Book Transfer Market Practice

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Changes to previous versions (in dark blue)			
v4.0 April 2003	SR 2003	DLWM (Delivery Without Matching) settlement condition code is part of the SR2003 and may be used as from November 2003 without DSS on the SWIFT Network.	Page 24.
V5.1 July 2004	SR 2005	Information on other transfer types: in specie and portfolio move.	Page 46
V 5.2 December 2004	SR 2005	More detailed information on the use of in specie and portfolio transfers sent by a fund manager or transition manager to a custodian.	Page 46
V5.3 April 2006	Clarification	Clarification on the use of specific transaction types not applicable further down the settlement chain.	Page 46
V6.0 June 2012	Reshuffle	Reshuffle to make the document syntax independent	

I. Scope and Definitions:

The scope of this document is to define and illustrate the market practice of book transfers following the Securities Market Practice Group discussions and decisions.

With the understanding and terms used around book transfers being very different from one country to another or even from one institution to another, we will use very generic terms. This should lead to a better and global understanding of the market practice.

The transfer types concerned will be called:

- Internal Account Transfer
- External Account Transfer
- Settlement Transaction Transfer

Those denominations have been subjectively chosen (general terms) and are defined below.

The Illustrations (chapter IX) are classified by Business flows:

- Instruction to an account servicer acting as Global Custodian (a local agent could be global custodian in addition to being a local agent. If so, they are included as in this flow)
- Instruction to an account servicer acting as Local Agent (a global custodian could also be a local agent in some market)
- Instruction to account servicer acting as CSD

NOTE THAT THESE ILLUSTRATIONS SHOW SOME BUT NOT ALL BUSINESS SCENARIOS. THEIR ONLY AIM IS TO HELP THE READER UNDERSTAND THE MP.

A. Preliminary definitions and uses:

- Sender: message sender
- Receiver: message receiver
- Qualifier OWNI: Internal account transfer.
- Qualifier OWNE: External account transfer.

B. Transfer types definition:

Internal Account Transfer: Transfer of securities free or against payment from one sender's account to another account of the same sender at the same message receiver.

External Account Transfer: All other transfers of securities free or against payment for which more than one sender and/or receiver are involved.

Settlement Transaction Transfer: plain vanilla free or against payment transactions settled internally at global custodian or sub-custodian level due to the fact the global custodian or sub-custodian institution is a common party in the settlement chain for both the receiving and delivering side.
Example:
Buyer and seller agreed on a trade for which the same global custodian services both of them. The transaction would not settle at the CSD, but internally at the global custodian.

II. Background:

The discussion and decisions around book transfers took place at the November 2000 Madrid and March 2001 Boston SMPG meetings.

A. Madrid:

Decisions were taken on the number of message needed for account transfers. The choice was between only one receipt, only one delivery or both. All three possibilities were valid but the group decided there was a need to make a choice. The "both legs" solution was agreed on.

It was also decided that the message sender needed to mention the following, for internal transfers:

- the account of the message sender in the settlement chain

- The Place of settlement (BIC)
- the qualifier OWNI to clearly identify the messages as being part of a transfer
- The use of the linking sequence

The discussions led to a question concerning the need to mention all the parties (investor, global custodian, sub-custodian, CSD) in the party sequences.

A first draft document was published to be approved at the Boston meeting. The scope only included internal transfers. The document was built around the full party chain option.

B. Boston:

The group decided to extend the scope of the document to external transfers. The group expressed the need to first define what we understood by external and internal transfers. It was decided that the 2nd draft document would propose a definition and some illustrations of external and internal transfers.

After review of the "full party chain option" first draft, the group decided not to include the full chain in internal transfers, as it led to the sending of unnecessary information. The decision was to send only the following information, in the party sequences for internal transfers:

- The message sender information (BIC + ACC)
- The message receiver information (BIC or Local code)
- The Place of settlement (BIC)

For external transfers, it was decided that the market practices of the PSET would apply, as the transfer instructions would become, further down the settlement chain, regular settlement transactions to be settled at the CSD.

For external transfers, the use of OWNE was agreed on.

C. Brussels:

In Brussels, the scope was extended to include the Settlement Transaction Transfers.

The structure of the document (Illustrations) has been changed. The examples are now classified by business flows.

The document has been reviewed by a working group of experts. The main issue concerned the use of OWNE and OWNI to qualify the transfer type. In order to simplify as much as possible, it was decided to recommend the use of OWNI for transfers when only one message sender and one message receiver are involved. All the other types of transfer will carry the qualifier OWNE.

The change or not of beneficial ownership being possible for all transfer types, users cannot deduce anything from the use of the OWNE/OWNI codes. The indicator BENE will therefore have to be used for CBO/NCBO indications when needed and as explained in the document.

III. Actors and Roles

There are two roles involved in this process:

1. Instructing party

   Party that instructs the executing/servicing party to process and monitor a transaction.
2. Executing/Servicing party

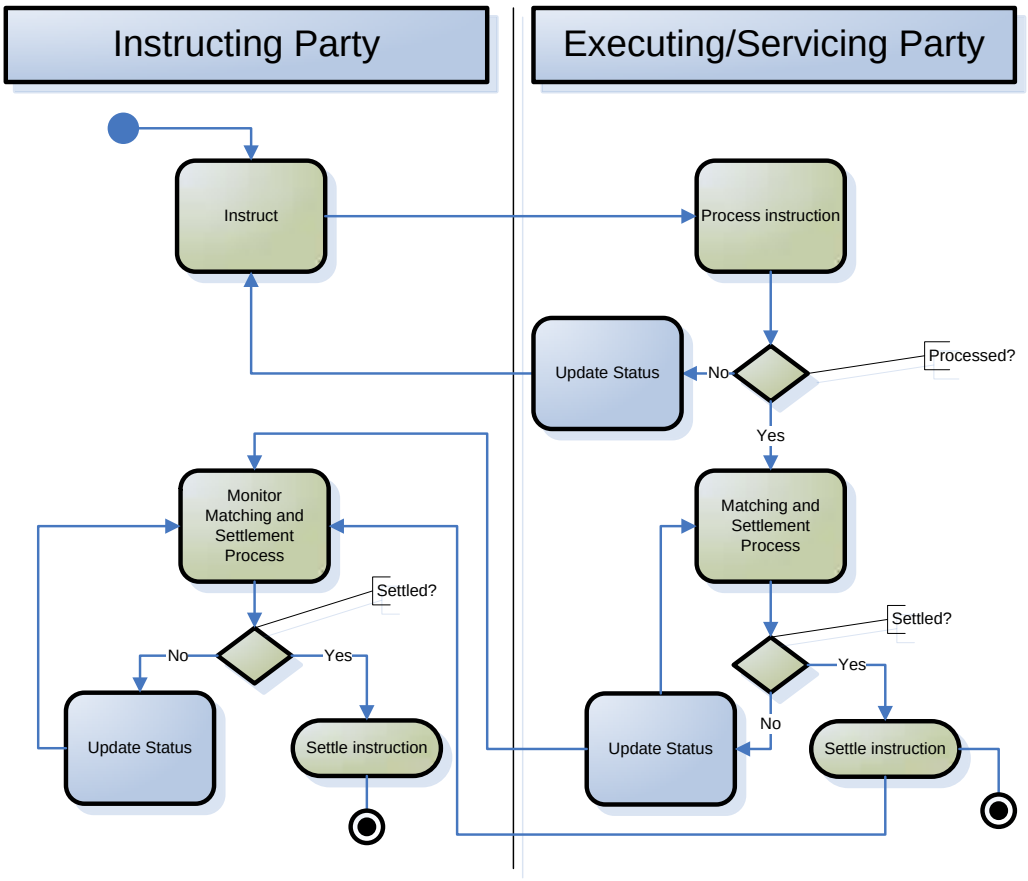
   Party that processes, monitors and reports on transactions received from an instructing party.

