



Service

Partners

# SWIFTRReady Collateral Management

## Label Criteria 2012

This document explains the criteria needed to obtain the SWIFTRReady Collateral Management 2012 label for your business application.

27 January 2012

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# Preface

## Purpose of this document

This document explains the criteria needed to obtain the SWIFTReady Collateral Management 2012 label for your business application.

## Intended audience

The document is for the following audience:

- Application Product Managers and Developers
- SWIFT customers seeking to understand the SWIFTReady programme or being involved in the selection of third-party applications.

## Related documentation

The first two references can be found at [http://www.swift.com/partners/certify\\_your\\_application](http://www.swift.com/partners/certify_your_application).

- *SWIFTReady Application Programme Overview*  
The document provides an overview of the SWIFTReady programme, including the benefits to join for application vendors. It also explains the SWIFTReady validation process, including the technical, functional and customer validation.
- *SWIFTReady Technical Validation Guides*  
The documents provide a detailed description of the technical validation processes for each label.
- SWIFT User Handbook Online – accessible through the Documentation site on [www.swift.com](http://www.swift.com).
- Market practice and message usage guidelines in the area of Over-the-Counter (OTC) derivatives are documented in a separate document ISDA Collateral Roadmap - Electronic Messaging published by the Collateral Committee (Standards for the Electronic Exchange of OTC Derivative Margin Calls) of ISDA. This document is available at [www.isda.org](http://www.isda.org) and forms an integral part of the rulebook.

# 1 The Collateral Management Solution: High-Level Introduction

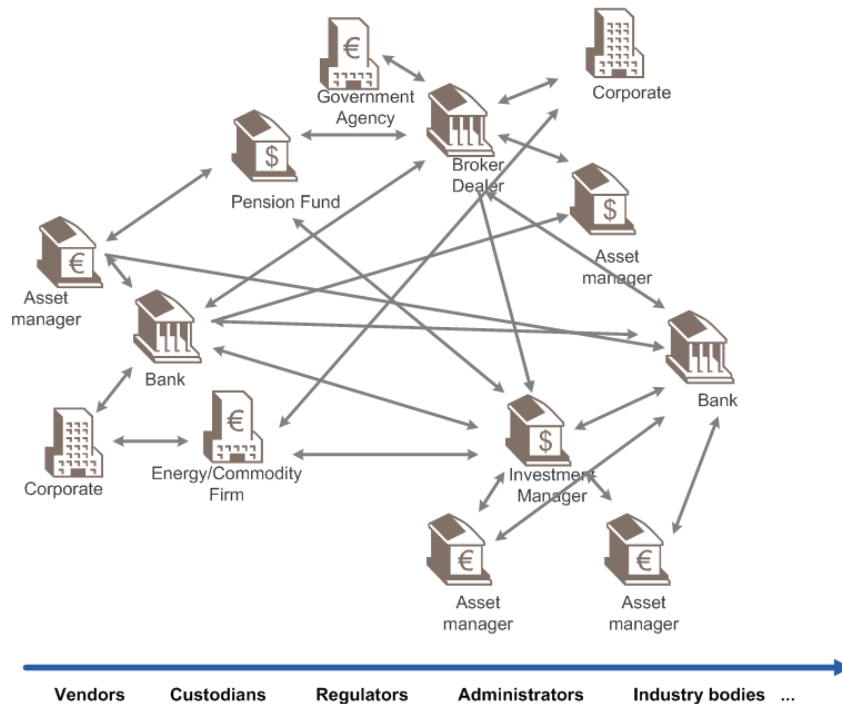
The financial crisis starting in 2008 and consecutive market disruptions required financial institutions to focus on timely and concise management of counterparty, credit, and other market risks.

Collateral Management operations are currently considered by the financial institutions to be one of the least automated and standardized processes. Due to its close link with risk management, the emphasis on having a scalable, controlled and automated operational environment is crucial for many financial institutions.

In terms of current trends and practices in the market, financial institutions observe:

- an increased focus on collateralization
- a heightened risk awareness, demand for operational excellence
- a push for standardisation and automation, accompanied with clear cost consciousness
- a change in regulatory landscape: increased focus on various risk types by regulators, globally

Collateral Management is a highly procedural activity which is spread across various functions and departments. Today market practice in the bilateral collateral management space is to exchange information on margin call notices, substitution requests, and interest settlement using e-mail, phone, and faxes, based on multiple non-standardized user-defined formats.



Leading market participants are currently working on completing the integration of their risk and collateral management processes with their trading, front and back-office platforms.

The SWIFT Collateral Management solution is there to address the inefficiencies of bilateral collateral management processes such as margin call negotiation and agreement, substitution, interest payment process, and reporting. The solution enables financial institutions involved in bilateral collateral management business line to communicate with their counterparts and clients in a standardized and automated manner, based on best practice guidelines proposed by the industry bodies such as International Swap and Derivatives Association (ISDA).

SWIFT offers a Collateral Management messaging solution targeted at brokers, banks, investment managers, hedge funds, custodians, corporates, service providers, central Counterparty Clearing Houses (CCP), and central banks. The solution covers all major instruments and markets managing across multiple asset classes, including Over-the-Counter (OTC) derivatives, securities financing, fixed income, equities, listed derivatives, commodities, foreign exchanges (FX), and cash.

