Standards

Funds Order Messages - Maintenance

Standards MX

Hedge/Alternative Funds Requirements

Change Request 454 Addendum

This document is a proposal for an outline specification of how the mutual funds messages are to be updated with hedge/alternative funds data elements as a result of a review of the Global Alternative Investment Automation (GAIA) market practice, the SWIFT hedge/alternative funds messages and the Straight Through Processing for the Hedge Funds Industry project (SHARP) market practice.

Last Updated 5 April 2016. Version 1.0

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# Introduction

In 2014, the Swiss community (Swiss Commission for Financial Standardisation (SCFS) ) submitted a change request to ISO 20022 for the inclusion of hedge/alternative funds functionality in the 'mutual' funds messages. This change request, [CR0454](http://www.iso20022.org/documents/CRs/CR0454_SCFS_AltFunds_v2.doc), was accepted by the Securities SEG Investment Funds Evaluation Team in June 2015.

In the meantime, a market practice has been developed by [GAIA](http://www.gaiastandard.org/) (global alternative investment Automation) for the use of the mutual funds order messages for hedge/alternative funds. This market practice has been well received. It is said that the market practice covers 80% of hedge/alternative funds scenarios. However, in some cases, the market practices specifies a work-around (a creative way to use the standard) such as:

1. use of an element for which the definition is being 'stretched'
2. misuse of an element
3. use of an 'Extended' code element because a code does not exist in the code list

It has been agreed that the GAIA specification should be the basis of how the mutual funds messages are to be updated for hedge/alternative funds functionality in support of CR0454. This document lists those places in the GAIA market practice where 'work-arounds' are being used and proposes how the mutual funds messages are to be updated to support hedge/alternative funds functionality.

It also lists hedge/alternative funds elements in the SWIFT hedge/alternative funds messages that are not already present in the mutual funds messages or GAIA market practice specifications and takes into account the Straight Through Processing for the Hedge Funds Industry project (SHARP) market practice.

A small number of 'real-life' examples of the SWIFT hedge/alternative funds messages were obtained and their content taken into account.

## Review Process

|  |  |  |
| --- | --- | --- |
| Date | Present | Comments |
| 9 March 2016 | Steve Wallace (GAIA) assessed the document and then reviewed with GAIA members (includes Tomas Bremin (Clearstream) |  |
| 10 March 2016 | * Tomas Bremin (Clearstream & GAIA) * Rainer Vogelgesang (Six Group) * Steve Wallace (GAIA) * Janice Chapman (SWIFT) | As a result of the review meeting, some revisions necessary. A new version of the document was produced and circulated, 15 March 2016. |
| 18 March 2016 | * Review meeting took place: * Tomas Bremin (Clearstream & GAIA) * Rainer Vogelgesang (Six Group) * Steve Wallace (GAIA) * Janice Chapman (SWIFT) | Items 2.2. Special Agreement Code and 2.3 Special Agreement Text have been merged into a single section (they cover a single business concept).  Real examples of SWIFT hedge/alternative funds messages have been reviewed and their content taken into account (The sample size was small (1 example per message type).)  Further revisions were necessary as a result of this review. A new version of the document was produced on 22 March 2016, distributed to SW, RV, TB. There are some places were further review and feedback is necessary, this has been solicited via e-mail. |
| 5 April 2016 | As a result of the last review no further changes have been made. Track changes have been eliminated and the document distributed as version 1.0 | |
|  |  |  |

# New Elements - GAIA

A study of the ‘GAIA Standard Market Practice for Automation in the Alternative Funds Industry’, release 1.00 version 1.16 suggests that the mutual funds messages need updating as described below.

## Beneficial Owner Reference

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | YES | YES | YES | YES | YES |

The element Investment Account Details / Account Designation is being used for the concept of a 'beneficial owner reference'. From a definition point of view, this field is being misused

|  |  |
| --- | --- |
| Account Designation  Definition in 'current' messages | Beneficial owner reference  GAIA Definition |
| Supplementary registration information applying to a specific block of units for dealing and reporting purposes. The supplementary registration information may be used when all the units are registered, for example, to a funds supermarket, but holdings for each investor have to reconciled individually. | A reference to the beneficial owner of the investment. Can be a name or any code meaningful to the fund manager. Care should be taken when using this item as it may trigger AML checks at the TA. |

**10 March 2016 FINAL PROPOSAL**

It was agreed that this reference is best placed in the Account Designation field. GAIA will update its definition. Therefore, there is no change to the standard for this concept.

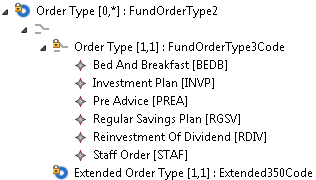
(On account opening, KYC and anti-money laundering checks are carried out on the account owner/beneficial owner. In some markets, a reference number is assigned to the account owner which is then quoted on all transactions. It is preferable not to make reference to the 'beneficial owner' as such in the order, as this, in some markets, triggers a need for KYC and anti-money laundering checks, which breaks STP.)

## GAIA Special Agreement Code & Text

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | YES | YES | NO | NO | NO |

The kinds of codes that GAIA is placing in the Order Type/ Extended element indicate that human intervention is required before the order can be processed and GAIA were trying to standardise the waiver. The GAIA specification says that text to describe the waiver is placed in the 'Non Standard Settlement Information' element, although GAIA are trying NOT to use this text field.

The GAIA Special Agreement Code, which represents the reason for a waiver on the order, is being specified in the Order Type field using the 'extended' element:



|  |  |
| --- | --- |
| Order Type  Definition in 'current ' messages |  |
| Specifies the category of the investment fund order.  As can be seen by the above code words, this element gives an overarching reason for the subscription. | GAIA is using a code for a 'special agreement' - with one of the following values (in Extended):   * Agreed with fund manager * Transaction below minimum level has been agreed * Transaction above maximum level had been agreed * A side letter is in place * The investment manager has agreed a fee waiver on this order |

In other words, the field Order Type is being misused by GAIA in that it is used by GAIA to give some underlying parameter for why this particular subscription is allowed or a condition on the execution of the subscription. GAIA, in fact, in its work-around, mixes two business concepts.

The GAIA Special Agreement Code Text (text to describe the order waiver) is being specified in Non Standard Settlement Information.

HISTORY

1 March 2016 version of the document.

It was proposed that code list for Order Type is expanded to include the GAIA special agreement codes and the definition of order type expanded to cover this additional functionality. This proposal was rejected.

10 March 2016 review meeting

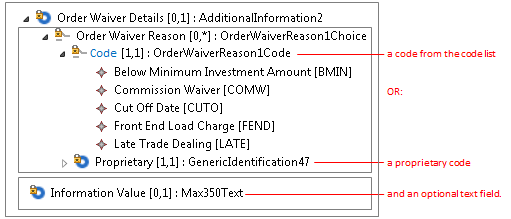
Tomas Bremin (Clearstream) said the current usage of the element Non Standard Settlement Information for special agreement text (narrative information) is acceptable (this has since been superseded).

15 March 2016 version of the document

It was proposed that the Special Agreement Code is specified in Charge Details. The Charge Details has a number of change requests impacting the sequence and it was proposed that an optional element called Order Waiver Details is placed in the Charge Details / Waiving Details subsequence. The element 'Order Waiver' would be typed by a message component allowing an optional choice of code or proprietary ('Special Agreement Code ) and an optional element for text 'Special Agreement text’). This proposal was rejected because the Special Agreement Code is a waiver on the order itself, not a waiver on the changes.