The actors that would typically play those roles are:

Instructing Party	Executing/Servicing Party
Investment Manager, Custodian, Central Securities Depository, etc…	Investment Manager, Custodian, Central Securities Depository, Settlement Infrastructure, etc…

IV. Activity Diagram

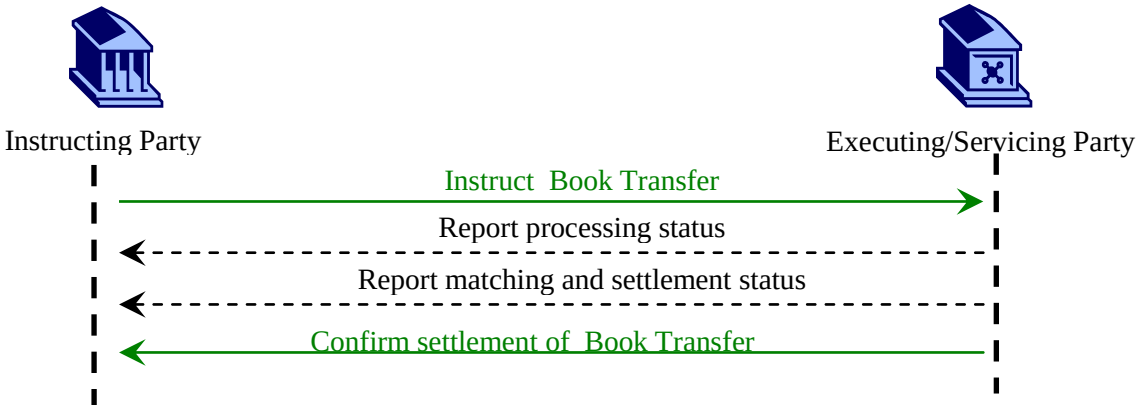
The following activity describes a scenario where the receiving/delivering depository is used.



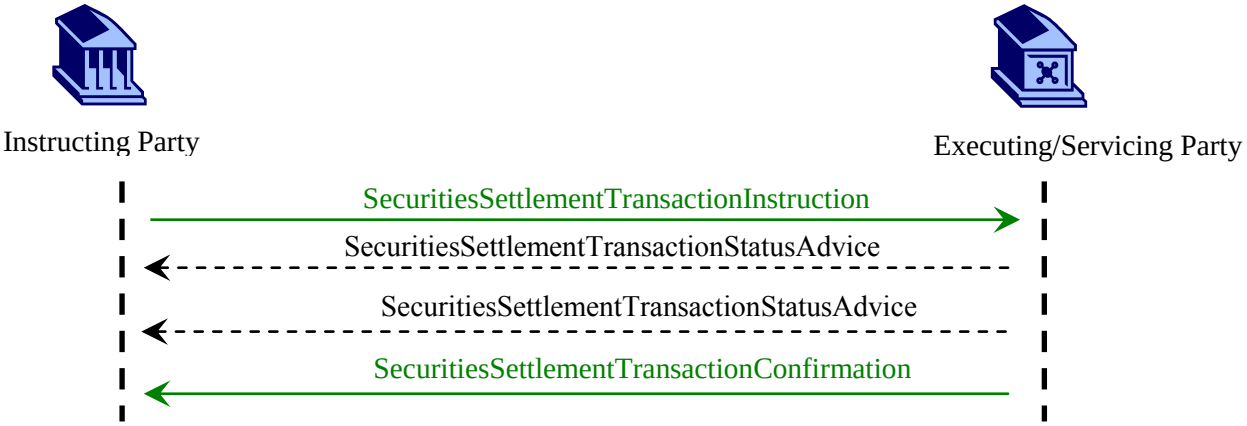
Descriptions of the activities	
Instructing Party	**Executing/Servicing Party**
Instruct: Instruct a debit or credit of securities against or free of payment, based on an instruction received by a client or not.	**Process instruction**: Technical and business validation of the details of the instruction before further processing or not.
	Processed YES/NO: If YES, that is, the instruction is ready for further processing, the next step is the **matching and settlement activity**. It is understood that, though not shown on the diagram, a status update may also occur following a YES. If NO, the **update status activity** is done.
Monitor matching and settlement process. The aim of the diagram is to describe the settlement instruction and confirmation process. This activity is therefore summarised in one box.	**Matching and settlement process.** The aim of the diagram is to describe the settlement instruction and confirmation process. This activity is therefore summarised in one box.
Settled NO/YES: If NO, go to **update status** activity. If YES, go to **settle trade** activity.	**Settled NO/YES**: If NO, go to **update status** activity. If YES, go to **settle trade** activity.
Update status: Update status.	**Update status:** Update status (and inform about it).
Settle instruction: Settle the instruction in the system.	**Settle instruction:** Settle the instruction in the system.

V. Communication flow:

In green, the main communication requirements for this process.
In black, the surrounding communication requirements.
In dotted line, the optional/potential surrounding communication requirements.



