A. **Name of the request:**

Cash aAccount reporting request and Notification messages

B. **Submitting organization:**

SWIFT SCRL

Avenue Adèle, 1 - 1310 La Hulpe - Belgium

Standards Department

C. **Scope of the new development:**

Creation of four new messages to complement the ISO 20022 message portfolio in the bank-to-customer cash management (camt) business area. Three proposed messages exist today in SWIFT equivalent proprietary MT formats. The fourth one will further complement the existing functionality.

The scopes of the messages are described below:

Message	Scope
Account Reporting Request (camt)	The message is sent by an account owner or a party acting on the account owner's behalf to one of the account owner's account servicing institutions. It is used to request the account servicing institution to transmit one or more reports (for example, a statement) containing the requested information for the account(s) identified in the message. (The MT equivalent is the MT 920).
Notification To Receive (camt)	The message is sent by an account owner or a party acting on the account owner's behalf to one of the account owner's account servicing institutions. It is an advance notice that the account servicing institution will receive funds to be credited to the account owner's account. (The MT equivalent is the MT 210).
Notification To Receive Status Report (camt)	The message is sent by an account servicing institution to an account owner or a party acting on the account owner's behalf. It is used to notify the account owner about the

	status of one or more expected payments that were advised in a previous NotificationToReceive message. (There is no MT equivalent).
Notification To Receive Cancellation Advice (camt)	The message is sent by an account owner or a party acting on the account owner's behalf to one of the account owner's account servicing institutions. It is used to advise the account servicing institution about the cancellation of one or more notifications in a previous NotificationToReceive message. (The MT equivalent is the MT 292).

Based on the scope, the Payments Standards Evaluation Group should be assigned the evaluation of the candidate ISO 20022 messages as Lead SEG, with the participation of the Securities SEG to ensure that the messages address any specific needs of the Securities Industry, once developed.

D. **Purpose of the new development:**

The creation of the new messages will ensure that ISO 20022 covers a more complete spectrum of messages currently used by financial institutions as illustrated below:
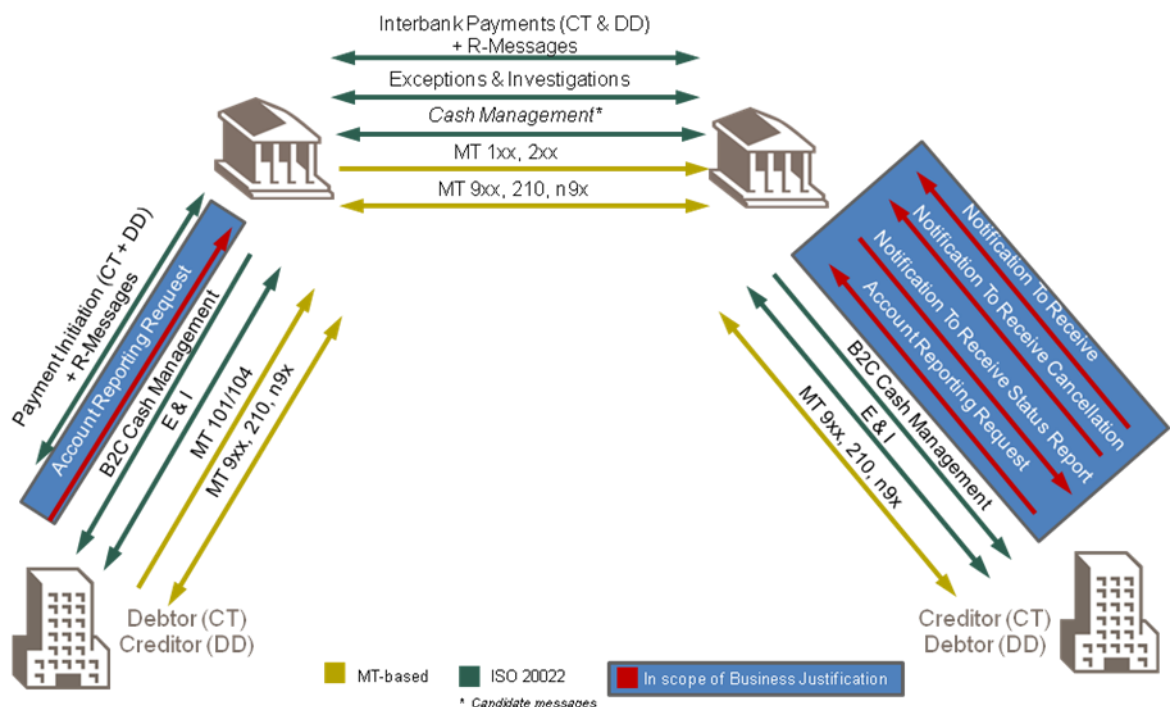
E. Community of users:

The new messages are intended to benefit:

- corporate and financial institution customers, including securities industry players: they will be able to notify their account servicing institutions on expected transactions and request account reporting information for better liquidity management in a single syntax through the use of ISO 20022-based messages.

- vendors and ERP providers: they will have a single, ISO 20022-based solution to integrate in their cash management packages that will suit all account owners and account servicing institutions

Below some statistics on the use of some[1] of the equivalent MTs:

MT	Traffic (2008)	Number of Users
MT 210	35.2 million messages	4400+
MT 920	3.5 million messages	600+

E. **Timing and development:**

The message models will be ready for submission to the RA by Q1 2010.

SWIFT Standards will reverse engineer existing MTs and consider any additional requirements identified by MT users and piloting institutions. which are deemed to address the needs of the community of users.

SWIFT is not aware of any other standards development initiative in this domain.

F. **Commitments of the submitting organization:**

SWIFT confirms that it will:

- undertake the development of the candidate ISO 20022 message models that they will submit to the RA for compliance review and evaluation. The submission will include Business Process Diagrams (activity diagrams), Message Flow Diagrams (sequence diagrams), Message Definition Diagrams (class diagrams), and an example of valid XML instances of each candidate message and other descriptive material that will be used by the RA to generate the Message Definition Report;

- address any queries related to the description of the models and messages as published by the RA on the ISO 20022 website.

SWIFT is also committed to initiate and participate in the future message maintenance. SWIFT will organise pilot testing of the messages.

SWIFT confirm its knowledge and acceptance of the ISO 20022 Intellectual Property Rights policy for contributing organizations, as follows.

> *"Organizations that contribute information to be incorporated into the ISO 20022 Repository shall keep any Intellectual Property Rights (IPR) they have on this*

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[1] Data on how many of the MTs 292 are used to cancel an MT 210 is not available.

information. A contributing organization warrants that it has sufficient rights on the contributed information to have it published in the ISO 20022 Repository through the ISO 20022 Registration Authority in accordance with the rules set in ISO 20022. To ascertain a widespread, public and uniform use of the ISO 20022 Repository information, the contributing organization grants third parties a non-exclusive, royalty-free license to use the published information".

G. **Contact persons:**

Mr. Frank Van Driessche   SWIFT Standards Department (frank.vandriessche@swift.com)

Mr. Vincent Kuntz   SWIFT Standards Department (vincent.kuntz@swift.com)

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H. **Comments from RMG members and disposition of comments:**

UK comments and disposition of comments by submitter

- We agree the need for ISO standards equivalent to MT 210 and MT 292. However can see no reason for the Notice to Receive Status Report and are against its development (there are of course messages confirming receipt of payment orders which are sufficient for this purpose).

Disposition of comment: Payments that come in - including those that come in differently than expected - can indeed be confirmed through DebitCreditNotification, AccountReport or Statement messages. However, the Status Report will give the account holder immediate information when payments that were expected did not materialise as expected.

- We are also against the Account Request Report (MT920 equivalent). In today's world, we send MT942s based on time - eg every 30 mins, in the xml world, we will send an Account Report based on activity.

Disposition of comments: Also today intraday account reporting is sent either on fixed times or depending on account activity or on request of the account owner, for example through an MT 920. For those parties that want to get the information after sending a request, the message will provide the possibility to do so in a standardised/automated way. Current FIN MT traffic shows there is a community of 600 users that are using this interactive way of requesting account information, so an ISO 20022 equivalent of the MT 920 message seems justified and will cater for these players' needs.

- Account Reporting Request - does this overlap with the "Get" messages that have already been created?

