair. |   CODES  If Qualifier is TPRC and Data Source Scheme is not present, Status Code must contain one of the following codes (Error code(s): K25):   |  |  |  | | --- | --- | --- | | DEND | Denied | Modification request will not be executed. | | MODC | Modification Completed | Modification has been completed. | | MOPN | Modification Pending | Modification is pending. It is unknown at this time whether the modification can be affected. | | PACK | Acknowledged/Accepted | Instruction has been acknowledged/accepted by the account servicer. | | **REJT** | **Rejected** | **Instruction has been rejected for further processing.** |   **MT 548 Field Specifications**  12. Field 24B: Reason  FORMAT   |  |  |  | | --- | --- | --- | | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mc\cursor0.gifOption B | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mc\cursor0.gif:4!c/[8c]/4!c | \\be-file01\ktaquet$\Data\SR\2011\Standards Release Guide\books\us5mc\cursor0.gif(Qualifier)(Data Source Scheme)(Reason Code) |   PRESENCE  Mandatory in optional subsequence A2a  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | M | CAND | N | C6 | B | Cancellation Reason | |  | or | CANP | N | C6 | B | Pending Cancellation Reason | |  | or | CACK | N | C6 | B | Repo Call Acknowledgement Reason | |  | or | CGEN | N | C6 | B | Generated Reason | |  | or | DEND | N | C6 | B | Denied Reason | |  | or | MOPN | N | C6 | B | Pending Modification Reason | |  | or | NMAT | N | C6 | B | Unmatched Reason | |  | or | PACK | N | C6 | B | Acknowledgement Reason | |  | or | PEND | N | C6 | B | Pending Reason | |  | or | PENF | N | C6 | B | Pending/Failing Reason | |  | or | PPRC | N | C6 | B | Pending Processing Reason | |  | **or** | **REJT** | **N** | **C6** | **B** | **Rejection Reason** | |  | or | REPR | N | C6 | B | Repair Reason |   CODES  If Qualifier is REJT and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):   |  |  |  | | --- | --- | --- | | ADEA | Account Servicer Deadline Missed | Instruction was received after the account servicer's deadline. | | BATC | Processing Batch Rejection | Unrecognised or invalid Processing Batch (that is, daytime/realtime while only possible to settle in overnight batch). | | CADE | Transaction Call Delay Rejection | Unrecognised or invalid transaction call delay. | | CAEV | Corporate Action Rejection | Corporate action pending on the financial instrument instructed. | | CASH | Cash Account Rejection | Unrecognised or invalid cash account. | | CASY | Impossible Cash Settlement System | Impossible standing arrangements override instruction for the cash settlement system. | | DDAT | Settlement Date Rejection | Unrecognised or invalid settlement date. | | DDEA | Deal Price Rejection | Unrecognised or invalid deal price. | | DEPT | Place of Settlement Rejection | Unrecognised or invalid Place of Settlement. | | DMON | Settlement Amount Rejection | Unrecognised or invalid settlement amount. | | DQUA | Quantity Rejection | Unrecognised or invalid settlement quantity. | | DSEC | Security Rejection | Unrecognised or invalid financial instrument identification. | | DTRD | Trade Date Rejection | Unrecognised or invalid trade date. | | ICAG | Agent Rejection | Unrecognised or invalid receiving or delivering agent. | | ICUS | Receiving or Delivering Custodian Rejection | Unrecognised or invalid receiving or delivering custodian. | | IEXE | Buyer or Seller Rejection | Unrecognised or invalid buyer or seller. | | IIND | Common Reference Rejection | Unrecognised, invalid or missing Common Reference. | | INPS | Place of safekeeping Rejection | Unrecognised, invalid or missing Place of Safekeeping. | | INVB | Invalid Balance | Unrecognized or invalid balance. | | INVL | Invalid Link | Unrecognized or invalid link. | | INVN | Invalid Number | Unrecognized or invalid link lot number. | | LATE | Market or Processing Deadline Missed | Instruction or processing commend was received after market or processing deadline. | | MINO | Minimum Settlement Quantity | Quantity instructed is lower than the minimum existing settlement quantity for the financial instrument. | | MISM | Invalid Requested Message Type | ONLY for SPRC status. The MT549 statement/status advice request cannot be executed. The message type requested is not valid for the message reference or statement period concerned (that is MT548 requested for a settled transaction, MT537 requested for a future statement period, etc.). | | MUNO | Multiple Settlement Quantity | Quantity instructed is not a multiple of an existing settlement quantity lot for the financial instrument. | | NARR | Narrative Reason | See narrative field for reason. | | NCRR | Settlement Amount Currency Rejection | Unrecognised or invalid settlement amount currency. | | NRGM | No Match | Cancellation or Transaction Processing Command request has been rejected since more than one instruction match to the cancellation/Transaction Processing Command criteria. | | NRGN | Not Found | Cancellation or Transaction Processing Command request has been rejected since the instruction could not be found. | | PHYS | Physical Settlement Impossible | Physical settlement is impossible for the instructed financial instrument. | | PLCE | Place of Trade Rejection | Unrecognised or invalid place of trade. | | REFE | Reference Rejection | Instruction has a reference identical to another previously received instruction. | | REPA | Termination Transaction Amount Rejection | Unrecognised or invalid termination transaction amount. | | REPO | Repurchase Rate Rejection | Unrecognised or invalid repurchase rate. | | REPP | Premium Amount Rejection | Unrecognised or invalid premium amount. | | RTGS | Impossible to use the RTGS system instructed | Impossible to use the RTGS system instructed (NRTG or YRTG). | | SAFE | Safekeeping Account Rejection | Unrecognised or invalid message sender's safekeeping account. | | SDUT | Lack of Stamp Duty Information | Required stamp duty information is missing. | | SETR | Settlement Transaction Rejection | Unrecognised or invalid settlement transaction type (relates to the settlement transaction type codes available for sequence E field 22F, qualifier SETR). | | SETS | Settlement System/Method Rejection | Unrecognised or invalid settlement system/method instructed. | | TERM | Closing Date/Time Rejection | Unrecognised or invalid closing date/time. | | TXST | Tax Status Rejection | Unrecognised or invalid tax status of the securities instructed. |  |  |  |  | | --- | --- | --- | | VALR | Invalid Rule | Account Servicer Validation Rule Rejection. |   **ISO 20022**  **sese.031**     |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Code | or | | <Cd> | [1..1] | RejectionReason21Code | | | | | |  |  | |  |  |  | ADEA | | AccountServicerDeadlineMissed | | |  |  | |  |  |  | INVL | | Invalid or unrecognized Link | | |  |  | |  |  |  | LATE | | MarketDeadlineMissed | | |  |  | |  |  |  | SAFE | | SafekeepingAccountRejection | | |  |  | |  |  |  | INVM | | Invalid Modification request | | |  |  | |  |  |  |  | |  | | |  |  | |  |  |  | NRGN | | NotFoundRejection | | |  |  | |  |  |  | OTHR | | Other | | |  |  | |  |  |  | REFE | | ReferenceRejection | | |  |  | |  |  |  |  | | |  | | INVM | | Invalid Modification Request | | | | | Invalid or unrecognized modification request | | | | |  | |  | | | | |  | | | |  |  |  |  | | --- | --- | --- | | INVL | Invalid Link | Invalid or unrecognized link |   **semt.014**     |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Code | | or | <Cd> | [1..1] | | RejectionReason22Code | | | |  | |  |  |  | |  | SAFE | SafekeepingAccountRejection | |  | |  |  |  | |  | ADEA | AccountServicerDeadlineMissed | |  | |  |  |  | |  | DQUA | Quantity Rejection | |  | |  |  |  | |  | DSEC | Invalid security | |  | |  |  |  | |  | INVB | Invalid Balance | |  | |  |  |  | |  | INVL | Invalid or unrecognized link | |  | |  |  |  | |  | INVN | Invalid or unrecognized lot number | |  | |  |  |  | |  | LATE | Market Deadline Missed | |  | |  |  |  | |  | MINO | Minimum Settlement Quantity | |  | |  |  |  | |  | MUNO | Multiple Settlement Quantity | |  | |  |  |  | |  | CAEV | Corporate Action Rejection | |  | |  |  |  | |  | DDAT | Settlement Date Rejection | |  | |  |  |  | |  | REFE | Reference Rejection | |  | |  |  |  | |  | VALR | Invalid Rule | |  | |  |  |  | |  | OTHR | Other | | DQUA | Quantity Rejection | | | | Unrecognised or invalid instructed quantity | | | | |  |  |  |  | | --- | --- | --- | | DSEC | Invalid Security | Unrecognised or invalid financial instrument | |  |  | identification |  |  |  |  | | --- | --- | --- | | INVB | Invalid Balance | Instruction aims at using an invalid balance |  |  |  |  | | --- | --- | --- | | INVL | Invalid Link | Invalid or unrecognized link |  |  |  |  | | --- | --- | --- | | INVN | Invalid Lot Number | Invalid or unrecognized lot number |  |  |  |  |  | | --- | --- | --- | --- | | MINO | Minimum Settlement | Quantity instructed is lower than the minimum | Invalid instruction due to Account Servicer | |  | Quantity | existing settlement quantity for the financial | Validation Rule | |  |  | instrument | Validation Rule |  |  |  |  |  | | --- | --- | --- | --- | | MUNO | Multiple Settlement | Quantity instructed is not a multiple of an |  | |  | Quantity | existing settlement quantity lot for the financial instrument |  |  |  |  |  | | --- | --- | --- | | VALR | Invalid Rule | Account Servicer Validation Rule | |  |  | Rejection |   **sese.024**     |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Code | or | <Cd> | [1..1] | RejectionReason25Code | | | |  |  |  |  |  | SAFE | SafekeepingAccountRejection | |  |  |  |  |  | DQUA | QuantityRejection | |  |  |  |  |  | ADEA | AccountServicerDeadlineMissed | |  |  |  |  |  | DSEC | InvalidSecurity | |  |  |  |  |  | LATE | MarketDeadlineMissed | |  |  |  |  |  | CASH | CashAccount | |  |  |  |  |  | DDEA | DealPrice | |  |  |  |  |  | DTRD | TradeDate | |  |  |  |  |  | PLCE | PlaceOfTrade | |  |  |  |  |  | RTGS | ImpossibleToUseTheRTGSSystemInstructed | |  |  |  |  |  | NCRR | SettlementAmountCurrencyRejection | |  |  |  |  |  | PHYS | PhysicalSettlementImpossible | |  |  |  |  |  | REFE | ReferenceRejection | |  |  |  |  |  | DMON | SettlementAmountRejection | |  |  |  |  |  | MINO | MinimumSettlementQuantity | |  |  |  |  |  | BATC | ProcessingBatchRejection | |  |  |  |  |  | MUNO | MultipleSettlementQuantity | |  |  |  |  |  | TXST | TaxStatusRejection | |  |  |  |  |  | SETS | SettlementSystemMethodRejection | |  |  |  |  |  | IIND | CommonReferenceRejection | |  |  |  |  |  | INVB | Invalid Balance | Instruction aims at using an invalid balance | |  |  |  |  |  | INVL | Invalid or unrecognized link | |  |  |  |  |  | INVN | Invalid or unrecognized Lot Number | |  |  |  |  |  | CAEV | CorporateActionRejection | |  |  |  |  |  | CASY | ImpossibleCashSettlementSystem | |  |  |  |  |  | DDAT | SettlementDateRejection | |  |  |  |  |  | SETR | SettlementTransactionRejection | |  |  |  |  |  | SDUT | LackOfStampDuty | |  |  |  |  |  | INPS | PlaceOfSafekeeping | |  |  |  |  |  | OTHR | Other | |  |  |  |  |  | ICUS | ReceivingDeliveringParty2 | |  |  |  |  |  | ICAG | ReceivingDeliveringParty1 | |  |  |  |  |  | DEPT | ReceivingDeliveringDepository | |  |  |  |  |  | IEXE | ReceivingDeliveringParty3 | |  |  |  |  |  | VALR | Invalid Rule |  |  |  |  | | --- | --- | --- | | INVB | Invalid Balance | Instruction aims at using an invalid balance |  |  |  |  | | --- | --- | --- | | INVL | Invalid Link | Invalid or unrecognized link |  |  |  |  | | --- | --- | --- | | INVN | Invalid Lot Number | Invalid or unrecognized Lot Number |  |  |  |  | | --- | --- | --- | | VALR | Invalid Rule | Account Servicer Validation Rule Rejection | | |

