MT Category 7 Enhancements Overview

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2019 Webinars

Agenda

Overall Project Presentation

Time Line

Category 7 changes SR 2020, interbank and corporate (MT 798)

Feedback on SR 2018

Q&A

Overall Project

The Trade Finance Maintenance Working Group (TFMWG) launched a significant overhaul of the cat 7 MTs (Letters of credit, guarantees and standby L/Cs) in 2013, taking into account change requests from previous years, and other drivers:

– requests from the community over the last 10 years

– straight-through-processing

– to fill some gaps in transaction flows

It is a significant upgrade to the functionality and format of the 700 (L/C) series and 760 (guarantees/standby L/Cs) series of messages, including 9 new MTs

The go-live dates are in November 2018 for L/Cs and November 2020 for guarantees/standby L/Cs (initially 2019, then deferred to 2020).

The detailed implementation and documentation time line is as follows:

	Q1			Q2			Q3			Q4		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2016		● Advance Documentation				● Annual Deadline for CR				Readiness Portal My Standards ●		
2017				● Advance Documentation		● Annual Deadline for CR					● LIVE	SRG Documentation ●
2018 L/Cs		● Advance Documentation 2020		Vendor Test Bed (VTB) ●		● Annual Deadline for CR	● UHB Documentation ● Test & Training (T&T)				● LIVE	
2019		● Advance Documentation 2020		Vendor Test Bed (VTB) ●		● Annual Deadline for CR	● Test & Training (T&T)				● (LIVE) Not cat 7	SRG Documentation ●
2020 Guarantees / standby L/Cs		**12 Change Requests submitted for SR 2020**		Vendor Test Bed (VTB) ●		● Annual Deadline for CR	● UHB Documentation ● Test & Training (T&T)				● LIVE	

Home › Standards › Standards releases

Standards releases

Gain a clear picture of upcoming releases and manage the impact on your business using our dedicated tools

Overview   MT Release 2018   MX Release 2018   MT Release 2019   MX Release 2019   **Release highlights**   **Release highlights**

Standards MT Release 2018 and 2020: prepare for major changes related to Category 7 messages

A significant upgrade to Documentary Credits messages was performed in November 2018 as part of the continuous improvement of our standards.

Another upgrade, to the Guarantees/Standby LCs message, is now planned for November 2020 (was deferred from 2019).

The latest documentation for the Category 7 Guarantees/Standby LCs messages can be found on the MT Release 2019 timeline here.

In addition to the above changes, we have also published the new MT 798 Trade Guidelines for corporate-to-bank communication V5.2 (6 September 2019).

To ensure the community is aware of the upcoming changes in SR 2020 and MT 798, SWIFT Standards has organized:
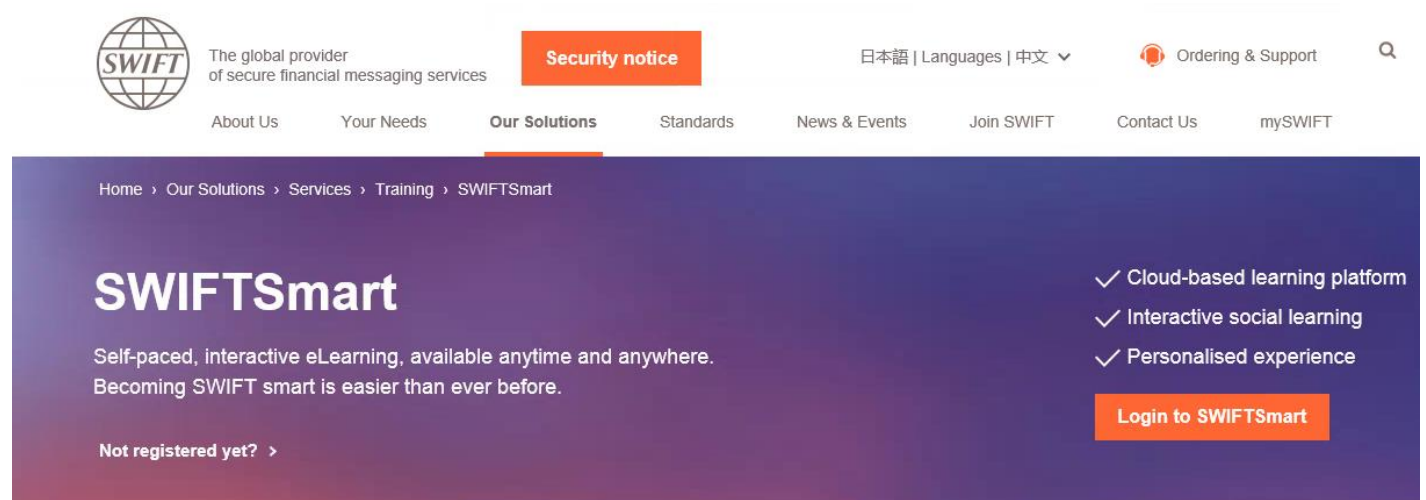
- **Webinar sessions in the course of June 2018. The collateral used, slides, FAQ document and recording of the webinars are available here.**

