



SWIFT Commodity Murabaha

Message Usage Guidelines

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1 Executive Summary

1.1 An introduction to SWIFT and standards

Next to operating a very reliable and highly secure financial global network linking more than 9,500 financial institutions and more than 700 companies across 210 countries, SWIFT is a standards body as well.

These standardised messages allow for excellent Straight-through Processing (STP), thereby resulting in reduced risk and cost. Currently the majority of standardised messages used are the “FIN MT” messages, with MT standing for Message Type¹. These messages are identified by a three digit number. For example, the ones beginning with the digit 5 are messages for the automation of securities-related transactions. These messages are centrally validated, ensuring that the receiver only receives syntactically correct messages.

1.2 An introduction to MT messages for Islamic Finance

This document describes the usage of MT messages for the “Murabaha – Customer Acceptance” and “Murabaha - Customer Placement” flows.

The use of ISO 15022 messages over SWIFT does not fundamentally change the current process executed between banks, their customers and brokers. The Master Murabaha Agreement remains in place. The data defined in the schedules under the terms of the Master Murabaha Agreement is simply exchanged using standardised messages via SWIFT as opposed to the bilaterally agreed fax or email confirmations exchanged today.

This solution offers an electronic, automatable alternative to the current more manual communication, hence reducing risk & cost and improving efficiency. The service framework comprises a common market practice rulebook, messaging standards and services. Together, these components provide an efficient platform for exchanging Islamic finance messaging.

The MT 502, MT 509 and MT 515 securities-related messages capture the required data flows, if the identification of the security is replaced with the identification of the commodity. In addition, the commodity unit (e.g. FOZ for fine ounce) must be specified in a narrative field. For correct processing and to avoid confusion with the classic securities-related usage of the messages, a number of rules must be followed, as detailed in this document.

¹ In addition to maintaining the FIN MT messages, SWIFT is creating a new generation of XML-based messages (also called ISO 20022 messages), and while these are out of the scope of this document, the suggested approach can easily be adapted or translated towards the new XML messages.

1.3 AAOIFI Certification of SWIFT's Murabaha Messages

In October 2010 AAOIFI (Accounting and Auditing Organisation for Islamic Financial Institutions) certified that SWIFT's Murabaha messages are in compliance with their international Islamic finance standards. A copy of the certificate is available from SWIFT upon request.

2 General principles

2.1 Relation to the Service Description

These message usage guidelines form an integral part of the service description.

2.2 Usage Rules

In general the messages must be implemented as described in the SWIFT User Handbook, and in addition the following rules must be followed for correct processing of the flows.

2.2.1 Message User Header

The message user header uses the words MURABAHACA (for Murabaha Customer Acceptance) or MURABAHACP (for murabaha Customer Placement) to refer to the particular usage. This differentiates with the classic securities-related usage of the messages.

2.2.2 Master Transaction reference

There is a master transaction ID repeated in the Linkages block of every message to refer all related messages back to the original master agreement. This is a purely technical reference which will help in reconciliation; it does not imply that the buying and selling of the commodity are linked.

The master transaction reference is linked to the master agreement reference and it should be maximum 16 characters long. Here is the **recommended** (if feasible) structure:

First 6 characters of the BIC + Date (YYMMDD) + 4 digit sequential number

BIC: for the Customer Acceptance flow, this is the BIC of the Islamic Bank. For the Customer Placement flow, this is the BIC of the Customer.

Date: The date when the master agreement was signed

4 digit sequential number: defines the transaction flow that is carried out under the master agreement umbrella.

An example: BANKGB0908240012

This globally unique master reference is a useful audit trail tool. It is visible to all parties that the UK division of the bank is behind the master agreement (characters 5 and 6 of the BIC are always the country code).

2.2.3 Commodity identification and foreseen commodities

The structure of the commodity identification and the list of foreseen commodities are detailed in section 5.1 of the appendix. Section 5.3 of the appendix explains the usage of baskets grouping different kind of commodities.

2.2.4 Commodity units

The foreseen physical commodity units are listed in section 5.2 of the appendix. They need to be specified on the “Financial Instrument Attribute Narrative” field of most messages, as shown in the message examples.

2.2.5 Message User Group (MUG)

If these messages MT 502, MT 509 and MT 515 are used in the “Islamic Finance” MUG (separate subscription applies), then you have to add an instance of the A1 Linkages block in all these messages, as follows:

```
:16R:LINK  
:20C::COMM//ISLFIN  
:16S:LINK
```

When using a graphical user interface, this is sufficient.

(Please note that the examples in this document do not use this reference).

Furthermore, when using the messages in STP fashion, header field tag 119 must be set to: ISLFIN

Registration to the MUG is based on customer subscription only (it is NOT mandatory, but is recommended to allow a segregation of Islamic versus Conventional use of these three messages). You can subscribe to the *Islamic Finance Commodity Murabaha Messages MUG* via swift.com using the following link:

http://www.swift.com/ordering/old_ordering_configuration/existing_customers/43718/messaging_services/change_subscription/fin_service_configuration/register_to_a_message_user_group.page?e

2.2.6 Solution usage follow-up

The users should check every working day for incoming messages and process them.

Currently no expected customer response times or specific customer availability requirements are defined, but a guideline is to respond within one working day.

Important

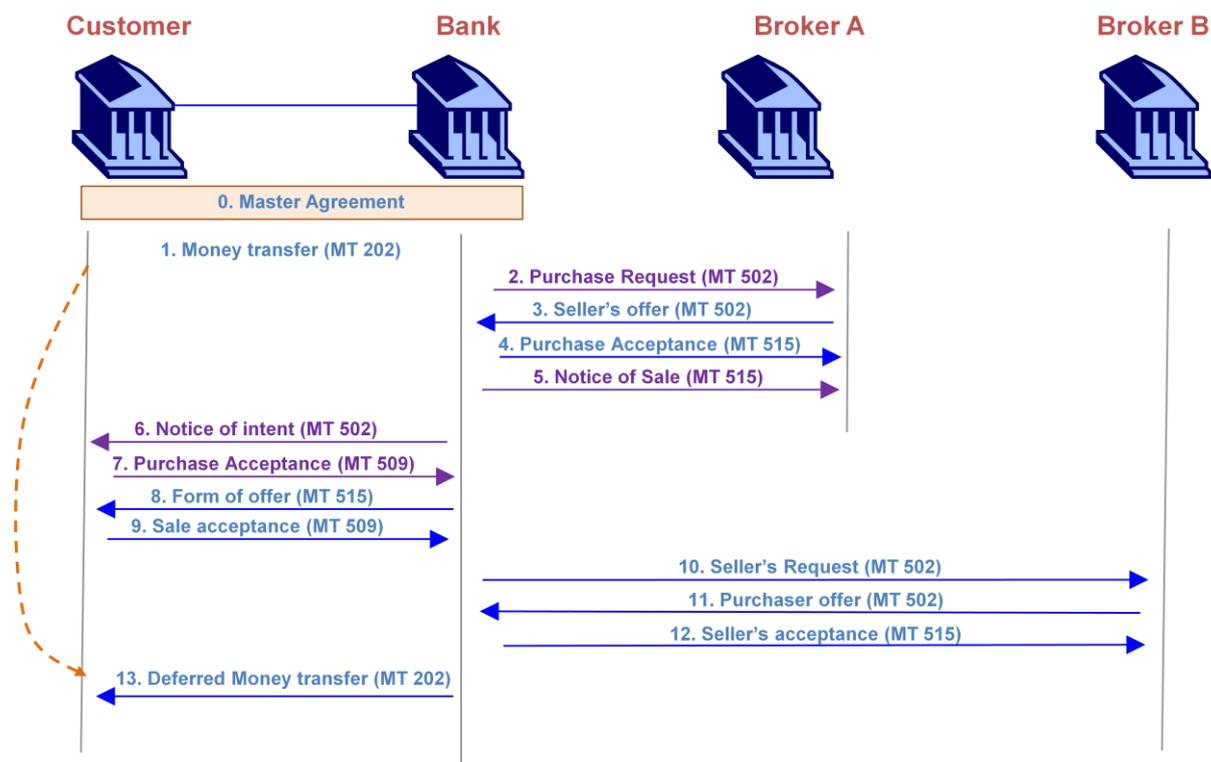
Full adoption of the solution by the Islamic finance industry is expected to take a few years. In the transition phase, not all financial institutions will be using the service. Some workflows are likely to involve financial institutions that have not yet implemented the principles described in this document. Each member of the service must try to follow these principles with other parties, even if a workflow involves a party that is not a member of this service.