**SWIFT Comment**

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| --- |
| Change will also have to be added to the SecuritiesSettlementTransactionAuditTrailReport (semt.022.001.02) |

**Working Group Meeting**

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| --- |
| **Discussion** |
| The group accepted to include all the codes **except for the invalid sender** considering that this code covered too many distinct scenarios that would require the usage of the narrative anyway. The code Other was therefore recommended with the addition of the narrative as a workaround.  The group also suggested that for the new code CSD Rule Rejection, the CSD error code should also be provided in the narrative in order to facilitate the investigation of the account owner when reverting to the CSD.  As the codes can be forwarded downstream to the underlying client that might not be ISO 20022, the group considered that these codes should also be included in ISO 15022. |
| **Decision** |
| Accepted except for the Invalid Sender code. In both ISO 20022 and ISO 15022. |

**Final Decision of the ISO 20022 Securities SEG**

|  |  |
| --- | --- |
| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
|  |  | |
| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000271: ISO 20022 CR0125 – MX/MT Addition of the following reason code within the SettlementStatus “Pending”

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages users will be impacted  Business applications impact:  LOW – Low Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Addition of the following reason code within the SettlementStatus “Pending” across multiple messages:   |  | **Name** | **Definition** | **Messages impacted** | **Origin of the CR** | | --- | --- | --- | --- | --- | | 1 | CSD Hold | Your Instruction on CSD Hold | sese.024, semt.018, semt.022 | New functionality | | 2 | CSD Validation Hold | Your Instruction on CSD Validation Hold | sese.024, semt.018, semt.022 | New functionality | | 3 | CoSD Release | Awaiting CoSD release by Administering Party | sese.024, sese.027, semt.018, semt.022 | New functionality | | 4 | Incomplete pool | Not settled due to incomplete pool | semt.014, sese.024, semt.018, semt.022 | New functionality | | |
| **Business context** | |
| Business Context:  The inclusion of T2S in the Market introduced a new level of Actors within the chain of settlement participants. This inclusion has introduced new flows, new functionalities and new validations and controls in the incoming messages.  These new validations and controls lead to the necessity of adding new reason codes to different Statuses within the StatusAdvice messages in order to notify the reasons behind these new validations and controls.  The addition of new reason codes to the Pending status is required from two different contexts within T2S: for the use of the different types of Holds indicators and when instructions are within a pool and are pending settlement.  With regards to the codes requested for the “Holds”, the current available codes do not allow to cover the different possibilities in T2S:   * Party Hold (mapped to PREA) * CSD Hold (missing) * CSD Validation Hold (missing) * CoSD Hold (mapped to PRSY) * ~~CoSD Release (missing)~~ * CoSD Awaiting Release (missing) applies to sese.024. * CoSD Awaiting Administrative Confirmation (missing), applies to sese.027   Having these additional codes will allow T2S to provide to the participants the detail of the type of Hold that has been set on their instruction via the status notification (independently from the fact that these situations are also part of the HoldIndicator within the Transaction Details).  #1. “CSD Hold”  T2S shall be able to communicate the Pending status of a Settlement Instruction that is on CSD Hold. The instruction was put on hold by the CSD.  #2. “CSD Validation Hold”  T2S shall be able to communicate the Pending status of a Settlement Instruction that is on CSD Validation Hold. The instruction was put on hold by T2S but based on CSD validation rules.  #3. “CoSD Release”  T2S shall be able to communicate the Pending status of a Settlement Instruction that is on CoSD Hold awaiting a Release from the Administering Parties. This reason code shall be used in two cases:  - After the securities/cash blocking in a CoSD instruction to notify the Administering Parties that the instruction is awaiting their release.  - When a T2S Actor intends to cancel a CoSD Settlement Instruction and at least one Administering Party has not sent yet its CoSD Cancellation instruction.  #4. “Incomplete ~~Pool~~ Number Count ”  In T2S, the instructions could be linked together through a pool identification that has a pool counter. On the Intended Settlement Date, T2S checks if all the instructions specified in the pool counter have been received in order to start their settlement. In case the pool is not yet completed, T2S would keep pending the settlement of all those instructions. Therefore, a new reason code needs to be added to explain this situation.  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonized and standardized messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonized and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  With such new reason codes, T2S Parties will be provided with a more specific and relevant reason for the pending status of their instructions. | |
| **Message Type(s) Impacted** | |
| semt.014, semt.018, sese.024, sese.027, MT 548, MT 537 | |
| **Examples** | |
| Following are some examples for each of the requested reason codes:  #1. “CSD Hold”  A T2S Actor, playing the role of a CSD, sends a Settlement Instruction on CSD Hold (through a sese.023 message) or amends an existing one setting the CSD Hold indicator to true (through a sese.030 message). T2S sends back a Status Advice informing on the pending status with a reason code that indicates this type of hold (“Your instruction on CSD Hold”).  #2. “CSD Validation Hold”  A T2S Actor, playing the role of a CSD or directly connected CSD Participant, sends a Settlement instruction to T2S. The Instruction fulfils predefined conditions of a restriction processing type (CSD Validation Hold).  Therefore, T2S sets the instruction status to “CSD Validation Hold” and sends back a Status Advice informing on the pending status with a reason code that indicates this type of hold (“Your Instruction on CSD Validation Hold”).  #3. “CoSD Release”  There are two business cases for the CoSD Release, the release of a CoSD settlement instruction and the Cancellation of a CoSD Settlement Instruction.   1. On the Intended Settlement Date T2S detects that an instruction fulfils predefined CoSD rules and the instruction status is automatically set to “CoSD Hold”. This means that the securities/cash is blocked and put at the disposal of the Administering Party who will release it to finalize the instruction.   Once the securities/cash blocking is settled within T2S and the confirmation sent, T2S sends a Status Advice (sese.024) informing about the pending situation and the readiness of the instruction to be released by the Administering Party. The Status Advice notifies a pending status with a reason code indicating that the CoSD Settlement instruction is awaiting the release from the Administering Party.   1. A T2S Actor sends a Cancellation instruction for a CoSD Settlement Instruction. T2S validates and accepts the cancellation request but if at least another T2S Actor has not sent yet its CoSD Cancellation instruction, the CoSD Cancellation cannot be executed. Then T2S sends a Status Advice to this cancellation request (sese.027) informing the pending status with a reason code that indicates that the CoSD Cancellation is still pending awaiting the cancellation from at least another Administering Party.   #4. “Incomplete ~~Pool~~ Number Count”  On the Intended Settlement Date, T2S checks if all the instructions specified in a pool counter have been received in order to start their settlement. However, when the pool is not yet completed, T2S would send to all instructions belonging to that particular pool a Status reporting that there are still some instructions missing to complete the pool. | |
| **Standards Illustration** | |
| **ISO 20022**    **Sese.024**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Code | or | <Cd> | [1..1] | PendingProcessingReason1Code | | | |  |  |  |  |  | ADEA | AccountServicerDeadlineMissed | | |  |  |  |  |  | CAIS | AwaitingSecurities | | |  |  |  |  |  | CSDH | CSD Hold | | |  |  |  |  |  | CDEL | Conditional Delivery | | |  |  |  |  |  | CVAL | CSD Validation | | |  |  |  |  |  | CDLR | Conditional Delivery Awaiting Release | | |  |  |  |  |  | CDAC | Conditional Delivery Awaiting Cancellation | | |  |  |  |  |  | NOFX | NoForeignExchangeInstruction | | |  |  |  |  |  | BLOC | AccountBlocked | | |  |  |  |  |  | MUNO | MultipleSettlementAmount | | |  |  |  |  |  | GLOB | GlobalFormSecurities | | |  |  |  |  |  | YCOL | CollateralShortage | | |  |  |  |  |  | COLL | SecuritiesPledgedAsCollateral | | |  |  |  |  |  | FLIM | MaximumForeignLimitReached | | |  |  |  |  |  | NEXT | NextProcess | | |  |  |  |  |  | INBC | Incomplete Number Count | | |  |  |  |  |  | LACK | LackOfSecurities | | |  |  |  |  |  | LALO | SecuritiesLoanedOut | | |  |  |  |  |  | MONY | Insufficient Money | | |  |  |  |  |  | MINO | MinimumSettlementAmount | | |  |  |  |  |  | OTHR | Other | | |  |  |  |  |  | DENO | UnavailableDeliverableDenominatedQuantity | | |  |  |  |  |  | LIQU | InsufficientCentralBankLiquidity | | |  |  |  |  |  | CERT | WrongCertificatesNumbers | |  |  |  |  | | --- | --- | --- | | CSDH | CSDHold | Central securities depository sets the instruction | |  |  | in a hold/frozen/preadvice mode |  |  |  |  | | --- | --- | --- | | CDEL | ConditionalDelivery | Instruction is in a hold/frozen/preadvice mode as it fulfils | |  |  | predefined conditional delivery rules in the market | |  |  | infrastructure platform for conditional delivery |  |  |  |  | | --- | --- | --- | | CVAL | CSD Validation | Instruction is in a hold/frozen/preadvice mode as it fulfils | |  |  | predefined conditions of a restriction processing type | |  |  | in the market infrastructure platform |  |  |  |  | | --- | --- | --- | | CDLR | Conditional Delivery | Instruction is in a hold/frozen/preadvice mode | |  | Awaiting Release | infrastructure platform is awaiting release |  |  |  |  | | --- | --- | --- | | INBC | Incomplete Number | Not all the instructions part of a pool have been received | |  | Count |  |   **semt.018**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Code | or | <Cd> | [1..1] | PendingReason1Code | | | |  |  |  |  |  | AWMO | AwaitingMoney | | |  |  |  |  |  | ADEA | AccountServicerDeadlineMissed | | |  |  |  |  |  | CAIS | AwaitingSecurities | | |  |  |  |  |  | CSDH | CSDHold | | |  |  |  |  |  | CDEL | ConditionalDelivery | | |  |  |  |  |  | CVAL | CSDValidation | | |  |  |  |  |  | CDLR | Conditional Delivery Awaiting Release | | |  |  |  |  |  | PHSE | PhysicalDeliveryDelay | | |  |  |  |  |  | TAMM | TradeAmendedInMarket | | |  |  |  |  |  | … |  | | |  |  |  |  |  | INBC | Incomplete Number Count | | |  |  |  |  |  | LATE | MarketDeadlineMissed | | |  |  |  |  |  | LIQU | InsufficientCentralBankLiquidity | | |  |  |  |  |  | PRCY | CounterpartyInstructionOnHold | | |  |  |  |  |  | REGT | CertificatesRejected | | |  |  |  |  |  | SETS | SettlementSystemMethodModified | | |  |  |  |  |  | CERT | WrongCertificatesNumbers | | |  |  |  |  |  | PRSY | SystemOnHold | |  |  |  |  | | --- | --- | --- | | CSDH | CSDHold | Central securities depository sets the instruction | |  |  | in a hold/frozen/preadvice mode |  |  |  |  | | --- | --- | --- | | CDEL | ConditionalDelivery | Instruction is in a hold/frozen/preadvice mode as it fulfils | |  |  | predefined conditional delivery rules in the market | |  |  | infrastructure platform for conditional delivery |  |  |  |  | | --- | --- | --- | | CVAL | CSD Validation | Instruction is in a hold/frozen/preadvice mode as it fulfils | |  |  | predefined conditions of a restriction processing type | |  |  | in the market infrastructure platform |  |  |  |  | | --- | --- | --- | | CDAC | Conditional Delivery | Awaiting cancellation of one of the party. | |  | Awaiting Cancellation |  |  |  |  |  | | --- | --- | --- | | INBC | Incomplete Number | Not all the instructions part of a pool have been received | |  | Count |  |   **Sese.027**     |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Code | or | <Cd> | [1..1] | PendingReason6Code | | | |  |  |  |  |  | ADEA | AccountServicerDeadlineMissed | |  |  |  |  |  | CONF | AwaitingConfirmation | |  |  |  |  |  | OTHR | Other | |  |  |  |  |  | CDLC | Conditional Delivery Cancellation Pending | |  |  |  |  |  | CDRG | ConditionalRegistrar | |  |  |  |  |  | CDCY | ConditionalCurrency | |  |  |  |  |  | CDRE | ConditionalRealignement |  |  |  |  | | --- | --- | --- | | CDLR | Conditional Delivery | Conditional Delivery is still pending awaiting the cancellation | |  | Cancellation Pending | from at least another party. |   **semt.014**     |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Code | or | <Cd> | [1..1] | PendingReason1Code | | | |  |  |  |  |  | AWMO | AwaitingMoney | | |  |  |  |  |  | ADEA | AccountServicerDeadlineMissed | | |  |  |  |  |  | CAIS | AwaitingSecurities | | |  |  |  |  |  | AWSH | AwaitingSecuritiesFromCounterparty | | |  |  |  |  |  | PHSE | PhysicalDeliveryDelay | | |  |  |  |  |  | TAMM | TradeAmendedInMarket | | |  |  |  |  |  | … |  | | |  |  |  |  |  | INBC | Incomplete Number Count | | |  |  |  |  |  | LATE | MarketDeadlineMissed | | |  |  |  |  |  | LIQU | InsufficientCentralBankLiquidity | | |  |  |  |  |  | PRCY | CounterpartyInstructionOnHold | | |  |  |  |  |  | REGT | CertificatesRejected | | |  |  |  |  |  | SETS | SettlementSystemMethodModified | | |  |  |  |  |  | CERT | WrongCertificatesNumbers | | |  |  |  |  |  | PRSY | SystemOnHold | |  |  |  |  | | --- | --- | --- | | INBC | Incomplete Number | Not all the instructions part of a pool have been received | |  | Count |  |   **SAME ILLUSTRATIONS FOR THE FAILING STATUS.**  **ISO 15022**  **MT 548**  The codes CSDH, CDEL, CVAL, CDLR and INBC will be added to the **pending and failing status.**  The codes CDLR and INBC will be added to the **Cancellation pending status.** | |

**SWIFT Comment**

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| Changes will also have to be added to the SecuritiesSettlementTransactionAuditTrailReport (semt.022.001.02).  These codes will not apply to failing status as T2S will not support it. Settlement status will only be pending even if settlement date is past. |