18 March 2016 Review Meeting FINAL PROPOSAL

It was agreed that an optional element called Order Waiver Details is added to the subscription order (setr.010) and redemption order (setr.004) in the Individual Order Details sequence. The element 'Order Waiver Details' would be typed by a message component allowing an optional choice of code or proprietary ('Special Agreement Code ) and an optional element for text 'Special Agreement text). (This component can be based on a similar component created for the SWIFT hedge/alternative finds messages (Waiver1)



This change would also have to be applied to the setr.011and setr.015 order cancellation messages.

## Financial Instrument Details Series

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | YES | YES | YES | YES |

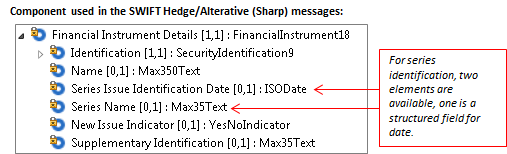
The element Financial Instrument Details / Supplementary Identification is being used for fund ‘series'. From a definition point of view, this field is not being misused as such.

|  |  |
| --- | --- |
| Supplementary Identification  Definition in 'current' messages | Fund Series: GAIA Definition - none at element level as such. |
| Additional information about a financial instrument to help identify the instrument. | Identification of a series. |

HISTORY

In the 1 March 2016 version of the document a number of possibilities were described. Should Financial Instrument / Supplementary Identification be used for Fund Series in the maintained mutual fund messages? Or should a separate 'Series' element be introduced. It would seem there could be two pieces of data for a series - [1] the identification or name of the series and [2] a date. Should we consider a specific field for a series date with ISODate as the data type?

Currently in the SWIFT hedge/alterative (Sharp) messages, a series date as well as an identification can also be specified:



10 March 2016 Review Meeting. GAIA say that, at present, Supplementary Identification (Max 35 Text) is sufficient to specify 'Series'.

18 March 2016 **Review Meeting**

A series is often identified with month-year. Tomas Bremin says if a date is included in a text string, there is the issue of everyone using different date formats.

18 March 2016 Review Meeting FINAL PROPOSAL

An Element called Series Identification is to be added to the financial instrument details sequence. It is to be a choice between YearMonth, ISO Date (YYYY-MM-DD) and Max 35 Text .

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Element | | M/O | Definition | Data Type |
| Series Identification | | [0.1] | Identification of a series. | New message component |
| Either | YearMonth | [1.1] | Date of issue of the fund series expressed as a year and month. | YYYY-MM |
| Or | ISODate | [1.1] | Date of issue of the fund series expressed as a year, month and day. | YYYY-MM-DD |
| or | Name | [1.1] | Name of the fund series. | Max35Text |

In order to have consistency and have one financial institution component used across the investment funds order message set, it is proposed that Series Identification is to be added to all uses of financial instrument details and thus the SubscriptionOrder messages (setr.010) will be included in the change.

## Financial Instrument Details Lot

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | YES | YES | YES | YES |

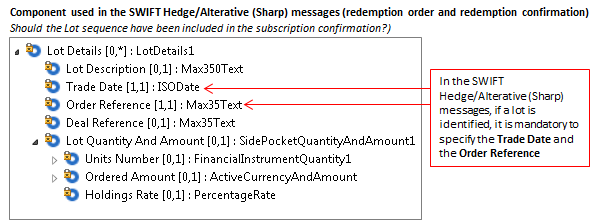
The element Financial Instrument Details / Product Group is being used to identify the Lot. From a definition point of view, this field is not being misused as such.

|  |  |
| --- | --- |
| Product Group Definition in 'current' messages | Fund Series: GAIA Definition - none at element level as such.. |
| Company specific description of a group of funds. | Identification of as subset of holdings in the financial instrument. |

If it is agreed that Financial Instrument Details / Product Group is to be used to specify a lot, then the definition could be enhanced as follows

|  |  |
| --- | --- |
| Product Group Definition in 'current' messages | Product Group Proposed definition |
| Company specific description of a group of funds. | Company specific description of a group of funds or identification of a subset of holdings in the financial instrument. |

Currently in the SWIFT hedge/alterative (sharp) messages, the following elements are available to identify a lot:



10 March 2016 Review Meeting. In the meeting of 10 March, no conclusion was reached on the best way 'lot' is to be covered.

18 March 2016 Review Meeting

A lot is ‘a subset of holdings in the financial instrument'. A lot may be identified by its order reference / deal reference / trade date (date they were bought) and so on. Most transfer agents do FIFO or LIFO, not Lots.

**18 March 2016 Review Meeting** FINAL PROPOSAL

It was agreed that the specification of a Lot in an order messages should be re-discussed in GAIA. If GAIA still have this requirement then GAIA would use the Financial Instrument Details / Product Group element, thus, there is no need to change the messages for the maintenance 2016- 2017 cycle.

## Total Charges

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | NO | NO | YES | YES |

There is a requirement to be able to specify the total amount of charges only and in the current standard this is not possible. GAIA and other markets have a work-around for this.

10 March 2016 Review Meeting FINAL PROPOSAL

A change request was submitted for the maintenance 2016-2017 cycle for the mutual funds confirmations, which states that there is a requirement to be able to specify the total changes without a breakdown of charge type amounts, so this issue will be resolved.

## Charge Types

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | NO | NO | YES | YES |

GAIA conform to the setr.012 (and 006) message standard with Amount being mandatory and Rate being optional.

The GAIA Charge Types

|  |  |  |  |
| --- | --- | --- | --- |
| Code | Code Name | Definition in MX | GAIA Definition |
| CHAR | Service Provision Fee | ~~Fee paid for the provision of financial services.~~ Definition to be modified for SR2017 to:  Fee paid by the investor to a distributor/intermediary or other service provider for the provision of financial services. This does not include a performance related charge. It was proposed the definition is modified so there is no confusion with use of CHAR versus PERF. The text "This does not include a performance related charge." has been added. | Performance Fee Charge (Payment made to a fund manager for generating positive returns (and then charged to the investor?) Typically calculated as a percentage of investment profit)  A new code would be better. |
| PENA | Penalty | Fee charged to the investor for early redemption of the fund (not in a subscription confirmation) | Penalty |
| BEND |  | Definition to be modified for SR2017 | Back End Load |
| FEND |  | Definition to be modified for SR2017 | Front End Load |
| PERF  (NEW CODE) | Performance Fee | Payment made to a fund manager for generating positive returns. It is typically calculated as a percentage of investment profit) |  |

The only GAIA charge type that has a different definition from the message standard itself is CHAR.

10 March 2016 It was agreed that a new code for 'performance fee' should be added and the definition of CHAR should be modified to ensure no confusion between CHAR and PERF.

18 March 2016 Review Meeting FINAL PROPOSAL

The proposed code word definition was reviewed and agreed. The definition of the code CHAR is also to be fine-tuned:

|  |  |  |
| --- | --- | --- |
| Code | Code Name | Definition |
| CHAR | Service Provision Fee | Fee paid for the provision of financial services. Definition to be modified for SR2017 to:  Fee paid by the investor to a distributor/intermediary or other service provider for the provision of financial services. This does not include a performance related charge. |
| PERF (NEW CODE) | Performance Fee | Payment made to a fund manager for generating positive returns. It is typically calculated as a percentage of investment profit. |

In order to have consistency across the investment funds order message set, it could be that a single code list is used in both the orders and the confirmations.

## Gated-1-NAV and Gated-Multi-NAV

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | NO | YES | NO | NO |

"It is possible to warn of expected partial execution or gated trades in the booked trade message. A set of GAIA settlement codes have been devised to enable an automated warning to be produced.". To provided gated information, the Order Instruction Status Report is sent (after the PACK status) as the gated information becomes known.

This data is currently being expressed in the Extended element of the Partially Settled status.