2.3 Various notes

- The solution workflows are described with an example which can easily be adapted to your own needs. In essence, next to the commodity id, price and related trade dates, only the BICs for sender, receiver, buyer, seller and message originator need to change.
- This is a technical solution that does not imply adherence to a specific legal framework; such a framework is left to the customers to define bilaterally or multilaterally.
- Codes used in the message structure are exactly that: technical codes, which are in this solution without an implied business obligation. For example, a block called “REPO” is used to capture data about the deferred payment date and price; but this code does not imply that the two legs of the Islamic transaction are linked.
- We observed some variances in the exact order of steps (and names of each form), compared to the flow as documented here. However the messages are flexible enough to handle this variation.
- Depending on the user’s settlement requirements, it may be necessary to add more specific detail in the optional sequence Settlement Details, which is available in the messages, but not used in this document. Appendix 5.4 illustrates this for Cash Parties.
- For a limited number of messages per day, it is feasible to use one of the graphical user interfaces that come with your SWIFT interface. On SWIFTAlliance this would be the Messenger GUI, or alternatively SWIFTAlliance Workstation. In this case we recommend creating templates for each of your correspondents. However, to fully benefit from a SWIFT solution, integration of these messages in your back office system is recommended.

3 Murabaha – Customer Acceptance

3.1 Flow



In some cases the order of steps is slightly different, but the messages are flexible enough. The Customer in the diagram above can also be a Bank or other financial institution. Likewise, Broker B can also be a third-party Bank to whom the commodity is sold to.

3.2 Scenario – Customer Acceptance

This example scenario can be easily adapted towards your needs. It shows which fields of the message the use, and which codes to choose.

In addition the messages for this flow will use the codeword “MURABAHACA” in the user header.

Unit price of “commodity”: USD 1000 per fine ounce platinum, for a total of 100 fine ounces of the commodity. Hence, the purchase amount is \$100000.

The deal takes place 14 May 2009, and the deferred payback date is 14 May 2010.

Commodity will be bought back for USD 1100 per fine ounce. Hence the amount is \$110000, yielding a profit of \$10000 for the Customer.

Islamic Bank BIC = BICIBANK

Broker A BIC = BICBROKA

Broker B BIC = BICBROKB

Customer BIC = BICCUSTO

The master agreement between bank and customer was signed on 6 April 2008, and this is the 123rd transaction flow under the umbrella of the master agreement. Hence, the master transaction reference is BICIBA0904060123.

The message syntaxes used in each step are very similar to the corresponding ones in the next flow.

If you are not familiar with SWIFT message syntax, then focus on the data that is captured in each step.

3.3 Step 0 – Signing of the Master Agreement

In step 0 of the flow diagram the Master Agreement is signed. This step does not require SWIFT messaging.

3.4 Step 1 – Customer transfers money to Bank

If this happens using an MT 202 (General Financial Institution Transfer) message, then it is recommended to use field 21 (Related Reference) to transmit the reference of the Master Agreement.

3.5 Bank arranges the purchase of commodity with Broker A

3.5.1 Step 2 – Bank sends purchase request to Broker A

Data captured

- Reference to the agreed Master Agreement.
- Seller (Broker A), using BIC code
- Purchaser: Bank (as principal/agent for customer), using BIC code
- Deal/Ticket number
- Metal / commodity
- Quantity and units
- Location: (where commodity is held)
- Purchase price
- Settlement date
- Payment and Delivery instructions

Header

BICIBANK **Sender (Bank)**

MT 502 **Order to Buy or Sell**

BICBROKA **Receiver (Broker A)**

{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

A. General Information

:16R:GENL

:20C::SEME//0001 **Sender's message reference**

:23G:NEWM

:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16S:GENL

B. Order Details

:16R:ORDRDET

B1. Price

:16R:PRIC

:90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**

:16S:PRIC

:22H::BUSE//BUYI **Sender wants to buy a “financial instrument” (here a commodity)**

:22F::TOOR//MAKT **at market price**

:22H::PAYM//APMT **Settlement against payment (the bank pays)**

:98A::EXPI//20090514 **Expiry date of offer**

:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties

:16R:TRADPRTY

:95P::BUYR// BICIBANK **Purchaser = Bank**

:97A::SAFE//12345 **Bank’s commodities account (“safekeeping” account) at Broker A to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**

:20C::PROC//9966 **Purchaser’s processing reference (deal/ticket number)**

:16S:TRADPRTY

:16R:TRADPRTY

:95P::SELL//BICBROKA **broker A is seller**

:97A::CASH//67890 **Bank will credit broker A’s account with the total order amount.**

:16S:TRADPRTY

:19A::ORDR//USD100000, **Purchase amount**

:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines)**

:16R:FIA

:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**

:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**

:16S:FIA

:16S:ORDRDET

3.5.2 Step 3 – Broker A sends Seller’s offer to Bank

Data captured

- Reference to the agreed Master Agreement and reference to the Purchaser’s Request sent earlier
- Seller: Broker A
- Purchaser: Bank as principal/agent...
- Seller’s Reference and Deal/Ticket number
- Metal / commodity
- Quantity
- Location
- Price
- Settlement Date

- Payment and Delivery instructions

Header

BICBROKA **Sender (Broker A)**

MT 502 **Order to sell**

BICIBANK **Receiver (Bank)**

{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

A. General Information

:16R:GENL

:20C::SEME//0002 **Sender's message reference**

:23G:NEWM

:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK

:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**

:16S:LINK

:16R:LINK

:20C::RELA//0001 **reference to the Bank's previous message.**

:16S:LINK

:16S:GENL

B. Order Details

:16R:ORDRDET

B1. Price

:16R:PRIC

:90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**

:16S:PRIC

:22H::BUSE//SELL **Sender wants to sell a "financial instrument" (here a commodity)**

:22F::TOOR//MAKT **at market price**

:22H::PAYM//APMT **Settlement against payment (the bank pays)**

:98A::EXPI//20090514 **Expiry date of offer**

:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties

:16R:TRADPRTY

:95P::BUYR//BICIBANK **Purchaser = Bank**

:97A::SAFE//12345 **Bank's commodities account ("safekeeping" account) at Broker A to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**

:20C::PROC//9966 **Purchaser's processing reference (deal/ticket number)**

:16S:TRADPRTY

:16R:TRADPRTY

:95P::SELL//BICBROKA **broker A is seller**

:97A::CASH//67890 **Bank will credit broker A's account with the total order amount.**

:20C::PROC//2713 **Seller's processing reference**

:16S:TRADPRTY

:19A::ORDR//USD100000, **Purchase amount**

:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**

:16R:FIA

:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - commodity unit (here fine ounce) in narrative: specific usage rule!
:16S:FIA

:16S:ORDRDET

If desired, Broker A can specify the commodity supplier name and address in this optional block:

:16R:OTHRPTY
:95Q::VEND//**supplier name and address**
:16S:OTHRPTY

3.5.3 Step 4 – Bank sends Purchase Acceptance to Broker A

Data captured

- Reference to the Master Agreement and reference to the Purchaser's Request (sent earlier) and the Broker's Sellers Offer (sent earlier).
- Seller: Broker A
- Purchaser: Bank as principal/agent....
- Seller's Reference and Deal/Ticket number
- Metal / commodity
- Quantity
- Location
- Price
- Settlement Date
- Payment and Delivery instructions

Header

BICIBANK **Sender (Bank)**

MT 515 **Client confirmation of purchase or sale**

BICBROKA **Receiver (Broker A)**

{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

A. General Information

:16R:GENL
:20C::SEME//0003 **sender's reference**
:23G:NEWM
:22F::TRTR//TRAD

A.1 Linkages

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0001 **reference to the Bank's previous message.**
:16S:LINK
:16R:LINK
:20C::RELA//0002 **reference to the Broker's previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date: same as next line**

:98A::SETT//20090514 **Buying settlement date**
:90B::DEAL//ACTU/USD1000, **Purchase unit price**
:19A::SETT//USD100000, **Total to be settled amount**
:22H::BUSE//BUYI **Sender wants to buy a “financial instrument” (here a commodity)**
:22H::PAYM//APMT **Settlement against payment (the bank pays)**

:16R:CONFPTY
:95P::BUYR//BICIBANK **Bank is buyer**
:97A::SAFE//12345 **Bank’s commodities account (“safekeeping” account) at Broker A to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**
:20C::PROC//9966 **Purchaser’s processing reference (deal/ticket number)**
:16S:CONFPTY
:16R:CONFPTY
:95P::SELL//BICBROKA **of Broker A**
:97A::CASH//67890 **Bank will credit broker A’s account with the total order amount.**
:20C::PROC//2713 **Seller’s processing reference**
:16S:CONFPTY
:36B::CONF//UNIT/100, **number of units**
:35B::LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

If desired, Bank can specify the commodity supplier’s name and address in this optional block:
:16R:OTHRPTY
:95Q::VEND//**supplier name and address**
:16S:OTHRPTY

3.5.4 Step 5 – Bank sends Notice of Sale to Broker A

Data captured

- Reference to the Master Agreement and reference to Bank’s Purchasers Request, the Broker’s Seller Offer and the Bank’s Purchasers Acceptance (all sent earlier).
- Seller: Bank
- Purchaser: Broker B
- Seller’s Reference
- Metal / Commodity
- Quantity
- Location
- Settlement date
- Delivery instructions

