

Investment Funds
Paper # 9 (v0.2)
Prepayment information –
Order Instruction Status Report
Guidelines on Usage
July 2008

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Table of content

Table of content	2
1. Introduction	3
2. Pre-payment in Order Instruction Status Report - Implicit	4
2.1. SPECIFICATION OF 'IMPLICIT'	4
2.2. TRANSLATION FROM ORDER INSTRUCTION STATUS REPORT (IMPLICIT) MX TO MT 509.....	5
3. Pre-payment in Order Instruction Status Report – Explicit	6
3.1. SPECIFICATION OF 'EXPLICIT'	6
3.2. TRANSLATION FROM ORDER INSTRUCTION STATUS REPORT (EXPLICIT) MX TO MT 509.....	7
4. Translation Rules Maintenance MX to MT (FIN SR 2008)	8
5. Translation Rules Maintenance MT (FIN SR 2008) to MX	8
5.1. TRANSLATION 'PRE-PAYMENT' MT 509 TO MX FOLLOWING EXPLICIT MX SPECIFICATION	8

1. Introduction

In some markets, the subscription must be paid for before the order is executed.

This document explains a specification for indicating this 'pre-payment' in the Order Instruction Status Report (setr.016.001.03) message.

In the MX, in the current message, pre-payment can be specified in an implicit way.
In the MT 509, pre-payment is implemented in an explicit way.

This document describes how, in the Order instruction Status Report, prepayment is specified both implicitly and explicitly.

This document also shows how the translation rules for Order Instruction Status report to MT 509 and MT 509 to the Order Instruction Status Report will be updated to cover prepayment.

2. Pre-payment in Order Instruction Status Report - Implicit

2.1. Specification of 'implicit'

The executing party uses the Order Instruction Status Report to specify that the order has the status conditionally accepted and the reason is because the subscription money hasn't been paid.

<OrdrInstrStsRptV03>	
<MsgId>	
<Id>12345678</Id>	
<CreDtTm>2008-07-03T10:50:15</CreDtTm>	
</MsgId>	
<IndvOrdrDtIsRpt>	
<OrdrRef>Order 1</OrdrRef>	Identification of the order for which the status is given.
<CondlyAcptd>	Status of order is conditionally accepted.
<RsnDtIs>	
<Rsn>AWSM</Rsn>	Reason for conditionally status is ASWM - Awaiting Subscription Money = "Specifies that the order is accepted for further processing but that the execution of the order is pending until there is enough cash in the account to pay the subscription."
</RsnDtIs>	
</CondlyAcptd>	
<OrdrData>	
<SttlmAmt Ccy = "EUR">5000</SttlmAmt>	Amount to be paid (optional)
</OrdrData>	
<NewDtIs>	
<XpctdTradDtTm>	
<Dt>2008-07-17</Dt>	Expected trade date (optional)
</XpctdTradDtTm>	
<XpctdCshSttlmDt>2008-07-10</XpctdCshSttlmDt>	Date the cash must be paid.
</NewDtIs>	
</IndvOrdrDtIsRpt>	
</OrdrInstrStsRptV03>	

The fact that the order must be paid for before execution is implicit from the presence of conditionally accepted – awaiting subscription money. The date the prepayment must be made must be specified in Expected Cash Settlement Date.

The amount to be paid is optionally specified in the Settlement Amount element.

2.2. Translation from Order Instruction Status Report (Implicit) MX to MT 509

If Conditionally Accepted \ Reason Details \ Reason contains AWSM and new Details \ Expected Cash Settlement Date is present, it is assumed that the status report contains the status of a subscription for which pre-payment is required.

If Conditionally Accepted Reason = ASWM AND Expected Cash Settlement Date is present		>>	25D IPRC//PPRE AND 22H BUSE//SUBS AND 98a PVAD.
Then if	Settlement Amount is present	>>	19A ORDR.
	Expected Trade Date present	>>	98a TRAD
	Financial Instrument Details is present	>>	35B
	Investment Account \ Owner Identification is present	>>	95a ACOW
	Investment Account \ account Identification	>>	97a SAFE (at Trade Details level)

Note that trade data information is only translated from the MX to the MT if the value of 22H BUSE can be derived from the context of the MX. So far there is only one known case where the value of 22H BUSE can be derived. This is when the status is Conditionally Accepted and the Reason is AWSM.