In the 1 March 2016 version of the document, two solutions were proposed. The first was for the addition of codes to the existing Partially Settled Reason Code and the second was for the introduction of a new element in the New Details sequence.

10 March 2016 review meeting FINAL PROPOSAL

The following solution was agreed:

The Partially Settled Status definition is updated to include 'Gated' and the two gated codes are added to the Partially Settled / Code list:

|  |  |
| --- | --- |
| Partially Settlement element  Definition in 'current' messages | Partially Settlement element  Updated definition is used for 'gated' |
| Status of the individual order is partially settled. | Partial settlement status information or information about gating |

Partially Settled Reason Code list (SettledStatusReason1Code, updated with new codes)

|  |  |  |  |
| --- | --- | --- | --- |
| Code | Code Name | Definition | Comment |
| CPST | CashPartiallySettled | Cash is partially settled. |  |
| UCPS | UnitsCashPartiallySettled | Units and cash are both partially settled. |  |
| UPST | UnitsPartiallySettled | Units are partially settled |  |
| GAT1 | GatedOneNAV | Redemption has been gated, all settlement will be done at the same price. | NEW |
| GATM | GatedMultipleNAV | Redemption has been gated. Multiple redemptions and multiple prices will be required. | NEW |

## Generic Gating-Holdback Sequence

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | NO | YES | NO | YES |

18 March 2016 Review meeting

In the GAIA specification, holdbacks are inferred as the difference between the redemption cash amount and the initial cash settlement amount. However, GAIA has said more details would be useful. These are the holdback elements found in the SWIFT hedge/alternative (sharp) messages:



It was agreed that a holdback sequence will be added to the redemption order confirmation (setr.006) and the order instruction status report (setr.016) contains elements for hold back amount, hold back release data, new financial instrument identifier and name.

The Holdback Details sequence will be added to setr.006 and setr.016.

Towards the end of the 18 March review meeting, Tomas Bremin said redemptions impacted by gating or a holdback require very similar data types, so would a 'generic' kind of sequence covering both requirements work?

A new sequence is to be created in the order confirmation messages (subscription order confirmation (setr.012), redemption order confirmation (setr.006) and the Order Instruction Status Report (setr.016)

The new GatingOrHoldbackDetails sequence

|  |  |  |  |
| --- | --- | --- | --- |
| Sequence Name | Definition | M/0 | Data Type |
| GatingOrHoldbackDetails | Specification of gating or hold back parameters. | [0..n] | New MC - see below |

New message component (GatingOrHoldback1)

|  |  |  |  |
| --- | --- | --- | --- |
| Element Name | Definition | M/0 | Data Type |
| Type | Specifies whether gating or holdback will take place. | [1.1] | Code values HOLD and GATE |
| Amount | Value of the redemption amount subject to gating or a hold back. | [0.1] | Active Currency And Amount |
| Release Date | Date on which the gated amount or hold back amount is to be released. | [0.1] | Percentage |
| Financial Instrument Identification | New identification of the security. | [0.1] | Security Identification X Choice |
| Financial Instrument Name | New name of the security. | [0.1] |  |
| RedemptionCompletion | Specifies whether or not additional redemption order instructions are required in order for the redemption to be completed. | [0.1] | Code list, see below. |
| Final Confirmation | Indicates whether or not this is the final redemption confirmation in the execution of a gated redemption. | [0.1] | YesNoIndicator |

|  |  |  |
| --- | --- | --- |
| Code | Code Name | Code Definition |
| RED1 | RedemptionYes | Additional redemption order instructions must be sent to the executing party order to have the rest of the redemption executed. |
| REDO | RedemptionNo | It is not necessary to send more redemption order instructions to the executing party to complete the redemption, the executing will generate redemption confirmations automatically. |

In setr.006, this new GatingOrHoldbackDetails sequence is to be added to the Individual Execution Details sequence.

In setr.016, this new GatingOrHoldbackDetails is to be added to the New Details sequence.

## Equalisation

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | YES | YES | NO | YES | YES |

The mutual (ISO 20022) messages already have an Equalisation sequence. However, the Equalisation sequence does not have a credit/debit indicator like the component used in the SWIFT hedge/alternative (sharp) messages.

|  |  |
| --- | --- |
| Mutual funds messages use this component: | SWIVFT hedge/alternative funds (sharp) messages use this component: |
|  |  |

10 March 2016 review meeting FINAL PROPOSAL

A credit/debit indicator is to be added to the Equalisation sequence. The component from the SWIFT hedge/alternative funds messages can be reused.



## New Elements GAIA - Summary

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| # | Element | GAIA use | Message Types Impacted | | | | | Conclusion | Status |
| 010 | 004 | 016 | 012 | 006 |
| 1 | Account Designation | Beneficial Owner Reference | YES | YES | YES | YES | YES | No change to messages. | CLOSED |
| 2 | Order Type | Special Agreement Code and Special Agreement Text | YES | YES | NO | NO | NO | An element 'Order Waiver Reason' is to be added to Individual Order Details (Code|Proprietary + text) | CLOSED |
| 4 | Financial Instrument / Supplementary Identification | Fund Series | YES | YES | YES | YES | YES | In Financial Instrument Details and element 'Fund Series' is to be added, it is a choice between YYYYMM, YYYYMMDD and text. | CLOSED |
| 5 | Financial Instrument / Product Group | Lot | NO | YES | YES | YES | YES | No change to messages. | CLOSED |
| 6 | Charge Details / Type / Extended / 'TOTAL CHARGES' | Total Charges | NO | NO | NO | YES | YES | Resolved by a mutual fund change request. | CLOSED |
| 7 | Charge Details / Type / Extended / 'Performance Fee' | GAIA use is something not already covered in mutual funds messages. | NO | NO | NO | YES | YES | A new charge type code is to be added. | CLOSED |
| 8 | Partially Settled Status | Gated | NO | NO | YES | NO | NO | Two new codes required. | CLOSED |
| 9 | Individual Execution Details | GatingOrHoldbackDetails | NO | NO | YES | NO | YES | Sequence that covers both Gating and Holdbacks to be added. | OPEN |
| 10 | Equalisation Credit / Debit | GAIA agree it should be available. | YES | YES | NO | YES | YES | Add debit credit indicator the Equalisation. | CLOSED |

# New Elements Other

The GAIA hedge/alternative funds message specification is a much streamlined and simpler implementation that the functionality fund in the SWIFT hedge/alternative funds messages. The GAIA work is being done in phases, so there may be more requirements for additional elements and codes over time.

This sections describes functionality found in the SWIFT hedge/alternative funds (sharp) messages (setr.059, 060, 061, 062, 063) or, in some cases, is part of a work-around specified in the SHARP market practice document. It has been agreed that some of this functionality should be included in mutual funds messages for the 2017 release. This section identifies this functionality.

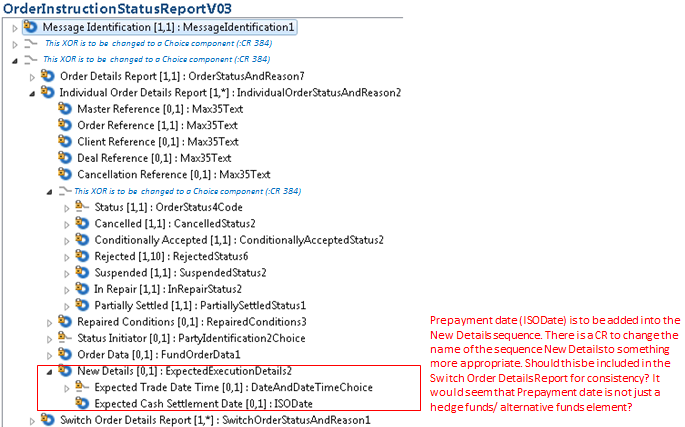
## Prepayment Date / Expected Cash Settlement Date

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | NO | YES | NO | NO |

In the MT 509, which is used for reporting the status of the funds payment in the ISO 15022 standard, there is an element for prepayment date which is currently not present in the setr.016 message. A Prepayment Date element also exists in the SWIFT hedge/alternative funds (sharp) messages.

