

トレジャリーセミナーへ ようこそ

2008年5月15日(木)

スイフト・ジャパン



本日のアジェンダ

- ご挨拶
スイフトジャパン在日代表
渡部 吉昭
- トレジャリースタンドアードの最新動向
Francoise Massin
- トレジャリー市場におけるSWIFTのサービス
越智 優子
- SWIFTNet Accordご利用事例ご紹介
住友信託銀行 市場事務部
吉田 直樹様



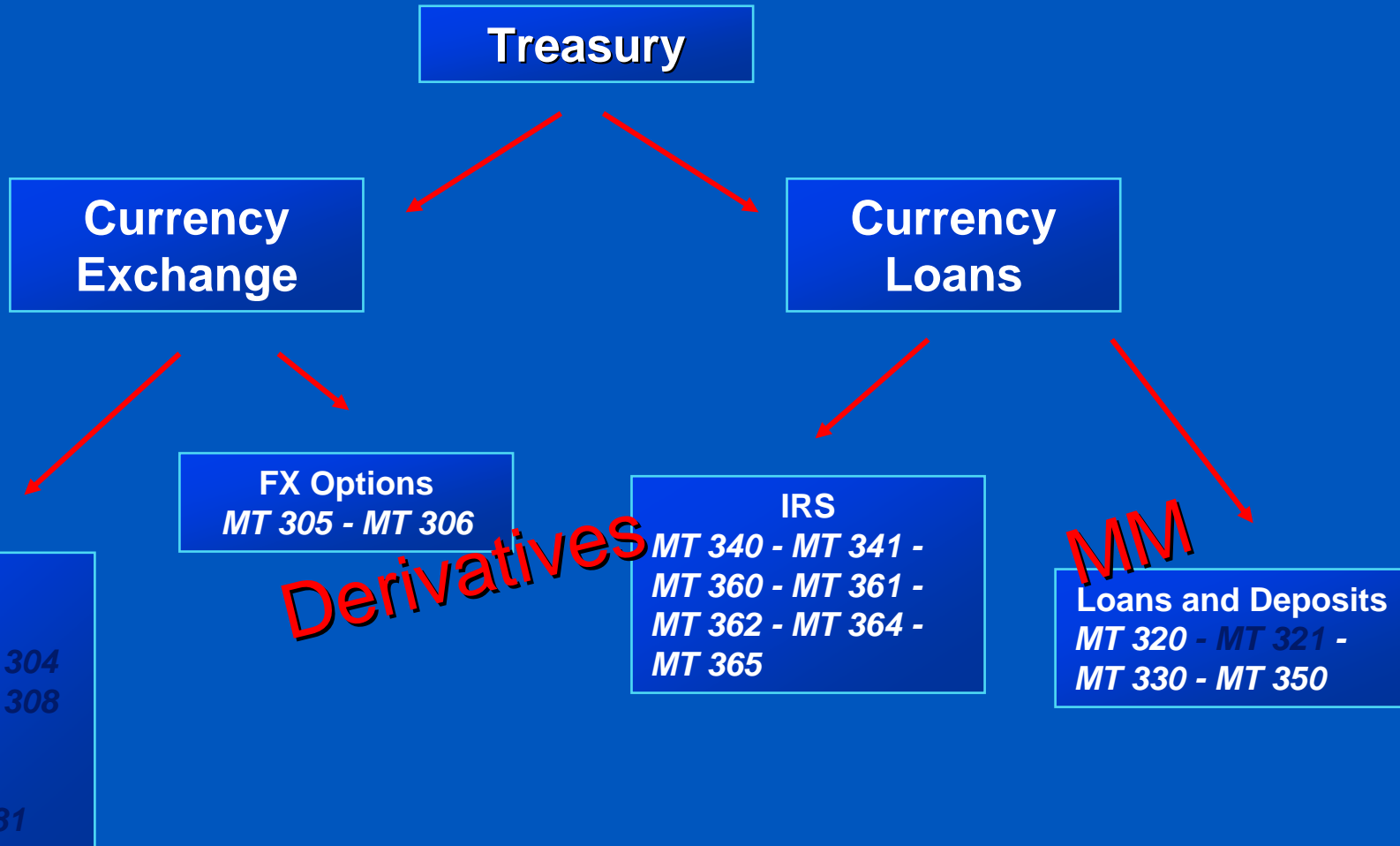
Treasury Seminar Tokyo

Francoise Massin

15 May 2008



Category 3 - Treasury



Participants

- Financial Institutions
- Fund Managers
- Corporates
- CLS Members
- Treasury Counterparties
-



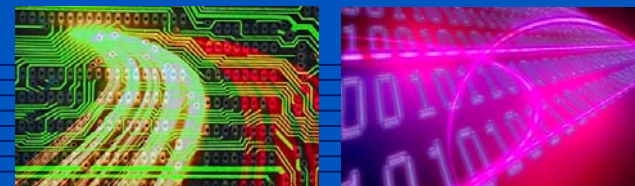
STANDARDS

- 7775 (FIN-Majority of treasury messages)
- 15022 (FIN – Securities, Treasury-partially)
- 20022 (XML)



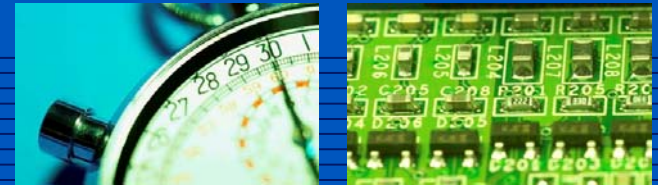
What is driving the move to ISO 20022?

- New initiatives
 - Global harmonisation
 - Giovannini and SEPA in Europe
 - Market infrastructures
 - Automation in the ‘funds’ market
- New players
 - Corporates, fund managers
- New technology
 - XML, SOA, web services



Why ISO 20022 (UNIFI) ?

- Reduced cost of implementation and maintenance
- Improved STP (in many areas)
- Faster, more flexible development and maintenance
- The 'language' of the internet



Category 3 Messages

■ Forex messages

- MT 300 Foreign Exchange confirmation
- MT 303 Forex/Currency Option Allocation Instruction
- MT 304 Advice/Instruction of a Third Party Deal
- MT 307 Advice/Instruction of a Third Party FX Deal (15022)
- MT 308 Instruction for Gross/Net Settlement of Third Party FX Deals (15022)
- MT 380 Foreign Exchange Order (15022)
- MT 381 Foreign Exchange Order Confirmation (15022)



Scope of the MT 300

MT300 is used to confirm Foreign Exchange Trades

- Spot
- Forward
- Swaps (2 messages are exchanged)
- NDF's



MT 300 for NDF's

An NDF trade is confirmed through two MT 300 messages.

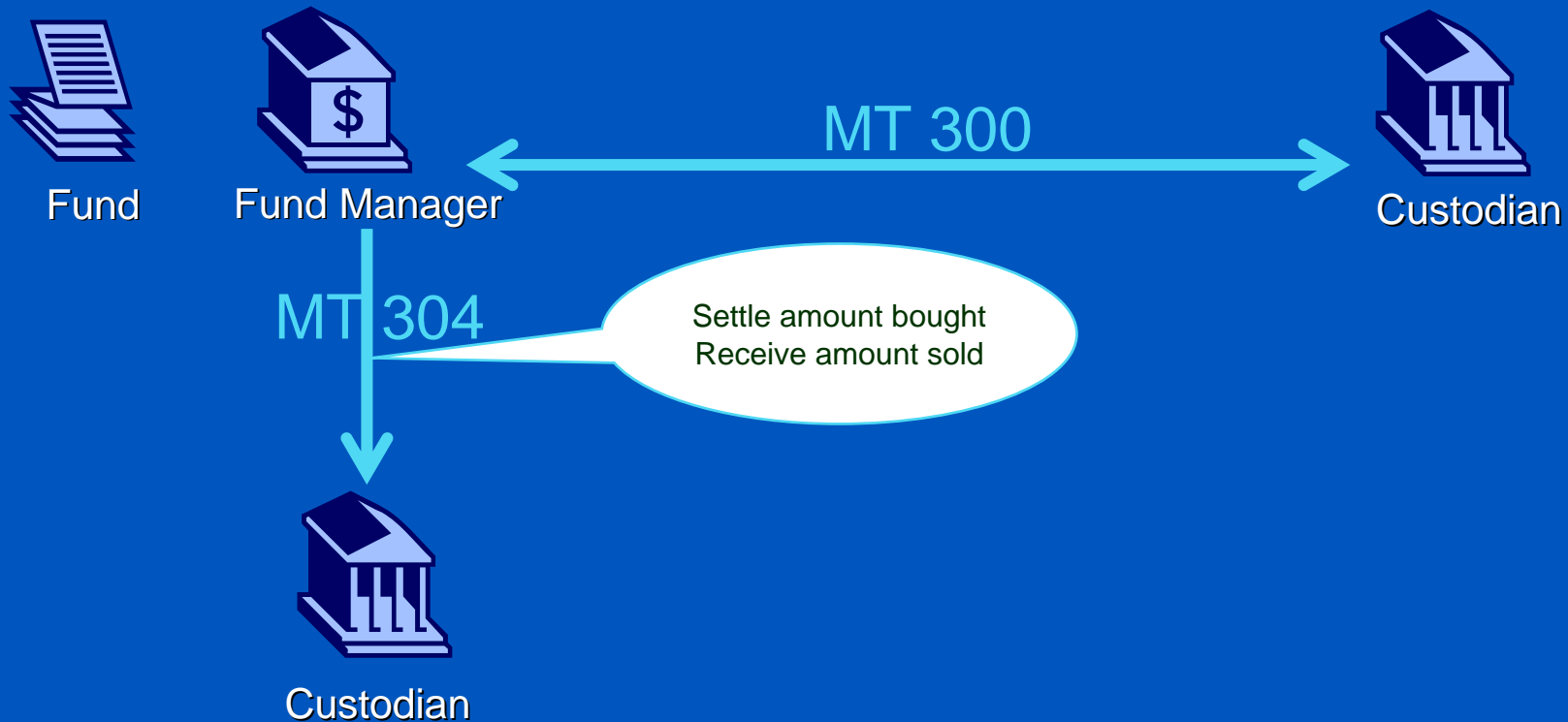
- Opening confirmation containing
 - Forward rate in field 36
 - Deliverable and Non Deliverable amounts in fields 32B and 33B
 - /VALD/ + Valuation Date in field 77D (first line)
 - /SETC/ + Settlement Currency in field 77D (second line)