<OrdrInstrStsRptV03>	:16R:GENL
<Msgld>	:20C::SEME// 12345678
<Id> 12345678 </Id>	:23G:INST
<CreDtTm> 2008-07-03T10:50:15 </CreDtTm>	:98C::PREP//200080310:50:15
</Msgld>	:16R:LINK
<IndvOrdrDtlsRpt>	:13A::LINK//502
<OrdrRef> Order 1 </OrdrRef>	:20C::RELA// Order 1
< CondlyAccptd >	:16S:LINK
<RsnDtls>	:16R:STAT
<Rsn> AWSM </Rsn>	:25D::IPRC// PPRE
</RsnDtls>	:16S:STAT
</ CondlyAccptd >	:16S:GENL
<OrdrData>	:16R:TRADE
<SttlmAmt Ccy = "EUR"> 5000 </SttlmAmt>	:98A::PVAD// 20080704
</OrdrData>	:98A::TRAD// 20080707
<NewDtls>	:22H::BUSE//SUBS
<XpctdTradDtTm>	:22H::PAYM//APMT
<Dt> 2008-07-17 </Dt>	:19A::ORDR//EUR5000,
</XpctdTradDtTm>	:16S:TRADE
<XpctdCshSttlmDt> 2008-07-10 </XpctdCshSttlmDt>	
</NewDtls>	
</IndvOrdrDtlsRpt>	
</OrdrInstrStsRptV03>	

3. Pre-payment in Order Instruction Status Report – Explicit

3.1. Specification of ‘explicit’

The executing party uses the Order Instruction Status Report to specify that the order has the status conditionally accepted and that pre-payment is required.

<OrdrInstrStsRptV03>	
<MsgId>	
<Id>12345678</Id>	
<CreDtTm>2008-07-03T10:50:15</CreDtTm>	
</MsgId>	
<IndvOrdrDtIsRpt>	
<OrdrRef>Order 1</OrdrRef>	
<CondlyAccptd>	Status is Conditionally Accepted
<RsnDtIs>	
<XtnDedRsn>PPRE</XtnDedRsn>	Pre-payment is required.
<AddtlInf>PVAD/2008-07-10</AddtlInf>	Pre-payment date.
</RsnDtIs>	
</CondlyAccptd>	
<OrdrData>	
<SttlmAmt Ccy = "EUR">5000</SttlmAmt>	Amount to be paid (optional)
</OrdrData>	
<NewDtIs>	
<XpctdTradDtTm>	
<Dt>2008-07-17</Dt>	Expected trade date (optional)
</XpctdTradDtTm>	
</NewDtIs>	
</IndvOrdrDtIsRpt>	
</OrdrInstrStsRptV03>	

The fact that the order must be paid for before execution is explicit from the presence of conditionally accepted \ Extended Reason \ PPRE and PVAD/Date in the Additionally Information element

The amount to be paid is optionally specified in the Settlement Amount element.

3.2. Translation from Order Instruction Status Report (Explicit) MX to MT 509

If Conditionally Accepted \ Reason Details \ Extended contains PPRE and the Additional Information element contains "PVAD" and this is followed by a date, it is assumed that the status report contains the status of a subscription for which pre-payment is required.

If Conditionally Accepted Extended Reason = PPRE AND Additional Information contains PVAD/Date		>>	25D IPRC//PPRE AND 22H BUSE//SUBS AND 98a PVAD.
Then if	Settlement Amount is present	>>	19A ORDR.
	Expected Trade Date present	>>	98a TRAD
	Financial Instrument Details is present	>>	35B
	Investment Account \ Owner Identification is present	>>	95a ACOW
	Investment Account \ account Identification	>>	97a SAFE (at Trade Details level)

Note that trade data information is only translated from the MX to the MT if the value of 22H BUSE can be derived from the context of the MX.