18 March 2016 review meeting FINAL PROPOSAL

The definition of the element Expected Cash Settlement Date is to be revised.



18 March 2016 Review Meeting

TB says change the definition of Expected Settlement Date so it is obvious it is the prepayment date - definition should not refer to prepayment explicitly so that it could, for example, be used for a deferred redemption cash settlement.

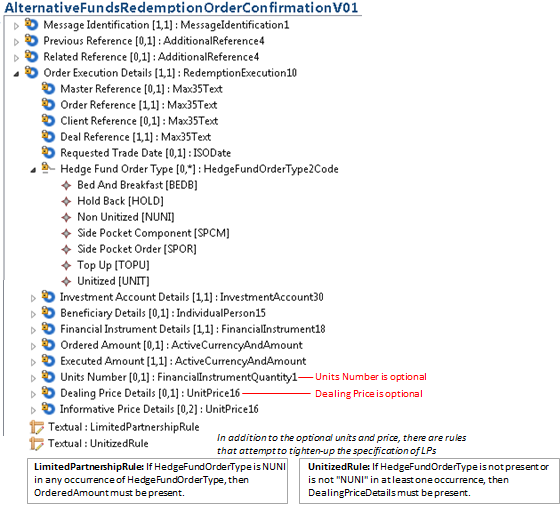
18 March 2016 Review Meeting FINAL PROPOSAL

|  |  |  |
| --- | --- | --- |
| Element | Current Definition | Revised Definition |
| Expected Cash Settlement Date | Expected date at which the financial instruments will be exchanged against cash. | Date of a payment, for example, a prepayment date. |

In the SWIFT hedge/alternative funds (sharp) messages, in the status, there is also a prepayment reference (definition: 'Unique and unambiguous identifier for a payment transaction, as assigned by the originator). The payment transaction reference is used for reconciliation or to link tasks relating to the payment transaction. It was concluded that this is not required.

## Limited Partnership

The SWIFT hedge/alternative messages support limited partnerships in that in the order confirmation messages, units number and price are optional:



14 March 2016

Having unit number and price optional in the order confirmations may be difficult for all users of the mutual funds to accept.

18 March 2016 Review Meeting FINAL PROPOSAL

Not to be supported explicitly in the messages, therefor there is no change to the messages.

GAIA is determining whether this could be 'handled' with market practice. Tomas Bremin said a limited partnership is processed as 1 unit (pseudo unit)

## Rejected Status Reason Codes

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Setr.010 | Setr.004 | Setr.016 | Setr.012 | Setr.006 |
| Messages | NO | NO | YES | NO | NO |

The SWIFT hedge/alternative messages contain some rejection status reasons not found in the mutual funds messages.

10 March 2016 Review Meeting

GAIA is open to supporting more codes for the rejection status in the future.

18 March 2016 Review Message FINAL PROPOSAL

New codes are to be added to the rejection reason code list as shown in the table, items 50 TO 57.