VI. Sequence Diagrams



Message type	ISO15022	ISO20022
SecuritiesSettlementTransactionInstruction	MT540-543	Sese.023
SecuritiesSettlementTransactionStatusAdvice	MT548	Sese.024
SecuritiesSettlementTransactionConfirmation	MT544-547	Sese.025

VII. Business data requirements:

For the above-described communication flows, the transaction type needs to have the following formats and values:

Data	Format
SecuritiesTransactionType / :22F::SETR	OWNI: Internal Own Account Transfer OWNE: External Own Account Transfer TRAD: Settlement Transaction Transfer PORT: Portfolio Transfer INSP : In Specie Transfer
SecuritiesTransactionReference / :20C::PREV	16 character reference used in receipt leg to link it to the delivery leg of an OWNI transaction. After ISO15022/ISO20022 coexistence period full 35 character references can be used

VIII. Market practice rules:

The SMPG has defined some market practice rules for book transfers:

A. Internal Account Transfer:

- **Two instructions (receive and deliver) must be instructed.**
- It is recommended to clearly identify the transaction as being part of an internal transfer by using SecuritiesTransactionType OWNI (ISO20022) or in the settlement details sequence E --- :22F::SETR//OWNI (ISO15022)
- The Settlement parties to be used in both receive and delivery instructions:

ISO20022:

Qualifier	Business data	Example delivery leg	Example receive leg
		<RcvgSttlmPties>	<DlvSttlmPties>
Settlement Party2 Safekeeping Account	Message sender's BIC Message sender's account at message receiver	<Pty2><Id> <AnyBICId>SENDXX22 </AnyBICId> </Id> <SfkpgAcct> <Id>987654</Id> </SfkpgAcct> </Pty2>	<Pty2><Id> <AnyBICId>SENDXX22 </AnyBICId></Id> <SfkpgAcct> <Id>123456</Id> </SfkpgAcct> </Pty2>
SettlementParty 1	Message receiver's BIC **or** local code[1]	<Pty1><Id> <AnyBICId>RECEXX11 </AnyBICId></Id> </Pty1> **or** <Pty1><Id> <PrtryId><Id>123</Id> <Issr>CSDD</Issr> </PrtryId> </Id></Pty1>	<Pty1><Id> <AnyBICId>RECEXX11 </AnyBICId></Id> </Pty1> **or** <Pty1><Id> <PrtryId><Id>123</Id> <Issr>CSDD</Issr> </PrtryId> </Id></Pty1>
Receiving / Delivering Depository	CSD where the securities are to be delivered to/received from.	<Dpstry><Id> <AnyBICId>CSDDXXXX </AnyBICId></Id> </Dpstry>	<Dpstry><Id> <AnyBICId>CSDDXXXX </AnyBICId></Id> </Dpstry>
		</RcvgSttlmPties>	</DlvrgSttlmPties>

ISO15022

[1] When the book transfer messages are sent **to a local agent** on a market requiring local codes.

Qualifier	Business data	Example delivery leg	Example receive leg
BUYR/SELL ACCOUNT	Message sender's BIC Message sender's account at message receiver	:95P::BUYR//SENDXX22 :97A::SAFE//987654	:95P::SELL//SENDXX22 :97A::SAFE//123456
REAG/DEAG	Message receiver's BIC **or** local code[2]	:95P::REAG//RECEXX11 **or** :95R::REAG/CSDD/123	:95P::DEAG//RECEXX11 **or** :95R::DEAG/CSDD/123
PSET	CSD where the securities are to be delivered to/received from.	:95P::PSET//CSDDXXXX	:95P::PSET//CSDDXXXX

- The SMPG recommend the use of the linkage sequence. As it seems more logical that the delivery (shortage check) will be released first, it is recommended to link the receipt leg to the delivery leg as shown below:

ISO20022:

Delivery Leg
<SctiesSttlmTxInstr>
<TxId> DELI12345</TxId>
<SttlmTpAndAddtlParams> <SctiesMvmntTp>DELI </SctiesMvmntTp> <Pmt>FREE</Pmt> </SttlmTpAndAddtlParams>
…/….
</SctiesSttlmTxInstr>

Receive Leg
<SctiesSttlmTxInstr>
<TxId> RECE98765</TxId>
<SttlmTpAndAddtlParams> <SctiesMvmntTp>RECE </SctiesMvmntTp> <Pmt>FREE</Pmt> </SttlmTpAndAddtlParams>
…/….
<Lnkgs> <MsgNb> <LngNb>sese.023.001.002</LngNb> </MsgNb> <Ref> <SctiesSttlmTxId>DELI12345 </SctiesSttlmTxId> </Ref> </Lnkgs>
…/….
</SctiesSttlmTxInstr>

ISO15022:

Delivery leg
:16R:GENL
:20C::SEME//DELI12345
:23G:NEWM
:16S:GENL

Receipt leg
:16R:GENL
:20C::SEME//RECE98765
:23G:NEWM
:16R:LINK
:13A::LINK//542
:20C::PREV//DELI12345
:16S:LINK
:16S:GENL

- If an indication of change or no change of beneficial ownership is needed (following legal market requirements, for instance), the field 22F indicator with qualifier BENE will be used. Though a standing instruction override indicator, it may also be used when there is no standing instructions in place at the account servicer:

Qualifier and code	Definition
<BnfclOwnrsh> <Ind>false</Ind> </BnfclOwnrsh> 22F::BENE//NBEN	• If standing instruction in place: though standing instruction is CBO, this transaction is NCBO • If no standing instruction in place, it means NCBO
<BnfclOwnrsh>	• If standing instruction in place: though standing

[2] When the book transfer messages are sent **to a local agent** on a market requiring local codes.

<Ind>true</Ind> </BnfclOwnrsh> 22F::BENE//YBEN	instruction is NCBO, this transaction is CBO • If no standing instruction in place, it means CBO

B. External Account Transfer:

- **Two instructions (receive and deliver) must be instructed.**
- It is recommended to clearly identify the transaction as being part of an external transfer by using, in the settlement details sequence E --- :22F::SETR//OWNE
- The party sequences E1 to be used in both receive and delivery instructions will be the settlement chain applicable in a plain vanilla settlement instruction. The sender will always be included in the chain with mention of sender's accounts concerned by the transfer.
- If an indication of change or no change of beneficial ownership is needed (following legal market requirements, for instance), the field 22F indicator with qualifier BENE will be used. Though a standing instruction override indicator, it may also be used when there is no standing instructions in place at the account servicer:

Qualifier and code	Definition
<BnfclOwnrsh> <Ind>false</Ind> </BnfclOwnrsh> 22F::BENE//NBEN	• If standing instruction in place: though standing instruction is CBO, this transaction is NCBO • If no standing instruction in place, it means NCBO
<BnfclOwnrsh> <Ind>true</Ind> </BnfclOwnrsh> 22F::BENE//YBEN	• If standing instruction in place: though standing instruction is NCBO, this transaction is CBO • If no standing instruction in place, it means CBO

