Version 2.2

Standards MT Release 2018 and 2020: Mandatory changes in category 7 and MT 798 Trade Guidelines

Frequently Asked questions

This document describes Frequently Asked Questions (FAQs) about mandatory change in category 7 and MT 798 trade guidelines for SR 2018 and 2020. This document is intended for anyone who needs more information about the impact of these changes. Please be aware that the document will be updated if new important questions are received and/or new information becomes available.

13 March 2019

1. *Where can I obtain more information about the changes to Category 7 and MT 798 Standards?*

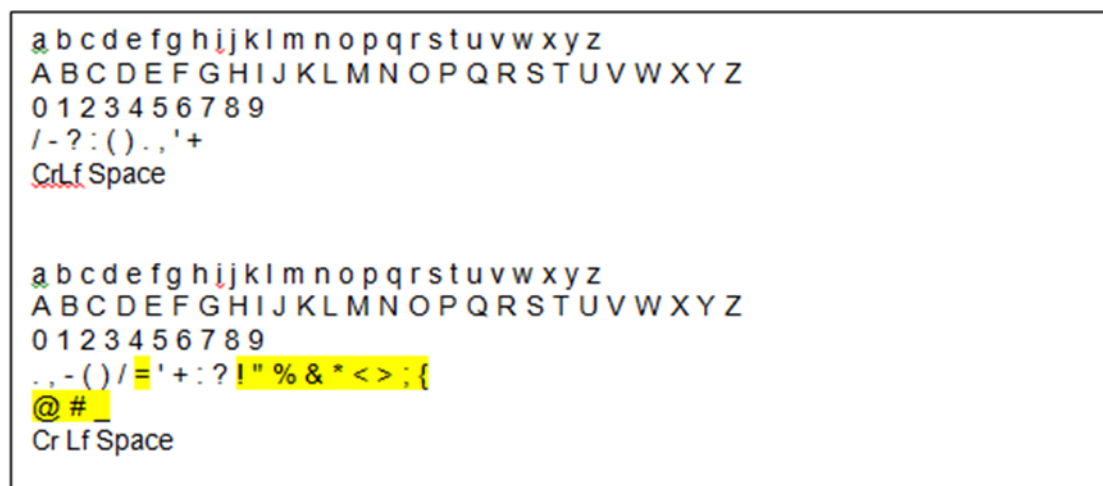   On the SWIFT Web site under [Standards releases](#)

   Please scroll down to the category 7 section:

   Standards MT Release 2018 and 2019: prepare for major changes related to Category 7 messages

Cat 7 Frequently Asked Questions – Common

2. *What are the additional character types that are supported in the **Z** Character Set (Information Service Character Set) over those supported in the **X** Character Set (SWIFT Character Set)?*

 The characters highlighted in yellow below represent the additional characters supported in the **Z** Character Set.

```
a b c d e f g h i j k l m n o p q r s t u v w x y z
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
0 1 2 3 4 5 6 7 8 9
/ - ? : ( ) . , ' +
CrLf Space


a b c d e f g h i j k l m n o p q r s t u v w x y z
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
0 1 2 3 4 5 6 7 8 9
. , - ( ) / = ' + : ? ! " % & * < > ; {
@ # _
Cr Lf Space
```

3. *While optional, the MT 759 is designed to replace the MT 799. Why is it needed?*

 The impetus for the MT759 was from member Banks. This message was designed to be sent to request or to provide information in narrative free text, in relation to a trade transaction such as a documentary credit, demand guarantee, standby letter of credit or a guarantee (e.g. a demand guarantee, surety, etc.). It supplements the free text narrative with a number of fields not found in the MT 799 to support internal routing direct to the recipient's department/individual(s) concerned. As such it better supports trace queries, but was not designed with STP in mind.

4. *While optional, the MT 759 is designed to replace the MT 799. Why is it needed? in order to achieve STP improvement?*

 STP (including reducing the need to use MT 799) was very much in mind with the restructuring of the existing messages, notably the MT 707, MT 760, MT 767, and development of the new messages. The overall guiding principles for the development and maintenance of MT standards articulates this:

Standards MT

1   Overall Guiding Principles

The overall guiding principles for the maintenance, development and implementation of SWIFT standards are as follows:

- STP – Focus on the end-to-end straight-through-processing of financial transactions, for the global financial industry.
- Market needs – Strive to meet the needs of the relevant players within the industry and to optimise the efficiency of all parties within the financial transaction process chain.
- Costs – Strive to protect members' investments in legacy systems and to minimise the cost impact of standards changes on their back-offices.
- Benefits – Standards maintenance, development and implementation will only be proposed if it results in a clear net benefit to members.
- Global consensus for general use messages – Approval of a standard is based on global consensus around the SWIFT user community, weighted by network traffic.

5. *Will the SR 2018 and 2020 be in a "big-bang" mode or is there a "parallel run" option for a short period of time?*

   Standards Releases are always implemented on a set date each year in November. SR 2018 and SR 2020 will be no different; there is no option for a limited change-over period.

6. *Will there be a specific message type for trade loan requests?*

   Use the MT 759 (Ancillary Trade Structured Message) with code REQFINAN (Financing request) in Field 23H (Function).

7. *Will the MT 799 (Free Format Message) still be available to use after SR 2018 and after SR 2020*

   Yes, however, it is strongly recommended that use of the MT 759 (Ancillary Trade Structured Message) takes precedence.

8. *Are there any messages that will be deleted with SR 2018?*

   No, all existing message types have been retained, and 9 new messages were added to Category 7 for SR 2018 and SR 2020.

9. *If several MTs 759 are required for one function, how should they be linked?*

   The MT 759 (Ancillary Trade Structured Message) supports linking of multiple MT 759 messages as a series of MT 759 messages by using field 27 (Sequence of Total) with the same undertaking number in field 23 (if present) and same reference in field 20.

10. *Are curly brackets part of the Z character set?*

   The left (opening) curly bracket is in the Z character set (not in X), and the right (closing) curly bracket is NOT in Z.