The Rejection Reason Code list

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | Code | Code Name | Definition |  |
| 1 | ADEA | [AfterDeadline](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x65986393aa06c600b39dc910b5e10441.htm) | Instruction was received after the Receiver's deadline. |  |
| 2 | BLCA | [AccountBlockedFor Corporate Action](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xb5e01a573b0fb744cf1bb4c0407ae0d6.htm) | Investment account is blocked due to a corporate action. |  |
| 3 | BLTR | [AccountBlockedFor Transfer](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x9a10c254460029002c69b7a54164d2a4.htm) | Investment account is blocked due to a transfer out of investment funds. |  |
| 4 | CASH | [InvalidCashAccount](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x3479c884d0ac0a82885d412b9b1dee3a.htm) | Cash account is not recognised or invalid. |  |
| 5 | CUTO | [CutOffTime](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xd4683474253e1289c36024c4a4c3f87d.htm) | Instruction has been received after the cut-off time. |  |
| 6 | DDAT | [SettlementDate](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x74512fae55bd48baabb13056575bfd80.htm) | Cash settlement date is not recognised or is invalid. |  |
| 7 | DEPT | [SettlementPlace](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x6e1c3f356a11885e3687f665a730ad9d.htm) | Place of settlement is not recognised or is invalid. |  |
| 8 | DFOR | [InvalidSecurityForm](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xc6a74e0325b52467cac77b73aa062435.htm) | Form of the security is wrong, eg, the form of security is registered not bearer or vice versa. |  |
| 9 | DLVY | [PhysicalDelivery Impossible](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x76c7e2b84648f9771ab4addb4955c0c2.htm) | Order contains physical delivery details but the fund can not be physically delivered. |  |
| 10 | DMON | [InvalidSettlementAmount](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x9aeb76d23377a52e694c63030e90a631.htm) | Unrecognised or invalid settlement amount. |  |
| 11 | DOCC | [AccountBlockedMissing Documents](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x4e70e28834f137c884cf9c8a5b362d9d.htm) | Investment account is blocked until certain legal proceedings are completed, eg, legal documents from the successor, legal proceedings due to bankruptcy. |  |
| 12 | DQUA | [FinancialInstrumentQuantity](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xa69cebde226560177c7bbfd55e6339ac.htm) | Financial instrument quantity is invalid. |  |
| 13 | DSEC | [FinancialInstrument Identification](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x01d54b76c952e4dfbb8322c48442c8a0.htm) | Identification of the security is not recognised or is invalid. |  |
| 14 | DTRD | [TradeDate](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x78628343c2f86300c3c330e96f78265c.htm) | Unrecognised or invalid Requested Future Trade Date. |  |
| 15 | FEEE | [FeeOrCommission](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xb0521b79d40ece272d4d5fac6f8c5460.htm) | Unrecognised or invalid fee or commission. |  |
| 16 | ICAG | [DeliveringAgent](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xb41e2d96a1d4c6216f9d804aeb5a04da.htm) | Delivering agent is not recognised or is invalid. |  |
| 17 | ICTR | [InvalidCreditTransfer](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x8ad44c56e380ec48b6cfd4a90e29a2ec.htm) | Credit transfer details are incorrect. |  |
| 18 | IDDB | [DirectDebit](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x5e58d36a14074be9b145a643102f5f14.htm) | Direct debit account identification is not recognised or is invalid. |  |
| 19 | IDNA | [FinancialInstrument IdentificationAndName](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x1bf9ab063ecab9fab42b93d4461f9291.htm) | Identification of the security and the security name are not the same. |  |
| 20 | IEXE | [SubscriberOrRedeemer](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xad8e2528372460ddfe7e1d86e72b7090.htm) | Unrecognised or invalid subscriber or redeemer. |  |
| 21 | INTE | [Intermediary](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xdde5480ea9de98392d8a96f207b8b6f7.htm) | Intermediary is not recognised or is invalid. |  |
| 22 | IOTP | [InvalidOrderType](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x133e86eec6ee288724d045cc31b552f8.htm) | Order type is invalid. |  |
| 23 | IPAC | [InstructingPartyNot Allowed ForAccount](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x7c004eef1e8700d737200ccd65efcc7c.htm) | Instructing party is not allowed to instruct for this investment account. |  |
| 24 | IPAY | [PaymentCard](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x8167d2f5fbef3b147bdd65b7ee9c2d01.htm) | Payment card details are incorrect. |  |
| 25 | ISAF | [SafekeepingPlace](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x176bd50378303c31a915e8e4a8ca0999.htm) | Safekeeping place is not recognised or is invalid. |  |
| 26 | IVAG | [ReceivingAgent](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x2a65409ef6c71d014ae1e31b199d7ccd.htm) | Receiving agent is not recognised or is invalid. |  |
| 27 | LATE | [TooLate](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x5438f9ed44aa03d5be4887f553a78efe.htm) | Instruction was received after market deadline. |  |
| 28 | MONY | [NotEnoughCash](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x486d1a6a138d94f063bf661d4465dfe3.htm) | There is not enough cash in the account to process the instruction. |  |
| 29 | NCRR | [SettlementAmount Currency](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x6ac59cf2f4edf3864240395e4f77d438.htm) | Unrecognised or invalid Settlement Amount Currency. |  |
| 30 | NRGM | [NoCancellationMatch](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xfd45e7c7706adc033a9d7bccfe921eb1.htm) | The cancellation request has been rejected since more than one instruction match to the cancellation criteria. |  |
| 31 | NSLA | [NotCompliantWithSLA](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xd3391948b8b656a68b83aca0782e233b.htm) | Instruction is not compliant with the service level agreement. |  |
| 32 | ORRF | [DuplicateOrderReference](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xfae8d6fd54bee96501026285dbf337d8.htm) | Order reference is a duplicate of a previously received order. |  |
| 33 | PHYS | [PhysicalSettlement](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xd385c5f946a07e71567dc5b53062bd05.htm) | Physical Settlement Impossible. |  |
| 34 | PLCE | [PlaceOfTrade](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x4ae3851b034e606f279ac8401348908d.htm) | Unrecognised or invalid Place of Trade. |  |
| 35 | POIN | [DifferentValuationPoints](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x801a0609cb14523f10917bd8662f3ca1.htm) | Order contains funds that have different valuation points. |  |
| 36 | RTGS | [RTGSSystem](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x93a1bc4333693c6cdfb8123413f839b6.htm) | Impossible to use RTGS System. |  |
| 37 | SAFE | [InvestmentAccount](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x931636c06515ff6e17e09ea1f46750f9.htm) | Investment account identification is not recognised or is invalid. |  |
| 38 | SECU | [NotEnoughFinancial Instrument](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x6001477516ce1b8d87a13c34a9db3464.htm) | There are not enough securities in the account to process the instruction. |  |
| 39 | SETR | [SettlementTransaction](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x0323fc3aaeccb1e64656c8ff41b51e82.htm) | Unrecognised or invalid Settlement Transaction. |  |
| 40 | SHIG | [TooHighUnitsOrAmount To Subscribe](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xd454d0f9dea61892fbac10444004c86b.htm) | Quantity of units or amount of money in the order is too high for a subscription. |  |
| 41 | SLOW | [TooLowUnitsOrAmount To Subscribe](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xbbce91853cce58398a138a9b7be2f63b.htm) | Quantity of units or amount of money in the order is too low for a subscription. |  |
| 42 | UDCY | [UnacceptedDealCurrency](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x7a8655d7a3dfaac96ea2fb1605ec5e97.htm) | Deal currency is not supported. |  |
| 43 | ULNK | [UnknownLinkages Reference](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x126b7bf7513c6cbdccbba59e102d8549.htm) | Linked reference is not known. |  |
| 44 | UNAV | [UnacceptedNAVCurrency](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x215be36b9b2ebf1fb3445e4e5eebaf59.htm) | Net asset value currency is not supported. |  |
| 45 | UPAY | [UnacceptedPayment Method](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x95721761633e3f529ecb63a102025dba.htm) | Payment method, eg, cheque or payment card, is not accepted. |  |
| 46 | URSC | [UnacceptedRequested SettlementCurrency](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\xcf30e785f50e45347bde47076c06ead3.htm) | Settlement currency requested is not supported. |  |
| 47 | UWAI | [UnacceptedCommission Waiving](file:///C:\No_Backup\Funds%20Documentation%20HTML\business\x607a177111609c8ff24f2c2cde336134.htm) | Percentage of commission waiving exceeds the commission percentage or commission amount. |  |
| 50 | ILLI | Assets Illiquid | Assets are illiquid. | NEW |
| 51 | BMIN | Below Minimum Initial Investment Amount | Amount of subscription is below the minimum initial investment amount. | NEW |
| 52 | BMRA | Below Minimum Redemption Amount | Amount is below the minimum redemption amount. | NEW |
| 53 | BMRV | Below Minimum Retained Amount | Holding will be below the minimum retained value. | NEW |
| 54 | CLOS | Fund Closed | Fund is closed and will not take in any more investments. | NEW |
| 55 | INSU | Insufficient Capacity | Insufficient capacity. | NEW |
| 56 | LOKU | Lock Up | Lock-up period is in place. | NEW |
| 57 | PRCT | Percentage Holding Breach | Percentage holding breach, for example, PPM rules; taxation rules (ERISA). | NEW |

## NAV Date / Trade Date

Some markets regard the Trade Date and NAV Date as two different dates. Some markets regard them as the same.

The SWIFT hedge/alternative funds messages have both NAV date and trade date:

|  |  |
| --- | --- |
| NAV Date [1.1] | Trade Date [1.1] |
| Valuation point, or valuation date of the portfolio (underlying assets). This is also known as price date. | Date and time at which the price is applied, according to the terms stated in the prospectus. This is also known as deal date. |

It has been proposed that in the mutual funds messages, the definition of the trade date should be updated so that from the definition of trade date so it is clear it is the same as NAV Date.

|  |  |  |
| --- | --- | --- |
| Element | Current Definition | Revised Definition |
| Trade Date | Date and time at which a price is applied, according to the terms stated in the prospectus. | Valuation date of the fund. This is also known as price date or NAV date. |

This change request is to be submitted as a separate change request since it is NOT hedge/alternative funds specific. This change request should not be submitted by SWIFT Standards as it is believed that SWIFT Standards does not have enough business knowledge to defend such a change request. SWIFT standards will draft a change request for Clearstream to complete and send to the ISO RA.

## New Elements Other - Summary

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| # | Element | GAIA comment | Message Types Impacted | | | | | Conclusion | Status |
| 010 | 004 | 016 | 012 | 006 |
| 11 | Pre-payment date | Present in MT 509. Clearstream (and CH?) say this should be added. | NO | NO | YES | NO | NO | Definition of Expected Cash Settlement Date is to be revised. | CLOSED |
| 12 | Limited Partnerships | GAIA may support this will MP but not specific elements | NO | NO | NO | YES | YES | Not to be supported explicitly in the messages. GAIA will agree market practice to cover this (for example, Unit is '1' (pseudo) unit, etc. | CLOSED |
| 13 | Rejection Status Reason Codes | GAIA are open to supporting more rejections reasons | NO | NO | YES | NO | YES | Add codes. | CLOSED |
| 14 | Trade Date (NAV date) |  | NO | NO | NO | YES | YES | Definition to be updated | OPEN |

# Summary of SWIFT Hedge/Alternative Funds Specific Data Elements

All the specific hedge/alternative funds data elements found in the SWIFT hedge/alternative funds (sharp) messages (setr.059, 060, 061, 062, 063) or, in some cases, which is part of a work-around specified in the SHARP market practice document are listed in the table below and have been reviewed.