The Collateral Management solution provides messaging solution for the following business processes:

- margin call process
- substitution process
- interest payment process
- reporting

The Collateral Management solution combines the use of the following elements:

SWIFT Standards	14 MX Collateral Management messages
SWIFTNet messaging service	InterAct Store-and-Forward and FileAct Store-and-Forward mode.
The Rulebook <sup>1</sup>	Sets out the rules and best practice guidelines applicable to all Collateral Management solution users.

The full list and description of SWIFT MX Collateral Management messages are available under section 3.3.1 SWIFT Incoming and Outgoing.

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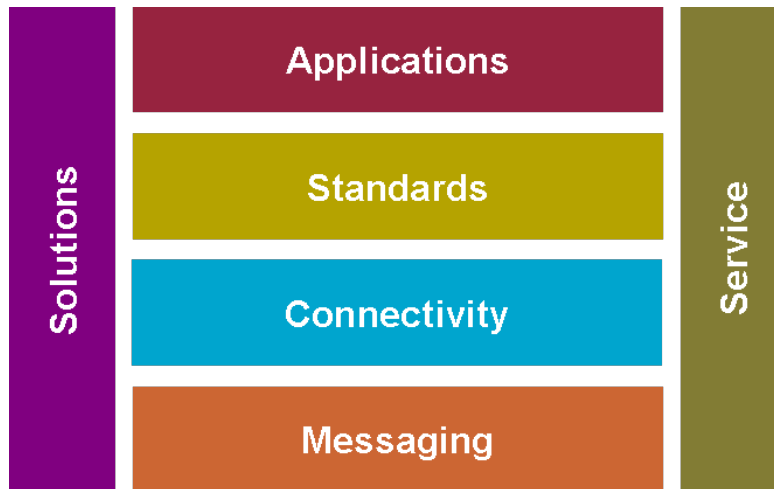
<sup>1</sup> Additional rules and guidelines are being developed by the users and will be included in the next edition of the rulebook. Concerning the market practices and message usage guidelines in OTC derivatives business area, please refer to ISDA Collateral Roadmap - Electronic Messaging published by the Collateral Committee (Standards for the Electronic Exchange of OTC Derivative Margin Calls) of ISDA. This document is available at [www.isda.org](http://www.isda.org) and forms an integral part of the rulebook.

## **2 The SWIFTReady Collateral Management Label**

The SWIFTReady Collateral Management label aims at business applications that support message creation/understanding as well as Collateral Management events processing ( for example, margin call processes, substitution process, interest payment processing)

The Collateral Management label is granted to business applications that adhere to a specific set of criteria linked to the support of SWIFT MX messages, SWIFT connectivity and SWIFT functionality.

## 3 SWIFTReady Collateral Management Criteria 2012



### 3.1 Criteria for 2012

New label

Vendors applying for the SWIFTReady Collateral Management label for the first time must comply to all criteria as defined in this document.

Existing label (renewal from previous year)

Vendors that have been granted the SWIFTReady Collateral Management label in 2011 are required to prove compliance to 2012 Standards Release Guide (SRG).

In case the vendor has upgraded its application, details of the new functionalities will be requested by SWIFT and demonstrated by the vendor (for example, New Functional validation required).

Criteria for 2012 SWIFTReady Collateral Management label requires compliance to Standards, Connectivity and Messaging requirements described in this document. In addition to these areas, compliance with the business workflow management is mandated.

In addition to new Standards (see Section 3.3.1 SWIFT Incoming and Outgoing), ISO introduced a Business Application Header (BAH) to harmonise the access to operational data and make it easier to implement ISO 20022 messages during 2010.

SWIFT is supporting the new business application header during 2012 for Collateral Management message standards. The BAH is published in the ISO 20022 Catalogue of messages (see section 3.3 Standards).

Support for BAH is mandatory for SWIFTReady Label 2012.

### 3.2 Installed Customer Base

The business application must be used by a minimum of **one** customer to validate and implement the business flows.

By "customer" we mean a financial institution using the product to generate/receive MX messages transported over SWIFTNet.

SWIFT reserves the right to contact the relevant customer to validate the functionality of the business application submitted for SWIFTReady certification. A questionnaire will be sent as the basis for the customer validation which can be in the form of a telephone interview, an e-mail or a discussion at the customer site. The information provided by the customer will be treated as confidential and will not be disclosed, unless explicitly expressed by the customer.