Header

BICIBANK **Sender (Bank)**

MT 515 **Client confirmation of purchase or sale**

BICBROKA **Receiver (Broker A)**

{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

A. General Information

:16R:GENL
:20C::SEME//0004 **sender’s reference**
:23G:NEWM

:22F::TRTR//TRAD

A.1 Linkages

:16R:LINK

:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**

:16S:LINK

:16R:LINK

:20C::PREV//0001 **reference to the Bank's first message.**

:16S:LINK

:16R:LINK

:20C::PREV//0003 **reference to the Bank's previous message.**

:16S:LINK

:16R:LINK

:20C::RELA//0002 **reference to the Broker's previous message.**

:16S:LINK

:16S:GENL

:16R:CONFDET (confirmation details)

:98A::TRAD//20090514 **Trade date: same as next line,**

:98A::SETT//20090514 **Buying settlement date**

:90B::DEAL//ACTU/USD1000, **Sale unit price**

:19A::SETT//USD100000, **Total to be settled amount**

:22H::BUSE//SELL **Sender sells a "financial instrument" (here a commodity)**

:22H::PAYM//APMT **Settlement against payment (the bank pays)**

:16R:CONFPRTY

:95P::BUYR//BICBROKB **Broker B is buyer**

:97A::SAFE//12345 **Broker B's commodities account ("safekeeping" account) to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**

:20C::PROC//9966 **Purchaser's processing reference (deal/ticket number)**

:16S:CONFPRTY

:16R:CONFPRTY

:95P::SELL//BICIBANK of Bank

:97A::CASH//67890 **Broker B will credit Bank's account with the total order amount.**

:20C::PROC//2713 **Seller's processing reference**

:16S:CONFPRTY

:36B::CONF//UNIT/100, **number of units**

:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix**

description of the commodity (max 3 lines; including unique warehouse reference(s))

:16R:FIA

:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**

:16S:FIA

:16S:CONFDET

If desired, Bank can specify the commodity supplier's name and address in this optional block:

:16R:OTHRPRTY

:95Q::VEND//**supplier name and address**

:16S:OTHRPRTY

3.6 Bank confirms trade details with the Customer

3.6.1 Step 6 – Bank sends Notice of Intent to Customer

The Bank notifies the Customer of its intent to purchase goods on behalf of the customer.

Data captured

- Reference to the Master Agreement
- Deal number
- Description of Commodities
- Quantity of commodities
- Unit price
- Broker
- Purchase price
- Trading date
- Deferred Sale Price
- Deferred Payment Date
- Profit Amount

Header

BICIBANK **Sender (Bank)**

MT 502 **Order to buy**

BICCUSTO **Receiver (Customer)**

{3:{108:MURABAHACA}} in the user header the sender informs that this is for Islamic banking

Body

A. General Information

:16R:GENL
:20C::SEME//0005 **Sender's reference**
:23G:NEWM
:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16S:GENL

B. Order Details

:16R:ORDRDET
 B1. Price
 :16R:PRIC
 :90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**
 :16S:PRIC

:22H::BUSE//SELL **Broker A sells a “financial instrument” (here a commodity)**
:22F::TOOR//MAKT **at market price**
:22H::PAYM//APMT **Settlement against payment (the customer pays)**
:98A::EXPI//20090514 **Expiry date of offer**
:98A::RSET//20090514 **Req. settlement date – used as expected deal date**

B2. Trading parties

:16R:TRADPRTY
:95P::BUYR//BICCUSTO **Customer is purchaser**

:16S:TRADPRTY
:16R:TRADPRTY
:95P::SELL//BICBROKA **Broker A is seller**
:97A::CASH//5555 **Customer will credit this account with the purchase amount. This is an optional line – if not present, crediting as previously agreed should happen.**
:20C::PROC//9966 **processing reference (deal/ticket number)**
:16S:TRADPRTY
:19A::ORDR//USD100000, **Purchase amount**
:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA

:16S:ORDRDET

If desired, Bank can specify the commodity supplier's name and address in this optional block:

:16R:OTHRPRTY
:95Q::VEND// **supplier name and address**
:16S:OTHRPRTY

E: Two Leg transaction details

:16R:REPO
:98A::TERM//20100514 **the deferred payment date (“maturity date”)**
:19A::TRTE//USD110000, **the deferred sale amount**
:19A::REPP//USD10000, **the profit (“Repurchase Premium”)**
:16S:REPO

3.6.2 Step 7 – Customer sends Purchase Acceptance to Bank

We can use a simple to implement MT 509 status message that accepts the previous message of step 6.

Header

BICCUSTO **Sender (Customer)**
MT 509 **Trade Status**
BICIBANK **Receiver (Bank)**
{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

:16R:GENL
:20C::SEME//0006 **sender's reference**
:23G:INST

:16R:LINK **referring to the previous message (the bank's notice of intent)**
:20C::RELA//0005
:16S:LINK
:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16R:STAT
:25D::IPRC//PACK **offer acknowledged**
:16S:STAT

:16S:GENL

3.6.3 Step 8 – Bank sends Form of offer to Customer

The Bank confirms that it has purchased goods on behalf of the Customer in accordance with the terms of the Notice of Intent.

Data captured

- Reference to the Master Agreement
- Deal number
- Description of commodities
- Quantity of commodities
- Unit price
- Broker
- Purchase price
- Trading date
- Deferred Sale Price
- Deferred Payment Date
- Profit Amount

Header

BICIBANK **Sender (Bank)**

MT 515 **Client confirmation of purchase or sale**

BICCUSTO **Receiver (Customer)**

{3:{108:MURABAHACA}} in the user header the sender informs that this is for Islamic banking

Body

A. General Information

:16R:GENL
:20C::SEME//0007 **sender's reference**
:23G:NEWM
:22F::TRTR/TRAD

A.1 Linkages

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0005 **reference to the Bank's previous message.**
:16S:LINK
:16R:LINK
:20C::RELA//0006 **reference to the Customer's previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date: same as next line,**
:98A::SETT//20090514 **Buying settlement date**
:90B::DEAL//ACTU/USD1000, **Purchase unit price**
:19A::SETT//USD100000, **Total to be settled amount**
:22H::BUSE//BUYI **Bank buys a "financial instrument" (here a commodity)**
:22H::PAYM//APMT **Settlement against payment (the bank pays)**

:16R:CONFPTY
:95P::BUYR// BICIBANK **On deferred payment date, Bank will purchase commodity**
:16S:CONFPTY
:16R:CONFPTY
:95P::SELL// BICCUSTO **On deferred payment date, Customer will sell**
:97A::CASH//5555 **Account for the payment. This is an optional line – if not present, crediting as previously agreed should happen.**
:20C::PROC//9966 **processing reference (deal/ticket number)**
:16S:CONFPTY
:36B::CONF//UNIT/100, **number of units**
:35B::LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

If desired, Bank can specify the commodity supplier's name and address in this optional block:

:16R:OTHRPTY
:95Q::VEND//**supplier name and address**
:16S:OTHRPTY

E: Two Leg transaction details

:16R:REPO
:98A::TERM//20100514 **the deferred payment date (“maturity date”)**
:19A::TRTE//USD110000, **the deferred sale amount**
:19A::REPP//USD10000, **the profit (“Repurchase Premium”)**
:16S:REPO

3.6.4 Step 9 – Customer sends Sale acceptance to Bank

We can use a simple to implement MT 509 status message that accepts the previous message of step 8.

Header

BICCUSTO Sender (Customer)
MT 509 Trade Status
BICIBANK Receiver (Bank)
{3:{108:MURABAHACA}} in the user header the sender informs that this is for Islamic banking

Body

:16R:GENL
:20C::SEME//0008 **sender's reference**
:23G:INST

:16R:LINK **referring to the previous message (the bank's form of offer)**
:20C::RELA//0007
:16S:LINK
:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16R:STAT
:25D::AFFM//AFFI **confirmation of the trade has been affirmed.**
:16S:STAT

:16S:GENL

3.7 Bank arranges the sale of commodity to Broker B

3.7.1 Step 10 – Bank sends Seller’s request to Broker B

Data captured

- Reference to the Master Agreement and that Bank (the seller) is acting as agent for the Customer.
- Seller: Bank as agent for Customer
- Purchaser: Broker B
- Deal/Ticket number
- Metal / Commodity
- Quantity
- Location
- Price
- Settlement Date
- Delivery and Payment instructions

Header

BICIBANK **Sender (Bank)**

MT 502 **Order to Buy or Sell**

BICBROKB **Receiver (Broker B)**

{3:{108:MURABAHACA}} in the user header the sender informs that this is for Islamic banking

Body

A. General Information

:16R:GENL
:20C::SEME//0009 **Sender’s message reference**
:23G:NEWM
:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16S:GENL

B. Order Details

:16R:ORDRDET
 B1. Price
 :16R:PRIC
 :90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**
 :16S:PRIC

