



Standards

Standards MT Release 2024

# Discussion paper and Minutes Settlement and Reconciliation

Distribution: Settlement and Reconciliation Maintenance Working Group

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# 1 Introduction

## ISO 15022 – 20022 Maintenance Process

As from the year 2012, 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.

## 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 2024 change requests

This document contains all S&R MT/MX CRs for MT category 5 and equivalent MX messages investigated this year for implementation in SR 2024.

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)

## Contact persons regarding this document

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## CR Title Colour notation (for minutes<sup>1</sup> only)

In **GREEN** are items that are approved or approved with comments or approved with alternative solution.

In **RED** are items that are rejected, withdrawn or linked to agreed items

In **GREY** are items that are postponed for review and implementation at the next release.

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<sup>1</sup> MWG maintenance meeting minutes are distributed around second week of September.


S&R MWG Members for SR2023

The following people are part of the S&R MWG for SR2024.

<b>Maintenance working group members:</b>	<b>Representing:</b>	<b>Present</b>
Brendan Laird - ASX	Australia	X
David Wouters – BNYMellon	Belgium	X
Xavier Fillion Simon - BNC Daniel Valance - RBC	Canada	X
Jørgen Nielsen - Danske Bank A/S	Denmark	X
Mihaela Fallourd – BNP Paribas	France	X
Denis Andrejew – DB	Germany	X
Vacant	Hong Kong	
Jean-François Schleck – Euroclear	ICSD	X
Robin Leary – Citibank	Ireland	X
Michela Rabbia - Intesa Sanpaolo – Financial Institution Products Agostino Guarino - Intesa Sanpaolo – Financial Institution Products	Italy	X
Hitoshi Tanaka - Mitsubishi Bank	Japan	X
Vacant	Republic of Korea	
Arnaud Jochems – Clearstream	Luxembourg / ICSD	X
Ton Van Andel – ABN Amro	The Netherland	X
Vacant	Singapore	
Brett Kotze – A2X	South Africa	
Cristina del Valle - BNP	Spain	X
Christine Strandberg - SEB	Sweden	X
Philipp Auf der Maur – Six-Group	Switzerland	X
Robin Leary – Citibank	United Kingdom	X
Lisa Iagatta – Wisdomtree Shereef Zedan – Northern Trust	United States of America	X

## 2 Overview of User Change requests

### 2.1 CR 002003: Additional indicators for qualifier COLA in field 22F

<b>Origin of request</b>	
Requesting Country:	CH Switzerland (Submitted by geschaeftsstelle@sasfs.ch)
Requesting Group:	
<b>Sponsors</b>	
<b>Message type(s) impacted</b>	
MT 540, MT 541, MT 542, MT 543, MT 544, MT 545, MT 546, MT 547, MT 548 + MT535	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW null	
<b>Commitment to implement the change</b>	
<p>Number of messages sent and received: 11740908          Percentage of messages impacted: 2          Commits to implement and when: CH Users connecting to the local CSD SIX SIS</p> <p>More details: please see attachment</p> <p>          Swift CR_COLA          indicators_NMUG CI</p>	
<b>Business context</b>	
<p>Our clients who consume settlement confirmations and status advice related to settlement instructions from a Triparty agent benefit from having the exposure type information as it helps them link it to the collateral management side MT's which do provide this.</p> <p>As the 2 indicators CBCO and SHLS are only currently supported in the Collateral management MT's but not on the settlement MT's, our clients would benefit if this gap is harmonised.</p>	

**Nature of change**

Part 1: Add exposure type indicator CBCO (Central Bank Credit Operations) to the field 22F, qualifier COLA in MT 540/541/542/543/544/545/546/547/548

Part 2: Add exposure type indicator SHLS (Short Sale) to the field 22F, qualifier COLA in MT 541/543/545/547