Label requirement	Reference number 1	Mandatory
The business application must be used by a minimum of one customer to validate and implement business flows and associated MX messages		

### 3.3 Standards

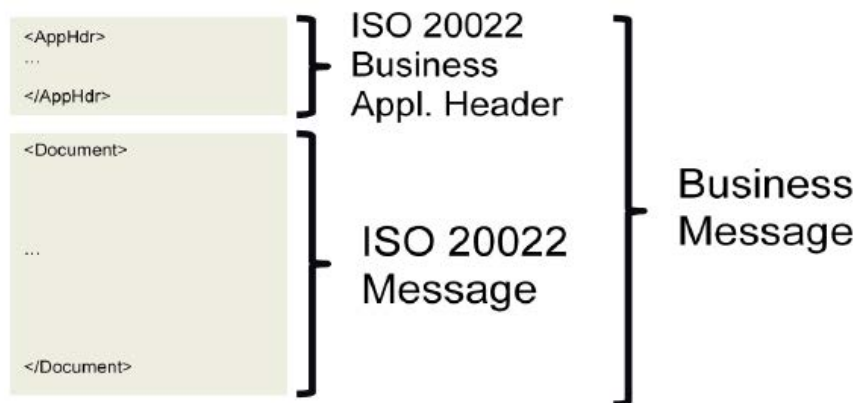
Only SWIFT MX message standards are taken into consideration for a SWIFTReady Collateral Management label, as detailed in the next section. The business application must be able to support all fields and all code words, mandatory and optional.

The SWIFT MX Collateral Management documentation is available on the UHB Online. For more information, see [www.swift.com](http://www.swift.com).

Label requirement	Reference number 2	Mandatory
The business application must support all the MX required for the solution at stake, as listed in the SWIFT User Handbook Online. Message support implies the capacity to capture business payload, transform them into MX messages, and validate them against the SWIFT Standards and dedicated solution rulebook (when available).		

#### Business Application Header

In 2010, ISO introduced a Business Application Header (BAH) to harmonise the access to operational data and make it easier to implement ISO 20022 messages. The idea of the Business Application Header is to extract routing and message features information (such as sender, receiver, possible duplicate, signature, priority) from the business payload and to expose it in a header that can be accessed by business applications and middleware in the same way for all MX messages. The Business Application Header is network-independent and enables intermediate applications to access and update the routing information without having to touch the business payload.



The Business Application Header is available as an additional XML schema, which comes on top of the business payload. It replaces the application header that is found today in some of the MX messages. New ISO 20022 messages and new version of existing MX messages will progressively require the Business Application Header.

The Business Application Header is published in the [ISO 20022 Catalogue of Messages](http://www.iso.org/iso/20022catalogue).

Label requirement	Reference number 3	Mandatory
The business application must support the ISO 20022 Business Application Header for routing and		

operational data processing.

### 3.3.1 SWIFT Incoming and Outgoing Messages

The message types in scope are as follows:

Process	Message name	Message identifier
Margin Call	MarginCallRequest	colr.003.001.02
	MarginCallResponse	colr.004.001.02
	CollateralManagementCancellationRequest (1)	colr.005.001.02
	CollateralManagementCancellationStatus (1)	colr.006.001.02
	CollateralProposal	colr.007.001.02
	CollateralProposalResponse	colr.008.001.02
	MarginCallDisputeNotification	colr.009.001.02
	CollateralValuationReport	colr.016.001.01
Substitution	CollateralSubstitutionRequest	colr.010.001.02
	CollateralSubstitutionResponse	colr.011.001.02
	CollateralSubstitutionConfirmation	colr.012.001.02
Interest Payment	InterestPaymentRequest	colr.013.001.02
	InterestPaymentResponse	colr.014.001.02
	InterestPaymentStatement	colr.015.001.02

(1) This message can also be used to cancel and provide status on the Substitution process.

Label requirement	Reference number 4	Mandatory
<p>The business application must support business data capturing and mapping to MX messages. Support for all relevant message types published in the User Handbook Online is always required. Application software targeting intermediaries must demonstrate support for <u>both</u> incoming and outgoing MXs.</p> <p>Deviation to this rule is allowed, as long as each message is supported at least incoming or outgoing. The vendor must demonstrate that the automation pattern addresses the automation requirements of the targeted customer segment.</p>		

**Reporting:** The Collateral Management solution also provides the functionality to communicate proprietary files and reports between counterparts and/or third-party vendors offering services such as portfolio reconciliation.

The SWIFTNet messaging service FileAct caters for this requirement.

Additional messaging requirements:

Label requirement	Reference number 5	Mandatory
<p>The business application must perform and display that:</p> <ul style="list-style-type: none"> <li>It could create incoming and outgoing messages for both parties of the collateral management activity in concern (that is, same message must be created both for "collateral giver" and "collateral taker", in other words business application must be able to handle bilateral communications as well as unilateral for the same message type.)</li> <li>It could create and understand the same message type with an updated status during the life cycle of a transaction (that is, application must be able to create collateral proposal or response messages with an updated status, if required by the business communication and be able to link them.)</li> </ul>		

## 3.4 Connectivity

The partner must be able to connect its business application with SWIFT in either of the following ways:

- **directly**, through one of the available **Alliance** interface adapters
- **indirectly**, through a **SWIFTReady Financial Enterprise Application Integration** solution

**Note** A business application that does not connect directly or indirectly to Alliance cannot be considered for a SWIFTReady label. The Alliance interface can be deployed at customer premises, or managed at a service bureau.

### 3.4.1 Option 1: Direct Connectivity

For direct connectivity, the vendor application must integrate with Alliance Access.