For each element, a decision was made on whether it is an element or modification that needs to be applied to the mutual funds messages for the 2017 release.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| # | Sequence/ Element | Element/Codes | 059 Subs Ordr | 060 Redm Ordr | 064 Status | 061 Subs Conf | 062 Redm Conf | Comment | Implement-ation Y/N |
|  | Hedge Fund Order Type | Non Unitized, Side Pocket Component, Side Pocket Order, Top Up, Unitized | YES | YES | NO | YES | YES | 14 March 2016:  Not required | NO |
|  | Initial Order Indicator |  | YES | YES | NO | NO | NO | 3 March 2016: Covered by NMPG IT CR 108 Order Sequence | YES |
|  | Beneficiary Details | ERISA Eligibility, ERISA Rate, Benefit Plan Declaration Indicator, No Change To Beneficiary Details Indicator | YES | NO | NO | YES | NO | 3 March 2016 GAIA: Where these items have been seen as 'standing data' they have been classed as outside the order flow for GAIA. Where they are required for DTCC AIP usage we have documented the use of a translation gateway. | NO |
|  | Financial Instrument | Series Issue Identification | YES | YES | YES | YES | YES | 18 March 2016  Simplified version used by GAIA. Element to be added. See section 2. | YES |
|  | Financial Instrument | Series Name | YES | YES | YES | YES | YES |
|  | Financial Instrument | New Issue Indicator | YES | YES | YES | YES | YES |
|  | Side Pocket Details | Units|Ordered Amount|Holdings Rate  Inclusion Indicator & Identification | YES | YES | NO | YES | YES | 3 March 2016 GAIA:  Not required. | NO |
|  | Order Waiver Details | Below minimum investment amount, commission waiver, cut off date, front end load charge, generic waiver, late trade dealing. | YES | YES | NO | NO | NO | 18 March 2016  To be added. See section 2 | YES |
|  | Charge Details / Type | Specially Agreed Front End Load | YES | YES | NO | YES | YES | 3 March 2016 GAIA:  Not required. | NO |
|  | Payment Reference |  | YES | YES | NO | YES | YES | 18 March 2016. Not required. (A nice idea to couple the fund and payment systems but not currently feasible.) | NO |
|  | Related Party Details / Role | Contact person at executing party (CONE), contact person at instructing party (CONI), Custodian, Fund Broker, Name of Agent to Order, Prime Broker. | YES | YES | NO | YES | YES | 3 March 2016 GAIA: definitely not supported in GAIA. This is standing data if anything. | NO |
|  | Related Party Details | Communication Information - Name, fax, e-mail address | YES | YES | NO | YES | YES |
|  | Status (code) | Cash Settled Order Not Executed  Definition is 'Order is accepted and is ready for execution (execution is the moment when pricing is applied). Cash is settled, but the order is not executed.' | NO | NO | YES | NO | NO | 18 March 2016  Not required - redundant. It is how hedge funds work, cash is always received up front. | NO |
|  | Rejected / Code | Assets Illiquid  Below Minimum Initial Investment Amount  Below Minimum Redemption Amount  Below Minimum Retained Amount  Below Minimum To Up Amount  Fund Closed  Insufficient Capacity  Lock Up  Percentage Holding Breach | NO | NO | YES | NO | NO | 10 March 2016: To be added.  See section 2. | YES |
|  | Payment In Indicator |  | NO | NO | YES | NO | NO | 18 March 2016. Not required. | NO |
|  | Payment Reference |  | NO | NO | YES | NO | NO | 18 March 2016. Not required. | NO |
|  | Prepayment Date |  | NO | NO | YES | NO | NO | 10 March 2016. This is a requirement (Tomas Bremin, Clearstream) Final proposal is to fine-tine the definition of Expected Cash Settlement Date. | YES |
|  | Prepayment Amount |  | NO | NO | NO | NO | YES | Derived from Sharp MP.  18 March 2016: existing Expected Cash Settlement Date element definition to be revised. See section 3. | YES |
|  | Top Up Amount |  | NO | NO | YES | NO | NO | 10 March 2016 GAIA :  Not required. Orders should be cancelled and rebooked if the amount is wrong. | NO |
|  | Hold Back Details | Hold Back Amount | NO | NO | YES | NO | YES | 3 March 2016 GAIA: Holdbacks are a temporary affair in GAIA - only in place until the redemption price is audited.  10 March 2016 GAIA: More details about holdbacks would be useful.  18 March 2016 (1) : amount, release date and financial instrument identification/name added.  18 March 2016 (2) : generic Gating/Holdback sequence to be created. See section 2. | YES |
|  | Hold Back Details | Hold Back Release Date | NO | NO | YES | NO | YES |
|  | Side Pocket Quantity |  | YES | YES | YES | YES | YES | 10 March 2016 GAIA :  Not required. Side pockets are illiquid and therefore not suitable targets for a subscription or redemption instruction | NO |
|  | Side Pocket Inclusion Indicator |  | YES | YES | NO | YES | YES |
|  | Side Pocket Identification |  | YES | YES | NO | YES | YES |
|  | Limited Partnerships (LPs) | GAIA does not support. To support these units number and price would have to be optional in the confirmations. |  |  |  | YES | YES | 14 March 2016: It is unlikely there would be agreement on changing unit number and price to optional in the confirmation, See section 3.. GAIA will propose market practice to cover this. | NO |
|  | Gating / Code | Gate Closed, Gated Order Full Settlement, Gate Open | NO | NO | YES | NO | YES | Derived from Sharp MP  10 March 2016 NOT NEEDED  18 March 2016: Proposed that combined gating and holdings sequence be added (gating and holdbacks have similar data elements). The sequence would have to indicate whether parameters for gating or holdback are being specified. The sequence would need an element to specify whether or not additional redemption order instructions need to be sent in order to have the rest of the redemption executed. See section 2. | YES |
|  | Gating / Rate |  | NO | NO | YES | NO | YES | Derived from Sharp MP | NO |
|  | Dealing Price / Type | Estimated GAV (EGAV), Gross Asset Value (GAVL),  Side Pocket NAV | NO | NO | NO | YES | YES |  | NO |
|  | Equalisation | Credit Debit Code | NO | NO | NO | YES | YES | Only amount and rate in mutual messages. Credit Debit indicator to be added.  See section 2 | YES |
|  | Lot Details | Lot Description, Trade Date, Order Reference, Deal Reference, Lot Quantity and Amount | NO | YES | NO | No !! | YES | Simplified version used by GAIA.GAIA to examine were or not Lots is really needed. If yes, then Financial Instrument / Product Type is to be used. | NO |
|  | NAV Date |  | NO | NO | NO | YES | YES | It is agreed that there should be a change request to change the definition of trade date so that it is obvious it is the NAV date as well. This change has been written up as part of the hedge / alternative funds CR 454.  See section 3. | YES |
|  | Total Amount of Charges | (without breakdown) | NO | NO | NO | YES | YES | CR for mutual funds MXs to allow total charges without the breakdown. Also GAIA requirement. | YES |
|  | Rejected Reason | AdditionalReasonInformation | NO | NO | NO | YES | NO | Covered by alignment change | YES |
|  | Individual Execution Details | Final Confirmation indicator | NO | NO | NO | NO | YES | April 2015 Source : customer  18 March 2016: element is to be added to the new GatingOrHoldback sequence. See section 1. | YES |
|  | Individual Execution Details | Amendment Indicator  Confirmation is an amendment of a previously sent confirmation. | NO | NO | NO | YES | YES | Source : customer.  18 March 2016: In the SWIFT Hedge/Alternative messages, the order confirmation message can also be used as an amendment of a confirmation, and there is a flag to indicate if the message is being used as a confirmation or an amendment of confirmation. In the mutual funds messages, there are separate messages for amendment of confirmation and thus the Amendment Indicator element is not relevant. | NO |

# Review of Usage of Hedge/Alternative Funds MXs setr.059-064

A small number of users of the SWIFT hedge/alternative funds messages were approached for some 'real-life' examples. This section of the document lists for each message type, the elements used in these examples. (The sample size was 1 example per message type.)