**Working Group Meeting**

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| **Discussion** |
| The group argued that the codes requested were already present at the Settlement Parameters level (Hold indicator Y/N + reason) and even though it requested further processing from the receiver (i.e. if reason code is on hold, the reason at the Hold indicator level must also be checked), the extra system processing and therefore extra programming was not considered as a valid argument by the group to accept the change request. Nevertheless considering that some hold codes are already present (PREA and PRSY) at the status/reason level and that one of the code CDAC (Conditional delivery Awaiting Cancellation) should be included in the cancellation status advice that does not include the Hold flag, the group decided to include the other codes at the status reason level.  For alignment purposes these codes will also be added to the failing status  As the codes can be forwarded downstream to the underlying client that might not be ISO 20022, the group considered that these codes should also be included in ISO 15022. |
| **Decision** |
| Accepted in both ISO 20022 and ISO 15022 |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000272: ISO 20022 CR0126 – MX/MT Addition of a new code within the PartialSettlement element of the AdditionalParameters

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages users will be impacted  Business applications impact:  LOW – Low Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Addition of a new code within the PartialSettlement element of the AdditionalParameters block for the IntraPositionMovementConfirmation message   |  | **Name** | **Definition** | **Messages impacted** | **Origin of the CR** | | --- | --- | --- | --- | --- | |  | PartialExecution | Confirmation of partial settlement with no additional settlement | semt.015 | New functionality | | |
| **Business context** | |
| Business Context:  The inclusion of T2S in the Market introduced a new level of Actors within the chain of settlement participants. This inclusion has introduced new functionalities, i.e. in the settlement of a Settlement Restriction related to a blocked or earmarked position, which leads to the necessity of adding new codes in the Confirmation messages.  In T2S intra-position/balance movements are used in order to create different types of sub-positions:  • Reserved positions  • Blocked positions  • Earmarked positions  For reservations, in case the quantity available to settle the intra-position movement is not sufficient, T2S will partially settle the instruction and reattempt later for the remaining quantity. To report the partial settlement of the reservation, PAIN will be returned in the confirmation stating that there will be further settlement attempts. PARC will be sent for the last partial settlement in the confirmation.  For blocking and earmarked positions, in case the quantity available to settle the intra-position movement is not sufficient, T2S will anyway execute the instruction and book it for the available quantity. There will be no further re-attempt.  At present, it is not possible to confirm a partial settlement in which a part of the transaction is not settled and no further settlement attempt will be done.  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonized and standardized messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonized and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  The new code for the PartialSettlement element allows T2S Parties to identify if their instructed, blocked or earmarked securities have been partially settled with no further settlement attempt by T2S expected. | |
| **Message Type(s) Impacted** | |
| semt.015, MT 508 | |
| **Examples** | |
| When a Settlement Restriction related to the blocking or the earmarking restriction processing types is partially settled, that is the quantity actually booked is lower than the requested quantity but no complement shall be booked later, the instructing T2S Actor shall be informed through an IntraPositionMovementConfirmation with the requested code. Such code will inform the T2S Actor that no further settlement attempt will be performed. | |
| **Standards Illustration** | |
| **ISO 20022**  **Semt.015**     |  |  |  | | --- | --- | --- | | PartialSettlement1Code | | | |  | PAIN | PartialSettlement | |  | PARC | ~~Previously~~PartialConfirmed |  |  |  |  | | --- | --- | --- | | PAIN | Partial Settlement | Confirmation is for partial settlement. Part of the | |  |  | Transaction remains unsettled |  |  |  |  | | --- | --- | --- | | PARC | ~~Previously~~ Partially | ~~Confirmation is for the remaining part of an instruction that~~ | |  | Confirmed | ~~Was previously partially confirmed~~. Confirmation is for partial settlement. No additional settlement will take place. |   **ISO 15022**  **MT 508 Format Specifications**   | **MT 508 Intra-Position Advice** | | | | | | | | --- | --- | --- | --- | --- | --- | --- | | **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** | | **Mandatory Sequence A General Information** | | | | | | | | M | 16R |  |  | Start of Block | GENL | *1* | | **----->** | | | | | | | | M | 20C | 4!c | Reference | (see qualifier description) | :4!c//16x | *2* | | **-----|** | | | | | | | | M | 23G |  |  | Function of the Message | 4!c[/4!c] | *3* | | O | 98a | PREP | Date/Time | Preparation Date/Time | A, C, or E | *4* | | **-----> Optional Repetitive Subsequence A1 Linkages** | | | | | | | | M | 16R |  |  | Start of Block | LINK | *5* | | O | 13a | LINK | Number Identification | Linked Message | A or B | *6* | | M | 20C | 4!c | Reference | (see qualifier description) | :4!c//16x | *7* | | M | 16S |  |  | End of Block | LINK | *8* | | **-----| End of Subsequence A1 Linkages** | | | | | | | | M | 16S |  |  | End of Block | GENL | *9* | | **End of Sequence A General Information** | | | | | | | | **Mandatory Sequence B Intra-Position Details** | | | | | | | | M | 16R |  |  | Start of Block | INPOSDET | *10* | | O | 95a | ACOW | Party | Account Owner | P or R | *11* | | M | 97a | SAFE | Account | Safekeeping Account | A or B | *12* |   **…..**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **End of Subsequence B1 Financial Instrument Attributes** | | | | | | | | **----->** | | | | | | | | M | 98a | 4!c | Date/Time | (see qualifier description) | A or C | 32 | | **-----|** | | | | | | | | **----->** | | | | | | | | O | 22F | 4!c | Indicator | (see qualifier description) | :4!c/[8c]/4!c | *33* | | **-----|** | | | | | | | | O | 70E | SPRO | Narrative | Settlement Instruction Processing Narrative | :4!c//10\*35x | *34* | | **----->** | | | | | | | | M | 93A | 4!c | Balance | (see qualifier description) | :4!c/[8c]/4!c | *35* | | **-----|** | | | | | | | | M | 16S |  |  | End of Block | INPOSDET | *36* | | **End of Sequence B Intra-Position Details** | | | | | | |   **MT 508 Field Specifications**  33. Field 22F: Indicator  FORMAT   |  |  |  | | --- | --- | --- | | Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |   PRESENCE  Optional in mandatory sequence B  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | O | CAEV | N |  | F | Corporate Action Event Indicator | | 2 | O | PARS | N |  | F | Partial Settlement Indicator |   DEFINITION  This qualified generic field specifies:   |  |  |  | | --- | --- | --- | | CAEV | Corporate Action Event Indicator | Specifies the type of corporate event. | | PARS | Partial Settlement Indicator | Specifies partial settlement information. |   CODES  If Qualifier is PARS and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):   |  |  |  | | --- | --- | --- | | PAIN | Partial Settlement | Confirmation is for partial settlement. Part of the instruction remains unsettled. | | PARC | ~~Previously~~ Partially Confirmed | ~~Confirmation is for the remaining part of an instruction that was previously partially confirmed.~~ Confirmation is for partial settlement. No additional settlement will take place. | | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| The group agreed not to add a new code, as the existing PARC code already gave the  information that no further settlement would take place. As the current PARC definition  suggested that previous partial settlement had already occurred the suggestion is change it to  “Confirmation is for partial settlement. No additional settlement will take place”.    The group also suggested that the unsettled portion would need to be cancelled (possibly centrally by the CSD/infrastructure). This will be discussed at a market practice level. |
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| Accepted in both ISO 20022 and ISO 15022 |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000273: ISO 20022 CR0127- MX/MT Addition of the following reason code within the ProcessingStatus “Cancelled”