**Examples**

## Standards Illustration

### ISO15022 Illustration

#### 63. Field 22F: Indicator

##### FORMAT

Option F :4!c(8c)/4!c (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
3	O	TRCA	N		F	Party Capacity Indicator
4	O	STAM	N		F	Stamp Duty Indicator
5	O	RTGS	N		F	Securities Real-Time Gross Settlement Indicator
6	O	REGT	N		F	Registration Indicator
7	O	BENE	N		F	Beneficial Ownership Indicator
8	O	CASY	N		F	Cash Settlement System Indicator
9	O	DBNM	N	C6, C11, C12	F	Settlement Standing Instruction Database Indicator
10	O	TCPI	N		F	Tax Capacity Party Indicator
11	O	MACL	N		F	Market Side Indicator
12	O	FXCX	N	C10	F	Forex Order Cancellation Indicator
13	O	BLOC	N		F	Block Trade Indicator
14	O	REST	N		F	Restrictions Indicator
15	O	SETS	N		F	Settlement System/Method Indicator
16	O	NETT	N		F	Netting Eligibility Indicator
17	O	CCPT	N		F	CCP Eligibility Indicator

#### MT 541 Receive Against Payment

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
18	O	LEOG	N		F	Letter of Guarantee Indicator
19	O	COLA	N		F	Exposure Type Indicator
20	O	TBAV	N		F	Tracking Indicator

CODES

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

BFWD	Bond Forward	Any securities traded out beyond 3 days which include treasury notes, JGBs and Gilts.
CBCO	Central Bank Credit Operations	Exposures related to activity with central banks.
CCIR	Cross Currency IRS	Cross Currency Interest Rate Swap, indicating the exchange of fixed interest payments in one currency for those in another.
CCPC	CCP Collateral	Collateral covering the initial margin requirements for OTC trades cleared through a CCP.
COMM	Commodities	Commodities trades for example futures and options on gold, silver, wheat.
CRDS	Credit Default Swap	Trading of credit default swap.
CRPR	Cross Product	Combination of various types of trades.
CRSP	Credit Support	Cash lending/borrowing; letter of Credit; signing of master agreement.
CRTL	Credit Line	Opening of a credit line before trading.
EQPT	Equity Option	Trading of equity option (Also known as stock options).
EQUS	Equity Swap	Equity swap trades where the return of an equity is exchanged for either a fixed or a floating rate of interest.
EXPT	Exotic Option	Trading of exotic option for example a non-standard option.
EXTD	Exchange Traded Derivatives	Trading of exchanged traded derivatives in general (Opposite to Over the Counter (OTC)).
FIXI	Fixed Income	Trading of fixed income instruments.
FORW	Forward Foreign Exchange	FX trades with a value date in the future.
FORX	Foreign Exchange	FX trades in general.
FURX	Foreign Exchange	FX trades in general.

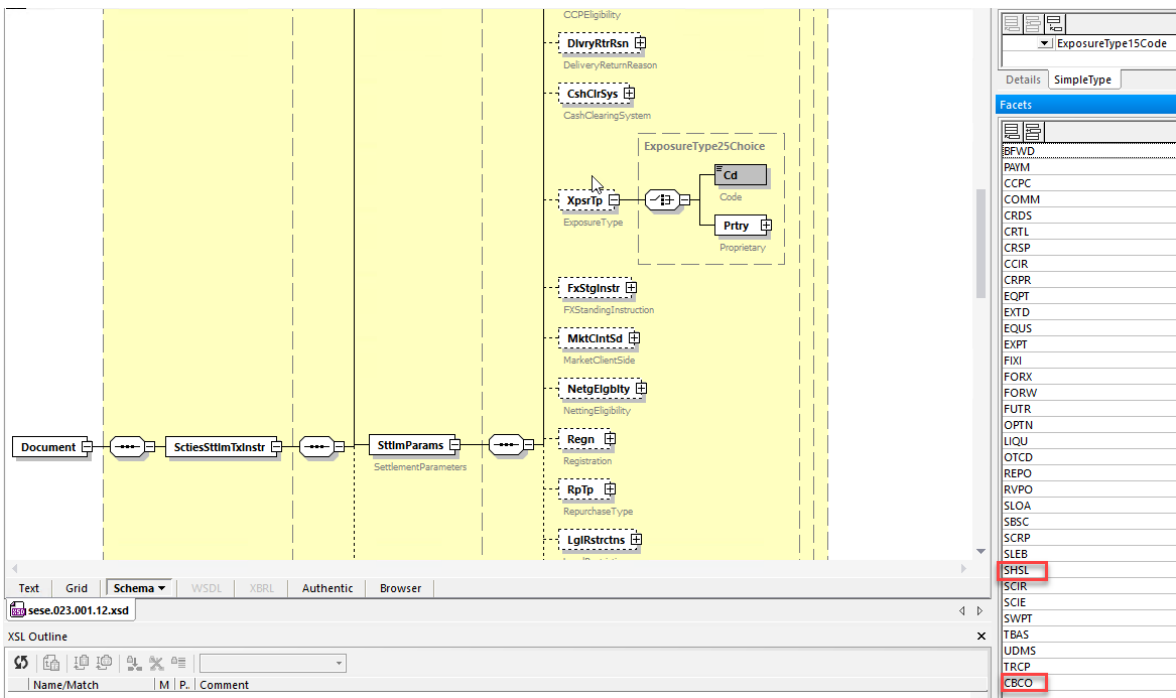
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MT 541 Receive Against Payment