## Comments

1. The optional element Investment Account / Sub Account / Identification is used for ‘designation’.
2. The optional Master Reference field is being used for ‘agent code’. If this is a code identifying the beneficiary, then probably it could go in Account / Designation. If this is code identifying a ‘sales agent’ or distributor, then it should go in Related Party.
3. The optional element Ordered Amount (‘amount of money instructed for the subscription) is used in the confirmations. In the ‘mutual’ funds messages the Net Amount or Gross Amount depending on the message.
4. There is a mandatory element Executed Amount (the ‘amount of money invested in the financial instrument’). The ‘mutual’ confirmation messages have a mandatory settlement amount instead (‘Total amount of money paid /to be paid or received in exchange for the financial instrument in the individual order.’).
5. The mandatory sequence ‘Beneficiary Details’ (in the subscription order) must be used because the sequence is mandatory (several elements in the sequence are mandatory). It is difficult to tell if the sequence is used only because it is mandatory or because this information has to be provided on the subscription instruction. GAIA do not want these elements to be mandatory. This kind of data is regarded as static data.
6. The mandatory element NAV Date must be used because it is a mandatory element. It is difficult to tell if the element is used only because it is mandatory or because it is a different date from the mandatory Trade Date that must be provided.

[1] setr.059 Alternative Funds Subscription Order

|  |  |  |  |
| --- | --- | --- | --- |
| # | Element |  | Comment |
| 1 | Master Reference | O | Used for an ‘Agent Code’. |
| 2 | Order Reference | M |  |
| 4 | Investment Account | M |  |
| 3 | Account \ Identification | M |  |
| 4 | Sub Account | O | Used for ‘designation’. |
|  | Identification |  |  |
|  | Beneficiary Details | M | Must find out if this is only used because it is mandatory. |
| 5 | Erisa Eligibility | M | Populated with ‘unknown’ |
| 6 | Benefit Plan Declaration Indicator | M |  |
| 7 | No Change To Beneficiary Details Indicator | M |  |
|  | Financial Instrument | M |  |
| 8 | Identification | M |  |
|  | ISIN |  |  |
| 9 | Financial Instrument Quantity | M |  |
|  | Ordered Amount (or Units) |  |  |

[2] setr.060 Alternative Funds Redemption Order

|  |  |  |  |
| --- | --- | --- | --- |
| # | Element |  | Comment |
| 1 | Master Reference | O | Used for an ‘Agent Code’. |
| 2 | Order Reference | M |  |
| 3 | Investment Account | M |  |
|  | Account \ Identification | M |  |
| 4 | Sub Account | O |  |
|  | Identification | O | Used for ‘designation’. |
|  | Financial Instrument | M |  |
| 5 | Identification | M |  |
|  | ISIN |  |  |
| 6 | Financial Instrument Quantity | M |  |
|  | Units Number (or Ordered Amount) |  |  |

[3] setr.061 Alternative Funds Subscription Order Confirmation

|  |  |  |  |
| --- | --- | --- | --- |
| # | Element |  | Comment |
| 1 | Master Reference | O | Used for an ‘Agent Code’. |
| 2 | Order Reference | M |  |
| 3 | Deal Reference | M |  |
|  | Investment Account | M |  |
| 4 | Account \ Identification | M |  |
| 5 | Name | O |  |
|  | Sub Account |  |  |
| 6 | Identification | M | Used for ‘designation’. |
| 7 | Name | O |  |
|  | Financial Instrument | M |  |
| 8 | Identification | M |  |
|  | ISIN |  |  |
| 9 | Name | O |  |
| 10 | Ordered Amount | O |  |
| 11 | Executed Amount | M | Amount of money invested in the financial instrument. (Mutual has a mandatory settlement amount instead ‘Total amount of money paid /to be paid or received in exchange for the financial instrument in the individual order.’) |
| 12 | Units Number | O |  |
| 13 | Dealing Price Details | O |  |
|  | Unit Price Type | M |  |
|  | Value |  |  |
| 14 | Trade Date Time | M |  |
| 15 | NAV Date | M | This element is mandatory – it is not a requirement for GAIA. |
|  | Total Charges | O |  |
| 16 | Total Amount of Charges | O | The possibility to state total charges and not also an individual charge is covered in a mutual funds CR. |
|  | Equalisation | O |  |
| 17 | Amount |  |  |

[4] setr.062 Alternative Funds Redemption Order Confirmation

|  |  |  |  |
| --- | --- | --- | --- |
| # | Element |  | Comment |
| 1 | Master Reference | O | Used for an ‘Agent Code’. Same comment as setr.059 |
| 2 | Order Reference | M |  |
| 3 | Deal Reference | M |  |
|  | Investment Account | M |  |
| 4 | Account \ Identification | M |  |
| 5 | Name | O |  |
|  | Sub Account |  |  |
| 6 | Identification | M | Used for ‘designation’. |
| 7 | Name | O |  |
|  | Financial Instrument | M |  |
| 8 | Identification | M |  |
|  | ISIN |  |  |
| 9 | Name | O |  |
| 10 | Ordered Amount | O |  |
| 11 | Executed Amount | M | Amount of money invested in the financial instrument. (Mutual has a mandatory settlement amount instead ‘Total amount of money paid /to be paid or received in exchange for the financial instrument in the individual order.’) |
| 12 | Units Number | O |  |
| 13 | Dealing Price Details | O |  |
|  | Unit Price Type | M |  |
|  | Value |  |  |
| 14 | Trade Date Time | M |  |
| 15 | NAV Date | M | This element is mandatory – it is not a requirement for GAIA. |
|  | Total Charges | O |  |
| 16 | Total Amount of Charges | O | The possibility to state total changes and not also an individual charge is covered in a mutual funds CR. |
|  | Equalisation | O |  |
| 17 | Amount |  |  |

[5] setr.064 Alternative Funds Order Instruction Status Report

|  |  |  |  |
| --- | --- | --- | --- |
| # | Element |  | Comment |
| 1 | Master Reference | O | Used for an ‘Agent Code’. Same comment as setr.059 |
| 2 | Order Reference | M |  |
| 3 | Status Details | M |  |

# Messages in Scope of the Change Request

The following messages will be updated for the SCFS hedge/alternative Funds change request:

|  | Message | Identifier |  |  | Message | Identifier |
| --- | --- | --- | --- | --- | --- | --- |
|  | Redemption Order | setr.004.001.03 |  |  | Order Instruction Status Report | setr.016.001.03 |
|  | Redemption Order Cancellation Request | setr.005.001.03 |  |  | Order Cancellation Status Report | setr.017.001.03 |
|  | Redemption Order Confirmation | setr.006.001.03 |  |  | Subscription Order Confirmation Cancellation Instruction | setr.047.001.01 |
|  | Subscription Order | setr.010.001.03 |  |  | Subscription Order Confirmation Amendment | setr.048.001.01 |
|  | Subscription Order Cancellation Request | setr.011.001.03 |  |  | Redemption Order Confirmation Cancellation Instruction | setr.051.001.01 |
|  | Subscription Order Confirmation | setr.012.001.03 |  |  | Redemption Order Confirmation Amendment | setr.052.001.01 |
|  | Switch Order | setr.013.001.03 |  |  | Switch Order Confirmation Cancellation Instruction | setr.055.001.01 |
|  | Switch Order Cancellation | setr.014.001.03 |  |  | Switch Order Confirmation Amendment | setr.056.001.01 |
|  | Switch Order Confirmation | setr.015.001.03 |  |  |  |  |

Should the hedge/alternative funds functionality be added to the bulk order and confirmation messages?

Rainer Vogelgesang: The change request submitted by the Swiss Commission for Financial Standardisation (SCFS) (ISO 20022 change request number 454) did not include the bulk order and confirmation messages.