11. *Is it possible to include fields with z characters (i.e. characters in Z set, and not in X)
    from MT 754 and 756, for example, (which can contain z characters as of SR 2018) in
    common group messages 792 (Request for Cancellation), 795 (Queries) and 796
    (Answers), which feature at the end* "Copy of at least the Mandatory Fields of the Original
    Message"?

   Yes, this is possible and documented in MFVR.

12. Is the Z character set also acceptable in party names? Or: will it be possible to use the Z
    character set for fields 50 or 59 in the future?

   No, Unfortunately. The WG proposed to use z character set in party names and extend
   the name and address fields but after extensive discussions, this has been refused
   because of the impact on payments messages and systems.

13. Can the z character set be used in MT 799?

   No. This has not been requested. It can be used in MT 759.

14. We do not have the amendment number recorded in our system. Under the new 767,
    the amendment number is mandatory. How do we handle existing guarantees?

   One option is that as part of the transition for existing guarantees, that provision would
   be made to capture the sequence number of last amendment issued in the 2018 format
   (may be manual) and to have that available to the process that generates the new
   format.
   An alternative would be to start with some arbitrary value, e.g. '100' and advise the
   clients accordingly; or to set to '000' as an indication that no amendment number is
   available (plus a short disclaimer or explanation in the MT).
   This could also apply to 707.

15. Reimbursement under standby L/C. Should the MT 740 / 742/ 744 / 747 be used when
    standby will only be issued by 760 (SR 2020) or should different messages be used?

   The messages are:
   MT 740 Authorisation to Reimburse
   MT 742 Reimbursement Claim
   MT 744 Notice of Non-Conforming Reimbursement Claim
   MT 747 Amendment to an Authorisation to reimburse

   As long as standby L/Cs will continue to be issued subject to UCP rules, they can
   include bank to bank reimbursement instructions and be subject to URR if the parties so
   wish (however this is not frequent). Standby L/Cs can be considered as documentary.
   Many standbys do require presentation of at least one document (for ex: a beneficiary's
   statement).
   ISP98 has a built-in rule "as soon as a third bank is named, then it is automatically
   subject to URR".

   The recommendation is: The MT 740, 742, 744 and 747) that are used in the context of
   documentary credits should also be used for guarantees / standby L/Cs (although this is
   rare and only if relevant).

16. Should MT MT730, MT732, MT734, MT750, MT752, MT754 & MT756 be used as part of a standby L/C transaction?

The messages are:
MT 730 Acknowledgement   (vs 768 Acknowledgement for guarantee/standby L/C)
MT 732 Advice of Discharge
MT 734 Advice of Refusal   (vs 786 guarantee/standby L/C Demand Refusal)
MT 750 Advice of Discrepancy
MT 752 Authorisation to Pay, Accept or Negotiate
MT 754 Advice of Payment/Acceptance/Negotiation
MT 756 Advice of Reimbursement or Payment

MT 730 should not be used; MT 768 should be used instead.
MT 734 should not be used; MT 786 should be used instead.

For the other messages (732, 750, 752, 754, 756) the recommendation is: These MT's that are used in the context of documentary credits should also be used for guarantees / standby L/Cs (although this is rare, and only if relevant).

Cat 7 Frequently Asked Questions - LC

17. What are the size constraints for Field 45A (Description of Goods and/or Services) in the updated MT 700 - LC Application Detail and MT 701 - LC Application Extension?

The former specification of the MT 700 stated "To cater for lengthy documentary credits, up to three MT 701s may be sent in addition to an MT 700. However, field 45A may appear in only one message, that is, either in the MT 700 or in one MT 701".

In the updated specification of the MT 700 (effective November 2018), the restriction that Field 45A may appear in only one message (either in the MT 700 or in one MT 701) no longer applies. The Usage Rules for Fields 45, 46 and 47 have been updated to support more extension messages, from a maximum of 3 to a maximum of 7 extension messages, for MT 701 (and MT 711 and MT 721).

While fields 45, 46 and 47 do not repeat within the individual MT 700 and MT 701 messages, these fields may now span the MT 700 and/or multiple MT 701s, subject to the maximum message size and extension message occurrence limitations.

The size limitation under the updated specification of Field 45A, in theory, could be 8 x 100 x 65, some 52,000 characters.

Also note, the adoption of the extended **Z** Character Set for long fields, includes fields 45, 46, and 47.

18. If a bank received '/ADD/text' in field 45B on an incoming MT 707, can a bank subsequently send out an MT 707 with the full contents of field 45B qualified with '/REPALL/' .

Yes, if the text after REPALL is correct with respect to the previous text and the new text being added.

19. *For MT 700 / 701 / 710 / 711 / 720 / 721 is it valid to have the same field (45A/46A/47A/49G/49H) on multiple messages?*
For instance, having a description of goods field of more than 100 lines being specified in field 45A:

   MT700
   27: 1/2
   45A: first hundred lines

   MT701
   27:2/2
   45A: remaining lines

   Yes, it is permissible to have the same field (45A/46A/47A/49G/49H) in multiple messages. Note, this is a change compared to the previous and it applies from the 2018 MT Standards Release.

20. *When data in fields 45A/46A/47A/49G/49H is distributed across multiple messages for the same field, are there any implications for how fields are distributed?*
For example, with 150 lines for both 45A and 46A, would the following examples be correct (assuming the data does not exceed the maximum length of an individual message)?

   Example 1
   MT700
   27:1/2
   45A:100 lines
   46A:50 lines (i.e. less than 100 because not enough space in the message)

   MT701
   27:2/2
   45A:50 lines
   46A:100 lines

   Example 2
   MT700
   27:1/3
   45A:100 lines

   MT701
   27:2/3
   45A:50 lines
   46A:75 lines (i.e. less than 100 because not enough space in the message)

   MT701
   27:3/3
   46A:75 lines

   The above examples are correct. As long as each field is less or equal to 100 lines and total length of message does not exceed 10K characters.