- Closing confirmation containing
 - Fixing rate in field 36
 - Updated Gross Deliverable and Non Deliverable amounts in fields 32B and 33B
 - /FIX/ + reference of opening confirmation (field 20) in field 77D

- Notes
 - Only gross amounts are confirmed



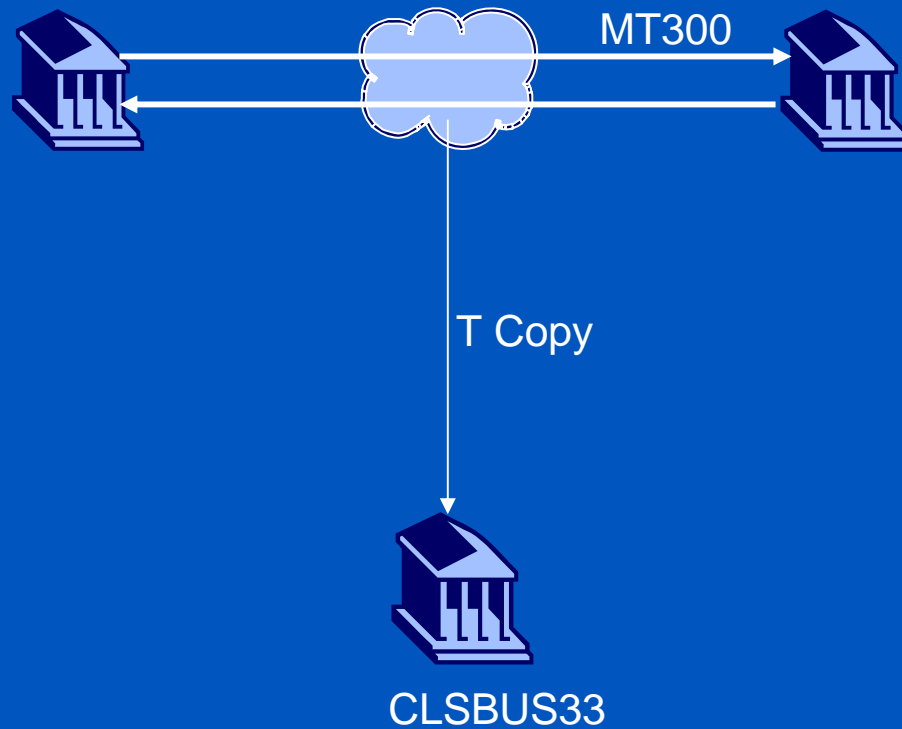
Scope of the MT 304



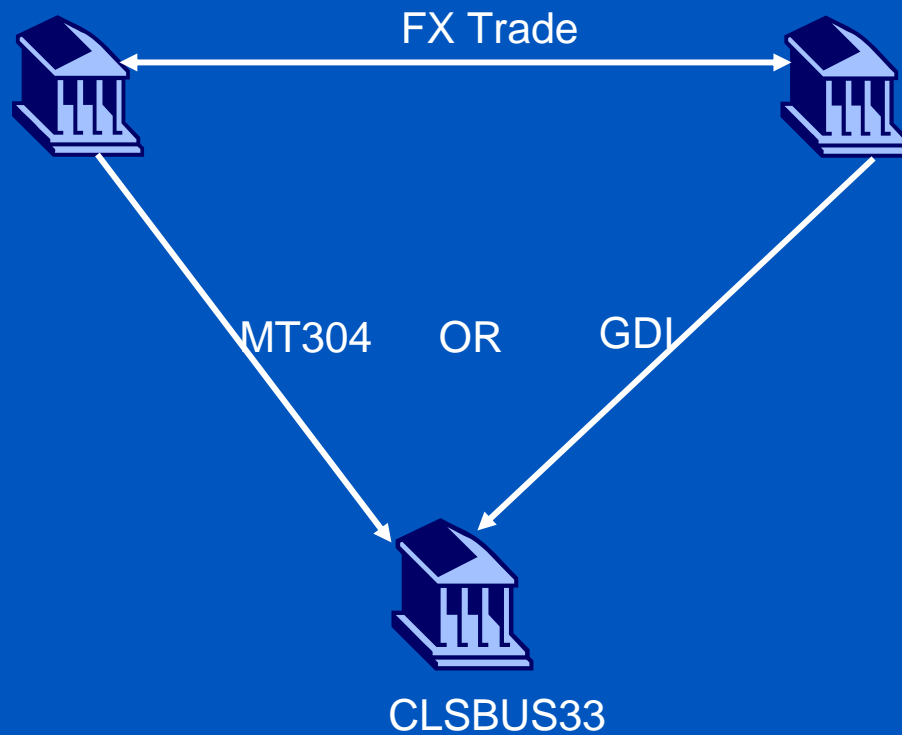
MT304 is used to advise and/or request the execution of a Foreign Exchange Trade (including NDF's).
MT 304 is also used to send FX trades to CLS



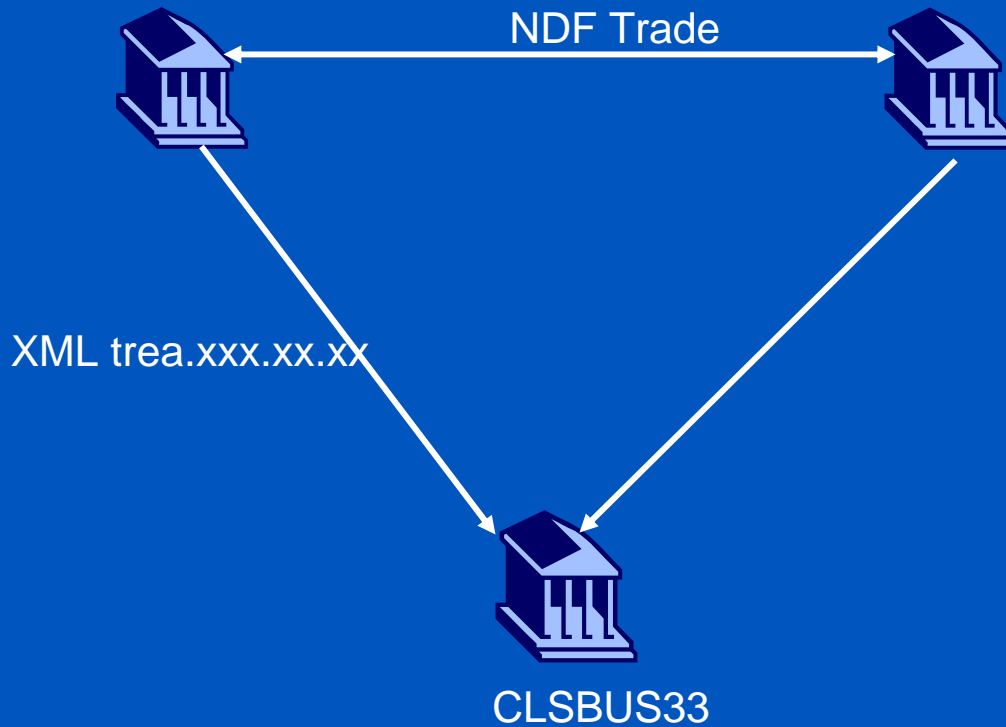
CLS Scenario



CLS Scenario



CLS Scenario



ISO 20022 messages for CLS

- trea.001.001.02 CreateNonDeliverableForwardOpening
- trea.004.001.02 CreateNonDeliverableForwardValuation
- trea.007.001.02 NonDeliverableForwardNotification

CLS will calculate and settle the net amount

- trea.009.001.02 CreateForeignExchangeOption
- trea.012.001.02 ForeignExchangeOptionNotification

CLS will settle the premium



ISO XML Messages

- Developed in collaboration with CLS
- Usage is taking up
- Will be used as the basis for migration
- Based on a Business Model developed a few years ago.



Category 3 Messages

- Option messages

- MT 305 Vanilla option Confirmation
- MT 306 Exotic option Confirmation



Scope of the MT 305 and MT 306

- MT305 is used to confirm Vanilla options
- MT 306 is used to confirm Exotic options
- Group of UK/US users is currently meeting to agree on market practices for NDO's, Barriers and Binary options
- A new fee sequence is added to the MT 306 for SR 2008. It should be used for close-out fees.