Alliance Access provides File, Simple Object Access Protocol (SOAP) and MQ-based adapters for FIN, InterAct, and for FileAct connectivity. The direct business application to Alliance Access connection can be achieved using one of the Alliance Access adapters: MQ Host Adapter (MQHA), Automated File Transfer (AFT) or SOAP Host Adapter.

The partner must develop and test SWIFT application integration using Alliance Access 7.0. Proper support of Alliance Access 7.0 is mandated for the 2012 label.

The SWIFTReady Collateral Management label requires support for either Automated File Transfer (AFT) or an interactive link with MQHA or SOAP.

In summary:

Messaging service	Standards	Interface	Mandatory adapter
InterAct SF	MX	Access	AFT or MQHA or SOAP
FileAct SF	Any	Access (client)	AFT or MQHA or SOAP

#### XMLv2 envelope

In order to connect to SWIFT via Alliance Access, the standard XMLv2 wrapper must be used. XMLv2 is a generic envelope format that has recently been made available for most adapters (MQHA, AFT, SOAP, and File Transfer).

Label requirement	Reference number 6	Mandatory
<p>The business application must support the XML envelope format for MX and Files. This envelope format is named XML version 2, and includes the following information:</p> <ul style="list-style-type: none"> <li>• <b>Message</b>, that can be MX, Any XML or File Format exchanged between business application and Alliance Access</li> <li>• <b>MessageStatus</b>, providing the result of Alliance Access validation processing, including error codes</li> <li>• <b>TransmissionReport</b>: containing the Transmission Notification and the original message</li> <li>• <b>DeliveryReport</b>, containing the Delivery Notification reconciled with the original message</li> <li>• <b>DeliveryNotification</b>, without the original message but with some reconciliation information</li> </ul>		

### 3.4.2 Option 2: Indirect Connectivity

Alternatively, you can prove your application compliance with the connectivity criteria by providing SWIFT with evidence of an indirect connectivity solution consisting of your business application and a middleware (EAI) solution. For indirect connectivity, a selection must be made from the list of **2011 SWIFTReady Financial EAI** suites, which are listed on [swift.com](http://www.swift.com/partners/locator) <http://www.swift.com/partners/locator>. Please note that there will not be a 2012 SWIFTReady Financial EAI label.

Financial EAI provides generic adapters that enable to capture business data for various file systems, documents and business application databases, and map them to the requested MT or MX formats, prior to routing and dispatching them to the appropriate Alliance interface. It deals with the messaging and network complexities and eases the integration with SWIFT. The EAI adapters must be customised and configured to map to the partner application, which must also provide the appropriate message reconciliation mechanisms.

When the Partner selects the indirect connectivity option for label qualification, the combined solution (partner application and SWIFTReady Financial EAI) must be tested end-to-end over the SWIFT Integration Test Bed (ITB).

In the latter case, Partner Management reserves the right to contact the relevant financial institution for further information.

### 3.4.3 Connectivity Summary

Label requirement	Reference number 7	Mandatory
The business application must integrate with SWIFT		
<ul style="list-style-type: none"> <li>· either directly through one of the Alliance Access adapters on Release7.0 (referenced in table under 3.4.1. Option 1: Direct Connectivity)</li> <li>· or through a SWIFTReady Financial EAI</li> </ul>		

## 3.5 Messaging

The business application must support the ISO 20022 protocol, InterAct and FileAct in Store-and-Forward mode and its associated features (for example, message validation).

Label requirement	Reference number 8	Mandatory
The business application must support both the InterAct Store-and-Forward and FileAct Store-and-Forward protocol and adhere to the latest release of the <i>SWIFTNet Messaging Operations Guide</i> in the UHB Online.		

## 3.6 Message Validation (Syntax and Semantic)

Any incoming/outgoing message must be validated semantically and syntactically, as per the latest validation rules published in the latest version of the User Handbook Online.

Label requirement	Reference number 9	Mandatory
The business applications must support XML Schema Definition (XSD), extended XML Validation rules and the rule book(s) applying to the label under consideration.		

### 3.6.1 Standards Release

All changes to existing and introduction of new message types must be supported by the application before live release date on the SWIFT network. If new messages are introduced or a significant modification has been done on existing messages we expect the application provider to provide adequate testing time to its customers before these messages go live and ensure continued compliance with SWIFT Standards Release.

Label requirement	Reference number 10	Mandatory
The business application must support and test new changes to Collateral Management messages before live release date on SWIFT network.		

## 3.7 Collateral Management Rulebook

By subscribing to Collateral Management, each user undertakes to abide by a set of minimum rules, as fully specified in the *Collateral Management Rulebook* document which is made available within the *Collateral Management Service Description*. This rule book will be further enhanced during the piloting and future phases of the Collateral Management solution.

The Rulebook provides rules and guidelines for a standardised use. It complements the messages description as provided by SWIFT Standards, and aims to achieve more harmonious business practice among users. SWIFT publication of such rules and guidelines and users compliance to them is especially valuable in a many-to-many environment, in which the risk of divergent practices that is detrimental to straight-through processing and straight-through reporting is higher.