As of 22 March 2016, no change requests have been by ISO 20022 to add hedge/alternative funds functionality to the bulk order and confirmation messages

# MT 509

This is a record of specific element for funds in the MT 509 in order to assess the completeness of the setr.016 format.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | Field | Qualifier | Definition | Comment with respect to setr.016 |
| 1 | 98a | PVAD - Prepayment Value Date/Time | Date/Time at which the prepayment was executed. | Missing. Is the MT definition okay? Or would it be better as: "Date/Time at which the prepayment was executed or the date time by which the prepayment must be executed." |

It would appear that pre-payment value date is the only funds specific item in the MT 509 not included in setr.016. However, the Expected Cash Settlement Date in setr.016 is the ‘prepayment date’ and the definition is being updated to make this clear.

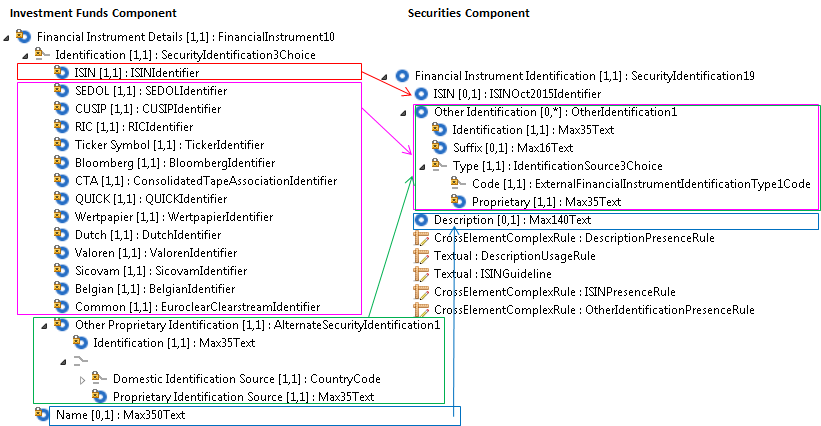
# Comments on GAIA Message Usage

In setr.010, it looks like Total Settlement Amount and Cash Settlement Date are specified at 'multiple level' rather than at 'individual level'. In the confirmations, Settlement Amount and Cash Settlement Date are specified at individual level.

# Financial Instrument / Identification - a special note

Currently, the investment funds messages uses the component SecurityIdentification3Choice[[1]](#footnote-1) and 'Name'. The securities messages uses the component SecurityIdentification19 (which is not a choice) which includes the element 'Description' (= name).

It is possible that investment funds will align with the securities messages, although no change request has been submitted for this to date.



The securities messages component is not a choice, but rather is a set of optional elements, ISIN, Other Identification and Description. There is a series of rules to ensure that ISIN or Other Identification or Description is present.

External Code list (at 23 November 2015)

|  |  |  |
| --- | --- | --- |
| Code | Name | Definition |
| BLOM | Bloomberg | Ticker-like code assigned by Bloomberg to identify financial instruments. |
| CCCD | Other National Securities Identification Number | National Securities Identification Number issued by the National Numbering Association for a country for which no specific financial instrument identification type code already yet. The first two letters of the code represents the coutry[[2]](#footnote-2) code (for example, EGDC for Egyptian NSIN). To be used only until the code is added to the ISO ExternalFinancialInstrumentIdentificationType1Code list. |
| CMED | Chicago Mercantil Exchange (CME) | Ticker-like code assigned by the Chicago Mercantile Exchange to identify listed-derivatives instruments. |
| COMM | Common Code | National securities identification number for ICSDs issued by the National Numbering Association Clearstreaam[[3]](#footnote-3) and Euroclear. |
| CTAC | Consolidated Tape Association (CTA) | Ticker-like code assigned by the Consolidated Tape Association to identify financial instruments. |
| CUSP | Committee on Uniform Security Identification Procedures (CUSIP) | National securities identification number for US and CA issued by the National Numbering Association Standard & Poor´s - CUSIP Global Services. |
| ISDU | ISDA/FpML Product URL (URL in SecurityID) | URL in Description to identify OTC derivatives instruments. |
| ISDX | ISDA/FpML Product Specification (XML in EncodedSecurityDesc) | XML in Description to identify OTC derivatives instruments. |
| LCHD | LCH-Clearnet | Ticker-like code assigned by LCH to identify listed-derivatives instruments. |
| OCCS | Options Clearing Corp (OCC) | Ticker-like code assigned by the Options Clearing Corporation to identify financial instruments. |
| OPRA | Options Price Reporting Authority (OPRA) | Ticker-like code assigned by the Options Price Reporting Authority to identify financial instruments. |
| RCMD | Markit Red Code | Ticker-like code assigned by Markit to identify listed-derivatives instruments. |
| RICC | Reuters Instrument Code (RIC) | Ticker-like code assigned by Thomson Reuters to identify financial instruments. |
| SEDL | Stock Exchange Daily Official List (SEDOL) | National securities identification number for GB issued by the National Numbering Association London Stock Exchange. |
| SICC | Securities Identification Code Committee | National securities identification number for JP issued by the National Numbering Association 6 Stock Exchanges and JASDEC (Securities Identification Ticker-like code Committee) |
| TIKR | Ticker Symbol (TS) | Ticker Code assigned by an exchange to identify financial instruments. |
| VALO | VALOR | National securities identification number for CH and LI issued by the National Numbering Association SIX Telekurs Ltd. |
| WKNR | Wertpapierkennummer (WKN) | National securities identification number for DE issued by the National Numbering Association WM Datenservice. |

There are spelling errors in the above table that have been reported to the ISO 20022 RA.

It is possible that investment funds will align with the securities messages.

GAIA specifies the use of SEDOL and CUSIP explicitly. It can be seen that if investment funds does align with securities in this aspect there will be an impact in that GAIA uses will have to change. The following tables shows what the XML structure looks like today and what would look like in the future, if investment funds aligns with securities:

Example 1 - ISIN and Name are specified

|  |  |
| --- | --- |
| Investment Funds | Securities |
| <FinInstrmDtls>  <Id>  <ISIN>LU1234567890</ISIN>  </Id>  <Nm>Ethical Green Fund</Nm>  </FinInstrmDtls> | <FinInstrmId>  <ISIN>LU1234567890</ISIN>  <Desc>Ethical Green Fund</Desc>  </FinInstrmId> |

Example 2 - CUSIP is specified

|  |  |
| --- | --- |
| Investment Funds | Securities |
| <FinInstrmDtls>  <Id>  <CUSIP>12345678</CUSIP>  </Id>  </FinInstrmDtls> | <FinInstrmId>  <OthrId>  <Id>1234567890</Id>  <Tp>  <Cd>CUSP</Cd>  </Tp>  </OthrId>  </FinInstrmId> |

Example 3 - CUSIP and Ticker Symbol are specified

|  |  |
| --- | --- |
| Investment Funds | Securities |
| In investment funds order messages, it is not possible to specify multiply fund identifiers. In the investment funds price reports, it is possible to specify multiple structured identifiers. | <FinInstrmId>  <OthrId>  <Id>1234567890</Id>  <Tp>  <Cd>CUSP</Cd>  </Tp>  </OthrId>  <OthrId>  <Id>55555</Id>  <Tp>  <Cd>TIKR</Cd>  </Tp>  </OthrId>  </FinInstrmId> |

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1. This was recently updated to SecurityIdentification23Choice to eliminate an XOR structure for the November 2016 release. [↑](#footnote-ref-1)
2. Spelling error has been reported to the ISO RA. [↑](#footnote-ref-2)
3. Spelling error has been reported to the ISO RA. [↑](#footnote-ref-3)