Category 3 Messages

- Loan/Deposit messages
 - MT 320 Fixed Loan/Deposit Confirmation
 - MT 321 Instruction to Settle a Third Party Loan/Deposit
 - MT 330 Call/Notice Loan/Deposit Confirmation
 - MT 350 Advice of Loan/Deposit Interest Payment



Scope of the MT 320

MT320 is used to confirm Fixed Loans and Deposits

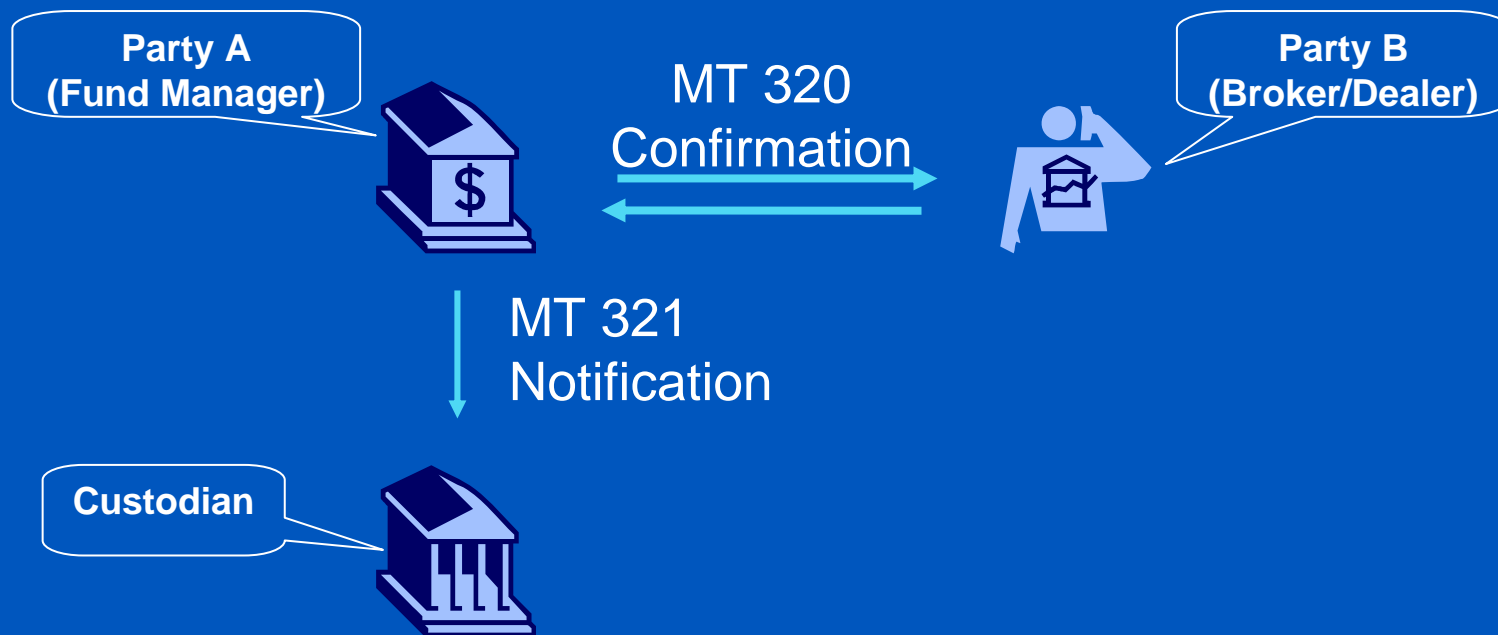
- Fixed Maturity Date
- Fixed Interest Rate
- Contract can be rolled over

For 2008

- Floating rate loans are documented
- A new fee sequence is added to the MT 320 for SR 2008. It can be used for early termination fees.



Scope of the MT 321



Group of UK/US users is currently meeting to agree on market practices for Rollovers, Block trades...



Scope of the MT 321

This message is sent by a fund manager to the fund's custodian to advise the trade details and instruct the settlement of a fixed term loan/deposit done with a third party financial institution. The trade may cover one single trade or one block trade.



Scope of the MT 330

MT330 is used to confirm Call/Notice Loans and Deposits

- No Maturity Date
- A Period of Notice
- A “Closing” Confirmation is sent at the end of the contract
- Principal Amount may change during the contract life
- Interest Rate may change during the contract life



Category 3 Messages

■ Interest Rate Derivatives Messages

- **MT 340 Forward Rate Agreement Confirmation**
Confirms the details of a forward rate agreement
- **MT 341 Forward Rate Agreement Settlement Confirmation**
Confirms the settlement details of a forward rate agreement
- **MT 360 Single Currency Interest Rate Derivative Confirmation**
Confirms the details of a single currency interest rate derivative transaction
- **MT 361 Cross Currency Interest Rate Swap Confirmation**
Confirms the details of a cross currency interest rate swap transaction
- **MT 362 Interest Rate Reset/Advice of Payment**
Confirms or advises the reset rates of the floating interest rate(s) in a single or cross-currency interest rate derivative transaction and/or the payment of interest at the end of an interest period
- **MT 364 Single Currency Interest Rate Derivative Termination/Recouping Confirmation**
Confirms the details of the partial or full termination or recouping of a single currency interest rate swap, cap, collar or floor
- **MT 365 Cross Currency Interest Rate Swap Termination/Recouping Confirmation**
Confirms the details of the partial or full termination or recouping of a cross currency interest rate swap

Note: For SR 2008, MT 36x will contain the identification of a fund (field 83)



FpML

- The Financial Products Markup Language (FpML) is the industry standard enabling e-business activities in the field of financial derivatives and structured products.
- The standard is controlled by ISDA (the International Swaps and Derivatives Association)
- It's ultimate scope is to cover all services for all types of over-the-counter (OTC) derivatives.
- FpML is an application of XML



FpML and SWIFT

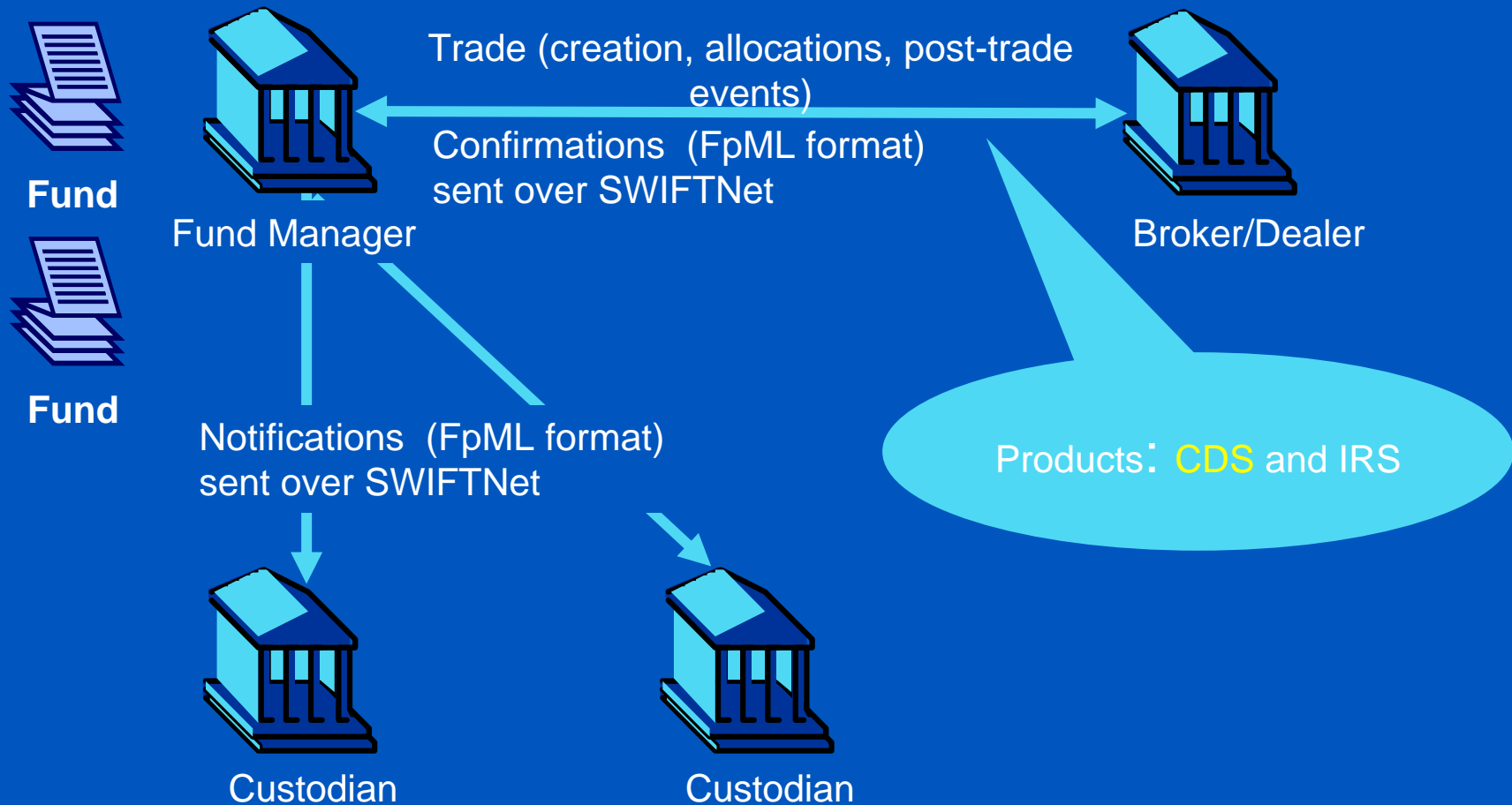
- In the FpML release 4.2 (December 2006), new messages were introduced:

The contract notification messages

- These messages were developed by FpML in collaboration with SWIFT and are available to be transported on SWIFTNet in a CUG.
- Collaboration => Standards harmonisation



SWIFT and FpML – SNFpML CUG

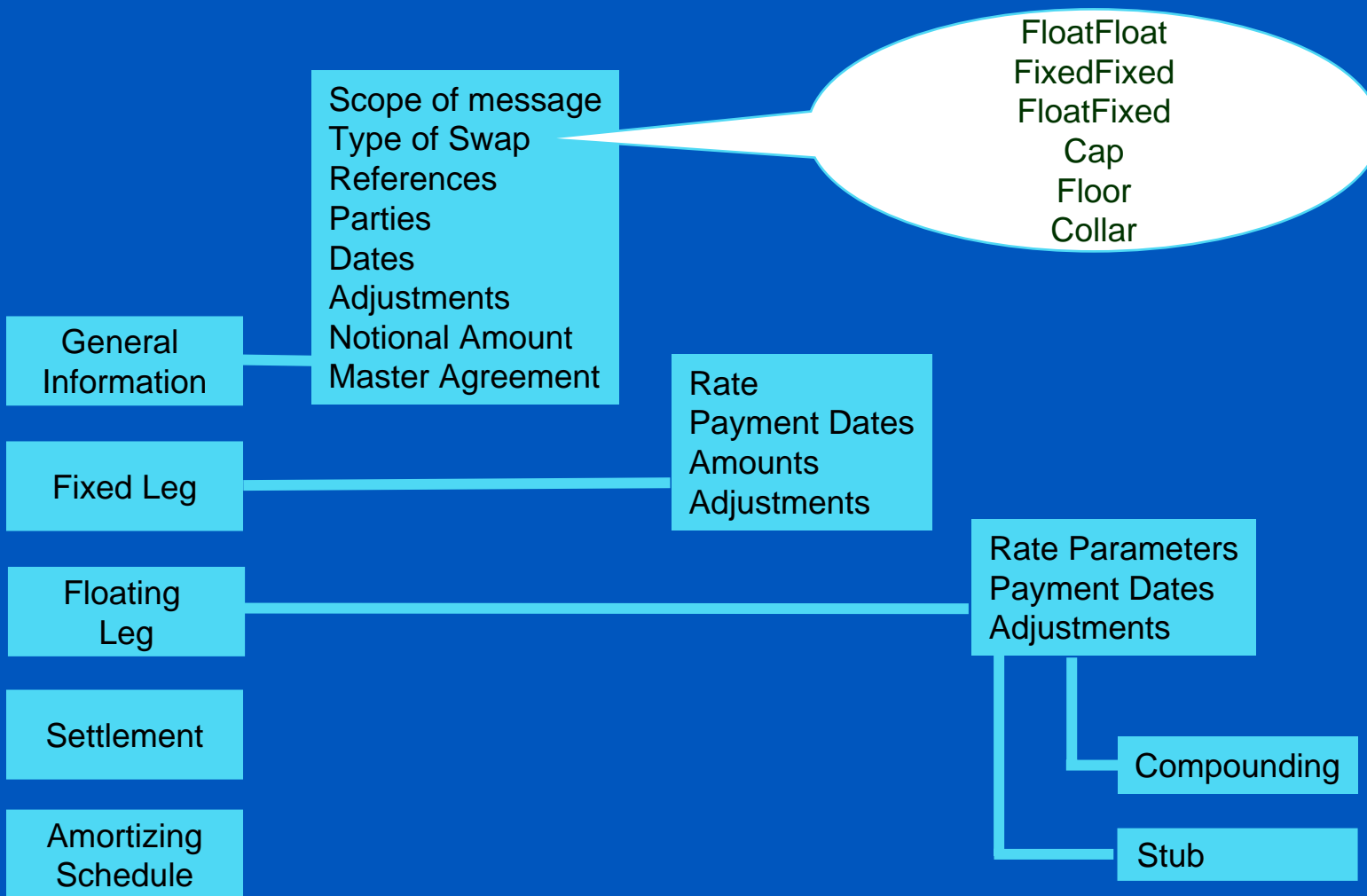


Trade Types covered by MT 360

- Vanilla swaps
 - FIXEDFIXED
 - FIXEDFLOAT
 - FLOATFLOAT
- Amortizing swaps
- Compounding swaps
- Averaging swaps
- Caps, Floors, Collars
- EONIA / OIS
- Stubs



MT 360 – Key Sequences



Market Practices Development of MT 360

■ SWIFT held two sessions on IRD

- One for UK users – 14 December 2007
- One for US users – 17 December 2007

■ Discussion notes

- There is a need for market practice on date adjustments
- There is a need for market practice around rate resets:
“Japanese banks routinely send MT362s to confirm rate resets but often do not receive a reply confirmation, resulting in a low matching rate. They receive faxes instead of FIN confirmations.”
- The payment period is rarely different from the calculation period. If this is the case, some market practice around the use of MT360s should be defined
- Today the floating rate option is only validated as a string of characters by FIN but it is fully matched on Accord. There is a need for stricter validation but this cannot be easily implemented on FIN because this validation would depend on externally defined lists.
- Discussion on other features such as terminations, novations, non deliverable swaps, swaptions...
- There is consensus that the use of FIN messages for queries and investigations should not be promoted. These are more easily handled over the phone, as most back-office systems only support confirmation messages and other message types may not be checked. SWIFT is a confirmation system, not a messaging system.

- SWIFT will support ISDA 2006 as of the end of 2008 but a temporary solution is available and documented.



ISDA Definitions

- Field 14C Year of Definitions contains 1991, 1998, 2000 or 2006
 - Field 14D Day Count Fraction *
 - Field 14F Floating Rate Option *
 - Field 22B contains the financial centers *
 - Field 17F – FRA Discounting = FRA Yield Discounting for AUD and NZD trades (MT 340) *
- * Changed for 2006 Definitions in SR 2008



ISDA 2006 Field 14D Day Count Fraction

ISDA 2000	ISDA 2006	SWIFT
Actual/365, Act/365, A/365, Actual/Actual, Act/Act	Actual/Actual, Actual/Actual (ISDA), Act/Act, Act/Act (ISDA)	ACT/365
Actual/365 (Fixed), Act/365 (Fixed), A/365 (Fixed), A/365F	Actual/365 (Fixed), Act/365 (Fixed), A/365 (Fixed), A/365F	AFI/365
Actual/360, Act/360, A/360	Actual/360, Act/360, A/360, ACT/360, 30/360, 360/360, Bond Basis	ACT/360
30/360, 360/360, Bond basis	30/360, 360/360, Bond Basis	360/360
30E/360, Eurobond Basis	30E/360 (ISDA)	30E/360
	30E/360, Eurobond Basis	OTHER (until 2008) Field 37N of the same sequence must be present and contain EBD/360
	Actual/Actual (ICMA), Act/Act (ICMA)	OTHER (until 2008) Field 37N of the same sequence must be present and contain ICM/ACT



ISDA 2006 Field 14F Floating Rate Option



Matched but
not validated

- List of current options – NOT VALIDATED
- List of “old” options – for redenomination purpose.
- Updates are done yearly but new options may be included at any time.