:22H::BUSE//SELL **Sender (bank) wants to sell a “financial instrument” (here a commodity)**
:22F::TOOR//MAKT **at market price**
:22H::PAYM//APMT **Settlement against payment (the broker pays)**
:98A::EXPI//20090514 **Expiry date of offer**
:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties
:16R:TRADPRTY
:95P::BUYR// BICBROKB **Purchaser = Broker B**
:97A::SAFE//1928 **Broker B's commodities account ("safekeeping" account) at Bank to be credited for commodity & quantity as stated in this message.** If this optional line is not used then delivery of the commodity happens according to the standing instructions.
:16S:TRADPRTY
:16R:TRADPRTY
:95P::SELL//BICIBANK **Bank is seller**
:97A::CASH//8254 **Broker B will credit Bank's account with the total order amount.**
:20C::PROC//9966 **seller's processing reference (deal/ticket number)**
:16S:TRADPRTY
:19A::ORDR//USD100000, **Sale amount**
:35B://LONDON/ALLOCLAT – *id of the commodity – see appendix*
description of the commodity (max 3 lines; including unique warehouse reference(s))
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - *commodity unit (here fine ounce) in narrative: specific usage rule!*
:16S:FIA

:16S:ORDRDET

:16R:OTHRPRTY
:95P::MEOR//BICCUSTO **Customer is message originator: Bank is acting as agent**
:16S:OTHRPRTY

3.7.2 Step 11 – Broker B sends Purchaser offer to Bank

This references the Master Agreement and the Sellers Request (sent earlier in step 10). It quotes exactly the same details as per the above Sellers Request.

Header

BICBROKB **Sender (Broker B)**
MT 502 **Order to Buy or Sell**
BICIBANK **Receiver (Bank)**
{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

A. General Information

:16R:GENL
:20C::SEME//0010 **Sender's message reference**
:23G:NEWM
:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::RELA//0009 **reference to the Bank's previous message.**
:16S:LINK
:16S:GENL

B. Order Details

:16R:ORDRDET

B1. Price

:16R:PRIC

:90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**

:16S:PRIC

:22H::BUSE//BUYI **Sender (Broker B) wants to buy a “financial instrument” (here a commodity)**

:22F::TOOR//MAKT **at market price**

:22H::PAYM//APMT **Settlement against payment (the broker pays)**

:98A::EXPI//20090514 **Expiry date of offer**

:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties

:16R:TRADPRTY

:95P::BUYR//BICBROKB **Buyer = Broker B**

:97A::SAFE//1928 **Broker B’s commodities account (“safekeeping” account) at Bank to be credited for commodity & quantity as stated in this message.** If this optional line is not used then delivery of the commodity happens according to the standing instructions.

:20C::PROC//54258 **Buyer’s processing reference**

:16S:TRADPRTY

:16R:TRADPRTY

:95P::SELL//BICIBANK **Bank is seller**

:97A::CASH//8254 **Broker B will credit Bank’s account with the total order amount.**

:20C::PROC//9966 **Seller’s processing reference (deal/ticket number)**

:16S:TRADPRTY

:19A::ORDR//USD100000, **Sale amount**

:35B://LONDON/ALLOCLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**

:16R:FIA

:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**

:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**

:16S:FIA

:16S:ORDRDET

:16R:OTHRPRTY

:95P::MEOR//BICCUSTO **Customer is message originator: Bank is acting as agent**

:16S:OTHRPRTY

3.7.3 Step 12 – Bank sends Seller’s acceptance to Broker B

This references the Master Agreement date, the Seller’s Request and the Purchaser’s Offer (sent earlier). It quotes exactly the same details as per the earlier Seller’s Request and Purchaser’s Offer.

Header

BICIBANK **Sender (Bank)**

MT 515 **Client confirmation of purchase or sale**

BICBROKB **Receiver (Broker B)**

{3:{108:MURABAHACA}} **in the user header the sender informs that this is for Islamic banking**

Body

A. *General Information*

:16R:GENL
:20C::SEME//0011 **sender's reference**
:23G:NEWM
:22F::TRTR/TRAD

A.1 *Linkages*

:16R:LINK
:20C::MAST//BICIBA0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0009 **reference to the Bank's previous message.**
:16S:LINK
:16R:LINK
:20C::RELA//0010 **reference to the Broker B's previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date**
:98A::SETT//20090514 **settlement date**
:90B::DEAL//ACTU/USD1000, **Purchase unit price**
:19A::SETT//USD100000, **Total to be settled amount**
:22H::BUSE//SELL **The sender (the bank) sells**
:22H::PAYM//APMT

:16R:CONFPRTY
:95P::BUYR//BICBROKB **Broker B is buyer**
:97A::SAFE//1928 **Broker B's commodities account ("safekeeping" account) at Bank to be credited for commodity & quantity as stated in this message.** If this optional line is not used then delivery of the commodity happens according to the standing instructions.
:20C::PROC//54258 **Buyer's processing reference**
:16S:CONFPRTY
:16R:CONFPRTY
:95P::SELL//BICIBANK of Bank
:97A::CASH//8254 **Broker B will credit Bank's account with the total order amount.**
:20C::PROC//9966 **Seller's processing reference (deal/ticket number)**
:16S:CONFPRTY
:36B::CONF//UNIT/100, **number of units**
:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

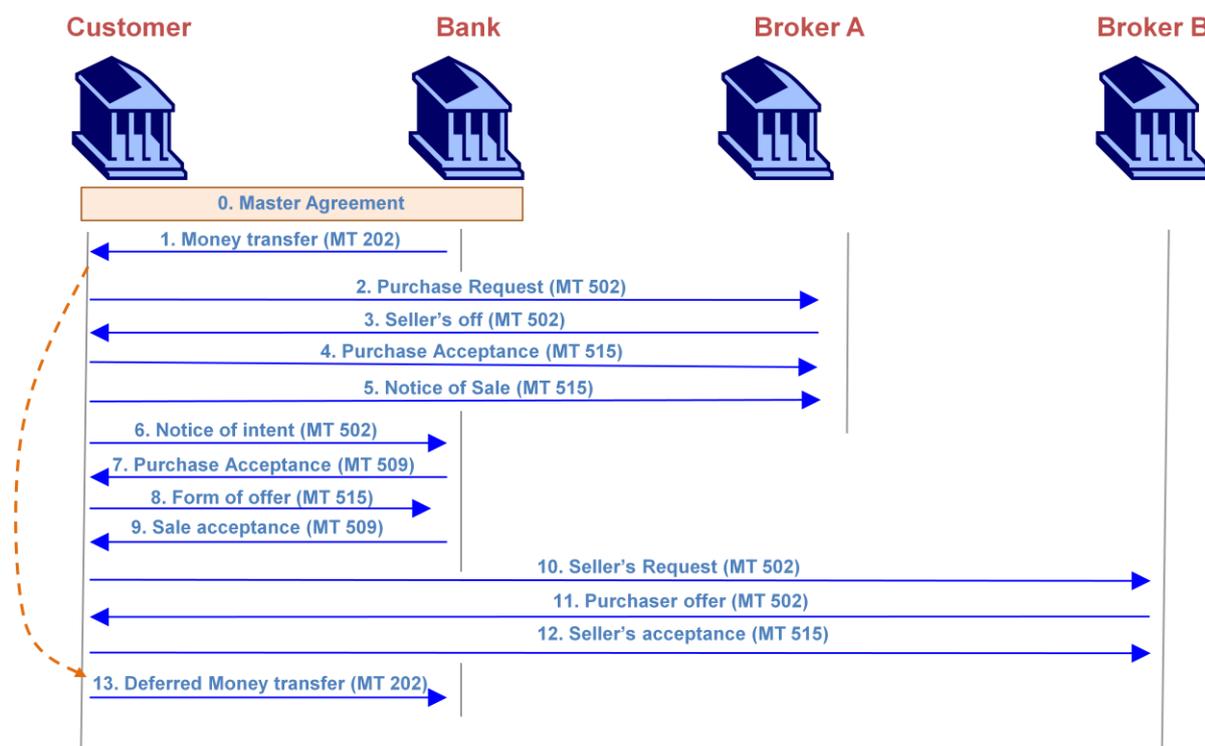
:16R:OTHRPRTY
:95P::MEOR//BICCUSTO **Customer is message originator: Bank is acting as agent**
:16S:OTHRPRTY

3.8 Step 13 – Bank transfers money to Customer on deferred payment date

If this happens using an MT 202 (General Financial Institution Transfer) message, then it is recommended to use field 21 (Related Reference) to transmit the reference of the Master Agreement.

4 Murabaha – Customer Placement

4.1 Flow



In some cases the order of steps is slightly different, but the messages are flexible enough. The Customer in the diagram above can also be a Bank or other financial institution. Likewise, Broker B can also be a third-party Bank to whom the commodity is sold to.

4.2 Scenario – Customer Placement

This example scenario can be easily adapted towards your needs. It shows which fields of the message the use, and which codes to choose. In essence only the BICs for sender, receiver, buyer, seller and message originator need to change. In addition the messages for this flow will use the codeword “MURABAHACP” in the user header.