- **Webinar sessions** in the course of November 2019

Training and Webinars

Worldwide webinars

SwiftSmart has specific modules and training on category 7, SR 2018 (as of January 2018) and SR 2020 (as of 2019).

Summary – Evolution in Category 7

Limited functionality

Large portions of free text

Limited character set

Few coded fields

Major revamp

New fields added

Z-character set in long text fields

Codes introduced

More validation

Staggered Release

Published advance documentation

SR 2018
– MT 700-759
– 3 new messages

SR 2020
– MT 760-787
– 6 new messages

MT Category 7 Update: New messages

Documentary Credits

MT 708 Amendment to a Documentary Credit

MT 744 Notice of Non-Conforming Reimbursement Claim

Guarantees/Standbys

MT 761 Issue of a Demand Guarantee/Standby Letter of Credit (cont.)

MT 765 Guarantee/Standby Letter of Credit Demand

MT 775 Amendment to a Demand Guarantee/Standby Letter of Credit (cont.)

MT 785 Guarantee/Standby Letter of Credit Non Extension Notification

MT 786 Guarantee/Standby Letter of Credit Demand Refusal

MT 787 Guarantee/Standby Letter of Credit Amendment Response

All Cat 7

MT 759 Ancillary Trade Structured Message

MT Category 7 Updates
General – L/Cs and Guarantees/Standby L/Cs

Creation of a message MT 759 (Ancillary Trade Structured Message) similar to MT 799 but using a number of coded and structured fields

Adoption of extended "Z" character set for long fields (e.g. 45A, 46A, 47A, 71, 72, 73, 77)

```
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
```

X

```
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
```

Z

Changes for SR 2020: Guarantees and Standby Letters of Credit

MT 760 & MT 767 are significantly enhanced

- Previously had few structured fields and one large free-format field
- New versions are highly detailed and structured
- Sequences introduced to cater for undertaking details as well as local undertaking details

MT 768 & MT 769

- Field 71B change to 71D with z-character set
- Field 72 change to 72Z with z-character set
- New field 23X with codes to identify the delivery channel

SWIFT

MT 760 Issue of a Demand Guarantee/Standby Letter of Credit

Status	Tag	Field Name
Mandatory Sequence A General Information		
M	15A	New Sequence
M	27	Sequence of Total
M	22A	Purpose of message
O	72Z	Sender to Receiver Information
O	23X	File Identification
End of Mandatory Sequence A General Informa		
Mandatory Sequence B Undertaking Details		
M	15B	New Sequence
M	20	Undertaking Number
M	30	Date of Issue
M	22D	Form of Undertaking
M	40C	Applicable Rules
M	23B	Expiry Type
O	31E	Date of Expiry
O	35G	Expiry Condition/Event
O	50	Applicant
O	51	Obligor/Instructing Party
M	52a	Issuer
M	59a	Beneficiary

