

# Recent Trend from Securities Perspectives

## – Implementation of ISO20022/SWIFT –

–SWIFT Business Forum 2009 –

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## Citibank's Custody Services – Current

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- Provide services mainly for Nonresident Investors and Investment Banks
  - Service for Investment Banks, which accounts a large part of our service, is focused heavily on Securities Settlement (Clearing)
  - Characteristics of Our Custody Service – High Traffic Volume
- Importance of Messaging Standardization by SWIFT
  - Core messages are MT54X
  - STP and Standardized Messaging to enable STP are vital to process a multitude of settlements within a limited time frame

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## Citibank's Custody Services – Future

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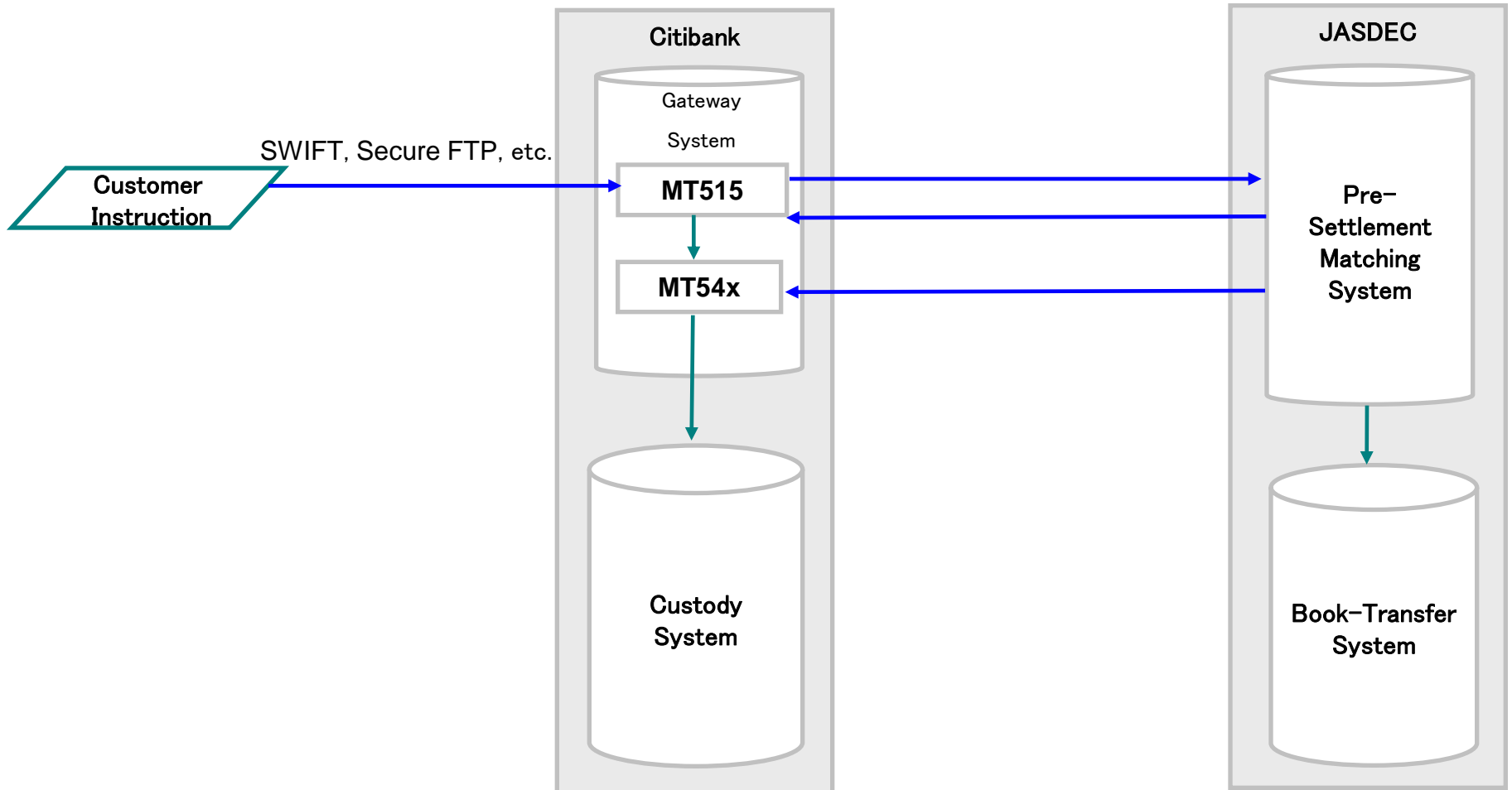
- Expand services for Residents (particularly Securities Settlement)
  - Stock Exchange Trading (for JSCC Settlement)
  - Domestic OTC Stock Trading (for JDCC Settlement)
  - JGB Trading (for JGBCC Settlement)
- Convenience of SWIFT Messaging Standardization
  - For JDCC and JGBCC settlement, Trade Matching (MT515) is mandatory
  - In Trade Matching, messaging follows basically to ISO15022, but some parts are unique to Japan
  - Innovative usage of MT515 etc. to get Customers ↔ Citibank messages through SWIFT network

## Current Trade Matching Data Examples

決済情報ブロック		
43	決済情報ブロックの開始	:16R:SETDET
44	決済種類コード	:22F::SETR//TRAD
45	決済条件コード	
46	SSI無効化フラグコード	:17B::STAN//N

- 17B is an item of "Confirmation Info Block" in SWIFT Standards messages
- 17B displays "Flag" but the term "STAN" is not set up
- Therefore, a twist is necessary to get it through SWIFT network

# Data Flow (Domestic OTC Stock Trading)



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## Future Outlooks

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- Continue participation in review sessions of implementing ISO20022/SWIFTNet to Pre-Settlement Matching System
  - Immediate task: Pre-Settlement Matching System (Nonresident's Trades)
  - Domestic Trade's (particularly Trade Matching's) migration to ISO20022 will reduce burden to put them through SWIFT Network
- Expectations to SWIFT participants expansion
  - Currently, data transfer with customers who are not connected to SWIFT is done in various ways (Secure FTP, etc.)
  - Be freed from maintenance and management of several conversion programmes
  - Allows us to offer higher quality service at a better price

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