Unit (fine ounce) price of “commodity” platinum: USD 1000, for a total of 100 fine ounces. Hence, the purchase amount is \$100000.

The deal takes place 14 May 2009, and the deferred payback date is 14 May 2010.

Commodity will be bought back for 1100 USD per unit.

Hence, the repurchase amount is \$110000.

Islamic Bank BIC = BICIBANK
Broker A BIC = BICBROKA
Broker B BIC = BICBROKB
Customer BIC = BICCUSTO

The master agreement between bank and customer was signed on 6 April 2008, and this is the 123rd transaction flow under the umbrella of the master agreement.
Hence, the master transaction reference is BICCUS0904060123.

The message syntaxes used in each step are very similar to the corresponding ones in the previous flow.

If you are not familiar with SWIFT message syntax, then focus on the data that is captured in each step.

4.3 Step 0 – Signing of the Master Agreement

In step 0 of the flow diagram the Master Agreement is signed. This step does not require SWIFT messaging.

4.4 Step 1 – Bank transfers money to Customer

If this happens using an MT 202 (General Financial Institution Transfer) message, then it is recommended to use field 21 (Related Reference) to transmit the reference of the Master Agreement.

4.5 Customer arranges the purchase of commodity with Broker A

4.5.1 Step 2 – Customer sends purchase request to Broker A

Data captured

- Reference to the agreed Master Agreement.
- Seller (Broker A), using BIC code
- Purchaser: Customer, using BIC code
- Deal/Ticket number
- Metal / commodity
- Quantity and units
- Location: (where commodity is held)
- Purchase price
- Settlement date
- Payment and Delivery instructions

Header

BICICUSTO Sender (Customer)

MT 502 Order to Buy or Sell

BICBROKA Receiver (Broker A)

{3:{108:MURABAHACP}} in the user header the sender informs that this is for Islamic banking

Body

C. *General Information*

:16R:GENL
:20C::SEME//0001 **Sender's message reference**
:23G:NEWM
:22F::TRTR//TRAD **Normal trade**

A1 *Linkages*

:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16S:GENL

D. *Order Details*

:16R:ORDRDET

B1. Price

:16R:PRIC
:90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**
:16S:PRIC

:22H::BUSE//BUYI **Sender wants to buy a “financial instrument” (here a commodity)**
:22F::TOOR//MAKT **at market price**
:22H::PAYM//APMT **Settlement against payment (Customer pays)**
:98A::EXPI//20090514 **Expiry date of offer**
:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties

:16R:TRADPRTY
:95P::BUYR// BICCUSTO **Purchaser = Customer**
:97A::SAFE//12345 **Customer's commodities account (“safekeeping” account) at Broker A to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**
:20C::PROC//9966 **Purchaser's processing reference (deal/ticket number)**
:16S:TRADPRTY
:16R:TRADPRTY
:95P::SELL//BICBROKA **broker A is seller**
:97A::CASH//67890 **Customer will credit broker A's account with the total order amount.**
:16S:TRADPRTY
:19A::ORDR//USD100000, **Purchase amount**
:35B://LONDON/ALLOCLAT – **id of the commodity – see appendix description of the commodity (max 3 lines)**
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA

:16S:ORDRDET

4.5.2 Step 3 – Broker A sends Seller's offer to Customer

Data captured

- Reference to the agreed Master Agreement and reference to the Purchaser's Request sent earlier
- Seller: Broker A
- Purchaser: Customer as principal/agent...

- Seller's Reference and Deal/Ticket number
- Metal / commodity
- Quantity
- Location
- Price
- Settlement Date
- Payment and Delivery instructions

Header

BICBROKA **Sender (Broker A)**

MT 502 **Order to sell**

BICCUSTO **Receiver (Customer)**

{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

C. General Information

:16R:GENL

:20C::SEME//0002 **Sender's message reference**

:23G:NEWM

:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK

:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**

:16S:LINK

:16R:LINK

:20C::RELA//0001 **reference to the Customer's previous message.**

:16S:LINK

:16S:GENL

D. Order Details

:16R:ORDRDET

B1. Price

:16R:PRIC

:90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**

:16S:PRIC

:22H::BUSE//SELL **Sender wants to sell a "financial instrument" (here a commodity)**

:22F::TOOR//MAKT **at market price**

:22H::PAYM//APMT **Settlement against payment (Customer pays)**

:98A::EXPI//20090514 **Expiry date of offer**

:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties

:16R:TRADPRTY

:95P::BUYR//BICCUSTO **Purchaser = Customer**

:97A::SAFE//12345 **Customer's commodities account ("safekeeping" account) at Broker A to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**

:20C::PROC//9966 **Purchaser's processing reference (deal/ticket number)**

:16S:TRADPRTY

:16R:TRADPRTY

:95P::SELL//BICBROKA **broker A is seller**

:97A::CASH//67890 **Customer will credit broker A's account with the total order amount.**

:20C::PROC//2713 **Seller's processing reference**
:16S:TRADPRTY
:19A::ORDR//USD100000, **Purchase amount**
:35B://LONDON/ALLOPLAT – *id of the commodity – see appendix*
description of the commodity (max 3 lines; including unique warehouse
reference(s))
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be**
specified in next line
:70E::FIAN//FOZ - *commodity unit (here fine ounce) in narrative: specific usage rule!*
:16S:FIA

:16S:ORDRDET

If desired, Broker A can specify the commodity supplier name and address in this optional block:

:16R:OTHRPRTY
:95Q::VEND//**supplier name and address**
:16S:OTHRPRTY

4.5.3 Step 4 – Customer sends Purchase Acceptance to Broker A

Data captured

- Reference to the Master Agreement and reference to the Purchaser's Request (sent earlier) and the Broker's Sellers Offer (sent earlier).
- Seller: Broker A
- Purchaser: Customer as principal/agent....
- Seller's Reference and Deal/Ticket number
- Metal / commodity
- Quantity
- Location
- Price
- Settlement Date
- Payment and Delivery instructions

Header

BICCUSTO **Sender (Customer)**

MT 515 **Client confirmation of purchase or sale**

BICBROKA **Receiver (Broker A)**

{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

B. General Information

:16R:GENL
:20C::SEME//0003 **sender's reference**
:23G:NEWM
:22F::TRTR//TRAD

A.1 Linkages

:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0001 **reference to the Customer's previous message.**

:16S:LINK
:16R:LINK
:20C::RELA//0002 **reference to the Broker’s previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date: same as next line**
:98A::SETT//20090514 **Buying settlement date**
:90B::DEAL//ACTU/USD1000, **Purchase unit price**
:19A::SETT//USD100000, **Total to be settled amount**
:22H::BUSE//BUYI **Sender wants to buy a “financial instrument” (here a commodity)**
:22H::PAYM//APMT **Settlement against payment (Customer pays)**

:16R:CONFPRTY
:95P::BUYR//BICCUSTO **Customer is buyer**
:97A::SAFE//12345 **Customer’s commodities account (“safekeeping” account) at Broker A to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**
:20C::PROC//9966 **Purchaser’s processing reference (deal/ticket number)**
:16S:CONFPRTY
:16R:CONFPRTY
:95P::SELL//BICBROKA **of Broker A**
:97A::CASH//67890 **Customer will credit Broker A’s account with the total order amount.**
:20C::PROC//2713 **Seller’s processing reference**
:16S:CONFPRTY
:36B::CONF//UNIT/100, **number of units**
:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

If desired, Customer can specify the commodity broker or the supplier’s name and address in this optional block:
:16R:OTHRPRTY
:95Q::VEND//**broker or supplier name and address**
:16S:OTHRPRTY

4.5.4 Step 5 – Customer A sends Notice of Sale to Broker A

Data captured

- Reference to the Master Agreement and reference to Customer’s Purchasers Request, the Broker’s Seller Offer and the Customer’s Purchasers Acceptance (all sent earlier).
- Seller: Customer
- Purchaser: Broker B
- Seller’s Reference
- Metal / Commodity
- Quantity
- Location
- Settlement date
- Delivery instructions

Header

BICCUSTO Sender (Customer)

MT 515 **Client confirmation of purchase or sale**
BICBROKA Receiver (Broker A)
{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**
Body

B. General Information

:16R:GENL
:20C::SEME//0004 **sender's reference**
:23G:NEWM
:22F::TRTR//TRAD

A.1 Linkages

:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0001 **reference to the Customer's first message.**
:16S:LINK
:16R:LINK
:20C::PREV//0003 **reference to the Customer's previous message.**
:16S:LINK
:16R:LINK
:20C::RELA//0002 **reference to the Broker's previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date: same as next line**
:98A::SETT//20090514 **Buying settlement date**
:90B::DEAL//ACTU/USD1000, **Sale unit price**
:19A::SETT//USD100000, **Total to be settled amount**
:22H::BUSE//SELL **The sender (Customer) sells**
:22H::PAYM//APMT **Settlement against payment (Customer pays)**

:16R:CONFPRTY
:95P::BUYR//BICBROKB **Broker B is buyer**
:97A::SAFE//12345 **Broker B's commodities account ("safekeeping" account) to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**
:20C::PROC//9966 **Purchaser's processing reference (deal/ticket number)**
:16S:CONFPRTY
:16R:CONFPRTY
:95P::SELL//BICCUSTO **of Customer**
:97A::CASH//67890 **Broker B will credit Customer's account with the total order amount.**
:20C::PROC//2713 **Seller's processing reference**
:16S:CONFPRTY
:36B::CONF//UNIT/100, **number of units**
:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

If desired, Customer can specify the commodity broker or the supplier's name and address in this optional block:
:16R:OTHRPRTY

:95Q::VEND//**broker or supplier name and address**
:16S:OTHRPRTY

4.6 Customer confirms trade details with the Bank

4.6.1 Step 6 – Customer sends Notice of Intent to Bank

The Customer notifies the Bank of its intent to purchase goods on behalf of the Bank.