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages users will be impacted  Business applications impact:  LOW – Low Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Addition of the following reason code within the ProcessingStatus “Cancelled” across multiple messages:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Name** | **Definition** | **Messages impacted** | **Origin of the CR** | |  | Cancellation by CSD | Cancelled by the CSD might be confused with cancelled by the system which is currently used for cancelled by the CSD | semt.014,  sese.024,  semt.022 | New level of Actors within the settlement chain | | |
| **Business context** | |
| Business Context:  The inclusion of T2S in the chain of participants in the Market introduced a new level of Actors to be communicated. Currently, an instruction could be cancelled either by yourself, by the system or by the agent.  Since T2S adds a new level of Actors in the chain of participants, it leads to the necessity of adding a new reason code when the cancellation request is instructed by the CSD.  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonized and standardized messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonized and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  With such new reason code, T2S Parties will be provided with a more specific and relevant reason for the cancellation status of their instructions. | |
| **Message Type(s) Impacted** | |
| semt.014, sese.024, MT 548 | |
| **Examples** | |
| A T2S Actor, playing the role of a CSD, cancels an instruction that belongs to a CSD participant. When the referred instruction is cancelled, T2S informs the CSD participant about the cancelled status identifying who requested such cancellation, that is, the CSD. | |
| **Standards Illustration** | |
| **ISO 20022**  **sese.024 and semt.014**     |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Code | or | <Cd> | [1..1] | CancelledStatusReason9Code | | | |  |  |  |  |  | CANI | CancelledByYourself | |  |  |  |  |  | CANS | CancelledBySystem | |  |  |  |  |  | CTHP | Cancelled By a Third Party | |  |  |  |  |  | CSUB | CancelledByAgent | |  |  |  |  |  | CXLR | EndOfLife | |  |  |  |  |  | CANT | CancelledDueToTransformation | |  |  |  |  |  | CANZ | CancelledSplitPartialSettlement | |  |  |  |  |  | CORP | CancelledDueToCorporateAction | |  |  |  |  |  | SCEX | SecuritiesNoLongerEligible | |  |  |  |  |  | OTHR | Other |  |  |  |  | | --- | --- | --- | | CTHP | Cancelled By Third | Instruction is cancelled by a Third party | |  | Party |  |   **ISO 15022**  **MT 548 Field Specifications**  12. Field 24B: Reason  FORMAT   |  |  |  | | --- | --- | --- | | Option B | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Reason Code) |   PRESENCE  Mandatory in optional subsequence A2a  QUALIFIER  (Error code(s): T89)   | **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** | | --- | --- | --- | --- | --- | --- | --- | | 1 | M | CAND | N | C6 | B | Cancellation Reason | |  | or | CANP | N | C6 | B | Pending Cancellation Reason | |  | or | CACK | N | C6 | B | Repo Call Acknowledgement Reason | |  | or | CGEN | N | C6 | B | Generated Reason | |  | or | DEND | N | C6 | B | Denied Reason | |  | or | MOPN | N | C6 | B | Pending Modification Reason | |  | or | NMAT | N | C6 | B | Unmatched Reason | |  | or | PACK | N | C6 | B | Acknowledgement Reason | |  | or | PEND | N | C6 | B | Pending Reason | |  | or | PENF | N | C6 | B | Pending/Failing Reason | |  | or | PPRC | N | C6 | B | Pending Processing Reason | |  | or | REJT | N | C6 | B | Rejection Reason | |  | or | REPR | N | C6 | B | Repair Reason |   DEFINITION  This qualified generic field specifies:   |  |  |  | | --- | --- | --- | |  |  |  | | CAND | Cancellation Reason | Specifies the reason why the instruction is cancelled. |   CODES  If Qualifier is CAND and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):   |  |  |  | | --- | --- | --- | | CANI | Cancelled By Yourselves | Instruction has been cancelled as per your request. | | CANS | Cancelled By System | Instruction has been cancelled by the settlement system. | | CANT | Cancelled due to Transformation | Original instruction has been cancelled and replaced due to a Corporate Action. | | CANZ | Cancelled due to Split/Partial Settlement | Original instruction has been cancelled and replaced to allow a partial or split settlement. | | CTHP | Cancelled By  Third Party | Instruction is cancelled by a Third Party. | | CORP | Cancelled Due to Corporate Action | Instruction has been cancelled due to a corporate action. | | CSUB | Cancelled By Agent | Instruction has been cancelled by the agent. | | EXPI | Expired | Instruction has expired. | | NARR | Narrative Reason | See narrative field for reason. | | SCEX | Securities No Longer Eligible | Instruction has been cancelled; the security no longer exists or is no longer eligible on the market instructed. For corporate action-related cancellation, CORP should be used. | | |

**SWIFT Comment**

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| This codes will also have to be added in the SecuritiesSettlementTransactionAuditTrailReport (semt.022.001.02) |

**Working Group Meeting**

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| **Discussion** |
| As the code CCSD (cancelled by CSD) would be confused with the code CANS, Cancelled by the system (at least in a non T2S context), the grouped advised to change the name of the code to CTHP, Cancelled by Third Party. This code is generic enough to be used in the context of T2S or in a context where one of the parties has a power of attorney over an account. |
| **Decision** |
| Accepted in both ISO 20022 and ISO 20022 |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000274: ISO 20022 CR0129 – MX Addition of the message identifier of the original message (query) for which a response is not possible due to an error condition.

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | Deutsche Bundesbank on behalf of 4CB for TARGET2-Securities (T2S) |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  LIMITED - Only a restricted number of message users will be impacted by this change request (i.e. the one that implement the change)  Business applications impact:  MEDIUM - Medium Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| Addition of the message identifier of the original message (query) for which a response is not possible due to an error condition. | |
| **Business context** | |
| Business Context:  The sese.022 allows responding to a SecuritiesTransactionStatusQuery (sese.021) or a SecuritiesStatementQuery (semt.021) when the query cannot be performed due to an error in the specifications input by the user. It is however not possible to indicate in the response whether the query was a sese.021 or a semt.021.  T2S users will have the possibility to send a various number of additional query messages which are still under development:  SecuritiesSettlementInstructionQuery (semt.026)  SecuritiesAccountPositionQuery (semt.025)  IntraPositionMovementQuery (semt.028)  SecuritiesSettlementConditionsModificationRequestQuery (semt.030)  SecuritiesTransactionCancellationRequestQuery (semt.032)  When a query is positively accepted, a report will be returned. When a query cannot be performed due to an error in the specifications input by the user, the latter will also receive an error message in the form of a status advice (sese.022). This status advice is the same in all situations, regardless of the original query sent by the user. Swift comment: in the sese.022 you have the StatusOrStatementRequested with which you can derive the original query. Is this not enough or maybe the issue is on the technical side?  This change request will not be applied to ISO 15022 as there is only one query message (MT 549)  For a reconciliation purpose, the returned sese.022 will contain the message reference of the original query. However, the T2S Sub-group on Message Standardization, whilst reviewing the specifications of sese.022 explained that whilst the uniqueness of a message reference is assured within a business area/application, it can not be guaranteed across business applications within a CSD. Therefore, a universal message response that would provide only the original message reference irrespective of the query message id that originated the response would be impossible to allocate to the proper application. For this reason, it is seen as important to have the query message id present in the response message.  General T2S business context background and community of interested users:  The cross-border and domestic settlement of securities against central bank money requires harmonized and standardized messages as a part of an effective and efficient communication. The current European post-trade sector is fragmented into multiple national markets. This lack of integration implicates a significant cost burden and inefficiency of cross-border wholesale transactions, and a very significant inhibition of retail transactions. To address this issue at European level, the consolidated, harmonized and non-profit platform TARGET2-Securities (T2S), which will provide settlement services to the Central Securities Depositories (CSDs) and their participants, will be delivered by the Eurosystem to the market by 2014.  The scope of this request covers the maintenance process of ISO registered messages which shall be used by T2S. These messages shall be used for the communication of the system with its users, namely Central Securities Depositories (CSD) and CSD participants as well as other platforms such as collateral management platforms and RTGS systems.  Specific benefits of this change request:  Efficiency of reconciliation at customer level: correct and faster dispatch of the error message to the adequate business area that originated the query.  Risk management: As duplicate references cannot be avoided across business areas, the addition of the query type further ensures that misallocation of query response happens. | |
| **Message Type(s) Impacted** | |
| sese.022 | |
| **Examples** | |
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| **Standards Illustration** | |
| **ISO 20022 illustration**  The query reference message component will be replaced by the Query Details message component including the message number and the query reference. The message number will be optional and the query reference mandatory    **ISO 15022**  No impact on ISO 15002. As there is only one query message MT549 there is no need to mention the query message type. | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| No discussion. |
| **Decision** |
| Accepted in ISO 20022 only. |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000276: ISO 20022 CR0050 – MX Securities Lending message elements