Status	Tag	Field Name	Content/Options	No.
O	56a	Advising Bank		
O	23	Advising Bank Reference		
O	57a	'Advise Through' Bank		
M	32B	Undertaking Amount		
O	39D	Additional Amount Information		
O	41a	Available With...		
O	71D	Charges		
O	45C	Document and Presentation Instr		
M	77U	Undertaking Terms and Condition		
O	49	Confirmation Instructions		
O	58a	Requested Confirmation Party		
O	44H	Governing Law and/or Place of J		
O	23F	Automatic Extension Period		
O	78	Automatic Extension Non-Extens		
O	26E	Automatic Extension Notification		
O	31S	Automatic Extension Final Expiry		
O	48B	Demand Indicator		
O	48D	Transfer Indicator		
O	39E	Transfer Conditions		
O	45L	Underlying Transaction Details		
O	24E	Delivery of Original Undertaking		
O	24G	Delivery To/Collection By		

End of Mandatory Sequence B Undertaking Detai

Optional Sequence C Local Undertaking Details

Status	Tag	Field Name	Content/Options	No.
M	15C	New Sequence	Empty field	40
O	31C	Requested Date of Issue	6!n	41
M	22D	Form of Undertaking	4!c	42
M	40C	Applicable Rules	4!a[/35x]	43
O	22K	Type of Undertaking	4!c[/35x]	44
M	23B	Expiry Type	4!c	45
O	31E	Date of Expiry	6!n	46
O	35G	Expiry Condition/Event	12*65x	47
M	50	Applicant	4*35x	48
O	51	Obligor/Instructing Party	4*35x	49
O	52a	Issuer	A, D	50
M	59	Beneficiary	[/34x] 4*35x	51
M	32B	Undertaking Amount	3!a15d	52
O	39D	Additional Amount Information	12*65z	53
O	41a	Available With...	F, G	54
O	71D	Charges	6*35z	55
O	45C	Document and Presentation Instructions	100*65z	56
O	77L	Requested Local Undertaking Terms and Conditions	150*65z	57
O	22Y	Standard Wording Required	4!c	58
O	40D	Standard Wording Requested Language	2!a	59
O	44H	Governing Law and/or Place of Jurisdiction	2!a[/65x]	60
O	23F	Automatic Extension Period	4!a[/35x]	61
O	78	Automatic Extension Non-Extension Notification	12*65x	62
O	26E	Automatic Extension Notification Period	3n	63
O	31S	Automatic Extension Final Expiry Date	6!n	64
O	48B	Demand Indicator	4!c	65
O	48D	Transfer Indicator	4!c	66
O	39E	Transfer Conditions	12*65z	67
M	45L	Underlying Transaction Details	50*65z	68
O	24E	Delivery of Local Undertaking	4!c[/35x]	69
O	24G	Delivery To/Collection By	4!c [6*35x]	70

MT 760 Format Specifica

MT 760 Guarantee/Standby Letter of Credit

Status	Tag	Field Name
M	27	Sequence of Total
M	20	Transaction Reference Number
M	23	Further Identification
O	30	Date
M	40C	Applicable Rules
M	77C	Details of Guarantee
O	72	Sender to Receiver Information

M = Mandatory, O = Optional

. . .