<OrdrInstrStsRptV03>	:16R:GENL
<Msgld>	:20C::SEME// 12345678
<Id>12345678</Id>	:23G:INST
<CreDtTm>2008-07-03T10:50:15</CreDtTm>	:98C::PREP// 200080310:50:15
</Msgld>	:16R:LINK
<IndvOrdrDtlsRpt>	:13A::LINK//502
<OrdrRef>Order 1</OrdrRef>	:20C::RELA// Order 1
<CondlyAcptd>	:16S:LINK
<RsnDtls>	:16R:STAT
<XtnDedRsn> PPRE </XtnDedRsn>	:25D:: IPRC//PPRE
<AddtlInf> PVAD/2008-07-10 </AddtlInf>	:16S:STAT
</RsnDtls>	:16S:GENL
</CondlyAcptd>	:16R:TRADE
<OrdrData>	:98A:: PVAD//20080704
<SttlmAmt Ccy = "EUR">5000</SttlmAmt>	:98A:: TRAD//20080707
</OrdrData>	:22H::BUSE//SUBS
<NewDtls>	:22H::PAYM//APMT
<XpctdTradDtTm>	:19A:: ORDR//EUR5000,
<Dt>2008-07-17</Dt>	:16S:TRADE
</XpctdTradDtTm>	
</NewDtls>	
</IndvOrdrDtlsRpt>	
</OrdrInstrStsRptV03>	

4. Translation Rules Maintenance MX to MT (FIN SR 2008)

The translation rules for the Order Instruction Status Report (23G INST) to MT 509 will be updated to support both the implicit and explicit translations. The resulting MT 509 is the **same** in both cases (as illustrated above).

For the Explicit usage, some additional constraints are required.

1	If Extended Reason PPRE is present and additional Information in same sequence is not present	Message rejected for translation
	If Extended Reason PPRE is present and additional Information in same sequence is present but does not contain PVAD\ as the first 5 characters	Message rejected for translation
	If Extended Reason PPRE is present and additional Information in same sequence is present and PVAD\ is present as the first 5 characters, but the data that follows is not a date	Message rejected for translation

5. Translation Rules Maintenance MT (FIN SR 2008) to MX

The translation rules for the translation of MT 509 (23G INST) to the MX Order Instruction Status Report will be updated to support prepayment.

However, translation of the MT 509 'prepayment' to the Order Instruction Status Report MX can result in two different MXs depending on whether the MX result conforms to the 'implicit' or 'explicit' usage guidelines.

The SWIFT translation rules for the translation of MT to MX will follow the 'explicit' specification.

5.1. Translation 'pre-payment' MT 509 to MX following explicit MX specification

If the MT 509 specifies 25D IPRC//PPRE and 98a PVAD is present:

25D IPRC//PPRE + 98a PVAD.	>>	Conditionally Accepted \ Extended Reason \ PPRE AND Conditionally Accepted \ Additional Information \ PVAD + date
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If 19A ORDR is also present, it is assumed that this is the amount to be paid:

Then if	19A ORDR is present	>>	Settlement Amount
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MT 509	Translates to
:16R:GENL	<OrdrInstrStsRptV03>
:20C::SEME// 12345678	<Msgld>
:23G:INST	<Id>12345678</Id>
:98C::PREP//200080310:50:15	<CreDtTm>2008-07-03T10:50:15</CreDtTm>
:16R:LINK	</Msgld>
:13A::LINK//502	<IndvOrdrDtlsRpt>
:20C::RELA// Order 1	<OrdrRef> Order 1 </OrdrRef>
:16S:LINK	<CondlyAcptd>
:16R:STAT	<RsnDtls>

Investment Funds Paper # 9 (v1)
 Prepayment

:25D::IPRC//PPRE	<XtnDEDrsn>PPRE</XtnDEDrsn>
:16S:STAT	<AddtlInf>PVAD/2008-07-10</AddtlInf>
:16S:GENL	</RsnDtIs>
:16R:TRADE	</CondlyAccptd>
:98A::PVAD//20080704	<OrdrData>
:98A::TRAD//20080707	<SttlmAmt Ccy = "EUR">5000</SttlmAmt>
:22H::BUSE//SUBS	</OrdrData>
:22H::PAYM//APMT	<NewDtIs>
:19A::ORDR//EUR5000,	<XpctdTradDtTm>
:16S:TRADE	<Dt>2008-07-17</Dt>
	</XpctdTradDtTm>
	</NewDtIs>
	</IndvOrdrDtIsRpt>
	</OrdrInstrStsRptV03>