Standards MT November 2022

SR 2022 – Business Highlights

This document provides summarised, high level, business information related to the changes made to FIN (MT) messages as part of Standards release 2022 (SR 2022).

19 November 2021

Table of Contents

[Preface 3](#_Toc87951946)

[1 Background and Summary 4](#_Toc87951947)

[2 Treasury Markets - Foreign Exchange, Money Markets & Derivatives: Category 3 5](#_Toc87951948)

[3 Securities: Category 5 6](#_Toc87951949)

[4 Commodities and Reference Data: Category 6 8](#_Toc87951950)

[Legal Notices 9](#_Toc87951951)

# Preface

Purpose of this document

This document provides summarised, high level, business information related to the changes made to MTs as part of Standards release 2022 (SR 2022). These changes will be active on the SWIFT network on 20 November 2022.

The *technical* details of the changes are published in the Standards Release Guide (SRG). Information can be accessed via the Standards MT release 2022 [timeline](https://www.swift.com/standards/standards-releases) and analysed using [MyStandards](http://www.swift.com/mystandards). Also available via the [timeline](https://www.swift.com/standards/standards-releases) is the Updated High-Level Information document, which contains a summary of the *underlying business cases* for each change.

# Background and Summary

The annual MT Standards release ensures that the message types (MTs) exchanged by SWIFT users remain suitable for the business areas in which they are used, by enabling new business functionality and compliance with changing regulations. Because the standard is so widely implemented, it is important that the benefit of each change is balanced against the implementation cost. The SWIFT MT maintenance process ensures that all changes are reviewed and approved by a broad cross section of the SWIFT community (more information about the MT maintenance process can be found in the [User Handbook (Knowledge Centre)](https://www2.swift.com/knowledgecentre/products/Standards%20MT)).

# Treasury Markets - Foreign Exchange, Money Markets & Derivatives: Category 3

**Add a regulatory Reporting Jurisdiction code for the South Korean Services Commission.**

To allow UTI use and reporting in South Korea of derivatives trades with a jurisdiction reporting code for the South Korean Financial Services Commission.

**Add support for non-deliverable trades in digital currencies.**

Add support for confirming and setting non-deliverable FX trades and options in digital currencies that do not have an ISO 4217 currency code. The digital currency will always be non-deliverable, so there is no requirement to specify its settlement instructions.

# Securities: Category 5

**Changes impacting ALL Category 5 messages:**

* **Add a new account field to be able to transport the blockchain address/wallet identification.**

Digital asset will be kept at a blockchain address/wallet identification rather than in a traditional safekeeping account which must be reflected in the standards.

* **Add a new decimal format option for quantity of financial instrument to settle digital assets.**

One of the challenges for some digital assets is the minimal tradeable units. A format with 30 decimals will allow to indicate what is commonly used in the market as minimal tradeable units for digital assets.

**Settlement and Reconciliation (S&R**):

* Address regulatory requirements related to the Central Securities Depositories Regulation (CSDR):

**- Add new code for partial release and make quantity repetitive.**

Partial release is a new functionality that will allow a participant to release a delivery instruction for part of the original/remaining quantity. Adding a new qualifier informs the receiver of the remaining quantity to release.

**- Add new status and reason code for partial release mismatch.**

Whenever a matched instruction will be pending/failing and there is a mismatch on the partial settlement indicator, a settlement status will be provided to advise about this discrepancy.

* **Add new optional counterparty market infrastructure reference.**

A market infrastructure reference already exists on the client side, but is also needed on the counterparty’s side.

* **Increase number of linked settlement instructions up to 99999.**

Currently only trade allocations up to 999 children are possible. This needs to be extended for larger block trades.

**Corporate Actions (CA):**

* **Add new first and last bid increment price fields and related network validation rules.**

To enable full STP when non-standards bid range types are used for tender, repurchase offer, and dutch auction events.

* **Add new network validation rules for usage of minimum and maximum bid prices.** Prevent presence of two minimum and maximum prices simultaneously in different sequences.
* **Add new other type of income fields and related network validation rules.**

Allow (for tax reporting purposes) notification of several income type codes (from different countries) for cash or securities proceeds of an event.

* **Add new URL and narrative fields to provide specific additional information to next party in chain.**

Enable account servicers to provide specific instructions on events intended solely to their direct participants or clients.

* **Add new qualifier for protect balance in instruction status.**

Enable provisioning the total protect instruction units in a separate balance as these units cannot be considered as instructed units.

* **Make the FX rate repetitive in confirmation.**

Enable provisioning when several consecutive FX take place for income/proceeds (of a Corporate Action event) declared in a restricted currency.

* **Add a new code for meeting incentive payment.**

Correctly identify payment of incentives premium with CONS events when related to votes lodged for a meeting (with incentive premium).

* **Add new code for dissenter’s rights not applicable.**

Enable the reporting when dissenter's rights are not applicable to an event.

* **Add new status reason code for rejection by agent/invalid paperwork.**

Enable the status reporting of a specific rejection code when agent rejects instructions for put events because the participant has not supplied the proper paperwork to the agent as back up or because the agent rejects the put event as it will end up being paid with the call/maturity payment.

**Triparty Collateral Management (TCM):**

* **Add an exposure type code for uncleared derivative margin segregation.**

The exposure type code for Uncleared Derivative Margin Segregation was added to the ISO 20022 Triparty Collateral Management messages and therefore it must also be available in Category 5 Triparty Collateral Management messages.

# Commodities and Reference Data: Category 6

**Add a regulatory Reporting Jurisdiction code for the South Korean Financial Services Commission.**

To allow UTI use and reporting in South Korea of derivatives trades with a jurisdiction reporting code for the South Korean Financial Services Commission.

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