Data captured

- Reference to the Master Agreement
- Deal number
- Description of Commodities
- Quantity of commodities
- Unit price
- Broker
- Purchase price
- Trading date
- Deferred Sale Price
- Deferred Payment Date
- Profit Amount

Header

BICCUSTO **Sender (Customer)**

MT 502 **Order to buy**

BICIBANK **Receiver (Bank)**

{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

C. General Information

:16R:GENL
:20C::SEME//0005 **Sender's reference**
:23G:NEWM
:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16S:GENL

D. Order Details

:16R:ORDRDET
 B1. Price
 :16R:PRIC
 :90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**
 :16S:PRIC

:22H::BUSE//SELL **Broker A sells a “financial instrument” (here a commodity)**
:22F::TOOR//MAKT **at market price**
:22H::PAYM//APMT **Settlement against payment (the bank pays)**
:98A::EXPI//20090514 **Expiry date of offer**
:98A::RSET//20090514 **Req. settlement date – used as expected deal date**

B2. Trading parties
:16R:TRADPRTY
:95P::BUYR//BICIBANK **Bank is purchaser**
:16S:TRADPRTY
:16R:TRADPRTY
:95P::SELL//BICBROKA **Broker A is seller**
:97A::CASH//5555 **Account for the payment. This is an optional line – if not present, crediting as previously agreed should happen.**
:20C::PROC//9966 **processing reference (deal/ticket number)**
:16S:TRADPRTY
:19A::ORDR//USD100000, **Purchase amount**
:35B://LONDON/ALLOCPAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA

:16S:ORDRDET

If desired, Customer can specify the commodity supplier's name and address in this optional block:

:16R:OTHRPRTY
:95Q::VEND// **supplier name and address**
:16S:OTHRPRTY

E: Two Leg transaction details

:16R:REPO
:98A::TERM//20100514 **the deferred payment date (“maturity date”)**
:19A::TRTE//USD110000, **the deferred sale amount**
:19A::REPP//USD10000, **the profit (“Repurchase Premium”)**
:16S:REPO

4.6.2 Step 7 – Bank sends Purchase Acceptance to Customer

We can use a simple to implement MT 509 status message that accepts the previous message of step 6.

Header

BICIBANK **Sender (Bank)**
MT 509 **Trade Status**
BICCUSTO **Receiver (Customer)**
{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

:16R:GENL
:20C::SEME//0006 **sender's reference**
:23G:INST

:16R:LINK **referring to the previous message (the customer's notice of intent)**
:20C::RELA//0005
:16S:LINK
:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16R:STAT
:25D::IPRC//PACK **offer acknowledged**
:16S:STAT

:16S:GENL

4.6.3 Step 8 – Customer sends Form of offer to Bank

The Customer confirms that it has purchased goods on behalf of the Bank in accordance with the terms of the Notice of Intent.

Data captured

- Reference to the Master Agreement
- Deal number
- Description of commodities
- Quantity of commodities
- Unit price
- Broker
- Purchase price
- Trading date
- Deferred Sale Price
- Deferred Payment Date
- Profit Amount

Header

BICCUSTO **Sender (Customer)**

MT 515 **Client confirmation of purchase or sale**

BICIBANK **Receiver (Bank)**

{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

B. General Information

:16R:GENL
:20C::SEME//0007 **sender's reference**
:23G:NEWM
:22F::TRTR//TRAD

A.1 Linkages

:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0005 **reference to the Customer's previous message.**
:16S:LINK
:16R:LINK
:20C::RELA//0006 **reference to the Bank's previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date: same as next line**
:98A::SETT//20090514 **Buying settlement date**
:90B::DEAL//ACTU/USD1000, **Purchase unit price**
:19A::SETT//USD100000, **Total to be settled amount**

:22H::BUSE//BUYI **The sender (the customer) buys**
:22H::PAYM//APMT

:16R:CONFPRTY
:95P::BUYR// BICIBANK **On deferred payment date, Bank will buy**
:16S:CONFPRTY
:16R:CONFPRTY
:95P::SELL// BICCUSTO **On deferred payment date, Customer will sell**
:97A::CASH//5555 **Account for the payment. This is an optional line – if not present, crediting as previously agreed should happen.**
:20C::PROC//9966 **processing reference (deal/ticket number)**
:16S:CONFPRTY
:36B::CONF//UNIT/100, **number of units**
:35B://LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

If desired, Customer can specify the commodity broker or the supplier's name and address in this optional block:

:16R:OTHRPRTY
:95Q::VEND//**broker or supplier name and address**
:16S:OTHRPRTY

E: Two Leg transaction details

:16R:REPO
:98A::TERM//20100514 **the deferred payment date (“maturity date”)**
:19A::TRTE//USD110000, **the deferred sale amount**
:19A::REPP//USD10000, **the profit (“Repurchase Premium”)**
:16S:REPO

4.6.4 Step 9 – Bank sends Sale acceptance to Customer

We can use a simple to implement MT 509 status message that accepts the previous message of step 8.

Header

BICIBANK **Sender (Bank)**
MT 509 **Trade Status**
BICCUSTO **Receiver (Customer)**
{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

:16R:GENL
:20C::SEME//0008 **sender's reference**
:23G:INST

:16R:LINK **referring to the previous message (the Customer's form of offer)**
:20C::RELA//0007
:16S:LINK
:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK

:16R:STAT
:25D::AFFM//AFFI **confirmation of the trade has been affirmed.**
:16S:STAT

:16S:GENL

4.7 Customer arranges the sale of commodity to Broker B

4.7.1 Step 10 – Customer sends Seller’s request to Broker B

Data captured

- Reference to the Master Agreement and that Customer (the seller) is acting as agent for the Bank.
- Seller: Customer as agent for Bank
- Purchaser: Broker B
- Deal/Ticket number
- Metal / Commodity
- Quantity
- Location
- Price
- Settlement Date
- Delivery and Payment instructions

Header

BICCUSTO **Sender (Customer)**

MT 502 **Order to Buy or Sell**

BICBROKB **Receiver (Broker B)**

{3:{108:MURABAHACP}} in the user header the sender informs that this is for Islamic banking

Body

C. General Information

:16R:GENL

:20C::SEME//0009 **Sender’s message reference**

:23G:NEWM

:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK

:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**

:16S:LINK

:16S:GENL

D. Order Details

:16R:ORDRDET

B1. Price

:16R:PRIC

:90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**

:16S:PRIC

:22H::BUSE//SELL **Sender (customer) wants to sell a “financial instrument” (here a commodity)**

:22F::TOOR//MAKT **at market price**

:22H::PAYM//APMT **Settlement against payment (the broker pays)**

:98A::EXPI//20090514 **Expiry date of offer**

:98A::RSET//20090514 **Req. settlement date**

B2. Trading parties

:16R:TRADPRTY
:95P::BUYR// BICBROKB **Purchaser = Broker B**
:97A::SAFE//1928 **Broker B's commodities account ("safekeeping" account) at Customer to be credited for commodity & quantity as stated in this message.** If this optional line is not used then delivery of the commodity happens according to the standing instructions.
:16S:TRADPRTY
:16R:TRADPRTY
:95P::SELL//BICCUSTO **Customer is seller**
:97A::CASH//8254 **Broker B will credit Customer's account with the total order amount.**
:20C::PROC//9966 **seller's processing reference (deal/ticket number)**
:16S:TRADPRTY
:19A::ORDR//USD100000, **Sale amount**
:35B://LONDON/ALLOCLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA

:16S:ORDRDET

:16R:OTHRPRTY

:95P::MEOR//BICIBANK **Bank is message originator: Customer is acting as agent**

:16S:OTHRPRTY

4.7.2 Step 11 – Broker B sends Purchaser offer to Customer

This references the Master Agreement and the Sellers Request (sent earlier in step 10). It quotes exactly the same details as per the above Sellers Request.