FUTR	Futures	Related to futures trading activity.
LIQU	Liquidity	In support of settlement via an RTGS or other clearing system.
OPTN	FX Option	Trading of option on Foreign Exchange.
OTCD	OTC Derivatives	Over-the-counter (OTC) Derivatives in general for example contracts which are traded and privately negotiated.
PAYM	Cash Settlement	In support of any type of cash settlement.
REPO	Repurchase Agreement	In support of a repurchase agreement transaction.
RVPO	Reverse Repurchase Agreement	In support of a reverse repurchase agreement transaction.
SBSB	Securities Buy Sell Back	Securities buy sell back.
SCIE	Single Currency IRS Exotic	Exotic single currency interest rate swap.
SCIR	Single Currency IRS	Single Currency Interest Rate Swap.
SCRP	Securities Cross Product	Combination of securities-related exposure types.
SHSL	Short Sale	Short sale exposure.
SLEB	Securities Lending and Borrowing	Securities lending and borrowing.



## ISO20022 Illustration



## SWIFT Comment

Swift is questioning the rationale behind the business case to have the CBCO harmonised with S&R messages.

The SHLS is already present in some of the S&R messages and can be harmonised.

## Working Group Meeting

### Discussion

The Swiss representative explained that the CR aims at harmonising the codes and requests the addition of the CBCO (already present in some MTs) and SHLS (which is present already in the collateral MTs but not in the MTs 54n) codes.

In Switzerland the infrastructure for collateral has been moved out of the CSD to a triparty agent.

Sweden doesn't understand the CR because the process doesn't exist in Sweden.

The process is not applicable for Germany either, but if there is a need in other markets they will not oppose.

The Australian representative asked whether these codes are in the collateral MT's. Swift confirmed they are. The Australian representative confirmed they don't use these codes.

The US representatives are not opposed if Switzerland can benefit from the addition of those codes. The CR doesn't apply to Luxembourg, Canada, Japan, The Netherlands.

The CR should also be aligned in the MT 535. Swift confirmed alignment will be done.

No country is opposed to this CR, so it was approved.

Swift confirmed that the alignment will also be done in ISO 20022 MX.

The paragraph mentioned below represents the discussion about the postponement of the whole SR2024

The Standards working group questioned whether the SR 2024 should be postponed entirely to a later release as the changes are rather small.

The Swiss representative said during the call that he will need to check whether they need the CR 2003 urgently (and whether they already have a workaround in place which could run for another year).

Switzerland agrees to check by Friday 1st September whether their CR could be postponed until SR 2025.

But the group would still like the CR 2009 to go ahead because it is a textual change only.

At the time of writing the minutes, Switzerland officially confirmed that the Swiss community agrees to postpone the implementation of their CR.

The Swift facilitators formally advised the whole SWG that CR 2003 will be postponed to the next release

Only two representatives out of eighteen replied that the SR2024 should take place.