21. *In the context of an MT 707 / MT 708, where code '/REPALL/' can be used to indicate that the contents of fields 45B/46B/47B/49M/49N should be replaced, does this need to appear on each occurrence of the respective field when the field spans multiple*

messages?
Yes, it applies in a similar manner across the MT 707 / MT 708 where the code '/REPALL/' must appear of at beginning of the first line of field 45B for every occurrence of field 45B.
For example, in using '/REPALL/' to replace all the content of 45A, where the total length of the new field is 150 lines, then both instances of 45B (e.g. first with 100 lines in a MT 707, second with 50 lines in a MT 708) must have '/REPALL/'at the beginning of the first line.

22. *Why do fields 45A/46A/47A/49G/49H in the MT 700 / 701 / 710 / 711 / 720 / 721 have different tags for fields: 45B/46B/47B/49M/49N in the MT 707 / MT 708?*

    Tags ending in 'A', 'G' and 'H' are without codes, tags ending in 'B', 'M' and 'N' require the use of the codes '/ADD/', '/DELETE/' and '/REPALL/' and are validated accordingly.

23. *In the context of MT 707 / MT 708, the multiple codes,* '/ADD/', '/DELETE/' and '/REPALL/', *can be used to indicate that the contents of fields 45B/46B/47B/49M/49N need to be changed. An example:*

    :45B:/DELETE/
    FOB EUROPEAN SEAPORT
    /ADD/
    FOB EUROPEAN SEAPORT OR FCA EUROPEAN AIRPORT
    :46B:/DELETE/
    +FULL SET OF CLEAN ON BOARD OCEAN BILLS OF LADING MADE OUT TO THE ORDER OF XYCBANK MARKED FREIGHT COLLECT AND NOTIFY APPLICANT
    /ADD/
    +FULL SET OF CLEAN ON BOARD OCEAN BILLS OF LADING OR AIRWAY BILL MADE OUT TO THE ORDER OF XYCBANK MARKED FREIGHT COLLECT AND NOTIFY APPLICANT

    Here is another example for a scenario in which the client ask their bank for delivery of **additional 50 red t-shirts** and noted that the bank had 4 options to change the L/C.

Original Goods description:	No	Amendment options:	Goods description new:	Remarks
100 t-shirts red 100 t-shirts green 100 t-shirts blue	1	/ADD/ 50 t-shirts red	100 red 100 green 100 blue 50 red	The added text is added at the end of the goods description
	2	/REPALL/ 150 red 100 green 100 blue	150 red 100 green 100 blue	the text is showing the appropriate order

	3	/DELETE/100 red /ADD/150 red	100 green 100 blue 150 red	The added text is added at the end of the goods description
	4	/DELETE/ 100 red 100 green 100 blue /ADD/ 150 red 100 green 100 blue	150 red 100 green 100 blue	same result as option no. 2 (Not recommended, REPALL should be used instead)

24. Unclear as to the reason for Rule C2 in the MT 707 message definition where it states:

C2   At least one field must be present after field 22A (Error code(s): C30).0).

Field 22A describes the purpose of the MT 707 amendment message by using a set of codes ('ACNF', 'ADVI', 'ISSU') and the fields after 22A describe the change itself. If there was no field after 22A there would be no change indicated and therefore it would not fulfil the MT 707 function of being an amendment.

25. Is consideration being given to removing the MT 705 (Pre-Advice of a Documentary Credit) from the Category 7 message set?

The MT 705 is still used, albeit at a low volume. Until such time as usage reaches a negligible level and there is no community demand for the MT 705, it will remain part the Category 7 message set.

26. Is it possible to indicate a change of currency and amount in the MT 707?
For example an LC amount is changed from USD 1000 to EUR 5000.

No, the currency of any increase/decrease in the credit amount must be in the same currency as that of the original credit amount.

27. If the goods description contains the same wording more than once and I want to delete only one occurrence? How would I use the /DELETE/?

/DELETE/ is an instruction to delete one occurrence, not several.
Depending on placement, the '/DELETE/' would delete next occurrence of the wording.
Consideration of using '/REPALL/' would avoid any ambiguity.

28. With the MT 707, which amount does the add confirmation (CONFIRM in Field 49 - Confirmation Instructions) refer to if an increase is made to an amount which hasn't been confirmed yet?

The confirmation is expected on the amended amount as indicated by the code ACNF (Advice and confirmation of the credit amendment) in Field 22A (Purpose of Message)

and use of code CONFIRM (The requested confirmation party is requested to confirm the credit) in Field 49.

29. *Will an MT 707or 708 message be 'Nacked' if one of the code words /ADD/, /DELETE/, /REPALL/ is not entered in Fields 45B/46B/47B/49M/49N at the start of the first line in the field?*

The absence of the mandatory code will mean the MT 707 or 708 will be 'Nacked'.
Format of these fields is defined as:
   Line 1   /6c/[additional information] (Code)(Narrative)

If the text following the instruction is longer than 100 lines, then the rest of the text (after 100 lines) must be entered in the continuation message, with the field starting with same instruction.

 For example
 MT 707
 :45B:/DELETE/
 Text of 100 lines

 MT 708
 :45B:/DELETE/
 Rest of the text

Multiple delete with same text:
 If you input
 /DELETE/ text1

 It will delete the first occurrence of text1 in the field.

 If you input a second
 /DELETE/ text1

 It will delete the first occurrence it finds, but because the first occurrence has already been deleted, you delete in fact the second occurrence from the initial text.
 This way you can delete all occurrences of a text in a field.

 Regarding the usage of multiple ADD/DELETE/REPALL

REPALL can only be used once. More does not make sense.
ADD can be used several times; by default text is added at the end, but combinations of DELETE plus ADD can be understood as "replace text"
DELETE can be used several times and it makes sense. If you have a bulleted list and you want to remove second and fifth line, the only way to accomplish this is with 2 DELETE.