Label requirement	Reference number 11	Optional
The business application must demonstrate support for the minimum rules section of the <i>Collateral Management Solution Rulebook</i> published on UHB Online.		

## 3.8 Business Workflows – Collateral Management Processing Automation

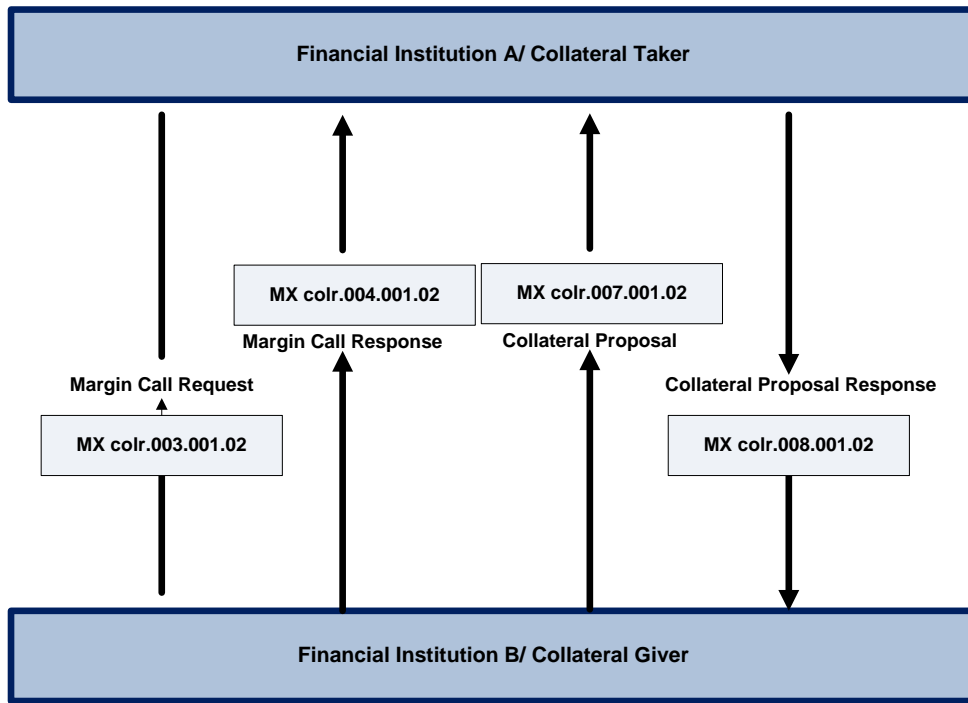
The business application is expected to demonstrate information processing capabilities, and also basic workflow management capabilities. The application must be able to automate the processing of Collateral Management events using the correct messages. The scenarios shown provide a high level overview for margin calls, substitution and interest payment processes; however the applications must be able to support all Collateral Management messages as per UHB Online.

Back-office products must process incoming order status messages in such a way that the information received is used to update the status of the original transaction.

### 3.8.1 Collateral Management Event 1: Margin Call Process

This process covers the end-to-end processing of margin call: issuance, response, notification of collateral to be moved, and notification of dispute. The margin call information is exchanged when one of the parties is due to deliver (return) a new (additional) margin amount to cover exposure on the underlying positions. Exchanged communication does not only cover the required margin amount but also incorporates the information about legal agreement terms, the data elements used to calculate the final margin requirement, the purpose of the margin, the details of respective collateral and the settlement details.

The collateral management margining process takes place between the "collateral giver" and "collateral taker". The following example is one of the many scenarios that could be applied during the processing of a margin call. Scenario reflects the communication flow between two parties (financial institution A and B) based on the assumption that the margin call is fully agreed at final stage.



Label requirement	Reference number 12	Mandatory
The business application must support <b>all</b> the MXs required for the Collateral Management event 1: Margin call process as listed in the SWIFT User Handbook Online. Message support implies the capacity to capture business payload, transform them into MX messages, and validate them against the SWIFT Standards and dedicated solution rulebook (when available).		

The list of current SWIFT MX messages for Collateral Management event 1: Margin call process:

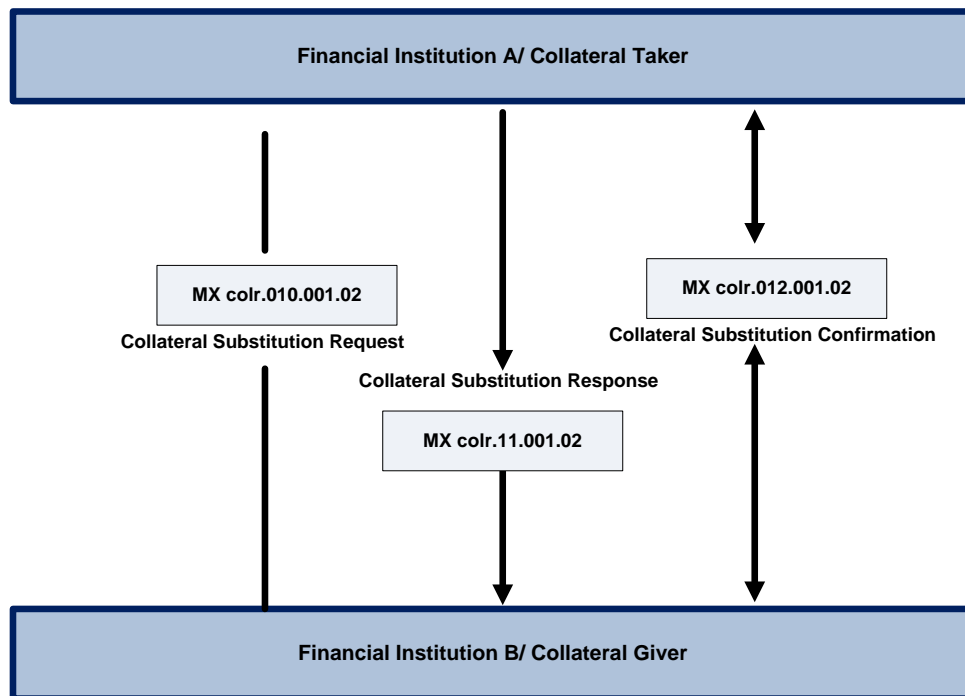
Process	Message name	Message identifier
Margin Call	MarginCallRequest	colr.003.001.02
	MarginCallResponse	colr.004.001.02
	CollateralManagementCancellationRequest (1)	colr.005.001.02
	CollateralManagementCancellationStatus (1)	colr.006.001.02
	CollateralProposal	colr.007.001.02
	CollateralProposalResponse	colr.008.001.02
	MarginCallDisputeNotification	colr.009.001.02

(1) This message can also be used to cancel and provide status on the substitution process

### 3.8.2 Collateral Management Event 2: Substitution Processing

The substitution process indicates the replacement of one type of settled collateral with an equal value of another collateral type. This process can be performed during the same day or over a period of time. The proposed message flow covers the end to end message exchange starting from the initial request for substitution and expected responses for this message including the confirmation of substitution.

Example of a substitution process is as follows:



Label requirement	Reference number 13	Optional
The business application must support <b>all</b> the MX required for the Collateral Management event 2: Substitution process as listed in the SWIFT User Handbook Online. Message support implies the capacity to capture business payload, transform them into MX messages, and validate them against the SWIFT Standards and dedicated solution rulebook (when available).		

The list of current SWIFT MX messages for Collateral Management event 2: Substitution process:

Process	Message name	Message identifier
Substitution	CollateralSubstitutionRequest	colr.010.001.02
	CollateralSubstitutionResponse	colr.011.001.02
	CollateralSubstitutionConfirmation	colr.012.001.02
	CollateralManagementCancellationRequest	colr.005.001.02
	CollateralManagementCancellationStatus	colr.006.001.02

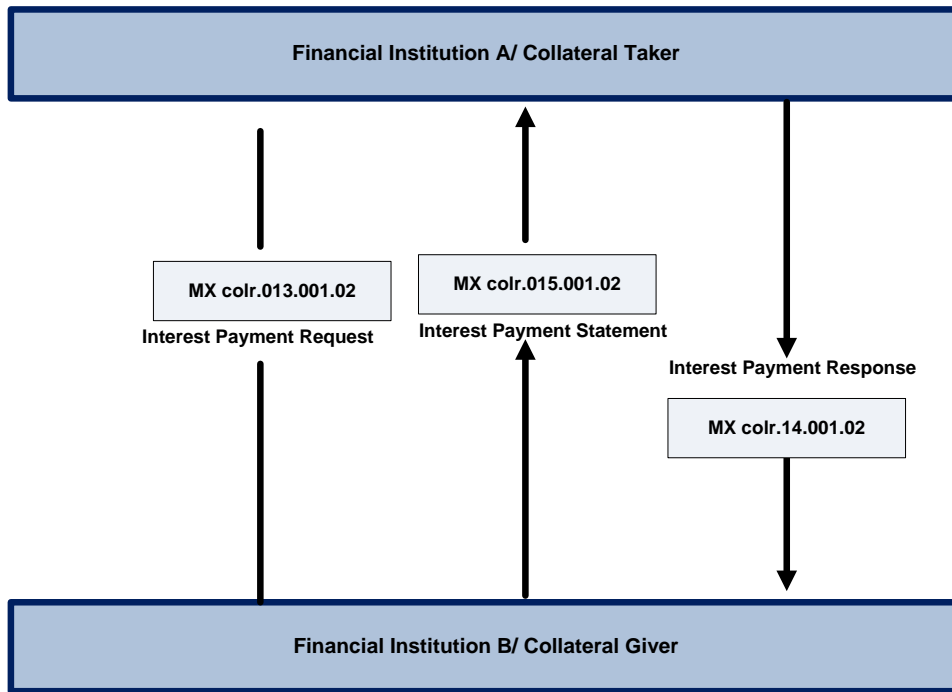
Additional business requirements dependent upon the compliance with reference number 13.

Label requirement	Reference number 14	Optional
The business application must perform and monitor the substitution message exchange over multiple days, if required by the underlying transaction.		