**The implementation of the CR 2003 will be postponed to the next release.**

### Decision

APPROVED

## 2.2 CR 002009: Addition of Research Fee Flag Wording into the 17B Flag Field Usage Rule

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	<a href="#">SMPG</a> (Submitted by robin.leary@citi.com)
<b>Sponsors</b>	
<b>Message type(s) impacted</b>	
MT 513, MT 514, MT 515, MT 518, MT 540, MT 541, MT 542, MT 543, MT 544, MT 545, MT 546, MT 547, sese.023, sese.025, sese.026, sese.032, sese.033, sese.035, sese.038	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW Descriptive change only to the Usage Rule of field 17B Flag	
<b>Commitment to implement the change</b>	
Number of messages sent and received: 1 Percentage of messages impacted: 1 Commits to implement and when: SMPG 2024	
<b>Business context</b>	
As part of SR2019, a Research Fee Flag qualifier was added to the 17B Flag field as a Common Change Request (CR 001432).  However, the Research Fee description was not added to the Usage Rule for the field to indicate that the settlement amount also includes the research fee amount (only the accrued interest, stamp duty and brokerage amount descriptions are included).  The Usage Rule should be updated in all impacted messages to include the Research Fee Amount	

**Nature of change**

Update the Usage Rule for the appropriate 17B Flag fields from:

Flag is only to be used in a sequence E3 with settlement amount field 19A::SETT/[N]3!a15d as it indicates whether the concerned settlement amount includes the accrued interest and/or the stamp duty amount and/or the brokerage amount.

To

Flag is only to be used in a sequence E3 with settlement amount field 19A::SETT/[N]3!a15d as it indicates whether the concerned settlement amount includes the accrued interest and/or the stamp duty amount and/or the brokerage amount and/or the research fee amount.

**Examples**

## Standards Illustration

### UR

### ISO15022 Illustration

#### 77. Field 17B: Flag

##### FORMAT

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

##### PRESENCE

Optional in mandatory subsequence E3

##### QUALIFIER

(Error code(s) : T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ACRU	N		B	Accrued Interest Flag

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MT 541 Receive Against Payment

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
2	O	STAM	N		B	Stamp Duty Flag
3	O	EXEC	N		B	Brokerage Amount Flag
4	O	RSCH	N		B	Research Fee Flag

##### DEFINITION

This qualified generic field specifies:

ACRU	Accrued Interest Flag	Indicates whether the net proceeds include interest accrued on the financial instrument.
EXEC	Brokerage Amount Flag	Indicates whether the net proceeds include brokerage fees for the transaction.
RSCH	Research Fee Flag	Indicates whether the net proceeds include research fees for the transaction.
STAM	Stamp Duty Flag	Indicates whether the net proceeds include stamp duty for the transaction.

##### CODES

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

N	No	No.
Y	Yes	Yes.

##### USAGE RULES

Flag is only to be used in a sequence E3 with settlement amount field 19A::SETT/[N]3!a15d as it indicates whether the concerned settlement amount includes the accrued interest and/or the stamp duty amount and/or the brokerage amount and/or the research fee amount.

## ISO2022 Illustration

### SecuritiesSettlementTransactionInstructionV12

The screenshot displays the ISO2022 Standards browser interface. On the left, the 'Content' pane shows a tree view of the 'SecuritiesSettlementTransactionInstructionV12' repository. The entry 'Textual : FlagUsageRule' is highlighted with a red box. On the right, the 'General Information' pane provides details for this rule. The 'Kind' is 'Textual'. The 'Name' is 'FlagUsageRule'. The 'Documentation' field contains the text: 'Flag is only to be used in with amount field as it indicates whether the concerned amount includes the accrued interest and/or the stamp duty amount and/or the brokerage amount and/or the research fee amount.' This documentation text is also highlighted with a red box. Other fields include 'Expression language' set to 'XE Rule', 'Error Text' (empty), 'Injected' (unchecked), 'Type' set to 'Mandatory Rule', and 'Severity' set to 'Fatal'.

## SWIFT Comment

Swift has no comment on this CR for MT.

In ISO2022 Swift did not find any Usage Rule (Textual Rule) therefore questioning the potential update in ISO20022.

## Working Group Meeting

### Discussion

The British/Irish representative explained that the CR concerns only a Usage Rule update. As this is not a Network Validated Rule there is no technical change.

The representative from the US, Germany, Sweden, Canada, France, Belgium, Luxembourg and Switzerland agree, therefore the CR is approved for MT.

As the rule is not present in ISO 20022, it doesn't make sense to create a new version of the messages just for this. The rule will have to be added during a later release when the messages will have to be updated for a future release, therefore there is no impact for the SR2024 release.