 In practice the combinations of keywords that make sense are:
 1° one REPALL
 2° one or several DELETE
 3° one ADD (text added at the end)
 4° one or several combinations of DELETE plus ADD

 FIN MT Validation of fields with codes ADD/DELETE/REPALL

Each line is up to 65 characters (never more)
If a line does not start with a / it can contain any series of Z characters
If a line starts with a /, it must be followed by a valid code, a / and optionally other characters

A line starting with a / and not followed by a code will be NACKED in all cases.

Text can start on same line or on next line, both are valid.

Text to be deleted needs to be unambiguous. Or a text mentioned with /DELETE/ should be extended to become unambiguous."

The combination of "DELETE + ADD" should be understood as "replace selected text".

30. *Previously, MT 701 / 711 / 721 were generated only if the content in fields 45A/46A/47A in an MT 700 / 710 / 720 exceeded their respective field size. However, with the new MT 701 / 711 / 721 are the same controls applied to other fields?*

Yes, field 49G (Special Payment Conditions for Beneficiary) and field 49H (Special Payment Conditions for Receiving Bank).

31. *The new MT 707 appears to have almost the same fields as the MT 700; will it support modification of currency, Issuing bank or applicant?*

No. The currency of any increase/decrease in the credit amount must be in the same currency as that of the original credit amount. All fields in the MT 707 up to field 22A (includes issuing bank) are used to identification purposes and are not subject to amendment. There is a field 'Changed Applicant Details' in case of merger or acquisition of applicant.

32. *If a confirming bank has been required to confirm a letter of credit, and the confirming bank refuses to add its confirmation should it keep using a MT 799?*

Use the MT 759 (Ancillary Trade Structured Message) with code OTHERFNC (Other request) in Field 23H (Function).

33. *If MT 707 is accompanied by one or more MT 708 messages, how is the total number of MT 708 messages indicated?*

Field 27 (Sequence of Total) provides a count of the total number of MT 707 and MT 708 messages in the series of messages sent for one L/C amendment. If we have one MT 707 followed by two MT's 708, the tag 27 of the MT 707 contains the value 1/3, the tag 27 of the first MT 708 contains 2/3, and in the last MT 708, the tag 27 contains 3/3.

34. *Why was the code word BENCON removed from field 72Z in MT 707?*

The code word BENCON has been removed because it was misleading, i.e. it gives the impression that asking for the beneficiary's acceptance (or not) is an option. In fact, as per UCP, the beneficiary's acceptance (or not) is always required.

Please note that there is no NVR associated to this field, which means that it is not validated. So if you application continues to send the code word BENCON, it should not be a problem.

35. *If a bank receives instructions in the new field 49H (Special Payment Conditions for Receiving Bank) and there is another bank in the chain, are they expected to forward these instructions to the next advising bank or are they expected to be only for the bank receiving the message?*

The field name says explicitly "for Receiving Bank" So instructions in 49 are only for the receiving bank, not for another bank in the chain. Therefore no forwarding implied. Of course, there could be explicit forwarding instructions, in the text of the field.

36. *How to delete (as opposed to modify) the entire content of a text field in an MT 707?*

If it is a text field (not a coded field), for example 44A, 44E, 44F, 44B, 44D, you include the field and input a standard wording "DELETE". This will act as a delete.

(N.B. in general, fields containing only spaces, blank fields, should never be sent)

If it is a field with ADD DELETE REPALL, for example 45B, 46B, 47B, 49M, 49N you can enter /REPALL/ followed by nothing. Or /DELETE/ followed by the previous value, but /REPALL/ is more convenient.

Other cases:

40A (Form of Documentary Credit):
40E (Applicable Rules):
31D (Date and Place of Expiry):
41a (Available With … By …):
49 (Confirmation Instructions):
No option to "delete" this field, as it is mandatory in MT 700, therefore always required.

31D (Date and Place of Expiry):
If one sub-field only must be changed, you need to repeat the element that does not change.

43P (Partial Shipments):
43T (Transhipment):
43P and 43T: is there a realistic business scenario when one of these fields must be "deleted"? In the extreme case, to delete the field, we propose to input CONDITIONAL and then input a text in 45B to say that field is not relevant.

39A (Percentage Credit Amount Tolerance): to remove the tolerances, the preferred solution is to indicate in text (for example in 47B) that tolerances are removed.

42A (Drawee) and 42C (Drafts at): 42A and 42C go together so you should delete them both and indicate "DELETE 42A and 42C" in 42C

Drawee could be "deleted" by inputting "DELETE" in 4*35x of option D

Regarding 44C: 44C (Latest Shipment) and 44D (Shipment Period) are related. You can remove 44C by providing a text in 44D. If you don't want any date at all, you can input "NO SHIPMENT DATE", in 44D.

Regarding 48 Period for Presentation in Days 3n[/35x] (Days)(Narrative)
To remove this field, don't include it in 707 and mention that there is no Period for Presentation in 47B.

Regarding 58a Requested Confirmation Party
Issuance LC: 49: CONFIRM and tag 58A : SCBLUS33
Amendment LC: amend tag 49 to WITHOUT
58a does not need to be included. 58a is deleted because 49 is WITHOUT

 Reimbursing Bank can be removed by including the field and inputting DELETE in 4*35x, option D.
Reimbursing bank can be changed at any time and does not require an amendment. It is not part of the LC itself. So reimbursing bank can be changed outside of MT 707, i.e. by sending another MT. This is a practice.

Advise Through bank: Same as Reimbursing bank. If this field is deleted or changed, further explanation is needed in 72Z

37. MT 700 : Field 49H (Special Payment Conditions for Receiving Bank) Is there an example?

The use case is that if the Beneficiary seeks financing, as the Applicant pays all the charges, there can be conditions set by the Issuing bank for financing. This text with additional conditions should be put in 49H.