Guarantees and Standby Letters of Credit
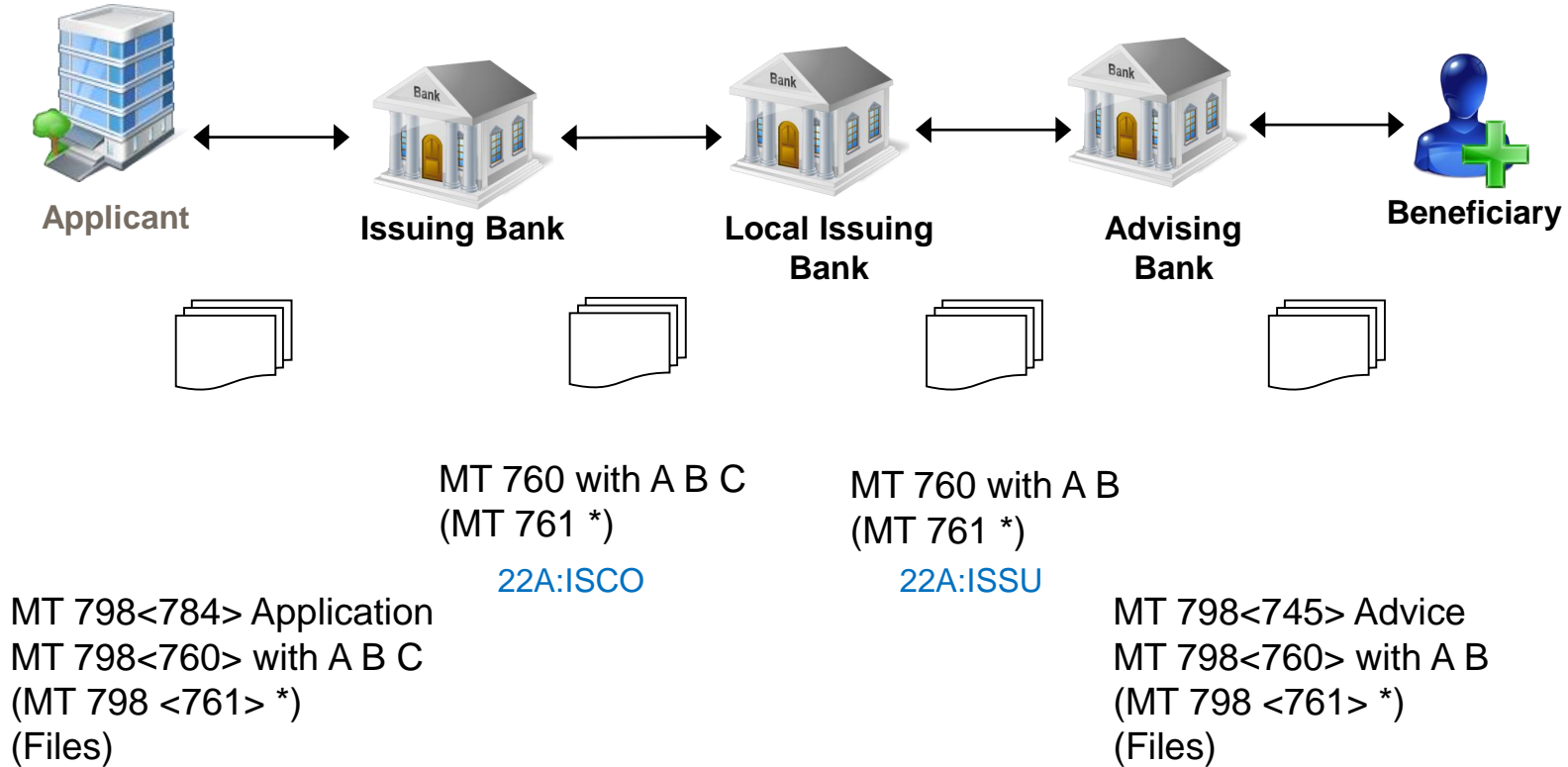## General overview message structure of new MT 760

MT 760

Sequence A General Information
Sequence B Undertaking Details
Sequence C Local Undertaking Details

➕

MT 761

Wording of Undertaking or Counter-Undertaking ——————— Requested wording for Local Undertaking