### 3.8.3 Collateral Management Event 3: Interest Payment Process

As part of the collateral management process, counterparts involved in the margining activity are mandated to exchange the accrued interest on the cash collateral balance at predefined frequency as described in the legal agreements.

Example of Interest payment process:



Label requirement	Reference number 15	Optional
The business application must support <b>all</b> the MX required for the Collateral Management event 3: Interest payment process as listed in the SWIFT User Handbook Online. Message support implies the capacity to capture business payload, transform them into MX messages, and validate them against the SWIFT Standards and dedicated solution rulebook (when available).		

The list of current SWIFT MX messages for Collateral Management event 3: Interest payment process:

Process	Message name	Message identifier
Interest Payment	InterestPaymentRequest	colr.013.001.02
	InterestPaymentResponse	colr.014.001.02
	InterestPaymentStatement	colr.015.001.02

Additional business requirements dependent upon the compliance with reference number 15.

Label requirement	Reference number 16	Optional
The business application must perform and monitor the interest payment message exchange over multiple days and has the capability to create messages on ad-hoc basis for a certain time frame.		

### 3.8.4 Collateral Management Event 4: Reporting

As part of the collateral management process, counterparts involved in the margining process can also exchange information on the details of their collateral valuation, in addition to the proprietary files and reports.

The list of current SWIFT MX message for Collateral Management event 4: Reporting

Process	Message name	Message identifier
Reporting	CollateralValuationReport	colr.016.001.01

SWIFT Collateral Management solution also provides the functionality to communicate proprietary files and reports between counterparts and/or third-party vendors offering services such as portfolio reconciliation.

The SWIFTNet messaging service FileAct caters for this requirement.

Label requirement	Reference number 17	Mandatory
The business application must support the FileAct Store-and-Forward protocol and adhere to the latest release of the <i>SWIFTNet Messaging Operations Guide</i> in the UHB Online, for the purpose of Collateral Management event 4: Reporting.		

## 3.9 User Interface

Whenever relevant, SWIFT expects the business application to offer a Graphical User Interface (GUI).

SWIFT expects the application to offer a graphical interface for enhancements on collateral management events and to enable automations of message correction.

### 3.9.1 Message Viewer

The business application must be able to browse incoming and outgoing SWIFT messages in a formatted way. In particular, MX messages must be visualized using user-friendly GUI or web-browser offering business meaningful fields (or a reference to the meaning of an XML tag field code).

Label requirement	Reference number 18	Optional
The business application must support message visualisation for every message type requested by the SWIFTReady label.		

### 3.9.2 Message Entry

The Graphical User Interface (GUI) or a web-based browser, if present, must enable a user to manually input any relevant SWIFT message. The message entry tool must cater for some data input validation at message field level – any invalid entry must be flagged, and the user prompted to correct the input.

Label requirement	Reference number 19	Optional
The business application must support an entry screen for every message type that is subject to be sent to SWIFT for this label.		

### 3.9.3 Message Repair

The Graphical User Interface (GUI) or the web-based browser, if present, must enable a user to manually modify any relevant SWIFT message.

Label requirement	Reference number 20	Optional
The business application must provide a repair station.		

## 3.10 Technical and Business Message Reconciliation

SWIFT validates messages at different levels and provides notification relating to the validation and transmission results of the sent messages. The application must capture these notifications and ensure technical reconciliation, error handling, repair and retransmission.

Label requirement	Reference number 21	Mandatory
<p>The business application must reconcile message with the three different levels of reconciliation mechanisms:</p> <ul style="list-style-type: none"> <li>· Interface reconciliation (Information notification)</li> <li>· Network reconciliation (Transmission notification)</li> <li>· Counterparty reconciliation (Delivery notification)</li> </ul>		

Additional **Business reconciliation** requirements:

Label requirement	Reference number 22	Mandatory
<p>The business application must implement and demonstrate the following capabilities for business reconciliation purposes:</p> <ul style="list-style-type: none"> <li>· Ability to create a unique transaction ID (for example, margin call ID, substitution ID) and link to consecutive message flows (business responses) in line with the suggested Standards guidelines published on the UHB Online.</li> <li>· Capability to link related InterAct messages (SWIFT MX standards) with files transported via FileAct and display information jointly. Assure that there is synchronisation between unstructured data file in FileAct and structured data in InterAct.</li> <li>· Functionality to implement, store and maintain data elements related to counterparty details (for example, legal name, BIC, servicing agent), legal agreements (for example, legal agreement identifications)</li> <li>· Functionality to track and report audit trail end to end on a specific transaction (for example, unique margin call transaction with all linked messages)</li> </ul>		

## 4 Marketing and Sales

Collaboration in terms of administrative and marketing information is requested. In particular the Partner must provide SWIFT under Non-Disclosure Agreement (NDA) with customer-related information.