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| **Origin of request** | |
| Requesting Country: | BR Brazil |
| Requesting Group: | ANBIMA – Brazilian Financial and Capital Markets Association |
| **Urgency of this request:** | |
| High | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages users will be impacted  Business applications impact:  High - High Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year:Not provided  Number of users impacted:Not provided | |
| **Nature of Change** | |
| * **Message SecuritiesFinancingInstruction**  1. **~~Existing Message building block “QuantityAndAccountDetails”~~** 2. *~~Proposal is to make message element SafekeepingAccount optional:~~*   ~~As the message will be sent by the Manager to request a securities lending contract to the Broker, he may not have this information at that moment. The Manager can send the allocation to the Broker later in the process. This is the reason this element should be optional.~~  Brazilian Standard Committee agreed to keep this information mandatory.   1. **Existing Message building block “SecuritiesFinancingDetails”:** 2. *~~Proposal is to add the element “Reversible/CallBackCode as optional:~~*   ~~When the Borrower or the Lender ask the Broker for a Securities Lending, they must indicate if the contract will be Reversible, i.e. if the counterpart can ask for call back before the termination date. The contract can be reversible only for the Lender, only for the Borrower, or to none of them. For this reason, it cannot be a “YesOrNoIndicator”, it should be a choice between the following values:~~   * ~~Reversible (the contract can be called back only by the Borrower)~~ * ~~Reversible to the Lender (the contract can be called back only by the Lender)~~ * ~~Fixed (the contract cannot be called back by any party).~~   Brazilian Standard Committee agreed to keep this information as YesOrNoIndicator.   1. *Proposal is to add the element “MinimumDateForCallBack” as optional:*   When the Securities Lending contract is reversible, “MinimumDateForCallBack” is the date from which the contract can be called back. This date is determined by the Lender.  Sometimes the contract is reversible and it doesn’t have a Minimum Date for Call Back, in this case, it can be called back any day from the first day. For this reason, the element “MinimumDateForCallBack” should be optional.  For example, if a securities lending contract is traded on 1st July, it is reversible, and there is no Minimum Date for Call Back, it can be called back from 2nd July.   1. *~~Proposal is to add the element “RollOverIndicator: Yes/No” as optional:~~*   ~~“RollOverIndicator” is used to indicate whether the contract is renewable or not. This condition is determined by the Lender. As a “YesOrNoIndicator”, the possible values would be:~~  **~~Yes:~~** ~~indicates that the Borrower can renew the securities lending contract in its termination date~~  **~~No:~~** ~~indicates that the Borrower cannot renew the securities lending contract in its termination date~~  Brazilian Standard Committee agreed not to use this information in this message anymore   1. *~~Proposal is to add the element “PeriodicPayment” as optional:~~*   ~~“PeriodicPayment” indicates if the payment of the Securities Lending fee occurs periodically during the contract or only in the termination date. As this element would be a “YesOrNoIndicator’, the possible values would be:~~  **~~Yes:~~** ~~indicates that the amount that the Borrower must pay to the Lender will be paid periodically during the contract.~~  **~~No:~~** ~~indicates that the amount that the Borrower must pay to the Lender will be paid only in the end of the contract (in the termination date or in the call back date).~~  Brazilian Standard Committee agreed not to use this information in this message anymore   1. *~~Proposal is to add the element “MarginCredit: Yes/No” as optional~~*   ~~MarginCredit indicates if the contract requires margin credit by the Borrower and it is defined by the Lender in the beginning of the contract. The element that exists in the message is “StockLoanMargin”, which is used to inform the percentage of the total amount deposited by the Borrower. As this message is sent by the Manager to ask a new securities lending to the Broker, he doesn’t have this information before the deal is closed. As this message element would be a “YesOrNoIndicator”, the possible values would be:~~  **~~Yes:~~** ~~indicates that the securities lending contract requires a margin deposit by the Borrower~~  **~~No:~~** ~~indicates that the securities lending contract requires no margin deposit by the Borrower.~~  Brazilian Standard Committee agreed not to use this information in this message anymore   1. *Proposal is to add the element “CommissionCalculationDate" with a data type DateTime, "Date" only (i.e. no time information required), as optional*   As the element “CommissionCalculationDate” indicates the date in which the price to calculate the commission is based. The commission can be calculated based on the average price of the share in the initial date or termination date. As this date is only a reference to know the price of the share, there’s no information about the time. For this reason, the type of this element should be only “Date”, instead of “Date” or “Date/Time”.   1. *Proposal is to add “SecuritiesLendingFees” with a data type “Percentage” as optional*   “Securities Lending Fee” is the fee that the Borrower will pay to the Lender. In the beginning of the contract, only the fee (as a percentage) is known. The amount will be known only in the termination date or when any party requests call back, because the price for settlement must be known to calculate the amount that the Borrower must pay to Lender. As this message will be used when the Manager asks the Broker for a new lending, in this moment, the amount is unknown.   * **Message SecuritiesFinancingModificationInstruction**  1. **Existing Message building block “TradeDetails"** 2. *Proposal is to add a Message Element “BrokerCommission” typed by an amount, as optional*   BrokerCommission is what the Manager pays to the Broker for each securities lending transaction. Sometimes the Manager, as Lender or Borrower, doesn’t pay anything to the Broker. In case the Manager is the Lender, he will only receive the fee paid by the Borrower, with no discount. In case the Manager is the Borrower, he will only pay the fee to the Lender with no increment. For this reason, the element “BrokerCommission” should be optional.   1. *Proposal is to add Message Element “CommissionCalculationDate"with a data type Date/Time "Date" only (i.e. no time information required), as optional*   As the element “CommissionCalculationDate” indicates the date in which the price to calculate the commission is based. The commission can be calculated based on the average price of the share in the initial date or termination date. As this date is only a reference to know the price of the share, there’s no information about the time. For this reason, the type of this element should be only “Date”, instead of “Date” or “Date/Time”.   1. **Existing Message building block “SecuritiesFinancingAdditionalDetails”:**   ***Definition and justification for the changes below are similar as changes requested for the SecuritiesFinancingInstruction***   1. ~~Proposal is to add the element “Reversible/CallBackCode” as optional~~ 2. Proposal is to add the element “Minimum Date for CallBack” as optional 3. ~~Proposal is to add the element “RollOverIndicator: Yes/No” as optional~~   Brazilian Standard Committee agreed not to use this information in this message anymore   1. ~~Proposal is to add the element “PeriodicPayment” as optional~~   Brazilian Standard Committee agreed not to use this information in this message anymore   1. ~~Proposal is to add “MarginCredit:Yes/No” as optional~~   Brazilian Standard Committee agreed not to use this information in this message anymore   1. Proposal is to add “SecuritiesLendingFees” with a data type “Percentage” , as optional | |
| **Business context** | |
| Presently, in the Brazilian market, no standard message is used in the communication between Managers, Brokers, Controllers and Custodians regarding securities lending transactions. This communication is made mainly by telephone or e-mail.  The usage of ISO 20022 by the Brazilian players would result in a considerable gain in terms of more scalability and operational risk reduction.  The community of users will be:   * Fund Managers, whether in the role of Borrower or Lender, will use this message to:   + Instruct Brokers about the characteristics of a desired securities lending contract. Nowadays, this communication is made through non-standardized forms, such as telephone or e-mail.   + Send a request for settlement authorization to the Fund Controller. As one Fund Manager may have several funds and each one of them may have a different Controller, for each Fund, the Manager must send a securities lending message using a different lay-out.   + Communicate the Fund Custodian of the characteristics of a new securities lending contract. As one Fund Manager may have several funds and each one of them can have a different Custodian, for each Fund, the Manager must send a securities lending message using a different lay-out. * Brokers, who will receive securities lending instructions through a secure and standardized way. * Fund Controllers, who will receive the request for settlement authorization sent by the Manager in a standardized form. * Fund Custodians, who will receive the characteristics of the new securities lending contract and send its confirmation to Managers, Brokers and Controllers.   Nowadays, this communication is made through non-standardized forms, as each Custodian or Controller have their own proprietary system. | |