➕

MT 761

Up to 7
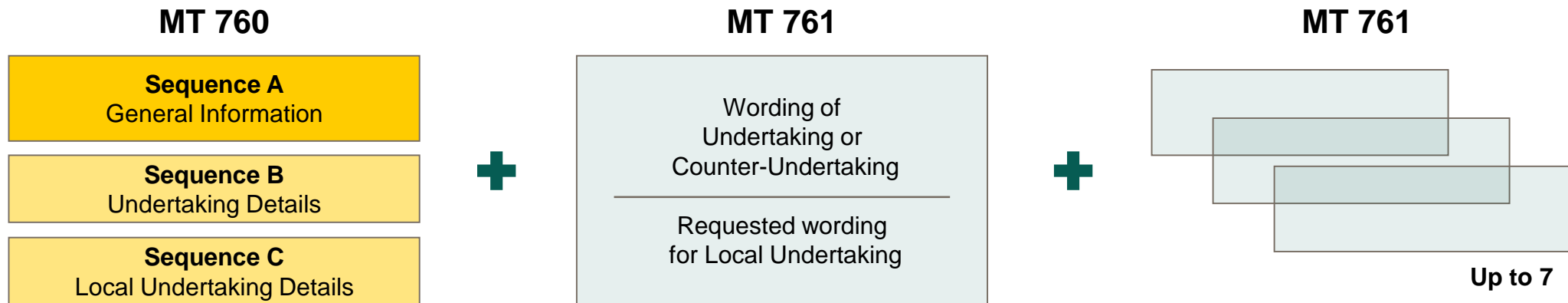
The revised MT 760 message consists primarily of structured fields and fields with coded options (e.g. amount, parties, expiry details, etc.) The message has been designed with three blocks:

– Sequence A: General information
– Sequence B: indicates the details of the undertaking or counter-undertaking
– Sequence C: (optional) indicates the details of the requested local undertaking
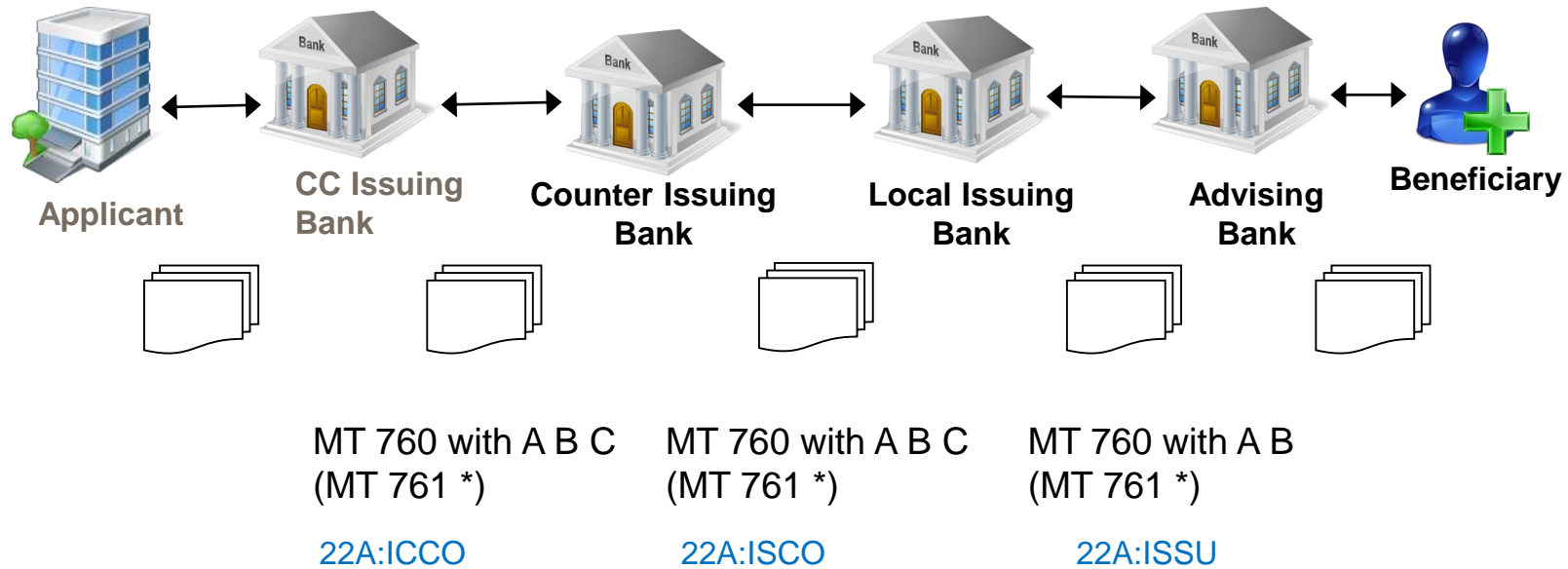
The extension message MT 761 message consists primarily of a big free text block in order to specify the wording of the undertaking/counter-undertaking as well as the requested wording for the local undertaking – if applicable