THIS L/C IS DISCOUNTABLE BY (Nominated/Discounting bank) IF REQUESTED BY BENEFICIARY AT SIGHT FOR THE AMOUNT OF DOCUMENTS PRESENTED IN STRICT CONFORMITY WITH THE
L/C TERMS AND COMPLYING PRESENTATION TO YOUR COUNTERS UNDER ADVICE TO US BY
AUTHENTICATED SWIFT MESSAGE.
.
IF DISCOUNT OCCURS, PERIOD WILL BE CALCULATED FOR A NUMBER OF DAYS FROM DISCOUNTING DATE YOU WILL COMMUNICATE TO US FOR DRAWING AMOUNT AT THE RATE OF ….. + MARGIN OF … PCT PER ANNUM.
.
IN SUCH A CASE, BENEFICIARY HAS TO ASSIGN IRREVOCABLY IN WRITING THE PROCEEDS OF
THE DEFERRED PAYMENT UNDERTAKING IN FAVOUR OF THE (Nominated/Discounting bank).
FOR SAKE ORDER, SIGNATURE OF THE BENEFICIARIES ON THE ACT OF THE ASSIGNMENT OF PROCEEDS
MUST BE AUTHENTICATED BY A BANK FOR THE CORRECTNESS AND THE CAPACITY OF THE SIGNER.
.
YOU WILL TAKE THE LENDER'S MARKET RATE OF …. BUSINESS DAYS BEFORE THE FIRST DAYS (EXCLUDED)
OF EACH INTEREST PERIOD PLUS THE MARGIN.
.

WE (Issuing bank) IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE TO PAY YOU THE FULL FACE VALUE
OF DOCUMENTS AS PER L/C AND YOUR DISCOUNTING COMMISSION AT THE MATURITY DATE OF THE L/C,
IN ANY CASE, NOTABLY IF A FRAUD ON THE LC IS DISCOVERED.

38. How to remove 42C (Drafts at) and 42a (Drawee) by MT 707?

> 42C (Drafts at) and 42a (Drawee) go together in MT 700 (i.e. must be both present or absent). If you want to remove them both as part of an amendment, one bank suggests inputting "42C and 42a DELETE" in 42C in 707.

39. Example of field 49G (Special Payment Conditions for Beneficiary) in MT 700?

PLEASE ADVISE BENEFICIARIES THAT IN PRINCIPLE WE WOULD
CONSIDER DISCOUNTING ACCEPTED DOCUMENTS AT THE RATE OF
LIBOR PLUS …. PERCENT PLUS USD …… (OR EQUIVALENT).
IF BENEFICIARIES WISH TO AVAIL THEMSELVES OF THIS PROPOSAL,
PLEASE INSTRUCT US ACCORDINGLY IN THE COVERING LETTER OR BY
SWIFT/TESTED TELEX.

Cat 7 Frequently Asked Questions – Guarantees/standby LCs

40. What is involved with the removal of guarantee/standby codes from MT 700 series in SR 2020?

Changes shown in the SR 2018 for the MT 700, MT 705, MT 710, and MT 720 are only those changes that will be implemented in SR 2018. A further change is planned for SR 2020 that impacts the handling of guarantees/standby L/Cs.

Today, the MT 700, MT 705, MT 710, and MT 720 can be used to issue, advise or transfer a standby L/C and the MT 707 is used for an amendment. This is achieved through the use of the following code-words highlighted in yellow:

Field 40A: Form of Documentary Credit

FORMAT

Option A   24x   (Type)

PRESENCE

Mandatory

DEFINITION

This field specifies the type of credit.

CODES

Type must contain one of the following codes (Error code(s): T60):

IRREVOCABLE	The documentary credit is irrevocable
IRREVOCABLE TRANSFERABLE	The documentary credit is irrevocable and transferable
IRREVOCABLE STANDBY	The standby letter of credit is irrevocable
IRREVOC TRANS STANDBY	The standby letter of credit is irrevocable and transferable

As of SR 2020, the "standby" codes (IRREVOCABLE STANDBY and IRREVOC TRANS STANDBY) in these messages will be removed and the structured MT 760 must then be used for the purpose of issuing a standby L/C and demand guarantees, and the MT 767 must be used to amend them.

In field 40E: Applicable Rules – the related code word for "standby" (ISP LATEST VERSION) will be also removed.

This update is not mentioned in the advance documentation for SR 2018 but will be shown in the advance documentation SR 2020.

41. Which MT should be used to amend a guarantee/standby issued using an MT 700 after SR 2018 and before 2020?

After SR 2018 and before SR 2020, the MT 707 should be used to make an amendment to a standby L/C which was issued using an MT 700.
After SR 2020 the MT 760 must be used for issuance of a standby L/C and the MT 767 must be used to make an amendment (irrespective of whether the standby L/C was issued prior to SR 2020 using an MT 700 or not).

42. Which sequences (B or C) should be filled-in by an applicant when asking its bank to either issue a guarantee/standby in favour of the beneficiary or to request that a counter-guarantee/counter-standby is needed to facilitate the beneficiary's local bank issuance of a guarantee/standby LC?
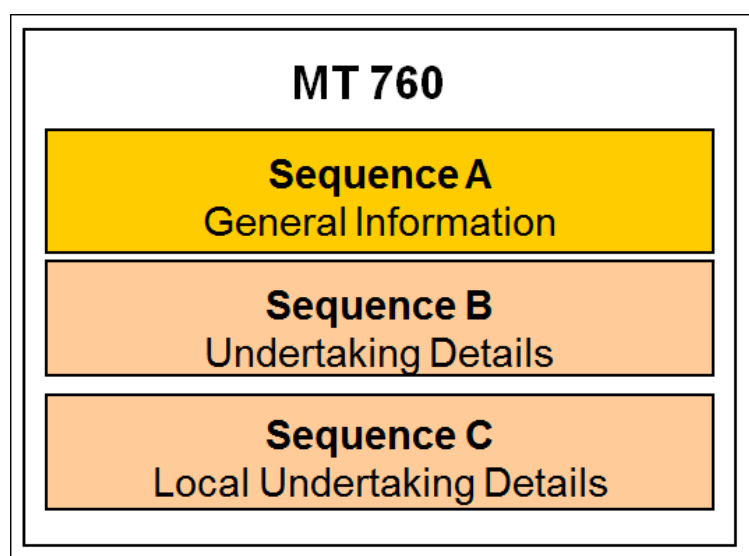
The MT 760 message consists primarily of structured fields and many contain coded options (e.g. amount, parties, expiry details, etc.) The message has been designed with three distinct blocks:
Sequence A: General information
Sequence B: Mandatory, indicates the details of the undertaking or counter-undertaking
Sequence C: (optional) indicates the details of the requested local undertaking

The applicant must always complete sequence B, and in the case where a local undertaking is requested to be issued by a local bank, such details can be completed in Sequence C. Sequence B then serves as detail for a counter undertaking to be issued by the applicant's bank in favour of the local bank.