C. Settlement Transaction Transfer:

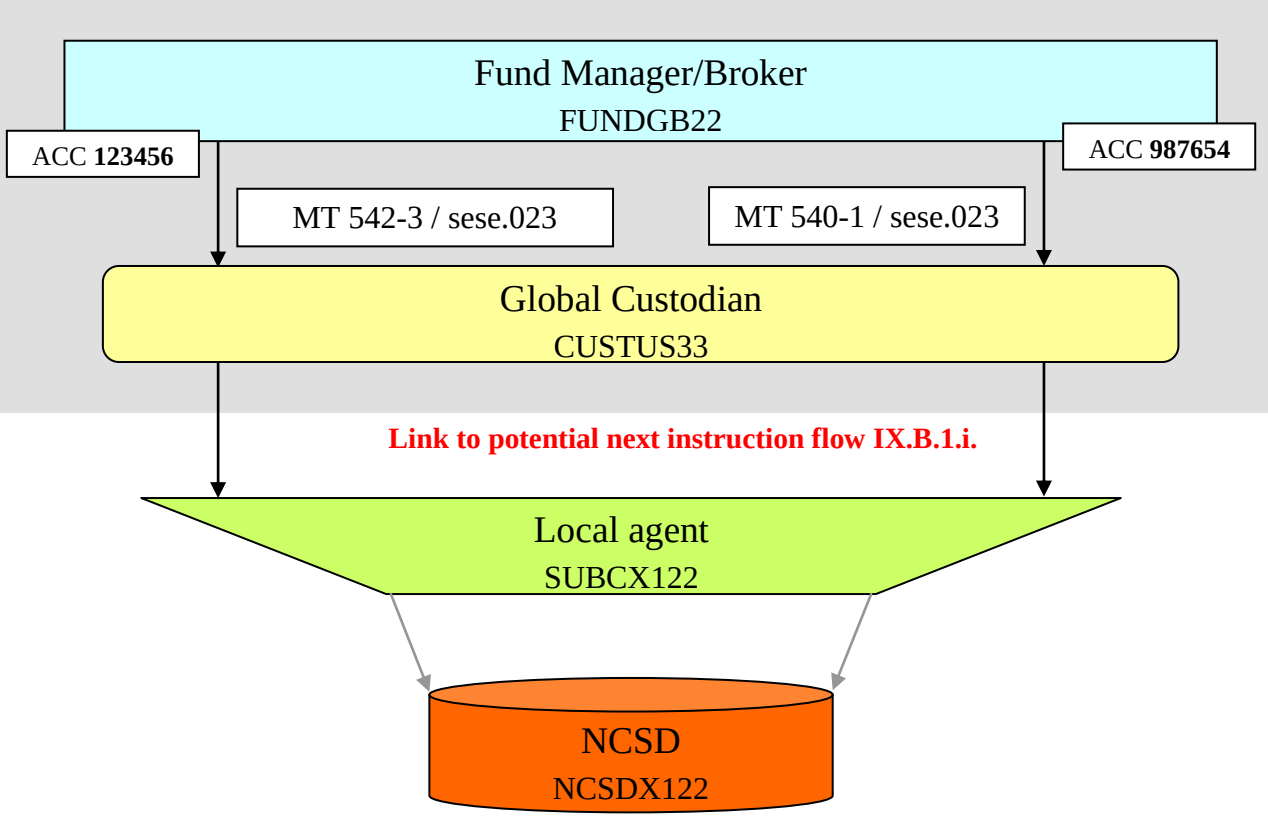
- **Two instructions (receive and deliver) will be instructed.**
- The transactions will be formatted as plain vanilla transactions following the market practice of the place of settlement instructed.
- The global custodian or the local agent will just settle the trade internally instead of sending the instructions to the next level of the settlement chain.

IX. Illustrations:

A. Instruction to account servicer acting as Global Custodian

1. Internal Account Transfer (one message sender/one message receiver):

i. Internal transfer at a Global Custodian (for a market requiring BIC)



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX122</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>987654</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> NCSDX122</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//FUNDGB22 :97A::SAFE//987654
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX122
:16S:SETPRTY
:16S:SETDET

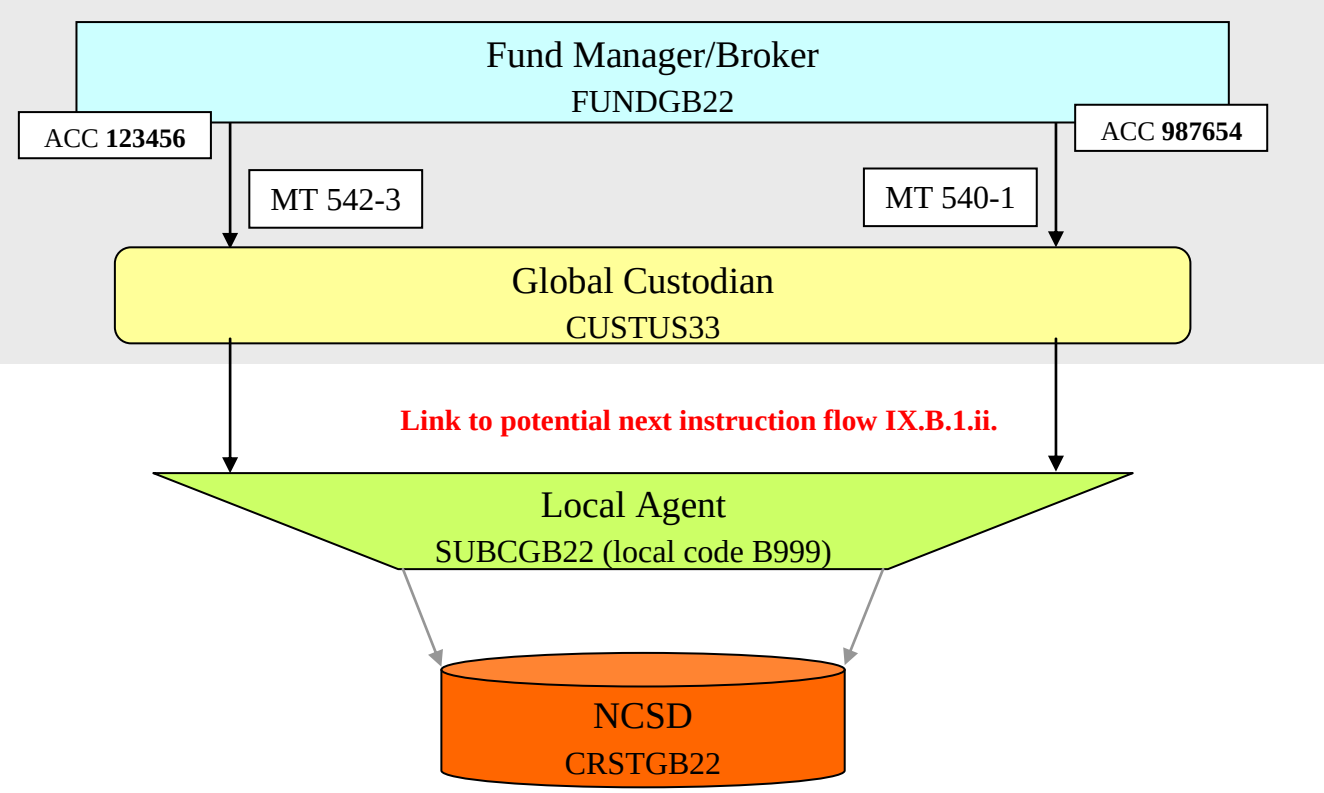
FUNDGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX122
:16S:SETPRTY
:16S:SETDET

Providing that:

- the global custodian operates an omnibus account structure in the market concerning the transactions
- both accounts concerned by the transfer are linked to the same omnibus account
- the market does not require any change of final beneficiary information

The transaction will settle internally at the global custodian. If the global custodian needs to instruct the sub-custodian, see IX.B.1.i.

ii. Internal transfer at a Global Custodian (for a market requiring local codes)



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX122</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>987654</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> NCSDX122</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//FUNDGB22 :97A::SAFE//987654
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//CRSTGB22
:16S:SETPRTY
:16S:SETDET

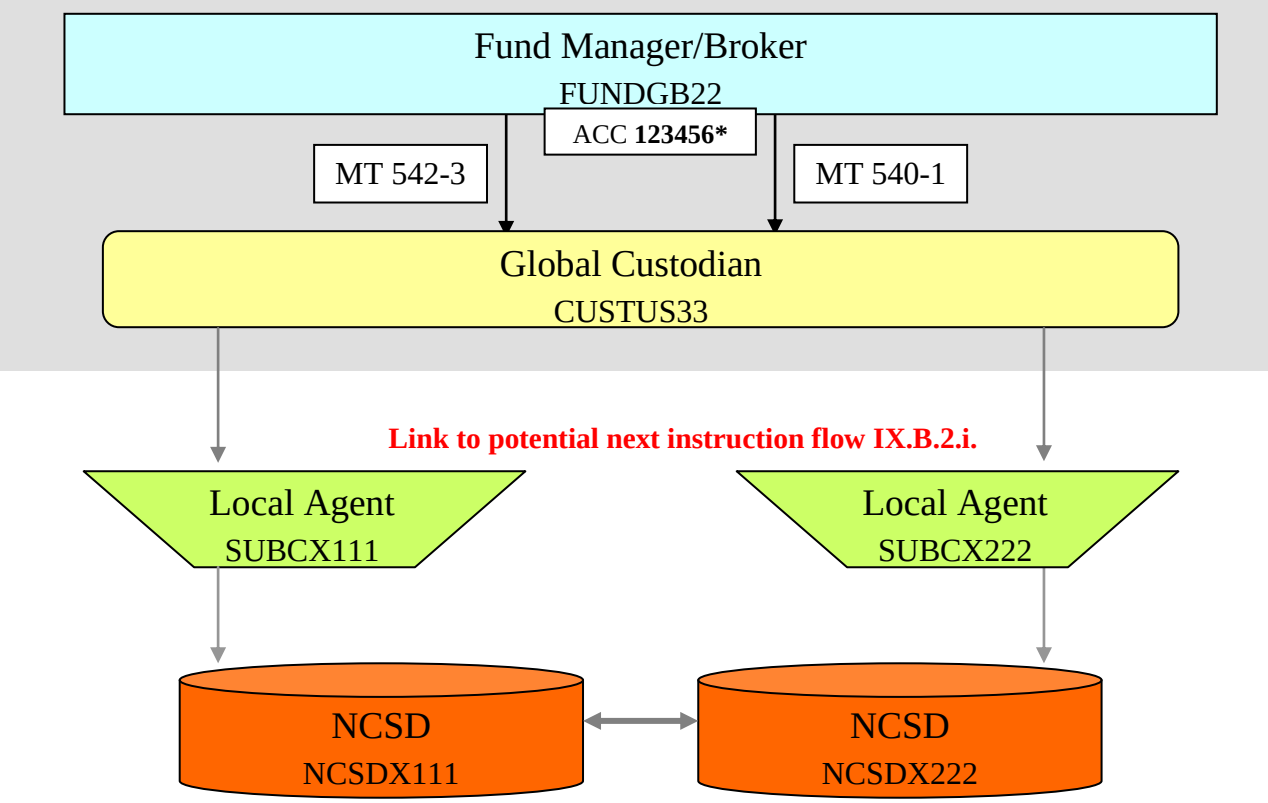
FUNDGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//CRSTGB22
:16S:SETPRTY
:16S:SETDET

Providing that:

- the global custodian operates an omnibus account structure in the market concerning the transactions
- both buyer and seller's accounts are linked to the same omnibus account
- the market does not require any change of final beneficiary information

The transaction will settle internally at the global custodian. If the global custodian needs to instruct the sub-custodian, see IX.B.1.ii.

iii. Transfer from one CSD to another.



*Could involve 2 accounts

- Place of safekeeping could be needed (depending on the message sender/receiver relationship and SLA). See Receiving/Delivering Depository Market Practice document for usage recommendations.

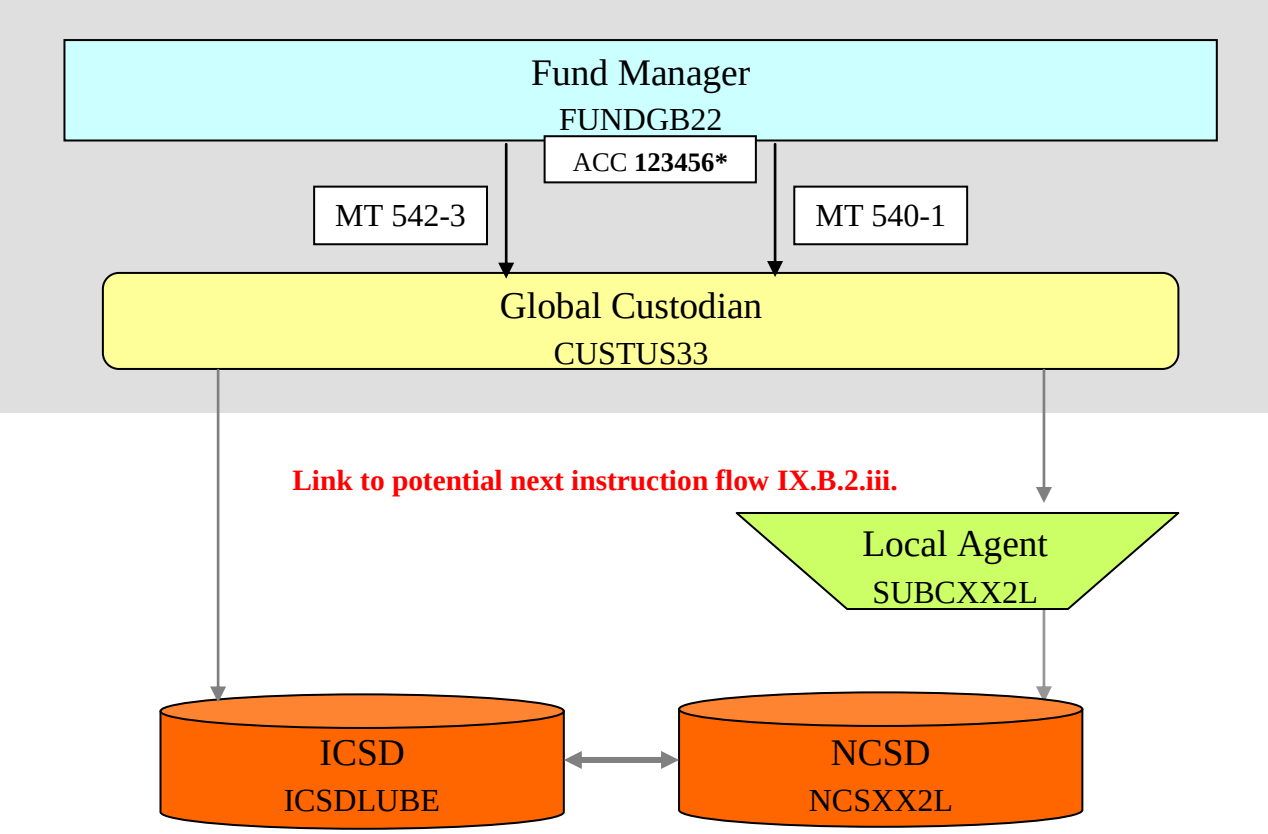
Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX222</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> NCSDX111</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX222
:16S:SETPRTY
:16S:SETDET

FUNDGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX111
:16S:SETPRTY
:16S:SETDET

The global custodian will have to instruct his sub-custodians. See IX.B.2.i.

iv. Transfer from one ICSD to one NCSD (or vice versa):



*Could involve 2 accounts.

- We will assume in our example the ICSD has a direct account at the other NCSD.
- Place of safekeeping could be needed (depending on the message sender/receiver relationship and SLA). See Receiving/Delivering Depository Market Practice document for usage recommendations.

Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX2L</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>ICSDLUBE</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> CUSTUS33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

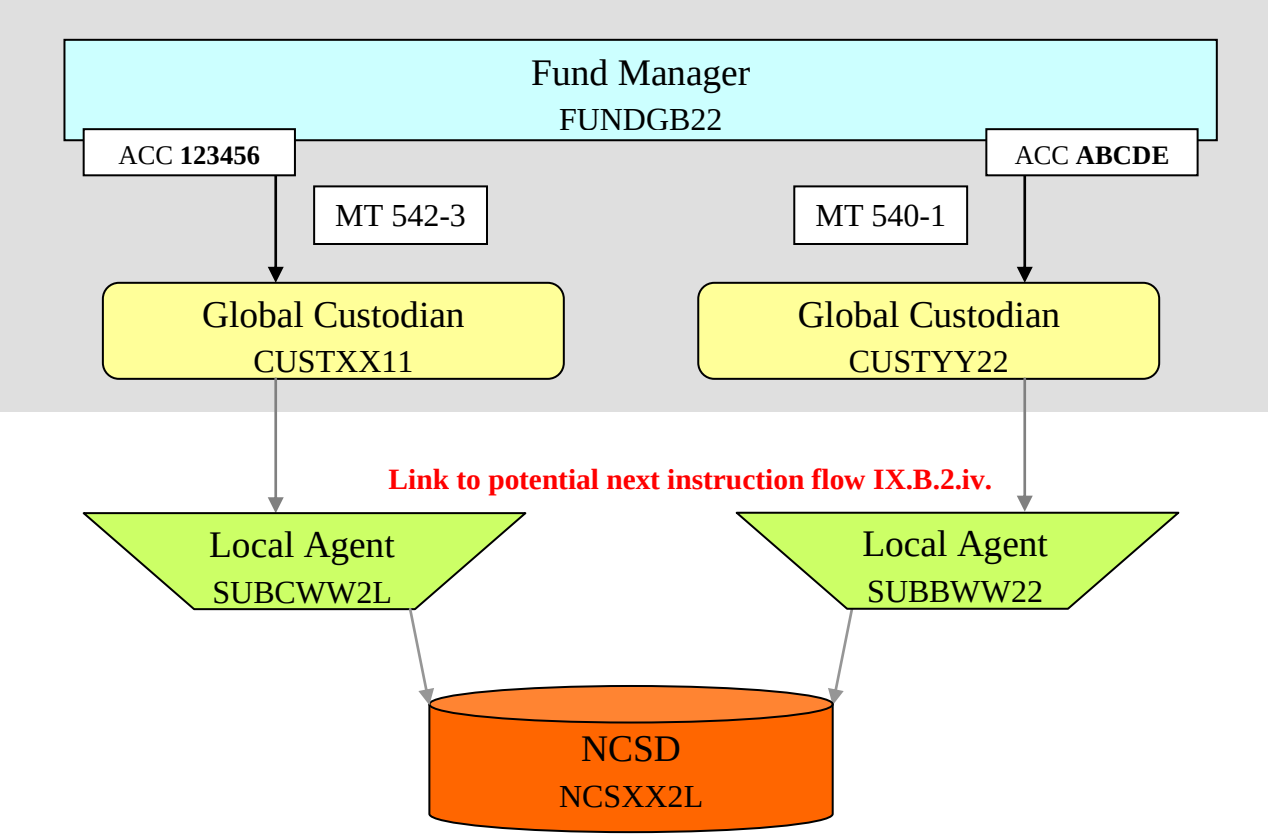
FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

FUNDGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//ICSDLUBE
:16S:SETPRTY
:16S:SETDET

The global custodian will have to instruct his sub-custodians. See IX.B.2.iii.

2. External Account Transfers (more than one message sender and/or receiver):

i. IN or Out-conversion of a fund manager.



We will assume the NCSD local requires the use of a BIC to identify the local agent.

Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNE</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX2L</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBBWW22</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>CUSTYY22</AnyBIC> </Id></Pty2> <Pty3><Id> <AnyBIC>FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>ABCDE</Id></SfkpgAcct> </Pty3> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>ABCDE</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNE</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX2L</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> SUBCWW2L</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> CUSTXX11</AnyBIC> </Id></Pty2> <Pty3><Id> <AnyBIC> FUNDGB22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty3> </DlvrgSttlmPties>

FUNDGB22's MT 542-3 to CUSTXX11
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::BUYR//FUNDGB22 :97A::SAFE//ABCDE
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTYY22
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBBWW22
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