| **Message Type(s) Impacted** | |
| sese.033, sese.035, sese.036 | |
| **Examples** | |
| **Participants**   1. Brokers and Dealers:   Ancillary legal entities of the [National Financial System](http://pt.wikipedia.org/wiki/Sistema_Financeiro_Nacional) who act as intermediaries in the purchase and sale of financial assets for their clients. Their incorporation depends on authorization from the Central Bank and authorization from Brazil's Securities Commission (CVM) is required to do business. In the current legislation on financial asset lending, CVM Instruction 441 requires brokers and dealers to act as intermediaries for the transactions.   1. Managers:   An individual or a legal entity may be in charge of managing the assets of the investment fund and in both cases registration and authorization from Brazil's Securities Commission (CVM) is required.   1. Custodians:   Institutions responsible for physical and financial settlement of their clients' assets, their safekeeping and management, and for reporting proceeds associated with these assets.   1. Asset Controllers:   Institutions responsible for receiving details relating to provisions for expenses, cash balance, number of units issued and redeemed, pricing of assets, determining net asset value and fund unit value, receiving information relating to splits or mergers, and producing accounting data.  **Process**  In securities lending transactions, in exchange for payment of a fee, the holder of the securities (Lender) authorizes their transfer to the other party (Borrower). For the duration of the agreement, the securities are held by the Borrower, but at the end of the period he must return them to the Lender. The role of Lender or Borrower is taken by the Manager, who conducts security lending transactions on behalf of the Fund.  When lending securities, the broker acts as Registration Agent and is responsible for registering offers in the system in which the transactions are executed.  For the Lender, offering securities to execute a securities lending agreement is characterized as a long-term strategy in which there is no intention of disposing of the securities in the short term. Renting these securities creates an opportunity for additional risk-free gains, equivalent to a fixed-income bond, since there is payment of a fee for the securities lending of the securities and a deposit of assets by the counterparty, in an amount equivalent to the agreement entered into, serving as guarantee in case of default.  For the Borrower, the securities lending service enables it to sell securities without possessing them, enabling managers of investment funds and managed portfolios to run strategies involving arbitrage across different assets or short selling.  In Brazilian Market, offers to lend securities are sent by the Lender to the Broker to be registered in CBLC's Securities Bank (BTC) and made available for securities lending. Similarly, the Borrower also applies for registration of a securities lending offer in the BTC through a broker.  Securities Lending by the Borrower may be:  1 - Voluntary: The institution registers the intention of lending financial securities with the brokers.  2 - Compulsory: There is a need for securities lendings of financial securities for institutions which have sold securities and do not have them available in custody to make delivery on settlement date. The securities lending transaction is made without any instruction from the Manager.  On entering into the securities lending agreement, the following items, among others, are agreed between Borrower and Lender: the asset, the quantity of the asset, the securities lending fee, the guarantee deposits required, and transfer of the securities from Lender to Borrower.  Securities lending transactions (transfer of custody) are registered by the Broker with Brazilian Clearing and Depositary Corporation (CBLC) through the service of the CBLC's financial securities bank (BTC).  The CBLC - BTC securities bank provides a service through which investors (lenders) offer to lend securities and other parties (borrowers) borrow them against guarantees. The Brazilian Clearing and Depository Corporation acts as counterparty in the process and guarantor for the transactions.  Details of transactions for borrower and lender are shown separately, since depending on the side on which the manager is acting, the business flows take place differently.  **Flows:**   1. **Instruction Borrower Manager to Broker**     Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution: Reversible or Fixed   1. **Instruction Broker to Lender Manager**     Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution: Reversible or Fixed  Notes:  Securities lending contracts are negotiated every day, fees and general conditions depending on the market (volatility, liquidity, etc)  For every single contract between broker and manager there is the possibility to apply a different fee and maturity date as well.  Some securities lending contracts are classified as “fixed” because of maturity date. The borrower has to keep these shares in his portfolio until maturity date.  But, the majority of the contracts are “reversible”. In this case, the borrower can send the shares back to the lender at any time.  This is the reason to inform the fees as a percentage not a value because the manager can send back the shares at any time and the value paid will be proportional.   1. **Confirmation (or proposal) from Broker to Borrower Manager**   **One Lender**    Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution Type: Reversible or Fixed  Minimum Date for Call Back  Type of price to calculate commission (Fee)  It could be T-1, T0 or other.  Notes:  Minimum Date for Call Back  There is a minimum date to give back the shares in some contracts. The borrower can send back all shares before maturity date, but there is a period to keep them.  **More than one Lender Manager**    Notes:  Sometimes to have the total quantity asked by the Borrower Manager, the Broker can make a lot of contracts with different Lender Managers.  In Brazilian Financial Market, the securities lending counterparty of both sides are the broker. The contracts are firmed between Borrower Manager and Broker and another one between Lender Manager and Broker. Normally there is not communication between Borrower and Lender Managers.   1. **Confirmation of the contract – Borrower Manager to Broker**     Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution: Reversible or Fixed  Minimum Date for Call Back  Type of price to calculate commission (Fee)  It could be T-1, T0 or other.   1. **Confirmation of the contract – Broker to Lender Manager**       Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution: Reversible or Fixed  Minimum Date for Call Back  Type of price to calculate commission (Fee)  It could be T-1, T0 or other.  In this flow, the Broker acts as intermediary for securities securities lendings offered by the Lending Manager, with the Borrower. The Broker will send details of the securities lending agreement signed with the counterparty (Borrower) and the Lending Manager may confirm the details received and authorize the securities lending agreement to be made by the Broker, or may reject the details received. In this case, the Broker shall correct the details and resend to the Manager or cancel the agreement and terminate the flow.   1. **Confirmation of the contract – Borrower Manager to Asset Controller and Custodian**     Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution: Reversible or Fixed  Minimum Date for Call Back  Type of price to calculate commission (Fee)  \* Could be T-1, T+0 or other.   1. **Confirmation of the contract – Lender Manager to Asset Controller and Custodian**     Necessary Information:  Stock (type)  Quantity  Fee  Maturity Date  Devolution: Reversible or Fixed  Minimum Date for Call Back  Type of price to calculate commission (Fee)  \* Could be T-1, T+0 or other.  Notes:  The Custodian has to receive the same information to guarantee:   * Share reception (From the Lender) * Devolution of shares at maturity date (To the Borrower) * Fee payment at maturity date (To pay the correct value at the correct date) | |
| **Standards Illustration** | |
| **ISO 20022**  **Sese.033.001.001 and sese.035.001.001**  Minimum Call Back Date. Will be changed to Earliest Call Back Date  Commission Calculation Date    Charge Rate  Charges Arte sese  **sese.036.001.01**  For Earliest Callable Date, Commission Calculation Date and Charge Rate, same illustrations as sese.033 and sese.035  For the Broker commission a local Broker commission will be added to the Securities Financing Additional Details | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| The group agreed on all the above requirements.  Minimum Call Back Date will be changed to Earliest Call Back Date.  A concern was expressed by JP as they questioned the usage of the Securities Financing messages instead of the Post Trade messages.  The group decided to go ahead with the changes requested as they believe that the Securities Lending messages are indeed the appropriate ones to use and in order to avoid jeopardizing the current developments. However the group also acknowledged the need to have more clarity on the Brazilian Model and expand the flows that currently support the Securities Financing Model in order to cater for these additional scenarios. This will be part of a harmonisation meeting that will take place between S&R and Post Trade in order to ensure none of the messages (S&R or Post Trade) are misused. |
| **Decision** |
| Accepted in ISO 20022 only as no real need to add them in ISO 15022 considering the  messages are quite different. |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