43. Clarify usage of code ADVI (Advice of issued undertaking) in MT 760?

Distinct from the codes ISSU (Issuance of undertaking), ISCO (Issuance of counter-undertaking) and ICCO (Issuance of counter-counter-undertaking), the codes ADVI (Advice of issued undertaking) and ACNF (Advice and confirmation of issued undertaking) are used by the 1st advising bank to advise the 2nd advising bank the details of the issued MT 760 or the amended MT 767 guarantee / standby L/C. Codes ISSU, ISCO and ICCO are used by the issuing bank to designate that the MT 760 is

being advised by the issuing bank itself.

There may be multiple advising banks in the chain and all advising banks would use code ADVI or ACNF, the latter only when the advising bank is adding its confirmation.

44. If the bank transfers/advises Guarantees issued by another bank what format will it use after SR 2018 and after SR 2020?

After SR 2018 the bank with continue to use the existing MT 760.
After SR 2020 the bank must use the new MT 760 and MT 761 as defined to advise guarantee. The old MT 760 will no longer be supported. The bank may use an MT 759 (Ancillary Trade Structure Message) with code TRANSFER (Transfer of an undertaking) in Field 23H (Function) to transfer guarantee.

45. With the issuance of a guarantee using the existing MT 760, nearly all the guarantee information is placed into field 77C (Details of Guarantee). Will this be no longer possible from SR 2020 onwards?

With SR 2020, the MT 760 has a very structured format in order to facilitate better automation. Guarantee / standby LC information needs to be captured in designated fields in the MT 760 and any accompanying MT 761. Field 77C does not exist in the new MT 760, however it should be noted that the field 77U (Undertaking Terms and Conditions) is a free text field (150*65z).
As much as possible, information must be captured in the structured fields and if one or more details cannot be captured correctly within the fields then the free text field 77U should be used.

46. In accordance with the naming of the MT 760 (Issue of a Demand Guarantee/Standby Letter of Credit), is this message type intended for independent guarantees / independent standby LCs only? In regard to accessory guarantee, what message type shall we use?

For an accessory guarantee, the MT 759 (Ancillary Trade Structured Message) should be used, with the following codes UNDK (Undertaking - for example guarantee, surety) in Field 22D (Form of Undertaking) and ISSUANCE (Issue of a free-form undertaking such as a dependent guarantee) in Field 23H (Function).

47. Is there a limit on the size of MT 768?

Maximum length of 2000 characters.

48. Upon implementation of SR 2020, an MT 760 is used to issue a Demand Guarantee or Standby L/C. In Tag 48D (Transfer Indicator) we can indicate that the undertaking is transferable. If a Transfer is issued, which MT message is used to transfer the instrument?

Use the MT 759 (Ancillary Trade Structured Message) with code TRANSFER (Transfer of an undertaking) in Field 23H (Function).

49. What if there are more than one applicant and/or more than one beneficiary?

In the MT 700 field 47A (Additional Conditions) may be used to describe additional parties.
In the MT 760 field 77U: (Undertaking Terms and Conditions) may be used to describe additional parties.

50. In the same way that the 707 was significantly changed, we anticipate that there will be similar need to update the MT 767 (29 tags) to bring it more in line with the new MT760 (66 tags), correct? If yes, when can these changes be expected?

The amendment message design for guarantees / standby L/Cs focussed on those fields which would be most subject to a change. Other exceptional changes could be handled in a more generalised manner by using fields such as 77U (Other Amendments to Undertaking) and 77L (Other Amendments to Local Undertaking). Usage experience may give rise to future refinements through change requests.

51. Will the new MT 760 have a specific tag for reimbursement authorization?

Not a specific tag, but reimbursement arrangements may be specified in MT 760 field 77U.

52. If the MT 760 has a reimbursement authorization would a nominated bank need to use the MT 742 to claim reimbursement?

Yes, The MT 740 and 742 (and the series) that are used in the context of documentary credits should also be used for guarantees / standby L/Cs (although this is rare).
Also note that ISP98 rules contain a default rule that allows reimbursement to be subject to URR725 (current). As such a bank that issues a standby LC subject to ISP98 must be allowed to use the MT 740 to issue a reimbursement authorization under that standby L/C.

53. Why was the field ISSUE/REQUEST removed from MT 760?

ISSUE/REQUEST code list was removed because the codes in field 22A "Purpose of message" cover the different functions in the new MT 760.
The codes in 22A are:

ACNF Advice and confirmation of issued undertaking
ADVI Advice of issued undertaking
ICCO Issuance of counter counter-undertaking and request to issue counter-undertaking
ISCO Issuance of counter-undertaking and request to issue local undertaking
ISSU Issuance of undertaking

54. Where do I put information that was previously on the corporate cover letter (Advice)?

For example, address for document presentation. This should go in 47E in <774>.

55. What is the meaning of the code "Bill of lading" in 22K (Type of Undertaking) of MT 760?

It is referring to guarantees issued to shipping companies related to loss or inability to produce original bills of lading at the time of clearing/claiming the goods; also called "steamship guarantee".

56. I have heard that the MT 759 shall be used for dependent guarantees / suretyships? And if so what about the issuance of an independent counter guarantee asking for the issuance of a suretyship?

It is possible to issue a counter undertaking (independent) and request to issue locally a dependent instrument (DEPU is a value of 22D in sequence C but not in B). Dependent undertaking may not be issue by MT 760, but well by MT 759.