Header

BICBROKB **Sender (Broker B)**

MT 502 **Order to Buy or Sell**

BICCUSTO **Receiver (Customer)**

{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**

Body

C. General Information

:16R:GENL

:20C::SEME//0010 **Sender's message reference**

:23G:NEWM

:22F::TRTR//TRAD **Normal trade**

A1 Linkages

:16R:LINK

:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**

:16S:LINK

:16R:LINK

:20C::RELA//0009 **reference to the Customer's previous message.**

:16S:LINK

:16S:GENL

D. Order Details

:16R:ORDRDET
 B1. Price
 :16R:PRIC
 :90B::DEAL//ACTU/USD1000, **Unit purchase price of the item**
 :16S:PRIC

:22H::BUSE//BUYI **Sender (Broker B) wants to buy a “financial instrument” (here a commodity)**
:22F::TOOR//MAKT **at market price**
:22H::PAYM//APMT **Settlement against payment (the broker pays)**
:98A::EXPI//20090514 **Expiry date of offer**
:98A::RSET//20090514 **Req. settlement date**

 B2. Trading parties
 :16R:TRADPRTY
 :95P::BUYR//BICBROKB **Buyer = Broker B**
 :97A::SAFE//1928 **Broker B’s commodities account (“safekeeping” account) at Bank to be credited for commodity & quantity as stated in this message. If this optional line is not used then delivery of the commodity happens according to the standing instructions.**
 :20C::PROC//54258 **Buyer’s processing reference**
 :16S:TRADPRTY
 :16R:TRADPRTY
 :95P::SELL//BICCUSTO **Customer is seller**
 :97A::CASH//8254 **Broker B will credit Customer’s account with the total order amount.**
 :20C::PROC//9966 **Seller’s processing reference (deal/ticket number)**
 :16S:TRADPRTY
 :19A::ORDR//USD100000, **Sale amount**
 :35B:/LONDON/ALLOCLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
 :16R:FIA
 :36B::SIZE//UNIT/100, **number of commodity units, the unit itself will be specified in next line**
 :70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
 :16S:FIA

:16S:ORDRDET

:16R:OTHRPRTY
:95P::MEOR//BICIBANK **Bank is message originator: Customer is acting as agent**
:16S:OTHRPRTY

4.7.3 Step 12 – Customer sends Seller’s acceptance to Broker B

This references the Master Agreement date, the Seller’s Request and the Purchaser’s Offer (sent earlier). It quotes exactly the same details as per the earlier Seller’s Request and Purchaser’s Offer.

Header

BICCUSTO **Sender (Customer)**
MT 515 **Client confirmation of purchase or sale**
BICBROKB **Receiver (Broker B)**
{3:{108:MURABAHACP}} **in the user header the sender informs that this is for Islamic banking**
Body

B. General Information

:16R:GENL
:20C::SEME//0011 **sender's reference**
:23G:NEWM
:22F::TRTR/TRAD

A.1 Linkages

:16R:LINK
:20C::MAST//BICCUS0904060123 **unique master transaction reference throughout the flow.**
:16S:LINK
:16R:LINK
:20C::PREV//0009 **reference to the Customer's previous message.**
:16S:LINK
:16R:LINK
:20C::RELA//0010 **reference to the Broker B's previous message.**
:16S:LINK
:16S:GENL

:16R:CONFDET (confirmation details)
:98A::TRAD//20090514 **Trade date**
:98A::SETT//20100514 **settlement date**
:90B::DEAL//ACTU/USD1000, **Purchase unit price**
:19A::SETT//USD100000, **Total to be settled amount**
:22H::BUSE//SELL **The sender (the customer) sells**
:22H::PAYM//APMT

:16R:CONFPRTY
:95P::BUYR//BICBROKB **Broker B is buyer**
:97A::SAFE//1928 **Broker B's commodities account ("safekeeping" account) at Customer to be credited for commodity & quantity as stated in this message.** If this optional line is not used then delivery of the commodity happens according to the standing instructions.
:20C::PROC//54258 **Buyer's processing reference**
:16S:CONFPRTY
:16R:CONFPRTY
:95P::SELL//BICCUSTO **Customer is seller**
:97A::CASH//8254 **Broker B will credit Customer's account with the total order amount.**
:20C::PROC//9966 **Seller's processing reference (deal/ticket number)**
:16S:CONFPRTY
:36B::CONF//UNIT/100, **number of units**
:35B::LONDON/ALLOCPLAT – **id of the commodity – see appendix description of the commodity (max 3 lines; including unique warehouse reference(s))**
:16R:FIA
:70E::FIAN//FOZ - **commodity unit (here fine ounce) in narrative: specific usage rule!**
:16S:FIA
:16S:CONFDET

:16R:OTHRPRTY
:95P::MEOR//BICIBANK **Bank is message originator: Customer is acting as agent**
:16S:OTHRPRTY

4.8 Step 13 – Customer transfers money to Bank on deferred payment date

If this happens using an MT 202 (General Financial Institution Transfer) message, then it is recommended to use field 21 (Related Reference) to transmit the reference of the Master Agreement.

5 Appendix

5.1 Commodity Identification

Instead of identifying a security in the MT 5xx messages, we'll identify the commodity in field 35B: This is similar to the definition as used in field 26C: of the MT600.

35B [3!a]/15x/5!a4!a[4x][//8x]

where subfields are:

Subfield	Format	Name
1	[3!a]	(Delivery Details)
2	/15x	(Availability)
3	/5!a	(Allocation)
4	4!a	(Type)
5	[4x]	(Denomination)
6	[//8x]	(Form)

DEFINITION

This field identifies the commodity bought or sold.
Type identifies the commodity.

CODES

When Delivery Details is present, it must contain one of these codes:

CIF	Carriage, Insurance and Freight
LOC	LOCO (covering cost of goods only, without carriage or warehouse charges)
FOB	Free On Board
EXW	EX Works
FCA	Free Carrier
FAS	Free Alongside Ship
CFR	Cost and Freight
CPT	Carriage Paid To
CIP	Carriage and Insurance Paid
DAF	Delivered At Frontier
DES	Delivered Ex Ship
DEQ	Delivered Ex Quay
DDU	Delivered Duty Unpaid
OTH	Other

CODES

Allocation must contain one of the following codes:

ALLOC Specifies the commodity is allocated
UNALL Specifies the commodity is unallocated

CODES

Type must contain one of the following codes:

AIRT Air time
ALUM Aluminium
COPP Copper
IRID Iridium
LEAD Lead
NICK Nickel
OSMI Osmium
PALL Palladium
PLAT Platinum
RHOD Rhodium
RUTH Ruthenium
STEE Steel
TINA Tin
ZINC Zinc
POIL Palm Oil
COAL Coal
OLEO Oleo chemical products
BILA Bilaterally agreed, or when the exact commodity is not yet known from the start,
BASK when this trade refers to a basket of commodities (see 5.3)

USAGE RULES

Availability specifies the availability of the metal in maximum 15 characters (for example, LONDON, ZURICH, NEW YORK).

In the case of LME non UK Bonded Warehouses, use LMENONUKBONDED.

For example: :35B:/LMENONUKBONDED/ALLOCPLAT

Form specifies the physical form of the commodity.

- When the commodity is Palm Oil (POIL), form can be:

CPO
CPS
PKO (for Palm Kernel Oil)
CNO
RBDPS (for RBD Palm Stearine)
RBDPO (for RBD Palm Oil)
RBDPKO (for RBD Palm Kern Oil)
RBDPO (for RBD Palm Olein)
COL (for Crude Olein)
PFAD
SBPFAD (for Special Blended PFAD)
FFB
PK
PKE (for Palm Kernel Expeller)
SA101
SA301
SA401

EXAMPLE

:35B:/KUALALUMPUR/ALLOCPOIL//CPO

-When the commodity is an Oleo chemical product (OLEO), form can be:

STEARAC (for Stearic Acids)
SOAPP (for Soap powder)
RGLYC (for Refined Glycerine)
CCACID (for Caprylic Capric Acids)
COLEIN (for Crude Olein)
LACID (for Lauric Acids)
MACID (for Myristic Acids)
PACID (for Palmitic Acids)
OACID (for Oleic Acids)
C18M (for C18 Mixture)
CFACID (for Crude Fatty Acids)
DFACID (for Distilled Fatty Acids)
BRES (for Black Residue)
CGLYC (for Crude Glycerine)
SN8020ID (for Soap Noodles MPSN8020 (ID))
SN9010ID (for Soap Noodles MPSN9010 (ID))
SN9010IN (for Soap Noodles MPSN9010 (IN))
SN9010MY (for Soap Noodles MPSN9010 (MY))

EXAMPLE

:35B:/KUALALUMPUR/ALLOCOLEO//PACID

5.2 Commodity Units

The following commodity units and their codes are currently foreseen. These are the same codes as used in the MT600.

FOZ Fine ounce
GOZ Gross ounce
GRM Gramme
KLO Kilo
LOT Lot
PND Pound
TAL Tael
TOL Tola
TON Metric Tonne
TOZ Troy Ounce
UNT Unit
BIL Bilaterally agreed

BSK basket of commodities, refer to basket contents for the commodities and their units involved.