Overview of SWIFT Change requests

## CR 000254: ISO 20022 CR0119 – MX Change of message element name from Settled to Settlement Quantity

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| --- | --- |
| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | SWIFT |
| **Urgency of this request:** | |
| Low | |
| **Business Impact of this request** | |
| Business impact:  ALL - All message Users will be impacted  Business applications impact:  LOW - Low Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| In the IntraPositionMovementStatusAdvice, the TradeDetails message component contains the SettledQuantity message element. As this message is a status advice of a pending intra- position movement, the message element should be SettlementQuantity and not SettledQuantity which implies that the movement of securities has already taken place. | |
| **Business context** | |
| During the various workshops for the creation of new T2S messages such as InstraPositionMovementPendingReport (where many message components were taken from the existing IntraPositionMovementStatusAdvice), the participants questioned the name of the “SettledQuantity” message element, in the IntraPositionMovementStatusAdvice, for securities that have not moved sub-balance yet. As this does not follow what was done for SecuritiesSettlementTransactionStatusAdvice, SWIFT believes the naming of the message component should be changed from SettledQuantity to SettlementQuantity to reflect the reality of the status of the transaction. | |
| **Message Type(s) Impacted** | |
| semt.014 | |
| **Examples** | |
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| **Standards Illustration** | |
| **ISO 20022**  Current naming settled quantity    Should be replaced by Settlement Quantity | |

**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| No discussion. |
| **Decision** |
| Accepted. |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000255: ISO 20022 CR0120 – MX Change of data type for the positive statuses

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | SWIFT |
| **Urgency of this request:** | |
| Low | |
| **Business Impact of this request** | |
| Business impact:  ALL - All message Users will be impacted  Business applications impact:  MEDIUM - Medium Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| In all the below mentioned status advice messages, the data type of the positive statuses, such as Matched, Confirmed etc., needs to be changed from NoSpecifiedReason1 to ProprietaryReason1. This will allow users to provide just the matched status (as today) and optionally a reason and/or additional information. This change will harmonise the usage of positive statuses among all the securities messages. | |
| **Business context** | |
| In March 2011, representatives of the pre-trade/trade, the post-trade and the settlement & reconciliation business areas met to identify areas where the different models and messages were not aligned.  One of the outcomes of the discussion was the need to align the positive status structure in all the securities messages. | |
| **Message Type(s) Impacted** | |
| sese.024, ~~semt.014~~, ~~sese.027~~, sese.031, sese.034 | |
| **Examples** | |
|  | |
| **Standards Illustration** | |
| **ISO 20022**  **sese.024**  \*Matching Status Matched  Data Type NoSpecifiedReason1    Will be changed to PropietaryReason1    \*Same for Inferred Matching Status Matched  \*Same for Processing Status Cancellation Requested and Modification Requested  **sese.027**  Same as sese.024 for the Processing Status Completed  **sese.031**  Same for Processing Status Completed.  **Sese.034**  Same as sese.024 for the Processing Status Cancellation Requested and Modification Requested. | |

**SWIFT Comment**

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| Note for sese.031 move pending status before proprietary |

**Working Group Meeting**

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| **Discussion** |
| No discussion. |
| **Decision** |
| Accepted. |

**Final Decision of the ISO 20022 Securities SEG**

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| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
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| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

## CR 000275: ISO 20022 CR0142 – MX/MT Corrections to the messages in order to be in line with modelling guidelines and/or to be in line with ISO 15022