57. Regarding field 22K (type of undertaking) in MT 760, why isn't this field also in sequence B?

We followed a legal advice not to put 22K (Type of Undertaking) in sequence B. 22K is present in sequence C because it will help the issuing bank to choose the wording of the undertaking. But in sequence B (which is the issued instrument), the wording/text of the undertaking completely determines what it is. If field 22K was present, there is a risk of conflict between 22K and the wording, so it was decided to have the text and not 22K.

MT 798 - Frequently Asked Questions

58. Clarify usage of fields 21A and 21P and associated additional business references:

Fields 21A (Customer Reference Number) and 21P (Bank Reference Number) are considered to be technical references and serve to uniquely link a set of related MT 798 messages (e.g. Index Message + Details Message + Extension Message).

In the Bank-to-Corporate (B2C) flows:
- 21P must be present and mandatory in all messages of the flow (as it binds the messages)
- 21A may be present, but then only in the index message, if this reference is provided, it is not useful to repeat it in details and extension messages
Some flows are such that the B2C message is the first one, no preceding C2B message (example MT 798<757> - Settlement of Import L/C Index), in this case 21A is optional or absent; some flows are a response to a request message, in this case 21A is mandatory.

In the Corporate-to-Bank (C2B) flows:
- 21A must be present and mandatory in all messages of the flow (as it binds the messages)
- 21P may be present, but then only in the index message, it is not useful to repeat it in details and extension messages.
Some flows are such that the C2B message is the first one, no preceding B2C message, in this case 21P is optional or absent; some flows are a response to a request message, in this case 21P is mandatory.

Additional Business References for Bank and Corporate (fields 21S and 21T)

In addition to fields 21A and 21P, the specification of all flows also contains additional business references, one for the corporate and one for the bank. These fields are optional and are used at the discretion of the corporate or bank. They may not be used to link messages in a flow.

The corporate can input a reference in field 21T (Additional Customer Reference) if they wish so. This could be for example a project number. The bank receiving the message is only required to send back the same reference, in the same field, in the message that is the response to the corporate.

The bank can input a reference in 21S (Additional Bank Reference) if they wish so. The corporate receiving the message is only required to send back the same reference, in the same field, in the message that is the response to the bank.

59. How to report taxes in charges in settlement messages

MT 798<757> - Settlement of Import Documentary Credit Index
MT 798<758> - Settlement of Export Documentary Credit Index

Charges and taxes are reported in field 71E (Details of Commission and Charges in free text or coded form). The coded field form is defined as:
/8a/1!a/[3!a13d][Narrative]
(Type)(Bank)(Currency) (Amount)(Narrative)

For example:
1) Type code: ACCPTCOM (Acceptance commission), ADVCOM (Advising commission), CORCOM (Correspondent's commission), TAX (Tax), etc.
2) Bank code: B (charged by the bank sending the message) or O (charged by another bank than the bank sending the message)
3) Currency
4) Amount
5) Narrative (free text, 35z)

The type code is specified at the beginning of the line with a leading '/'. The same type code can be repeated on several lines. With taxes on charges or commissions, this can be reported on a TAX line using type code '/TAX', to indicate the percentage tax and base amount in Narrative, e.g.:

/CORCOM/O/EUR1000
/TAX/O/EUR150/15% on CORCOM

60. Explain the guideline for 33a Net Amount in the different messages, how should it be computed?

MT 798<731> - Notification of Advice of Discharge Index
MT 798<755> - Notification of Advice of Reimbursement or Payment Index
<u>33a Net Amount</u> - This field specifies the currency code and net amount that was or will be remitted or is to be claimed, and possibly a value date.
- For import side: Net Amount is Principal Amount + Additional Amounts + Amount of Commission of Charges (Net amount is debited)
- For export side: Net Amount is Principal Amount + Additional Amounts - Amount of Commission of Charges (Net amount is credited)

MT 798<757> - Settlement of Import Documentary Credit Index
<u>33a Net Amount</u> - This field specifies the currency code and net amount that was or will be claimed, and possibly a value date.

- For import side: Net Amount is Drawing Amount (+ Additional Amounts) + Amount of Commission of Charges

MT 798<758> - Settlement of Export Documentary Credit Index
<u>33a Net Amount</u> - This field specifies the currency code and net amount that was or will be remitted or is to be claimed, and possibly a value date.
- RULE: For MT 798<758> (Export) when 12R (Reason for Message) is:
  - PAYM this amount represents a credit.
  - BOTH this amount represents a credit.
  - CHGS this amount represents a debit.

61. *Is there no impact on MT 730 acknowledgement message as a result of the new MT 798<719> - Response to a Draft Undertaking?*

The MT 730 is an inter-bank message used to acknowledge the receipt of any documentary credit message following issuance. Not applicable to the MT 798 flows.

62. What should a bank do when they receive L/C or guarantee via MT 798 from another bank?

The MT 798 message type may be used as an interbank message with another bank, with which they have an established bilateral agreement and where it is clear on the business context and exact purpose of the MT 798. Otherwise the MT 798 should be rejected by the receiving bank and the sending bank notified accordingly.

The interbank MT 798 must not be used when an existing message type is available and applicable. For L/Cs if the sending bank is the issuing bank, it should use the MT 700. If the sending bank is not the issuing bank, it should use the MT 710.

63. What is the difference between MT 798<793/790> (Notification of Settlement of Charges) and MT 798<757> (Settlement of Import Documentary Credit) and MT 798<758> (Settlement of Export Documentary Credit)?

The MT 798<758> is sent to the corporate (beneficiary) by its bank. It is used to report the settlement of payment and/or charges on the beneficiary's side by its bank. It is specific to the export side and is designed to report the settlement of the drawings under the credit.

The MT 798<757> is the equivalent message on the import side.

The MT 798<793 / 790> is sent to the corporate (applicant or beneficiary) by its bank. It is used to notify the corporate of bank charges, interest or other adjustments which have been debited or credited to the owner's account. This message pair may be used in addition to, or as an alternative to, the MT 798<757 or 758> if it is only about charges. In order to report the settlement of drawings, the MT 798<757 or 758> must be used.