Up to a maximum of 7 MT 761 messages can follow the MT 760 message

Guarantees and Standby Letters of Credit
Counter and Local Scenario

Applicant   **Issuing Bank**   **Local Issuing Bank**   **Advising Bank**   **Beneficiary**

MT 760 with A B C
(MT 761 *)

22A:ISCO

MT 760 with A B
(MT 761 *)

22A:ISSU

MT 798<784> Application
MT 798<760> with A B C
(MT 798 <761> *)
(Files)

MT 798<745> Advice
MT 798<760> with A B
(MT 798 <761> *)
(Files)

Guarantees and Standby Letters of Credit
Counter-counter, counter and Local Scenario

Applicant — CC Issuing Bank — Counter Issuing Bank — Local Issuing Bank — Advising Bank — Beneficiary

MT 760 with A B C
(MT 761 *)

22A:ICCO

MT 760 with A B C
(MT 761 *)

22A:ISCO

MT 760 with A B
(MT 761 *)

22A:ISSU

Other Changes for SR 2020

Addition of field 23X File Identification in all messages

MT 768, 769: character set Z allowed in "Details of Charges" and "Sender to Receiver Information"

After SR 2020, guarantees and standby L/Cs may not be issued using the MT 700 anymore. The related codes will be removed from MT 700. MT 760 must be used.

MT 759 in the context of guarantees

- MT 759 is a new message that went live in November 2018
- MT 759 is a multi-purpose message, more structured than MT 799 and should be used rather than MT 799
- In the context of guarantees, it can be used for issuance and amendment of DEPENDENT guarantees
- For independent guarantees, 760 and 767 must be used.

MT 759 Ancillary Trade Structured Message

MT 759 Scope

This message is sent to request or to provide information, such as a fraud alert or a financing request, concerning an existing trade transaction such as a documentary credit, demand guarantee, standby letter of credit, or an undertaking (for example, a guarantee, surety, etc.).

This message must not be used where an existing MT is available, and it should be used rather than the MT 799.

MT 759 Format Specifications

MT 759 Ancillary Trade Structured Message

Status	Tag	Field Name	Content/Options	No.
M	27	Sequence of Total	1!n/1!n	1
M	20	Transaction Reference Number	16x	2
O	21	Related Reference Number	16x	3
M	22D	Form of Undertaking	4!c	4
O	23	Undertaking Number	16x	5
O	52a	Issuer	A or D	6
M	23H	Function of Message	8!c	7
M	45D	Narrative	150*65z	8
O	23X	File Identification	4!c/65x	9
M = Mandatory, O = Optional - Network Validated Rules may apply				

Field 23H: Function

CODES

Function must contain one of the following codes:

CLSVOPEN	Opening of client service call by Trade Operations
CLSVCLOS	Closing of client service call by Trade Operations
FRAUDMSG	Advice of a fraud attempt
GENINFAD	General information advice
ISSAMEND	Amendment of a free-form undertaking such as a dependent guarantee
ISSUANCE	Issue of a free-form undertaking such as a dependent guarantee
OTHERFNC	Other request
REIMBURSE	Request related to a reimbursement
REQAMEND	Request to amend an undertaking
REQFINAN	Financing request
REQISSUE	Request to issue an undertaking
TRANSFER	Transfer of a undertaking

USAGE RULES

The function may not be used if there is a specific MT (for example, MT 700, 707, 760, 767) that covers the same function.

MT 798 Trade Guidelines

The category 7 MTs are bank-to-bank messages.