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| **Origin of request** | |
| Requesting Country: | \_\_ Not Applicable |
| Requesting Group: | SWIFT |
| **Urgency of this request:** | |
| Low | |
| **Business Impact of this request** | |
| Business impact:  ALL - All messages users will be impacted  Business applications impact:  Medium – Medium Impact on business applications | |
| **Commitment to implement the change** | |
| Expected traffic per year: Not provided  Number of users impacted: Not provided | |
| **Nature of Change** | |
| The below change requests are corrections to the messages in order to be in line with modelling guidelines and/or to be in line with ISO 15022.  **1. Negative statuses**  In all the status advice messages, the negative status choice component’s message elements that are optional should be changed to mandatory as they should be in a choice component.  Messages impacted  SecuritiesSettlementTransactionStatusAdvice (sese.024.001.02)  IntraPositionMovementStatusAdvice (semt.014.001.02)  SecurtiesTransactionCancellationRequestStatusAdvice (sese.027.001.02)  SecuritiesSettlementConditionModificationStatusAdvice (sese.031.001.02)  SecuritiesFinancingStatusAdvice (sese.034.001.02)  **2. ReferenceChoice Components’ optional message elements should be changed to mandatory**  References 10Choice, References13Choice and References14Choice contain optional message elements. These elements will be made mandatory as a choice component should contain only mandatory elements  **3. Extra level of nesting for StatusReason message component must be removed**  In semt.018.001.02, at the level of the Transactions message component there is an unnecessary extra level of nesting for the StatusReason. I.e. it appears twice. This is a mistake and one level should be removed.  Message impacted  SecuritiesSettlementTransactionPendingReport (semt.018.001.02)  **4. Lot Number to be added to the Transaction Details in the semt.014.001.02 mandatory**  Last year, the lot number was added to the semt.013.001.02 following an accepted change request. It should also have been added to the semt.014.001.02 but it was not.  Message impacted  IntraPositionMovementStatusAdvice (semt.014.001.02)  **5. All the definitions containing “Target 2 for Securities” should be changed to “Target2-Securities”**  In a few messages (analysis will have to be done for the exhaustive list), some message elements’ definition include T2S as an example. At the moment it is inappropriately named “Target 2 for Securities”. The correct name should be "Target2-Securities”.  **6. Addition of frequency codes in the semt.002.001.04 SecuritiesBalanceCustodyReport**  During the reverse engineering of ISO 15022 messages, semt.002.001.03 was built based on the MT 535 but also semt.002.001.02 created by Investment Funds. During that exercise the following frequency code highlighted in red below which were present in v2 where, by mistake not kept in v3. These codes must now be added again.   |  |  | | --- | --- | | EventFrequency1Code | Frequency expressed as a code. | | YEAR | Event takes place every year or once a year. | | SEMI | Event takes place every six months or two times a year. | | QUAT | Event takes place every three months or four times a year. | | TOMN | Event takes place every two months. | | MNTH | Event takes place every month or once a month. | | TWMN | Event takes place two times a month. | | TOWK | Event takes place every two weeks. | | WEEK | Event takes place once a week. | | DAIL | Event takes place every day. | | ADHO | Event takes place as necessary. | | INDA | Event takes place several times a day. | | OVNG | Event takes place overnight. | | ONDE | Event takes place on demand. |   **7. Replacement of the country of residence message element for the Investor in the OtherBusinessParties Message component**  CountryOfResidence is used today to identify the nationality of the investor. Nationality and country of residence are two different concepts. The business requirement being to identify the Nationality, the element name will need to be corrected.  Messages impacted  SecuritiesSettlementTransactionInstruction (sese.023.001.02)  SecuritiesSettlementTransactionCOnfirmation (sese.025.001.02)  SecuritiesSettlementTransactionReversalAdvice (sese.026.001.02)  **8. Linkages in the semt013.001.02 Intra-Position MovementInstruction must be repetitive**  The linkages message component in the Intra-Position Movement Instruction must be repetitive as for the Securities Settlement Transaction Instruction etc… | |
| **Business context** | |
| These are not change requests but corrections of errors that were highlighted during various workshops. | |
| **Message Type(s) Impacted** | |
| sese.024, semt.014, sese.027, sese.031, sese.034, semt.002, semt.018, sese.023 | |
| **Examples** | |
|  | |
| **Standards Illustration** | |
| **ISO 20022**   1. **Negative statuses**   In all the status advice messages, the negative status choice component’s message elements that are optional should be changed to mandatory as they should be in a choice component  **sese.024**  Current situation    Will be changed to    **semt.014, sese.027, sese.031, sese.034**  This will also be done in all the following messages, semt.014, sese.027, sese.031, sese.034, semt.002, semt.018, sese.023 where Status Choice Component include optional elements.   1. **ReferenceChoice Components’ optional message elements should be changed to mandatory**     References 10Choice, References13Choice and References14Choice contain optional message elements. These elements will be made mandatory as a choice component should contain only mandatory elements.  Current situation    Will be changed to    Same for Reference13Choice   1. **Extra level of nesting for StatusReason message component must be removed**   In semt.018.001.02, at the level of the Transactions message component there is an unnecessary extra level of nesting for the StatusReason. I.e. it appears twice. This is a mistake and one level should be removed.  **sese.018**  Current situation    Will be changed to     1. **Lot Number to be added to the Transaction Details in the semt.014.001.02 mandatory**   Last year, the lot number was added to the semt.013.001.02 following an accepted change request. It should also have been added to the semt.014.001.02 but it was not.  **semt.014**  Current situation    Will be changed to     1. **All the definitions containing “Target 2 for Securities” should be changed to “ Target 2-Securities”**   In a few messages (analysis will have to be done for the exhaustive list), some message elements’ definition include T2S as an example. At the moment it is inappropriately named “Target 2 for Securities”. The correct name should be "Target 2-Securities”.  **sese.025**     |  |  | | --- | --- | | MarketInfrastructureTransactionIdentification | Identification of a transaction assigned by a  market infrastructure other than a  central securities depository,  for example, **Target 2 for Securities**. |   **Will be changed to**   |  |  | | --- | --- | | MarketInfrastructureTransactionIdentification | Identification of a transaction assigned by a  market infrastructure other than a  central securities depository,  for example, Target2-Securities. |   **This change will also be applied to semt.013, semt.014, semt.015, semt.016, semt.017, semt.018, semt.019, sese.020, sese.021, sese.022, sese.023, sese.024, sese.025, sese.026, sese.027, sese.028, sese.029, sese.030, sese.031, sese.032, sese.033, sese.034, sese.035.**   1. **Addition of frequency codes in the semt.002.001.04 SecuritiesBalanceCustodyReport**   **semt.002**    **Addition of the following codes**   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | Frequency | |  | <Frqcy> | [1..1] | Frequency4Choice | |  | |  | Code | or | <Cd> | [1..1] | EventFrequency4Code | | | |  |  |  |  |  |  | YEAR | Annual | |  |  |  |  |  |  | SEMI | SemiAnnual | |  |  |  |  |  |  | QUTR | Quarterly | |  |  |  |  |  |  | TOMN | EveryTwoMonths | |  |  |  |  |  |  | ADHO | Adhoc | |  |  |  |  |  |  | MNTH | Monthly | |  |  |  |  |  |  | TWMN | TwiceAMonth | |  |  |  |  |  |  | TOWK | EveryTwoWeeks | |  |  |  |  |  |  | DAIL | Daily | |  |  |  |  |  |  | INDA | IntraDay | |  |  |  |  |  |  | OVNG | Overnight | |  |  |  |  |  |  | ONDE | OnDemand | |  |  |  |  |  |  | WEEK | Weekly |  |  |  |  | | --- | --- | --- | | SEMI | SemiAnnual | Event takes place every six months or two times a year. |  |  |  |  | | --- | --- | --- | | QUTR | Quarterly | Event takes place every three months or four times a year. |  |  |  |  | | --- | --- | --- | | TOMN | EveryTwoMonths | Event takes place every two months. |  |  |  |  | | --- | --- | --- | | TWMN | TwiceAMonth | Event takes place twice a month. |  |  |  |  | | --- | --- | --- | | TOWK | EveryTwoWeeks | Event takes place every two weeks. |  |  |  |  | | --- | --- | --- | | OVNG | Overnight | Event takes place overnight. |  |  |  |  | | --- | --- | --- | | ONDE | OnDemand | Event takes place on demand. |  1. **Replacement of the country of residence message element for the Investor in the OtherBusinessParties Message component**   CountryOfResidence is used today to identify the nationality of the investor. Nationality and country of residence are two different concepts. The business requirement being to identify the Nationality, the element name will need to be corrected.  Messages impacted  SecuritiesSettlementTransactionInstruction (sese.023.001.02)  SecuritiesSettlementTransactionCOnfirmation (sese.025.001.02)  SecuritiesSettlementTransactionReversalAdvice (sese.026.001.02)  **sese.023 and sese.025**  Current situation    Will be changed to    Nationality Nationality of the investor or country of incorporation (for a company)  **sese.026**  Message component **PartyIdentificationAndAccount46** will have to be changed.  **8. Linkages in the semt013.001.02 Intra-Position Movement Instruction must be repetitive**  Current situation    Will be changed to | |
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**SWIFT Comment**

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**Working Group Meeting**

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| **Discussion** |
| All the changes will impact ISO 20022 only.  The investor’s Country of Residence will be changed to Nationality as this was an error done during the reverse engineering exercise see below usage rules of UHB.  USAGE RULES  The qualifier INVE is to be used only when the investor cannot be a trade counterparty for legal reasons, for example, in Japan where the trust bank arranges the deal with the broker.  When INVE is used with option C, the country code specifies **the nationality of the investor,** for the settlement of certain securities (that is airlines, defence manufacturers) under the EU legislation.  Moreover based on FACTA regulation it is required (2013) the nationality of the investor is included (and not necessarily the country of residence).  Making the code more generic as in ISO 15022 is not possible and therefore should there be a need for the investor to be identified with the country of residence a CR will have to be submitted. |
| **Decision** |
| Accepted. |

**Final Decision of the ISO 20022 Securities SEG**

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| --- | --- |
| **Approval of MWG Decision:** | **YES** |
| **Comment:** |  | |
|  |  | |
| **Rejection of MWG Decision:** |  |
| **Reason for Rejection:** |  | |

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