Label requirement	Reference number 23	Mandatory
<p>The application provider must supply the following information under NDA:</p> <ul style="list-style-type: none"><li>• A list of customers that actively use the business application in a SWIFT context. A list of all customers of the relevant partner application, active in the finance sector. The list must provide institution names, locations, and an overview of the integration scope (domain, features, and sites) for the present and previous year. (SWIFT will ensure confidentiality at all terms of customer lists).</li><li>• A product roadmap for 2012 and 2013 containing the plans for further business application development, support of SWIFT solutions and new releases.</li><li>• A complete set of business application documentation, including features overview, SWIFT adapters, workflow engine capability and user manuals.</li><li>• A dedicated web page on the partner web site describing the SWIFTReady application used in a SWIFT context. The page must be maintained with the same URL for a complete year that will be referenced to on <a href="http://www.swift.com">www.swift.com</a></li></ul>		

## Appendix A SWIFT MX Collateral Management Message Details

Message name	Message description
MarginCallRequest	This message is sent by the collateral taker or its collateral manager to the collateral giver or its collateral manager. It is used to request new collateral at the initiation of an exposure or request additional collateral.
MarginCallResponse	This message is sent by the collateral giver or its collateral manager to the collateral taker or its collateral manager. This is a response to the MarginCallRequest message. The margin call can be accepted, fully disputed or partially disputed.
CollateralManagementCancellationRequest (1)	<p>This message is sent by:</p> <ul style="list-style-type: none"> <li>the collateral taker or its collateral manager to the collateral giver or its collateral manager</li> <li>the collateral giver or its collateral manager to the collateral taker or its collateral manager.</li> </ul> <p>It is used to request the cancellation of a previously sent MarginCallRequest message, MarginCallResponse message, CollateralProposal message, CollateralProposalResponse message, MarginCallDisputeNotification message or a CollateralSubstitutionRequest message.</p>
CollateralManagementCancellation Status (1)	<p>This message is sent by:</p> <ul style="list-style-type: none"> <li>the collateral taker or its collateral manager to the collateral giver or its collateral manager</li> <li>the collateral giver or its collateral manager to the collateral taker or its collateral manager</li> </ul> <p>This message is used to provide the status of the CollateralManagementCancellationRequest message previously received.</p>
CollateralProposal	This message is sent by the collateral giver or its collateral manager to the collateral taker or its collateral manager, to propose the collateral to be delivered. This message is used for both initial collateral proposal and subsequent counter proposals.
CollateralProposalResponse	This message is sent by the collateral taker or its collateral manager to the collateral giver or its collateral manager to either accept or reject the collateral which has been proposed for the margin call. This message applies to both initial and counter proposals.
MarginCallDisputeNotification	This message is sent by the collateral taker or its collateral manager to the collateral giver or its collateral manager to acknowledge the notification of the dispute (either full or partial dispute).
CollateralValuationReport	<p>This message is sent by:</p> <ul style="list-style-type: none"> <li>either by the collateral giver, or its collateral</li> </ul>

	<p>manager, to the collateral taker, or its collateral manager,</p> <ul style="list-style-type: none"> <li>• or by the collateral taker, or its collateral manager to the collateral giver, or its collateral manager. It is used to provide the details of the valuation of the collateral that is posted as at a specific calculation date specific calculation date</li> </ul>
CollateralSubstitutionRequest	<p>This message is sent by either the collateral giver or its collateral manager to the collateral taker or its collateral manager. It is used to request a substitution of collateral by specifying the collateral to be returned and proposing the new type(s) of collateral to be delivered.</p> <p>There are cases where the collateral taker can initiate the CollateralSubstitutionRequest message, for example in case of breach in the concentration limit.</p>
CollateralSubstitutionResponse	<p>This message is sent by either the collateral taker or its collateral manager to the collateral giver or its collateral manager. This is a response to the CollateralSubstitutionRequest message and the collateral proposed in the substitution request can be accepted or rejected.</p>
CollateralSubstitutionConfirmation	<p>This message is sent by:</p> <ul style="list-style-type: none"> <li>• the collateral taker or its collateral manager to the collateral giver or its collateral manager</li> <li>• the collateral giver or its collateral manager to the collateral taker or its collateral manager</li> </ul> <p>This message confirms the collateral delivery. The collateral taker only releases the return of collateral when the new piece of collateral is received. The collateral giver sends the collateral taker the notification that the collateral substitution (that is new piece(s) of collateral) have been released. In the event that multiple pieces of collateral are being delivered in place of the collateral due to be returned by the giver, this message must only be generated once all collateral pieces have been agreed between both parties. Then the taker confirms that the collateral substitution (that is all pieces have been received) and acknowledges return of collateral.</p>
InterestPaymentRequest	<p>This message is sent by either the collateral giver or its collateral manager to the collateral taker or its collateral manager. It is used to request the payment of interests calculated based on the amount of collateral that has been posted.</p>
InterestPaymentResponse	<p>This message is sent by either the collateral taker or its collateral manager to the collateral giver or its collateral manager. This is a response to the InterestRequestMessage and the amount of interests claimed can be accepted or rejected.</p>
InterestPaymentStatement	<p>This message is sent by either the collateral giver or its collateral manager to the collateral taker or its collateral manager. It is used to report the interest amounts calculated based on the</p>

	effective posted collateral amount, over a specific period of time agreed by both parties.
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- (1) This message can also be used to cancel and provide status on the Substitution process.

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