5.3 Handling of Baskets

When the murabaha trade does entail a basket of commodities instead of one commodity, a separate message (or even a set of separate messages) is required to transfer the contents of the basket. Agree the implementation of this extra message with your counterparty.

The MT 502 and 515 messages then refer to 1 basket unit of one basket commodity, for the total amount (the unit price is also the total amount price). An example of a message extract:

```
...  
:16R:PRIC  
:90B::DEAL//ACTU/USD1000000, basket unit purchase price = total amount  
:16S:PRIC
```

```

....
:19A::ORDR//USD1000000, total purchase amount of the basket
:35B:/LONDON/ALLOCBASK – id of the commodity, it's a basket
description of the basket (max 3 lines)
:16R:FIA
:36B::SIZE//UNIT/1, number of commodity units: 1 for basket
:70E::FIAN//BSK - commodity unit basket
:16S:FIA
...
    
```

An MT 579 “Certificate Numbers” (or a set of MT 579s) will be used to detail the exact composition of the basket. The MT579(s) will be sent together with the MT 502 or MT 509. The master transaction reference links the MT579(s) to the other messages in the flow.

We recommend a specific structure for the repeating field 35F (notes in purple). Field 35F is maximum 35 lines of 50 characters, if this is not sufficient then multiple MT 579 messages must be used with the paging mechanism.

Do **not** start the lines within 35F: with a “:”, and end them with a Carriage Return / Line Feed). You can detail maximum 4 commodities per MT 579 (when only using one line of commodity description); usually the maximum will be 3.

Example:

```

:35F:MAST//BICCUS0904060123 (the first line contains the master reference of the transaction).
90B::DEAL//ACTU/USD1000, (first commodity begins here)
19A::ORDR//USD750000,
35B:/LONDON/ALLOCPLAT – id of the commodity
description of the commodity (max 3 lines; including unique warehouse reference(s))
36B::SIZE//UNIT/750, number of commodity units, the unit itself will be specified in next line
70E::FIAN//FOZ - commodity unit (here fine ounce) in narrative: specific usage rule!
--- (delimiter: three dashes)
90B::DEAL//ACTU/USD500, (second commodity begins here)
19A::ORDR//USD250000,
35B:/LONDON/ALLOCPALL
description of the commodity (max 3 lines; including unique warehouse reference(s))
36B::SIZE//UNIT/500,
70E::FIAN//FOZ
--- (delimiter: three dashes)
(third commodity begins here)
...
    
```

Message Example

Notes (also check the UHB)

- Field 28: 1/99 means that this is the first and last MT579 message
- Field 20: the reference of this MT579 message
- Field 21: the reference of the message being supplemented with basket details.

Explanation	Format
Sender	BICCUSTO
Message type	579
Receiver	BICBROKA

Explanation	Format
Message text	
Page number/continuation indicator	:28:1/99
Transaction reference number	:20:314159
Related reference	:21:0001
Certificate number(s) – used for commodity basket.	:35F:MAST//BICCUS0904060123 90B::DEAL//ACTU/USD1000, 19A::ORDR//USD750000, 35B:/LONDON/ALLOCPLAT warehouse ref 123456 36B::SIZE//UNIT/750, 70E::FIAN//FOZ --- 90B::DEAL//ACTU/USD500, 19A::ORDR//USD250000, 35B:/LONDON/ALLOCPALL warehouse ref 364521 36B::SIZE//UNIT/500, 70E::FIAN//FOZ
End of message text/trailer	

5.4 Settlement details, commission, profit rate and fixing price

Here we see examples on how to capture extra information that you may wish to convey. Agree bilaterally with your counterparty if you intend to exchange these data.

If you need to specify other details for the settlement, the MT 502 and MT 515 messages do feature an optional “Settlement Details” block which can be used to capture this information.

As an example, the place of settlement is captured in the optional repeatable “Cash Parties” subsequence (C2 in the MT 502, D2 in the MT 515) which is part of the “Settlement Details” block.

O/M	Tag	Content	Explanation
O	:16R:	SETDET	Settlement details block
(M)	:22F:	:SETR//TRAD	Settlement of a trade
O	:16R:	CSHPRTY	Optional Cash party block, can be used to determine the place of settlement at other institution
(M)	:95P:	:ACCW//BICSSI	BIC of Bank who services account
O	:97A:	:CASH//123456	the cash account on BICSSI for the payment
O	:16S:	CSHPRTY	
O	:16S:	SETDET	

Note: (M) means this is a mandatory field inside an optional sequence.

This example shows the detailing of the **commission** in the optional repeatable “Amounts” subsequence which is part of the “Settlement Details” block.

O/M	Tag	Content	Explanation
O	:16R:	SETDET	Settlement details block
(M)	:22F:	:SETR//TRAD	Settlement of a trade
O	:16R:	AMT	Optional Amounts block
(M)	:19A:	:CHAR//USD100,	100 USD in charges
O	:16S:	AMT	
O	:16S:	SETDET	

Note: (M) means this is a mandatory field inside an optional sequence.

In addition the Amounts block has the optional field 98A::VALU//**valuedate**, which could be used as follows.:

O/M	Tag	Content	Explanation
O	:16R:	SETDET	Settlement details block
(M)	:22F:	:SETR//TRAD	Settlement of a trade
O	:16R:	AMT	Optional Amounts block
(M)	:19A:	:DEAL//USD100000,	100000 USD trade amount
O	:98A:	:VALU//20090514	Value date
O	:16S:	AMT	
O	:16S:	SETDET	

Note: (M) means this is a mandatory field inside an optional sequence.

Note: In this solution the trade date should normally be the same as the value date, hence the field was not captured explicitly in the main chapters of this document.

There is no dedicated explicit code for capturing the **profit rate**, but we can use “repo rate” in the Two Leg transaction block. The code “REPO” is in the context of the solution just a technical code, and we use it to capture the profit rate. An example:

O/M	Tag	Content	Explanation
O	:16R:	REPO	Two Leg transaction details block
O	:98A:	:TERM//20100514	the deferred payment date (“maturity date”)
O	:92A:	:REPO//10,	10% Profit rate (captured with technical code for repo rate)
O	:19A:	:TRTE//USD110000,	The deferred sales amount
O	:19A:	:REPP//USD10000,	The profit (“Repurchase Premium”)
O	:16S:	REPO	

Note: (M) means this is a mandatory field inside an optional sequence.

Some users may wish to convey a **fixing price**, this is the actual price per unit without broker commission. This can be done in the MT 502 using an *extra iteration* of the optional repetitive subsequence B1 Price. An example:

O/M	Tag	Content	Explanation
-----	-----	---------	-------------

O	:16R:	PRIC	Optional repetitive subsequence B1 Price
(M)	:90B:	:DEAL//ACTU/USD1000,	Unit purchase price of the item
O	:16S:	PRIC	
O	:16R:	PRIC	Second iteration starts here
(M)	:90B:	:DEAL//ACTU/USD997,	Fixing price: the actual price per unit without broker commission (see next line as well)
O	:22F:	:PRIC//NET2	Price is a net price, that is, net only of local broker's commission, local fees, or local taxes.
O	:16S:	PRIC	

Note: (M) means this is a mandatory field inside an optional sequence.

The above examples could be combined.

5.5 Free text

You may want to add narrative information, for example for contact details or Sharia clauses, or to cover new needs that are not covered by this version of this document.

Agree bilaterally with your counterparty if you intend to exchange these data.

In the MT 502 you can use the optional field 70E: Trade Instruction Processing Narrative at the end of sequence B Order Details. The maximum is 10 lines of 35 characters, for more you could refer to an email or to a related MT599 free text message. An example:

O/M	Tag	Content	Explanation
...
M	:16S:	FIA	End of the subsequence B3 Financial Instrument Attributes
O	:70E:	:TPRO//CONTACT INFO PHONE XXXX EMAIL REF 343545ABC SHARIA CLAUSES XXXX XXXX XXXX XXXX	Narrative information. Note: code TPRO is mandatory.
M	:16S:	ORDRDET	End of the sequence B Order Details
...

Similarly, in the MT 515 you can use the optional field 70E: Narrative at the end of sequence C Confirmation Details. The maximum is 10 lines of 35 characters, for more you could refer to an email or to a related MT599 free text message.

There is no elegant way to add narrative text in the MT 509. The MT 509 is used as a simple “acceptance” message which may not require this extra text, and if needed you could use a related MT599 free text message.

6 Revision record

Revision	Date	Author	Description	Sections affected
1.0	19 January 10	Tom Alaerts	First version of document.	All
1.0b	12 February 10	Tom Alaerts	2 small additions	1.2 & 5.1
1.0c	9 March 10	Tom Alaerts	Small extra clarification on narrative.	5.5
1.0d	21 October 10	Tom Alaerts	Added closed user group info	2.2.5
1.0e	1 November 10	Peter Ware	Added AAOIFI endorsement	1.3

End of document