MT 362 – Interest Rate Reset/Advice of Payment

General Information

Scope of message
Type of Swap
References
Parties
Dates

Interest Rate payable by party B

Notional Amount
Period Dates
Reset Rate
Payment Date

Net Amount payable by party B

Date
Amount
Settlement Instructions

Max 3

Interest Rate payable by party A

Notional Amount
Period Dates
Reset Rate
Payment Date

Net Amount payable by party A

Date
Amount
Settlement Instructions

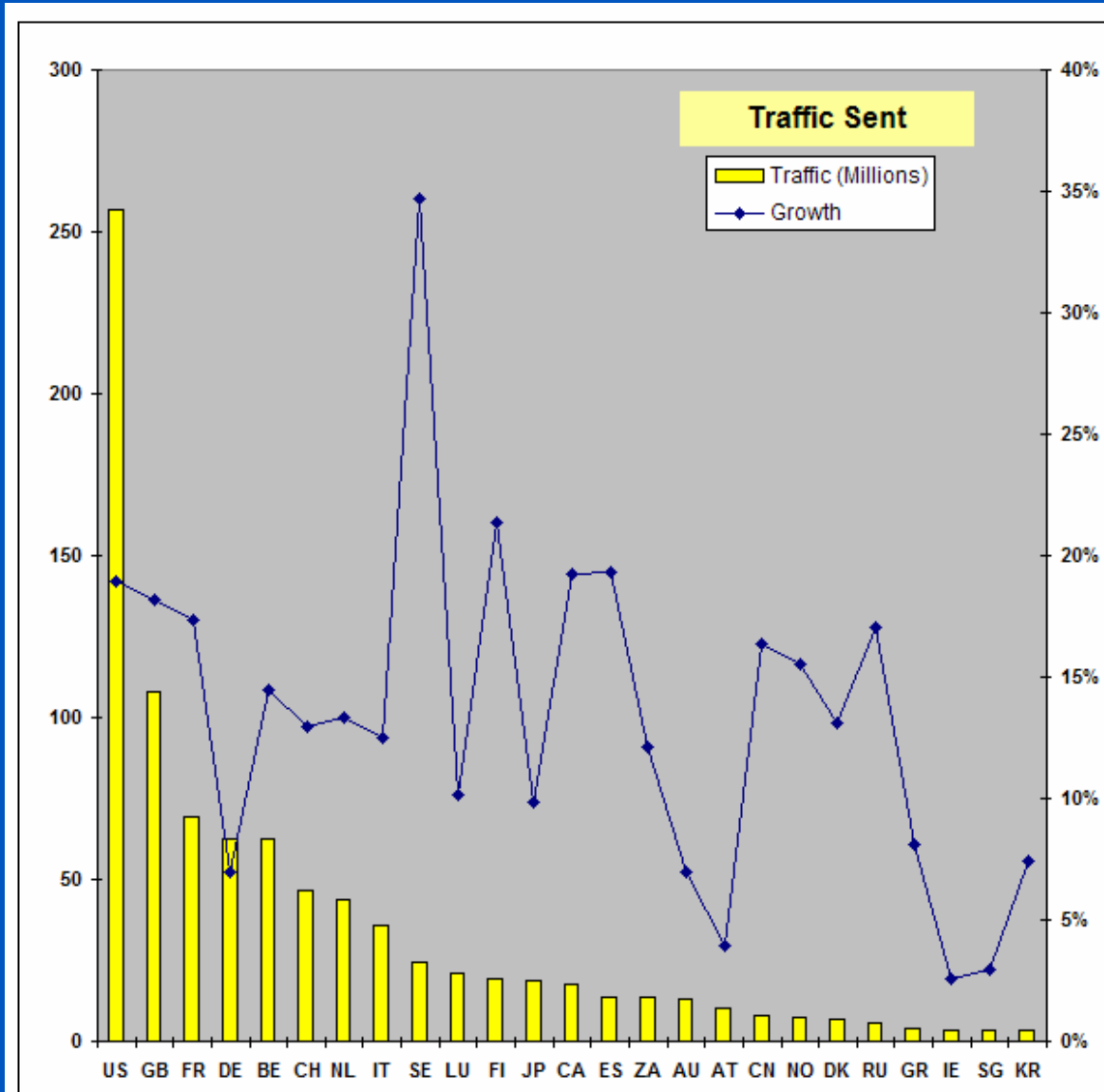
Max 3

Traffic MT 362

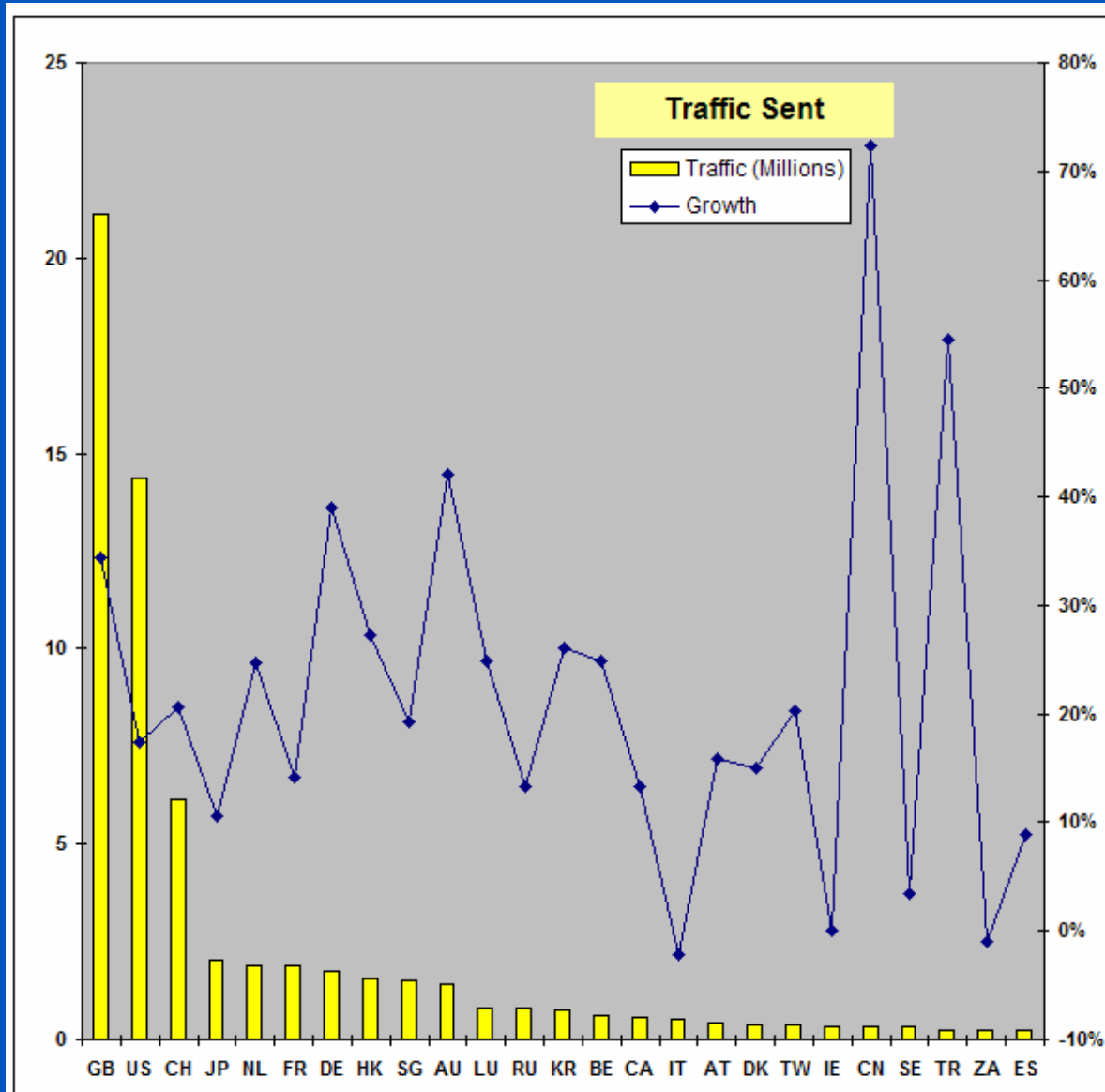
- JP users send around 10,000 MT 362 / month
- They receive 3,000-5,000 MT 362 / month
- 20% is sent JP-JP
- 20% seems to be matchable (1/2 JP-JP)



Global Traffic – Q1 2008



Treasury Traffic – Q1 2008



MT - Advantages

- Trade capture can lead to the automatic creation of an MT which can be immediately approved by the confirmation personnel => faster than manual procedure
- Uniform language => no errors due to misinterpretation
- Easily matchable
- If matching system is used, no need to verify the data against dealing slips or money broker confirmations, users will go back to the dealing slip only if the confirmation does not match.
- Payments can be automatically generated from the confirmation data when the matching result is positive, only exceptions should be manually approved.



What's Next?

- SR 2008
- SR 2009
- Market Practices
- Migration



SR 2008

- Addition of a fee sequence in MT 306, MT 320, MT 340
- Addition of field 83 in MT 360, MT 361, MT 362, MT 364, MT 365.
- Alignment to ISDA rules to 2006 of Field 14C (not validated), Field 14D (day count fraction) and Field 14F (not validated) of MT 340, MT 360 and MT 361.
- Addition of the code FBF in field 77D of MT 306
- Addition of option J to field 30 (settlement on hit)
- Addition of code “JOINT” (not validated) to field 84 of MT 306
- Document in field 72 the MiFID data.
- NDF validation of field 77D of MT 300 and of field 72 of MT 304
- Addition of a code (not validated) for floating rate deposits in MT 320.
- Change in the name (not validated) of field 32H of MT 330.



SR 2009

- Addition of a narrative field to MT 380/381.
- Addition of /OTHER/ in the Master Agreement options available for MT 340
- Additional field to identify the Executing Broker, when the Executing Broker is not the same as the Issuer of the Time Deposit in an MT 320/321.
- Additional field to put the identity of the Investment Manager, when they are not the sender of the SWIFT message in an MT 321.



Market Practices

- Options: initiative from UK/US
 - Use of MT 305 for NDO's
 - Use of MT 306 for Barrier and Binary options
- MT 321: ISITC
 - UK MT 321 Market Practice





Questions & Answers



トレジャリー市場における SWIFTのサービス

2008年5月15日 ベルサール八重洲



アジェンダ

トレジャリー分野におけるSWIFTのサービス

- メッセージングサービス： FIN
- スタンダードズ開発： CLS ISDA ISITCと協働
- 市場インフラ用のネットワークサービス： CLS
DTCC、 Euroclear CCI
- アプリケーションサービス：
 - SWIFTNet Accord
 - Affirmation Service



FIN 2008年 Q1の送信量

TOTAL TRAFFIC SENT						
			Traffic Sent			
			Traffic (Millions)	Share	Growth	Contrib. to growth of SWIFT
1	United States	US		27.6%	29.9%	34.9%
2	United Kingdom	GB		11.6%	21.9%	11.4%
3	France	FR		7.3%	16.5%	5.7%
4	Germany	DE		7.2%	11.6%	4.1%
5	Belgium	BE		6.6%	24.5%	7.2%
6	Switzerland	CH		4.9%	28.5%	6.0%
7	Netherlands	NL		4.8%	24.6%	5.2%
8	Italy	IT		4.0%	13.1%	2.5%
9	Luxembourg	LU		2.3%	30.8%	3.0%
10	Sweden	SE		2.2%	35.8%	3.2%
11	Japan	JP	77.55	2.2%	23.2%	2.3%