Disposition of comments: The candidate ISO 20022 GetAccount and GetTransaction messages cover different scopes. The Account Reporting Request triggers the sending of specific "booking/accounting messages" to obtain data on balances, transactions and

underlying details of transactions booked or about to be booked on an account. The GetAccount and GetTransaction messages are scoped for use within market infrastructures to report on, for example, static data, payment queues, payment operational status, standing orders…

NL comments and disposition of comments by submitter

It is presumed that the Account Reporting Request message will follow the MT920 specifications (i.e. requesting for MT940, MT942 and MT950 only) or will it request for anything more bespoke?

Disposition of comments: Similar to the MT 920, at the highest level, the message will indeed allow the request of account report and statement messages. At a lower level – and that is part of the message design - the message will enable requesting information for specific periods, floor limits, transaction types and statuses, balances.

ISITC comments and disposition of comments by submitter

ISITC which represents the interests of a large number of investment managers, custodians, and broker/dealers welcomes the opportunity to provide feedback on this Business Justification.

The ISITC membership is a well established user of the existing MTs referred to in this request and as such we support the Business Justification to create ISO 20022 equivalent models. However, we would like to make the following observations:

• Section A: ISITC feels that the name of the request would be more reflective of the proposals if it were qualified as being specific to "Cash Accounts".

Disposition of comments: This will be clear from the business area assigned to the messages: "Cash Management" (camt). However, we have changed the name of this business justification to Cash Account Reporting Request and Notification Messages.

• Section C: the ISITC membership is a significant user of two of the four proposed messages for accounting and fund administration related processes. As such we feel strongly that this BJ should be assigned to the Cross SEG Harmonisation team.

Disposition of comments: We agree. Similarly to what has been done for the evaluation of the Bank-to-customer cash management messages, we would propose a join evaluation by the Payments SEG and the Securities SEG under the leadership of the former. This will allow the Securities SEG to nominate representatives (including ISITC) to participate in the Evaluation Team that will be formed by the Payments SEG.

• Section C: ISITC has identified a number of gaps in the MT 210 message, and we feel it would be a good opportunity to address these gaps now. These gaps are summarized on the next page. ISITC is prepared to discuss in detail with the RA. Without these changes we feel it is very likely that there will be a widespread reluctance to adopt the new messages.

Disposition of comments: SWIFT will consider ISITC comments as well as comments received from the other institutions involved in the piloting of the draft messages. We have clarified it in section E of this BJ.

• Section D: ISITC recommends that the Community of Users explicitly includes Investment Managers and Global Custodians. Furthermore, we would like to see the message usage statistics, to the extent possible, broken down between payments and securities related institutions.

Disposition of comments: Section D is intended to include any player that holds cash accounts. It has been modified to explicitly mention securities industry players.

The statistics have been provided to demonstrate the (high) use of the message (functions) in the MT world. Unfortunately, our traffic analysis tools do not enable a more granular checking of user community.

• Section E: ISITC suggests that the following statement "SWIFT Standards will reverse engineer existing MTs that are deemed to address the needs of the community of users" be amended to indicate that opportunities to address shortcomings with the existing MTs will also be considered.

Disposition of comments: Agree. The statement has been amended.

ISITC Gap Summary	
Cash purpose codeword	The camt.057 model must allow identification of the related purpose of the cash message. For example, identifying a payment as related to a swap upfront payment or variation margin. The identification of this purpose by the investment manager to the custodian is necessary to allow proper processing and segregating of cash as well as to allow proper reporting back to the IM of the cash transactions and positions.
Identification of outsourcing party	The camt.057 model must support the practice of outsourcing parties sending cash instructions on behalf of their investment manager clients to the custodian.
Consistency with other ISO 20022 models	Our preference would be to have one message for accounting related cash activity. An indicator for receipt or delivery can be used to achieve consistency with the approach adopted by the settlement instruction suite of messages (sese.023.001.01), for example.
Confusion around camt.057 vs. pacs.*	From the viewpoint of global custodians the preference would be to have one set of messages for communication with both the investment manager client and the sub-custodian network.
Netting of receipts (replacement of the MT308)	The camt.057 model must allow for repetitive sequencing to highlight the individual wires included in a net receipt. Required for accounting purposes.

Structured linkage sequence	The camt.057 model must have a Remittance ID sequence to allow for referencing of the related individual receipts making up the net receipt.