The paragraph mentioned below represent the discussion about the postponement of the whole SR2024

The Standards working group questioned whether the SR 2024 should be postponed entirely to a later release as the changes are rather small.

The Swiss representative said during the call that he will need to check whether they need the CR 2003 urgently (and whether they already have a workaround up and running which could run for another year).

Switzerland agrees to check by Friday 1st September whether their CR could be postponed until SR 2025.

But the group would still like the CR 2009 to go ahead because it is a textual change only.

### Decision

APPROVED

## 2.3 CR 002025: Addition of New Network Validation Rule to the MT548

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	<a href="#">SMPG</a> (Submitted by robin.leary@citi.com)
<b>Sponsors</b>	
<b>Message type(s) impacted</b>	
MT 548	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
MEDIUM This may have an impact on systems where coding is currently not aligned (eg IPRC/CAND updates are sent alongside message function :23G:CAST)	
<b>Commitment to implement the change</b>	
Number of messages sent and received: 1 Percentage of messages impacted: 1 Commits to implement and when: SMPG 2024	



**Business context**

In the MT548, message function field :23G:CAST states that the message is "reporting on a cancellation request status" and the Usage Rules for the message function field state "To reply to a cancellation request, Function is CAST. The reference in the linkages sequence must contain the Receiver's reference of the cancellation request". Field 25D (Status) with qualifier CPRC also states that this is providing " the status of a cancellation request", ie the usage of :23G:CAST and :25D::CPRC are related. This is also documented in the SMPG market practice on Status Advice.

However, unlike in the Corporate Action equivalent MT567 message, there is no network validation rule enforcing this resulting in MT548s where :23G:CAST is being used with :25D::IPRC//CAND and CANP updates, which is a cancellation update on an instruction linked to a MT549 instruction status request and not a response to a cancellation request specifically, or where :23G:INST is being used with :25D::CPRC updates.

*The network validation rule in the MT567 is C4 and states the following:*

*If the message is a cancellation request status (:23G:CAST), then, in every occurrence of sequence A2 Status, a cancellation processing status must be reported (:25D::CPRC...).*

*If the message is an instruction status (:23G:INST) then, in every occurrence of sequence A2 Status, an instruction processing status (:25D::IPRC...) must be reported.*

*If the message is corporate action event processing status (:23G:EVST), then, in every occurrence of sequence A2 Status, an event status (:25D::EPRC...) must be reported (Error code(s): C65).*

**Nature of change**

Question to the MWG and their communities:

Do we see valid reason for the support of :25D::IPRC (in particular with CAND or CANP) with :23G:CAST or with :25D::CPRC with :23G:INST?

For example, if :25D::IPRC//CAND or CANP is sent in response to a MT549 status request about the cancellation status of an instruction, should the message function be :23G:CAST (as it's providing a response to a cancellation request on an instruction or :23G:INST as it's providing an update on the instruction itself?

**Examples**

## Standards Illustration

**C17** If the instruction is a Cancellation Request Status (:23G::CAST), then the status must be a Cancellation Processing Status (25D::CPRC). (Error code(s) : Exx).

Sequence A if field :23G::CAST is ...	Subsequence A2 then
Present	field :25D::CPRC
Not present	Optional

## SWIFT Comment

Swift agrees that it would make sense to have a NVR linking the field 23G CAST with the Status :25D::CPRC

If the MT549 is requesting a status on a transaction that's being cancelled, the MT548 sent back should have the function INST not CAST.

Therefore we do not need a NVR for the combination :23G:INST with 25D::IPRC//CAND or 25D::IPRC//CANP

## Working Group Meeting

### Discussion

The German representative explained that the qualifiers status/reason are indeed not always used correctly today and that there are different arrangements in the market (also linked to the references). The business case is limited and would be costly and have a big impact. The issue cannot happen in ISO 20022 anyway.

The representatives from Luxembourg, Switzerland and Canada agree with the German explanation.

Sweden agrees with the CR, but there is no misuse in Sweden. France is also in favour. The US is not opposed.

The submitter agrees that the CR probably doesn't justify the cost and proposes to postpone and rediscuss the business case at the SMPG. The SMPG rules are already available for guidance.

The submitter withdraws the CR pending further discussion at the SMPG.

### Decision

**WITHDRAWN**

## 3 Overview of SWIFT Change requests

None

End of document