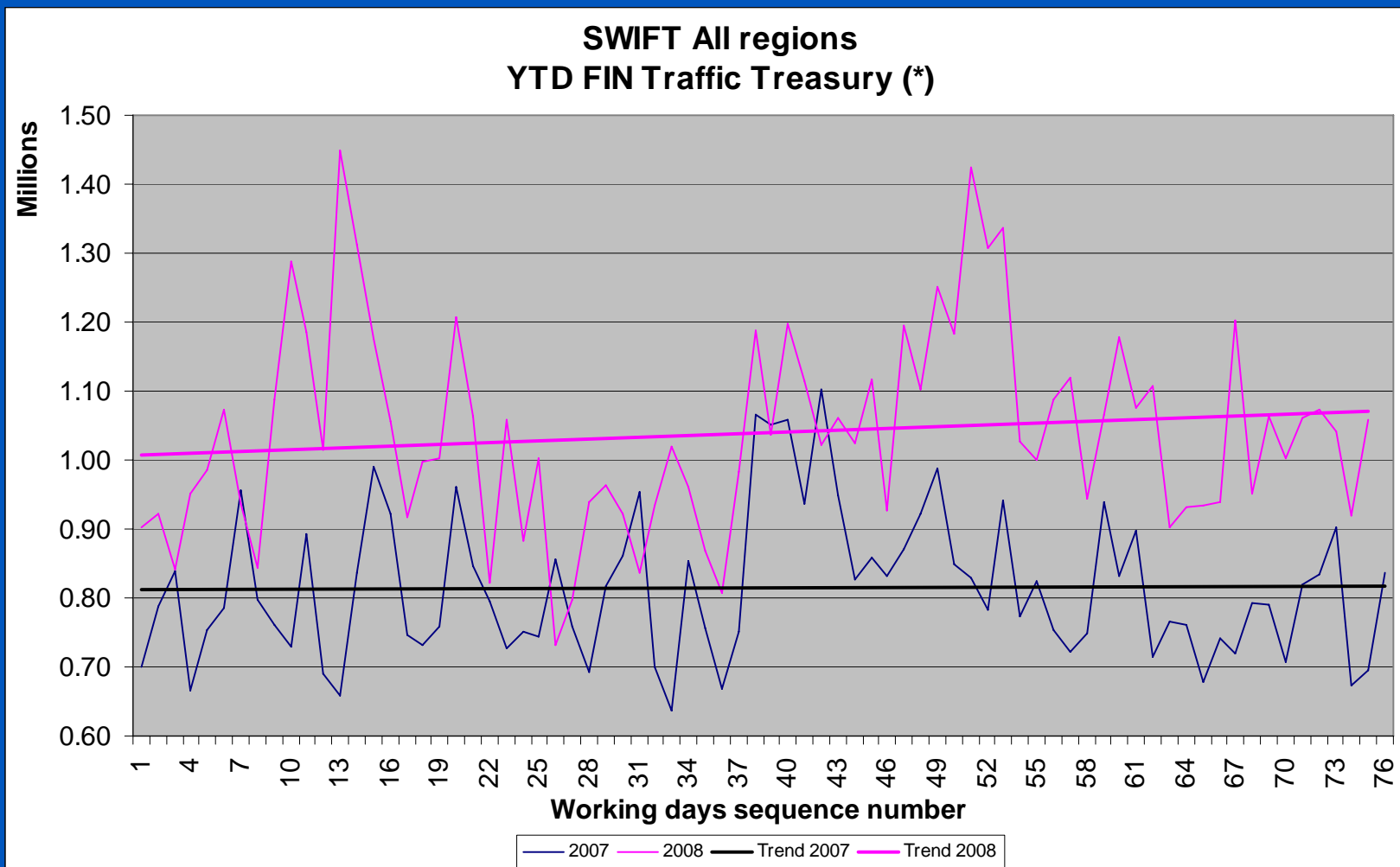


FIN 2008年Q1- トレジャリートラフィック送信量

TOTAL TRAFFIC SENT						
			Traffic Sent			
			Traffic (Millions)	Share	Growth	Market Weight in Country
1	United Kingdom	GB		30.6%	29.7%	11.7%
2	United States	US		23.3%	31.2%	8.8%
3	Switzerland	CH		9.6%	38.8%	17.6%
4	Japan	JP	8.06	3.6%	28.7%	7.3%
5	France	FR		3.1%	12.5%	4.1%
6	Netherlands	NL		3.0%	24.3%	5.1%
7	Germany	DE		2.5%	22.8%	1.7%
8	Hong Kong	HK		2.4%	3.4%	8.8%
9	Singapore	SG		2.4%	12.6%	12.5%
10	Australia	AU		1.9%	21.9%	6.1%



FIN — 2007~08 トラフィックのトレンド



スタンダードズ開発

- MT MX
- CLS
 - NDF
- ISDA
 - SWIFTNet FpML



FpML 開発ロードマップ

1

Transport only
(pilot: in progress)

2

Validation
(pilot: Q1 2008)

3

Matching
(pilot: Q2 2008)

Rationale

- Recognizing FpML as the standard for OTC derivatives
- Re-positioning SWIFT in derivatives market

- Put more discipline in FpML usage
- More STP

- Match very liquid products (benefit from market growth)
- One-stop shop for matching (instruments and syntaxes)

Flows

- Trade notification (buy-sides to custodians)
- 6 message types
- Extensions to cover more flows/players under design

- Trade notification
- Trade confirmation
- 9 message types

- Trade confirmation

Instruments

- Any as long as covered by FpML

- Syntactic: any including syndicated loans
- Semantic: IRD

- Upon market demand

Activities

- Set-up of service
- Support on interface
- MoU with ISDA

- Schema validation
- Ref. data validation
- Semantic validation rules

- Cross-syntax matching
- FpML matching



OTC Derivatives

ポストトレードのソリューション一覧



From trade to settlement	Credit	Interest rate	FX
Trade capture / affirmation	T-Zero DTCC SWIFT (2008)	T-Zero Swapswire SWIFT	SWIFT
Trade confirmation	DTCC	Swapswire DTCC SWIFT	SWIFT
Settlement/ Repository	DTCC/CLS	Swapswire	-

Portfolio reconciliation	Early Termination	Collateral management
Euroclear, Trioptima, Algorithmics, others	Trioptima	Triparty agents, CCP (LCH Swapclear)

Transactions:

- Mix of asset classes and functions required for selection
- STP challenge

Portfolio:

- Solutions across asset classes
- Link between portfolio reconciliation and collateral management to be strengthened
- Interoperability to reduce risks and costs