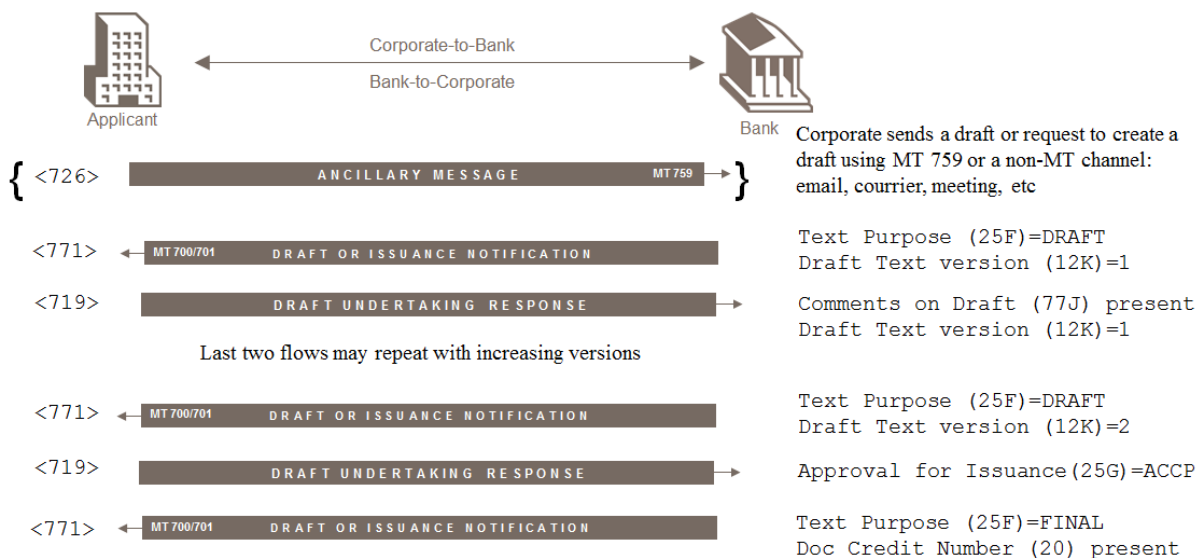*64. Can MT 798 guidelines also be tested on MyStandards?*

This functionality is available for LCs as part of MyStandards (for a fee) since July 2018.

65. Please explain the new drafting scenarios

Scenario with an initial "Application" MT 798 message
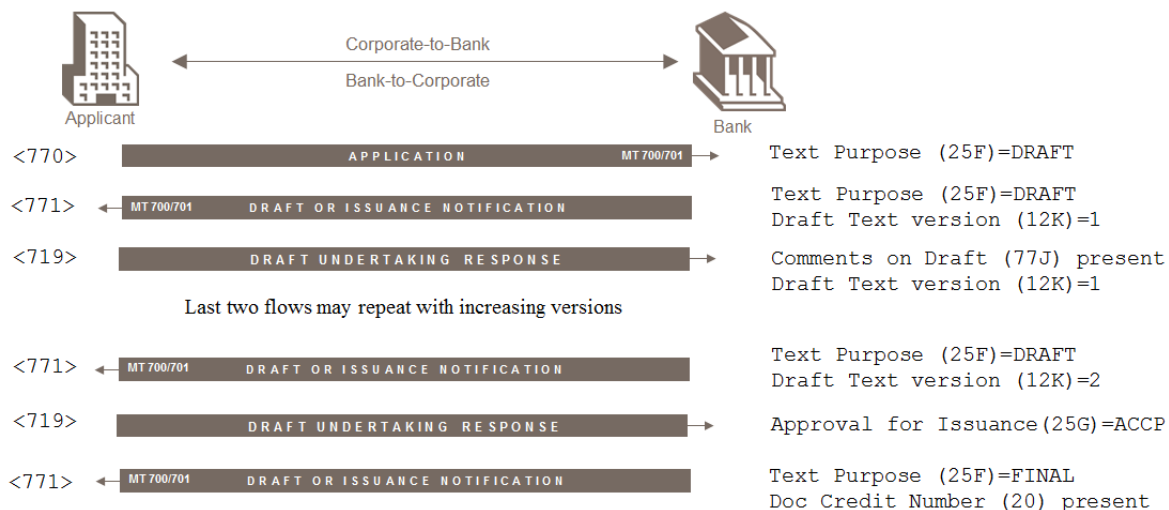
Scenario without an initial "Application" MT 798 message

66. *For the* MT798 MIG, is it correct to assume that all **Common Group** messages are in scope for the SWIFT November 2018 changes (**Import** and **Export**)?

Yes, all MT 798 common group messages are in the scope of the SR 2018.

67. *How can a draft be cancelled by the customer, after acceptance?*

Scenario: a customer has sent its acceptance of draft 3 to the bank (using <719> and 25G= ACCP), and wants to cancel this.

MT <797> Cancellation request may be used to ask the cancellation of previously sent <719>. (The last one sent)
<719> is referenced in fields 21, 11T and 22D.

It is possible that the bank has already issued the undertaking and the draft cannot be cancelled (the undertaking will have to be cancelled by amendment).

If draft number was 3 and it was cancelled, next draft number sent by bank should be 4.

68. Which message should be used to notify a silent confirmation (commit to honour or negotiate the documents) *with confirmation rate and date?*

There is a guideline in V5 for silent confirmation at the time of sending the Advice; it should be done by sending the Advice and using 49F (confirmation information) in index message for the silent confirmation details (regardless of what was specified in field 49 of MT 700).

<776> "Amendment" should not be used for that purpose.

The request from the corporate to the bank could be done using a free format message <799>; could be also done using <759>.

Calculation of commission and rates etc. should appear in the Settlement messages.

69. Which values to input in field 31C Date of issue (Mandatory) in MT 700 in Application and field 30 in MT 707 in Request?

By default it is recommended to put Date of Application in 31C in MT 700, and Date of Request in 30 in MT 707. These values will not be taken into account by Receiver, as per the guidelines.

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