In the corporate-to-bank space, MT 798 guidelines have been developed. The MT 798 is used as an envelope message, with specific fields, or entire bank-to-bank MTs included in field 77E
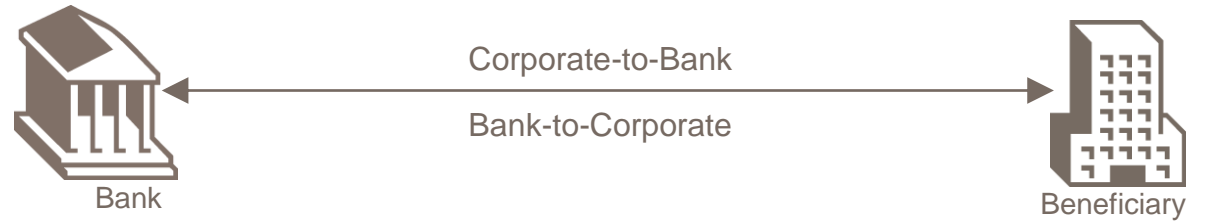
The MT 798 Guideline specification (currently implemented is V5) was upgraded to take into account the category 7 changes. It also includes various enhancements.

These changes will "go live" at the same time than the corresponding MTs.

MT 798 MIG V5 was firstly published in July 2017. Updated in 2018 and 2019

Applicant   Issuing Bank   Advising Bank   Beneficiary
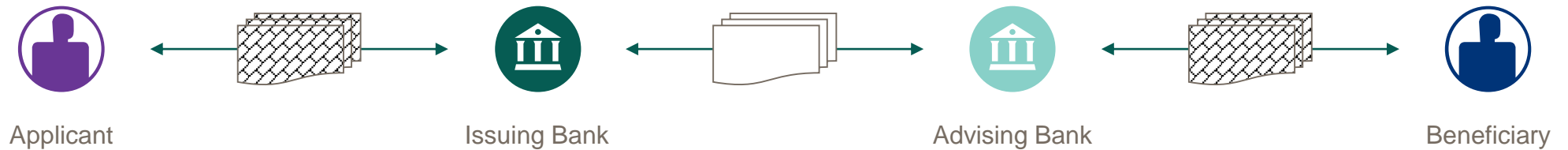
New Flows
MT 798
guarantees/standby LC

Corporate-to-Bank

Bank-to-Corporate

Bank

Beneficiary

	ISSUANCE ADVICE	MT <745> 760, 761 →
	AMENDMENT ADVICE	MT <743> 767, 775 →
Based on new MT 787 →	← MT <728> 787 AMENDMENT ADVICE RESPONSE	
Based on new MT 785 →	NON EXTENSION NOTIFICATION	MT <727> 785 →
Based on new MT 765 →	← MT <712> 765 DEMAND	
Based on new MT 786 →	DEMAND REFUSAL	MT <729> 786 →
	DEMAND ACKNOWLEDGEMENT	→

MT 765 Scope

This message is sent by a party (as the beneficiary or on behalf of the beneficiary) to a party which has issued an undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking), either directly or via a third party.

It is used to demand payment under an undertaking and may include a request to extend the expiry date.

The demand itself must be specified as narrative text within the message. It may indicate availability of supporting documentation in addition to the demand.

MT 765 Format Specifications

MT 765 Guarantee/Standby Letter of Credit Demand

Status	Tag	Field Name	Content/Options	No.
M	20	Transaction Reference Number	16x	1
M	21	Related Reference	16x	2
O	23	Beneficiary Reference Number	16x	3
M	52a	Issuer	A or D	4
O	59a	Beneficiary	A or D	5
O	31L	Date of Demand	6!n	6
M	22G	Demand Type	4!c	7
M	32B	Demand Amount	3!a15d	8
O	78	Additional Amount Information	12*65x	9
O	49A	Demand Statement	4!c [50*65z]	10
O	77	Presentation Completion Details	20*35z	11
O	31E	Requested New Date of Expiry	6!n	12
O	56a	Intermediary	A, B, or D	13
O	57a	Account With Institution	A, B, or D	14
O	72Z	Sender to Receiver Information	6*35z	15
O	23X	File Identification	4!c/65x	16
M = Mandatory, O = Optional - Network Validated Rules may apply				

MT 785 Scope

This message is sent in one of two ways:

- By the party that issued the undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking) to the beneficiary (that is, only in case of beneficiary being a financial institution) or to a nominated advising party that advised the undertaking to the beneficiary or to another advising party
- By the party that issued the counter-undertaking (counter-guarantee or counter-standby) to the beneficiary of the counter-undertaking (financial institution)

It is used to notify the beneficiary, if applicable, via one or more advising parties of the non-extension of the referenced undertaking beyond the current expiry date.