市場インフラ向けのネットワークサービス

- CLS
- DTCC on SWIFTNet
- Euroclear CCI

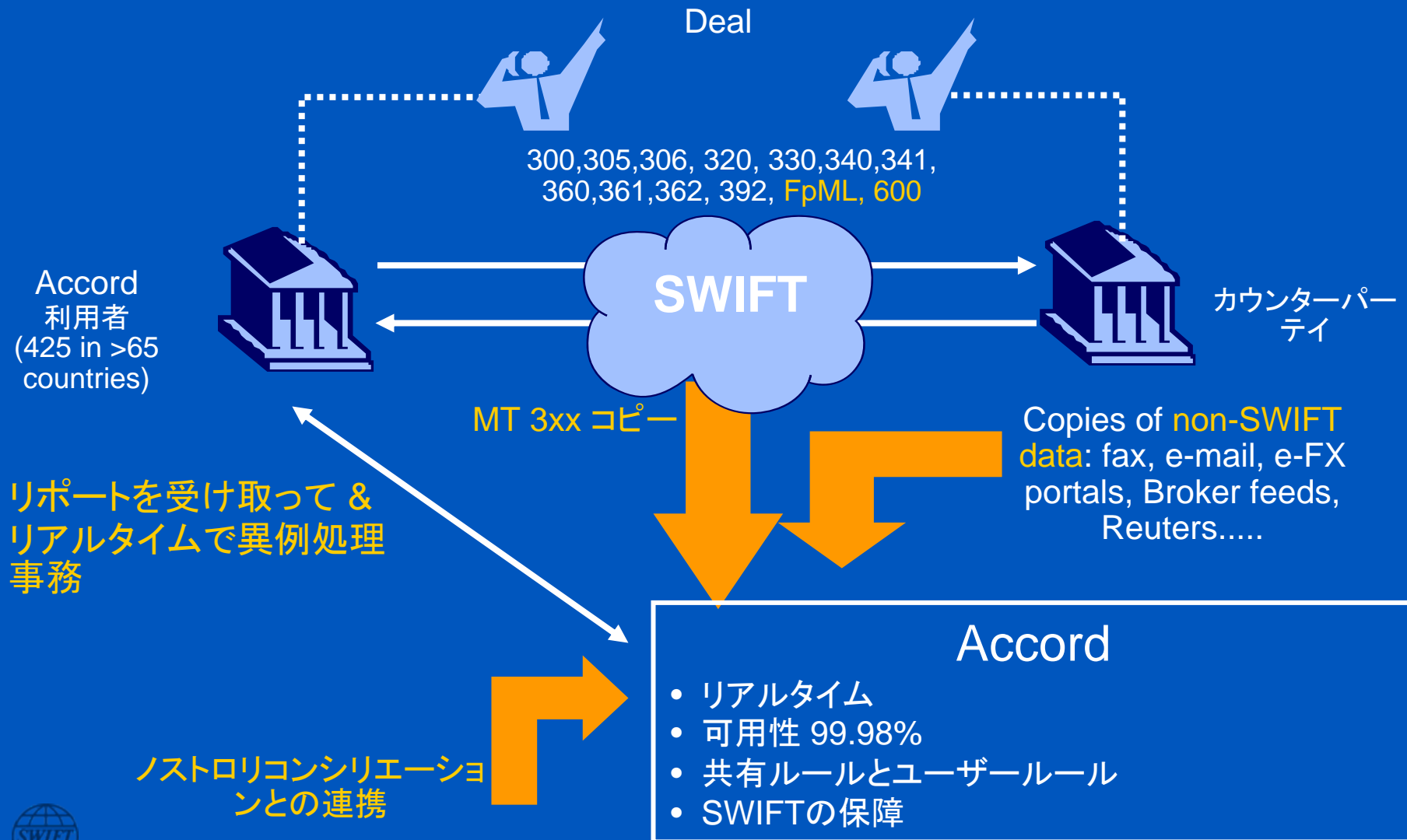


アプリケーションサービス

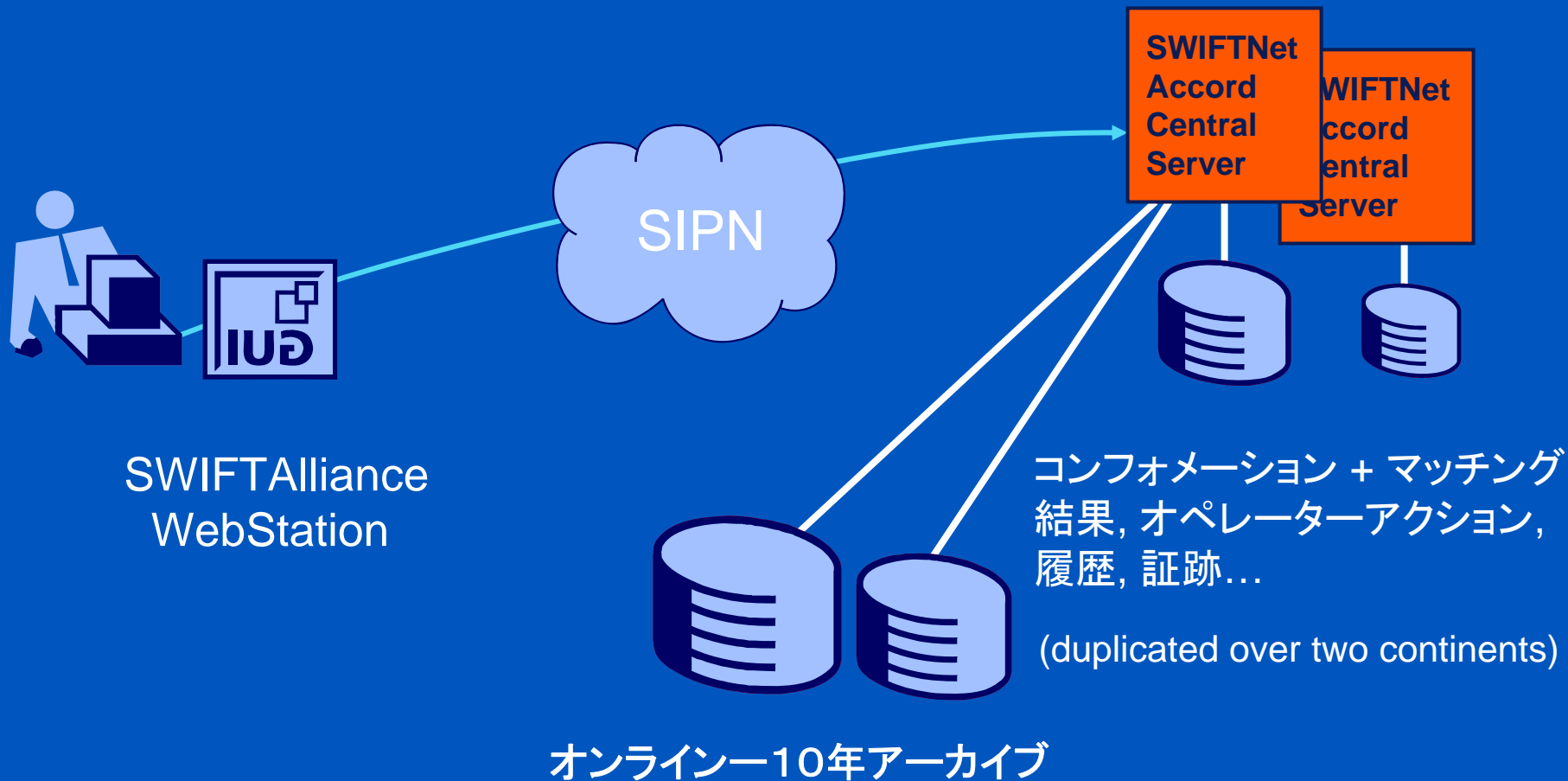
- SWIFTNet Accord
- SWIFTNet Affirmation



SWIFTNet Accord



オプションサービス SWIFTNet Accord Long Term Archival



SWIFTNet Accordの特徴 — 1

- コンフォメーション突合、報告、記録保存作業と関連ITインフラ運用作業をSWIFTにアウトソース
- TCO トータルコストの削減
- ASPサービスを活用したレジリアンス(コンチ対応)向上
- チェーサー、保障などのアコードの利便性
- アプリケーションの将来の制度対応要らず
- 監査、報告に利用できるデータ



SWIFTNet Accordの特徴 — 2

- 低廉な導入コスト、簡便な導入
 - 既存のSWIFT接続インフラを使う
 - Lite（インターネット簡易接続用端末）
- フロントサイドでの取り込み（後述）



SWIFTNet Accordの拡がり

新機能

- GUI 機能
- プロセッシング
- Workflow functions
- input/output mechanisms
- Affirmations
- **Allocations** (2008-2009)

カバレッジの拡充

- MT 306 (exotic FX Options)
- コモデイテイー (e.g. MT 600, 601)
- Credit Default Swaps
- Equity Swaps
- FpML Interest Rate Swaps
- Portfolios
- Syndicated Loans
- Total Return Swaps



Bloombergとの協業について



- Bloomberg customers recognized the added value a direct link into SWIFT could bring to optimize their post-trade processing
- SWIFT and Bloomberg have entered a partnership to ultimately provide a joint front-to-back office multi-asset class product in full ASP
- Bloomberg joins as a non-shareholder member and offers their customers:
 - Matching, allocation processing and settlement notification through Accord
 - Securities, funds and treasury messaging through SWIFT



Content of MOU

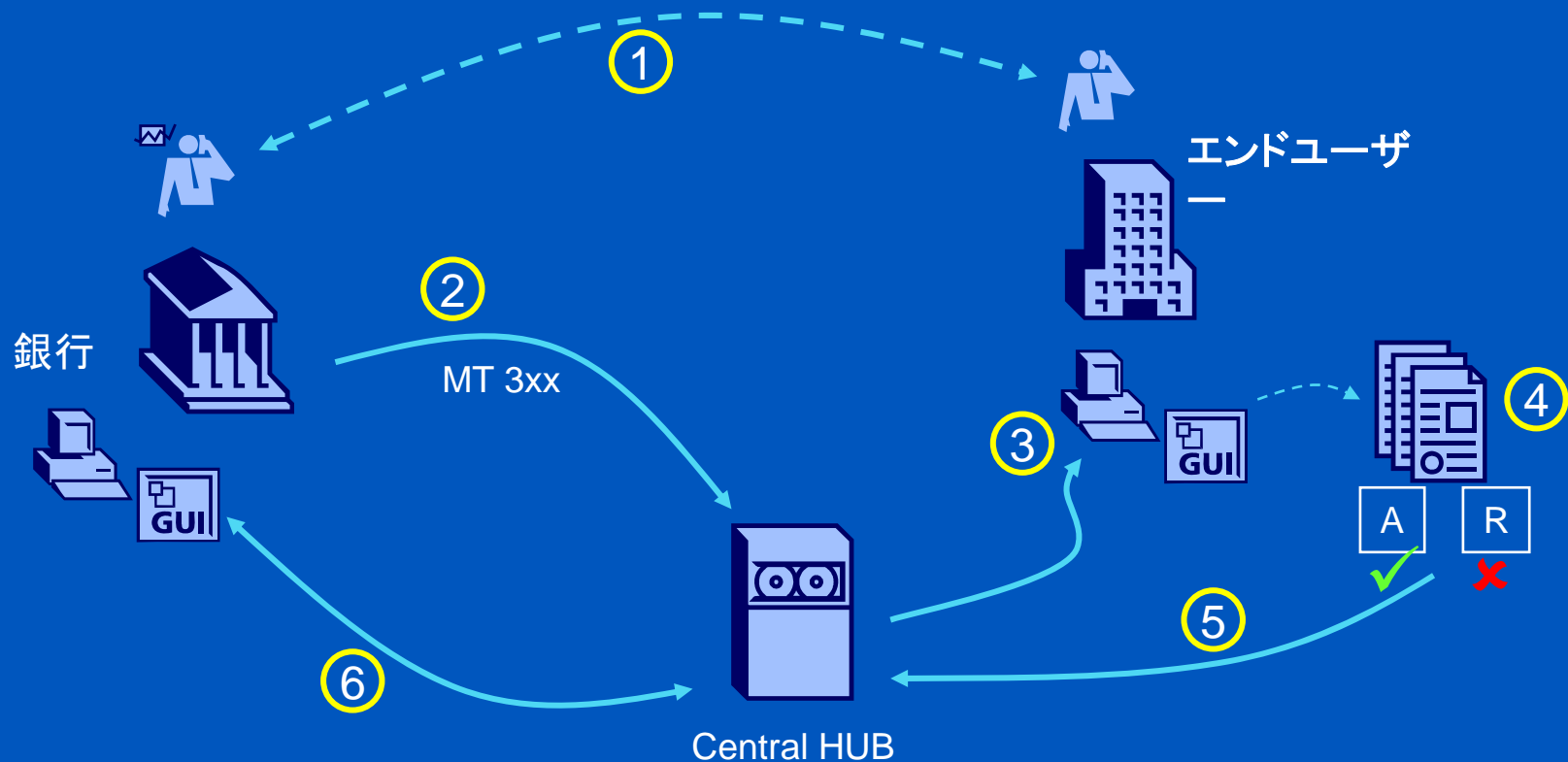
Bloomberg



	Instrument	Process
Phase 1	FX	Block matching Routing to custodian
	Securities	Routing MT54x to custodian
	Funds	Routing to transfer agents
Phase 2	FX options	Block matching
	FX, FX options	Allocations Generation of notifications
Phase 3	IRS, EQD	Block matching
	FX, FX options, IRS, EQD	Enrichment of notifications with SSIs
Phase 4	Equities and Fixed income	Allocation matching