MT 785 Format Specifications

MT 785 Guarantee/Standby Letter of Credit Non Extension Notification

Status	Tag	Field Name	Content/Options	No.
M	20	Undertaking Number	16x	1
O	21	Related Reference	16x	2
M	52a	Issuer	A or D	3
M	31C	Date of Issue	6!n	4
M	59a	Beneficiary	A or D	5
O	56a	Advising Bank	A or D	6
O	57a	'Advise Through' Bank	A or D	7
O	31E	Final Date of Expiry	6!n	8
O	72Z	Sender to Receiver Information	6*35z	9
O	23X	File Identification	4!c/65x	10
M = Mandatory, O = Optional - Network Validated Rules may apply				

MT 786 Scope

This message is sent by the party that issued the undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking) to a bank as the beneficiary or to the presenter of the demand, either directly or via a third party.

It is used by the party obligated on the undertaking and to whom a demand for payment has been made, to notify the beneficiary that the demand has been refused.

The reason(s) giving cause for refusal must be specified as narrative text within the message.

MT 786 Format Specifications

MT 786 Guarantee/Standby Letter of Credit Demand Refusal

Status	Tag	Field Name	Content/Options	No.
M	20	Undertaking Number	16x	1
O	21	Beneficiary Reference Number	16x	2
M	52a	Issuer	A or D	3
M	30	Demand Submission Date	6!n	4
M	32B	Demand Amount	3!a15d	5
M	77J	Reason for Refusal	70*50z	6
O	77B	Disposal of Documents	3*35x	7
O	72Z	Sender to Receiver Information	6*35z	8
O	23X	File Identification	4!c/65x	9
M = Mandatory, O = Optional - Network Validated Rules may apply				

MT 787 Scope

This message is sent in one of two ways:

- By the beneficiary when the beneficiary is a financial institution
- By a nominated advising party that advised the undertaking amendment to the beneficiary or advised the undertaking amendment to another advising party

It is sent to the bank that issued the undertaking amendment (guarantee, demand guarantee, standby letter of credit or dependent undertaking), either directly or via one or more advising parties, to indicate acceptance or rejection by the beneficiary of the amendment.

MT 787 Format Specifications

MT 787 Guarantee/Standby Letter of Credit Amendment Response

| Status	Tag	Field Name	Content/Options	No.
M	20	Transaction Reference Number	16x	1
M	21	Related Reference	16x	2
M	52a	Issuer	A or D	3
M	26E	Number of Amendment	3n	4
M	23R	Amendment Status	4!c [6*35x]	5
O	72Z	Sender to Receiver Information	6*35z	6
O	23X	File Identification	4!c/65x	7
M = Mandatory, O = Optional - Network Validated Rules may apply				

Overall Project Presentation

Time Line

Category 7 changes SR 2020

Feedback on SR 2018
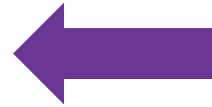
Good usage of codes in new MT 707/708 (SR 2018)

- ADD/DELETE/REPALL codes introduced for fields 45B, 46B, 47B, 49M, 49N.

- These codes are for straight-through processing and must be used without any instructions in natural language, like "please add or replace this"

- ADD adds texts at the end of the current text (before this amendment)

- DELETE followed by ADD acts as a "replace"

- ADD or DELETE acts once, not multiple times

- FAQ document and Webinars for more details and training

CODES

One or more of the following codes must be used in Code (Error code(s): T67):

ADD	Add	Must be followed by the text to be added (a sentence, paragraph or line item)
DELETE	Delete	Must be followed by the text to be deleted (a sentence, paragraph or line item)
REPALL	Replace all	Must be followed by the text that replaces all text in same field. No other code may be used.

Thank you

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