SWIFTNet Affirmations サービス



- 1 - Bank and user enter into a deal
- 2 - Bank sends confirmation to central hub
- 3 - User views confirmations in graphical environment

- 4 - End user agrees or disagrees
- 5 - (dis-)agreement stored is stored on Central HUB
- 6 - Bank views (dis-)agreement -OR- hub sends Synthetic reply (as of release 2.0, October 2007)



ご清聴ありがとうございました

■ ご質問、お問い合わせは

SWIFTジャパン 03-5223-7400へ



Treasury Seminar Tokyo

住友信託銀行
市場事務部

2008 May 15

市場事務業務におけるAccordの活用 業務システムとの連動

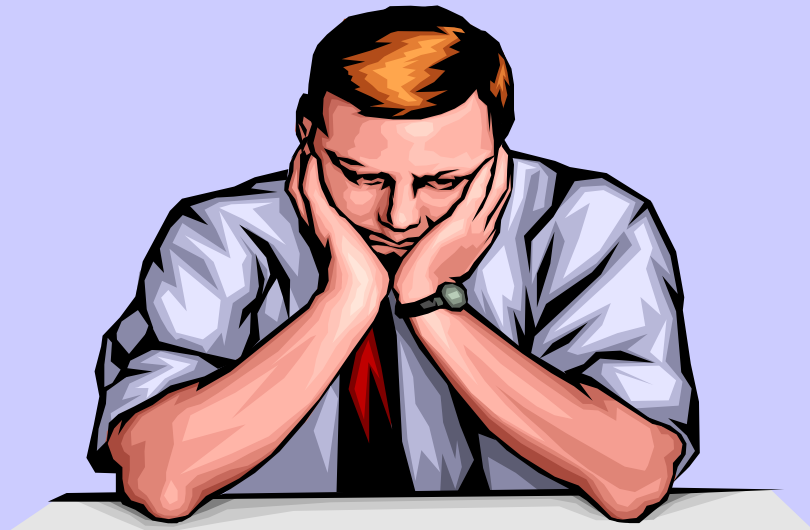
1. Accord導入の経緯・目的
2. Accord導入構成
3. 導入の問題点・解決
4. 実装概念図
5. 現在の利用状況・課題
6. 今後の展望

SWIFTNet Accord導入にいたる経緯

- 1994年9月より利用
- 当初はMT398を利用→Accord サーバーへの直接照会
- Accordサーバーと業務システムの連動
- 市場事務業務と一体化
- 業務効率
- LTAの活用
- トレーサー等の発信の履歴管理
- 海外拠点でも利用

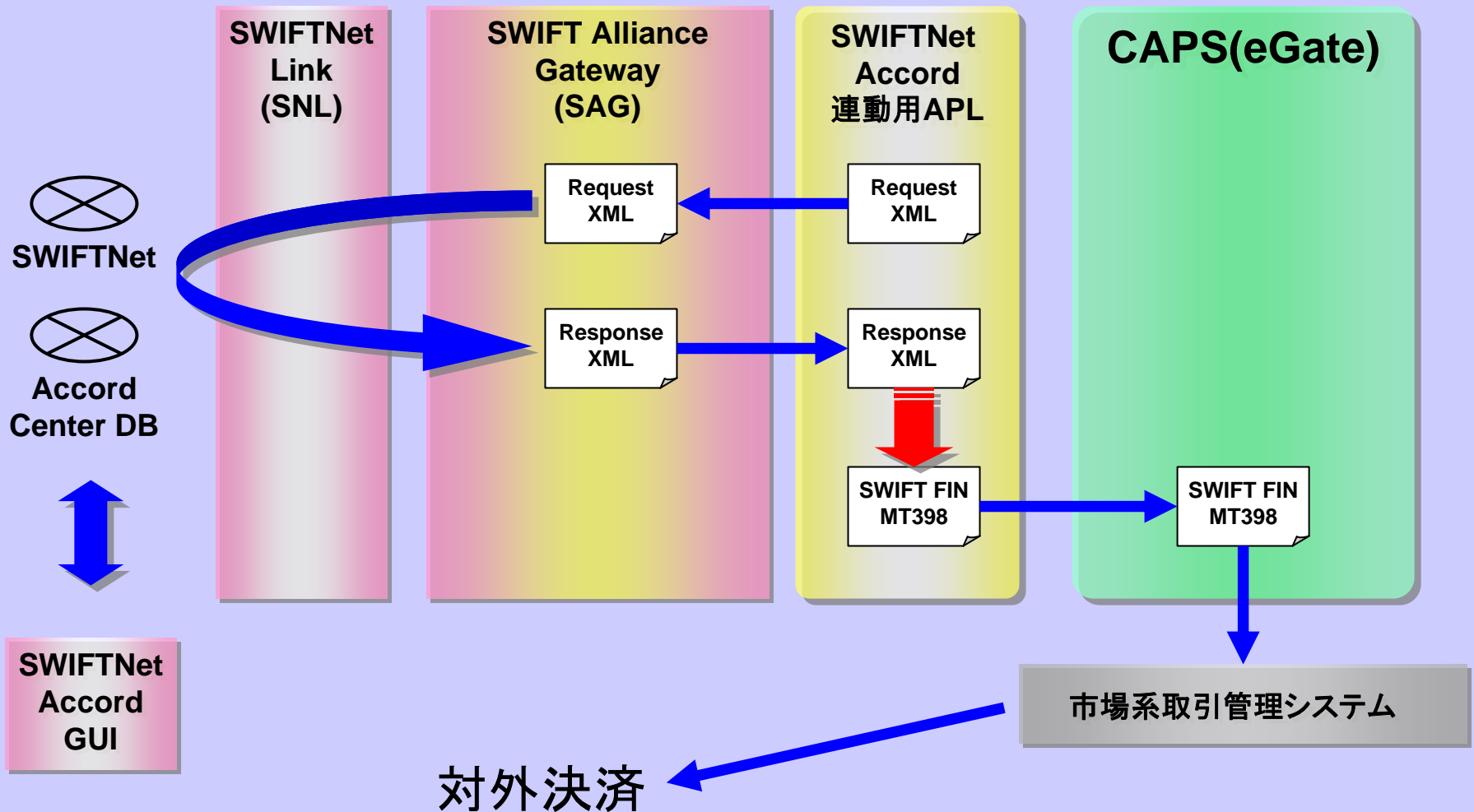
Accord導入上の問題点と解決策

- 時差
- EBS・ロイター経由
- 電話取引・ヴォイスブローカー経由の取引の取扱い
- 非SWIFT先対応
- 取引管理システム内のメッセージステータス管理



SWIFTNet Accord 実装事例

(既存外部システムとの連携)



マッチング比率推移

- ・9割以上マッチしている
- ・MRR、CSUの活用によりマッチング比率は向上
- ・未着トレースは日に数件



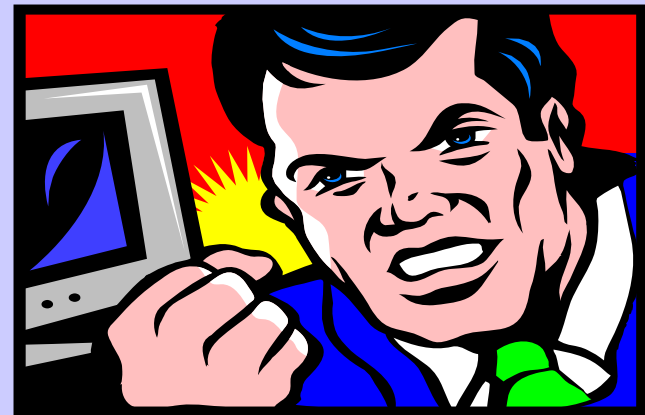
Accordの運用

- Accordサーバーへの問い合わせ頻度
- 運用時間
- マッチング結果→決済
- CLS取引
- SSIとの突合せ



Accordの機能についての提案・ 今後の取り組み

- ・ Dタイプのメッセージに関する曖昧マッチング
- ・ サーバーへのアクセススピードの向上
- ・ 2500件以上の検索結果表示対応



ありがとうございました



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