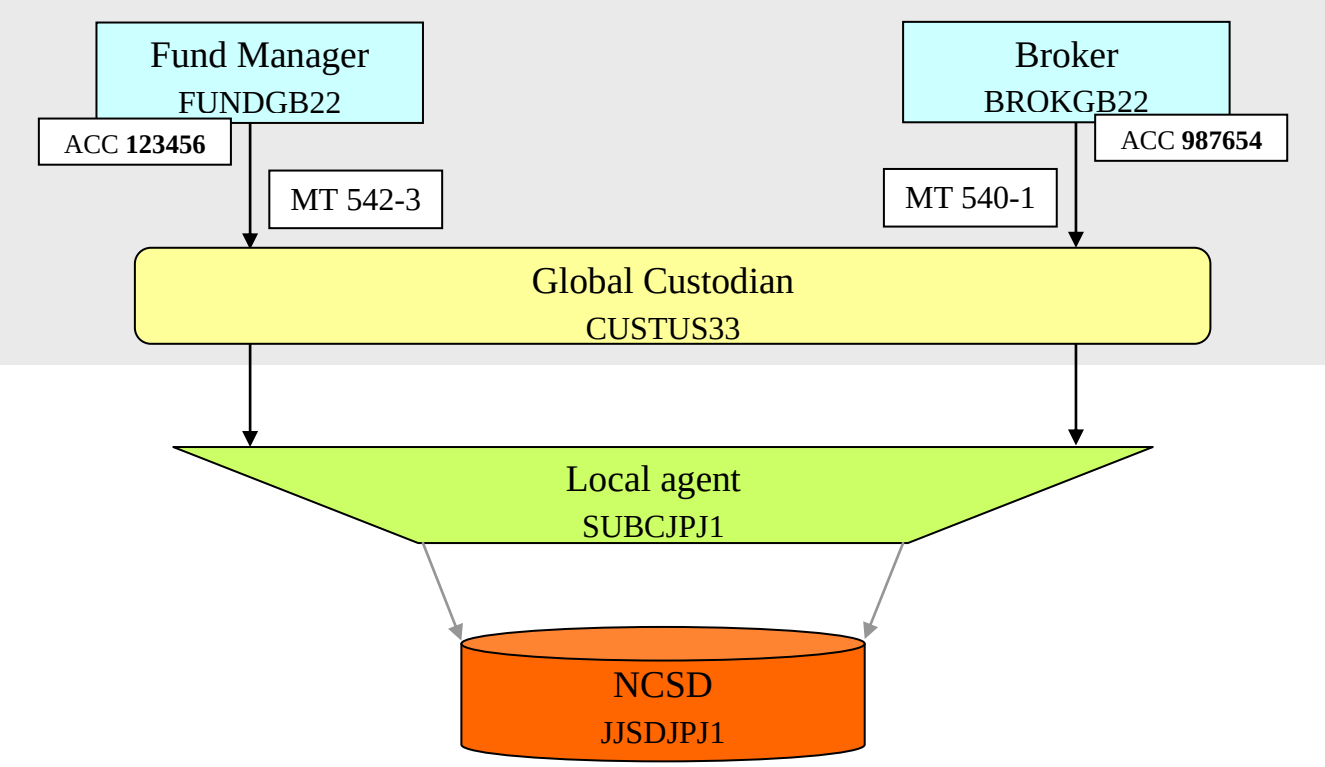
FUNDGB22's MT 540-1 to CUSTYY22
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//ABCDE
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::SELL//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTXX11
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//SUBCWW2L
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

The global custodian will have to instruct his sub-custodians. See IX.B.2.iv.

3. Settlement Transaction Transfer:

i. On a market requiring BICs

Institution FUNDGB22 made a deal with Broker BROKGB22. Account servicer CUSTUS33 services them both. FUNDGB22 sends it delivery instruction. BROKGB22 sends its receipt instruction.
For the securities concerned by the transaction, sub-custodian SUBBJPJ1 services CUSTUS33. CUSTUS33 has an omnibus account at the sub-custodian.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>JJSDJPJ1</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBBJPJ1</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>CUSTUS33</AnyBIC></Id> <SfkpgAcct><Id>321123123</Id></SfkpgAcct> </Pty2> <Pty3><Id> <AnyBIC>BROKGB2L</AnyBIC></Id> </Pty3> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>JJSDJPJ1</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> SUBBJPJ1</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> CUSTUS33</AnyBIC></Id> <SfkpgAcct><Id>321123123</Id></SfkpgAcct> </Pty2> <Pty3><Id> <AnyBIC> FUNDGB22</AnyBIC></Id> </Pty3> </DlvrgSttlmPties>

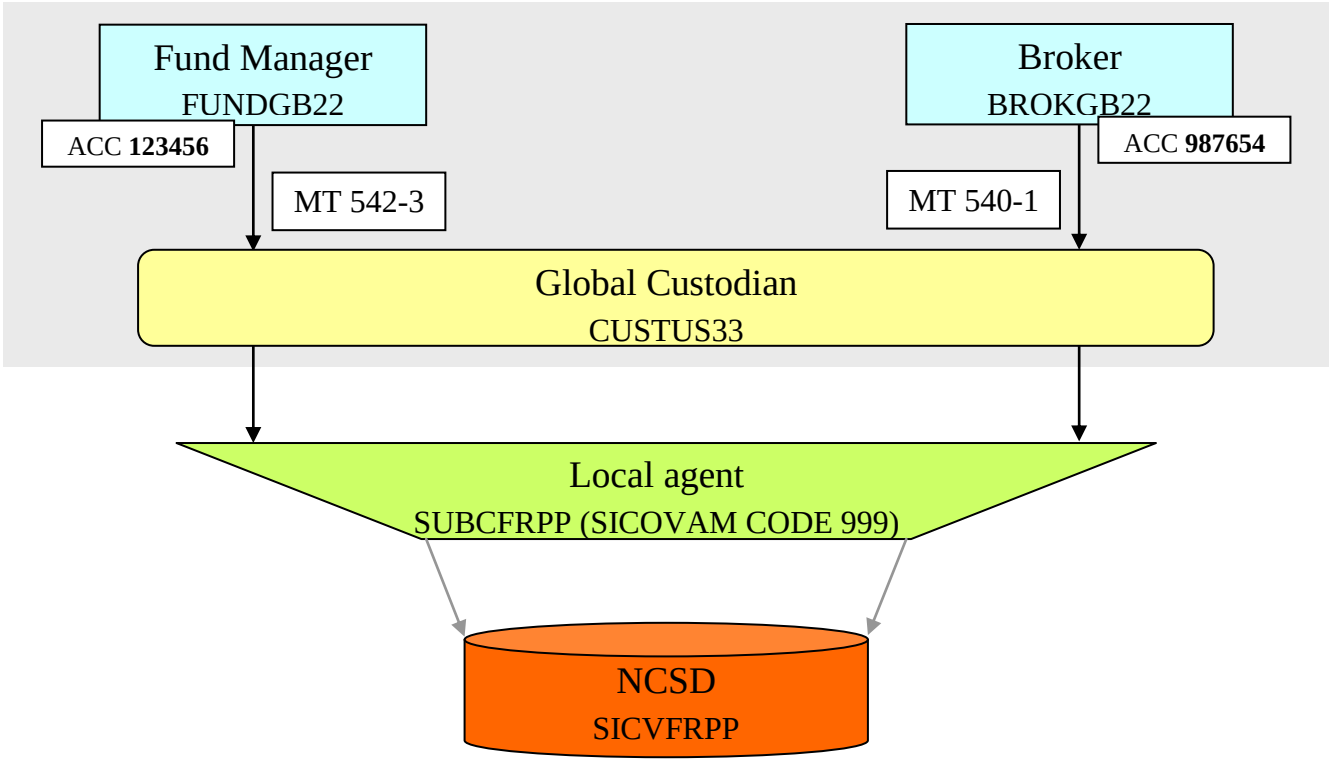
FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::BUYR//BROKGB2L
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTUS33 :97A::SAFE//321123123
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBBJPJ1
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//JJSDJPJ1
:16S:SETPRTY
:16S:SETDET

BROKGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::SELL//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTUS33 :97A::SAFE//321123123
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//SUBBJPJ1
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//JJSDJPJ1
:16S:SETPRTY
:16S:SETDET

- In the market concerned (Japan), the account of the direct client of the receiving/delivering agent is required.
- CUSTUS33 identifies the trade as being a book transfer. (CUSTUS33 is both RECU and DECU)
- CUSTUS33, having an omnibus account at the sub-custodian, the global custodian settles the trade internally.

ii. On a market requiring local codes

Institution FUNDGB22 made a deal with Broker BROKGB22. Account servicer CUSTUS33 services them both. FUNDGB22 sends it delivery instruction. BROKGB22 sends its receipt instruction.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>SICVFRPP</AnyBIC> </Id></Dpstry> <Pty1><Id> <PrtryId> <Id>000000000999</Id> <Issr>EGSP</Issr> </PrtryId></Id></Pty1> <Pty2><Id> <AnyBIC>CUSTUS33</AnyBIC></Id> </Pty2> <Pty3><Id> <AnyBIC>BROKGB22</AnyBIC></Id> </Pty3> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> SICVFRPP</AnyBIC> </Id></Dpstry> <Pty1><Id> <PrtryId> <Id>000000000999</Id> <Issr>EGSP</Issr> </PrtryId></Id></Pty1> <Pty2><Id> <AnyBIC>CUSTUS33</AnyBIC></Id> </Pty2> <Pty3><Id> <AnyBIC>FUNDGB22</AnyBIC></Id> </Pty3> </DlvrgSttlmPties>

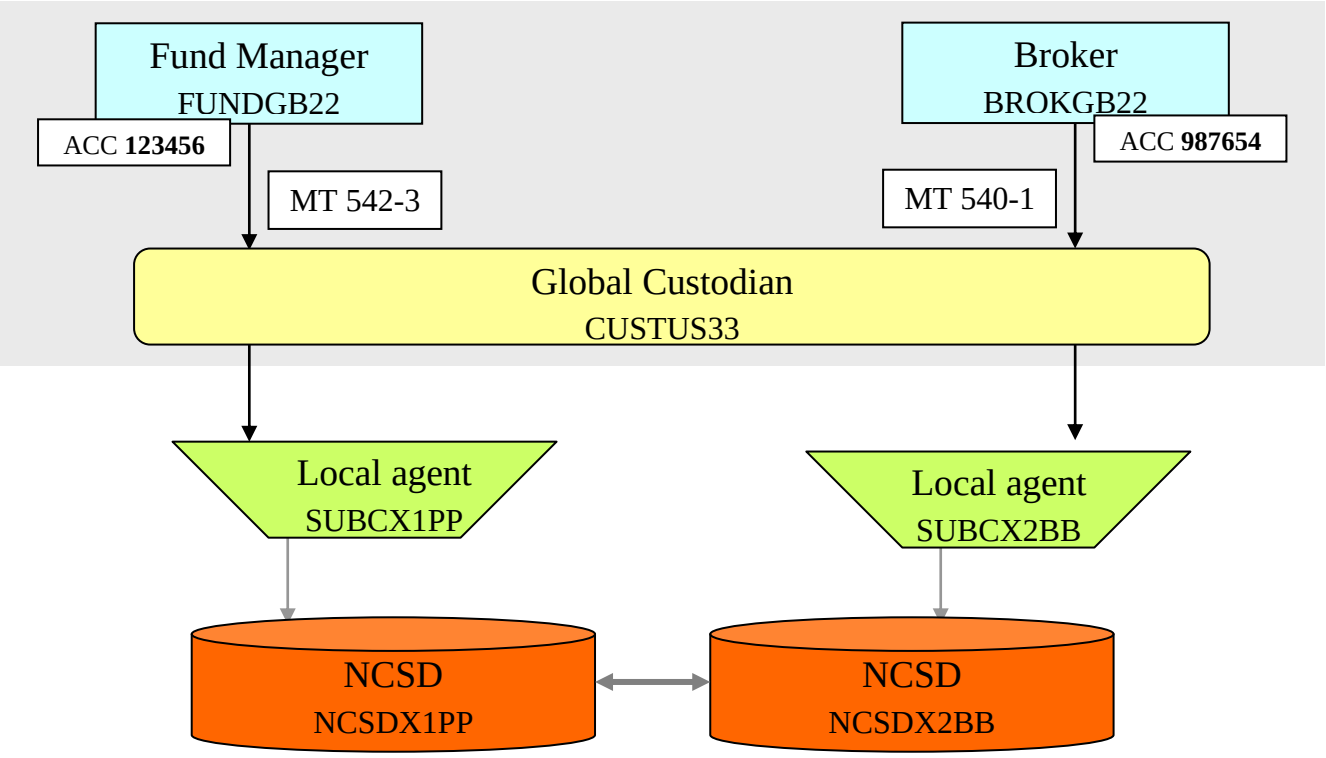
FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::BUYR//BROKGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95R::REAG/EGSP/0000000999
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//SICVFRPP
:16S:SETPRTY
:16S:SETDET

FUNDGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::SELL//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95R::DEAG/EGSP/000000000999
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//SICVFRPP
:16S:SETPRTY
:16S:SETDET

- In the market concerned (France), the REAG and DEAG are to be identified using a SICOVAM local code.
- CUSTUS33 identifies the trade as being a book transfer. (CUSTUS33 is both RECU and DECU)
- CUSTUS33, having an omnibus account at the sub-custodian, the global custodian settles the trade internally.

iii. CSD to CSD

Institution FUNDGB22 made a deal with Broker BROKGB22. Account servicer CUSTUS33 services them both. FUNDGB22 sends it delivery instruction. BROKGB22 sends its receipt instruction.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX2BB</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBBX2BB</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>CUSTUS33</AnyBIC></Id> </Pty2> <Pty3><Id> <AnyBIC>BROKGB22</AnyBIC></Id> </Pty3> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX1PP</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> SUBBX1PP</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> CUSTUS33</AnyBIC></Id> </Pty2> <Pty3><Id> <AnyBIC> FUNDGB22</AnyBIC></Id> </Pty3> </DlvrgSttlmPties>

FUNDGB22's MT 542-3 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::BUYR//BROKGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBBX2BB
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX2BB
:16S:SETPRTY
:16S:SETDET

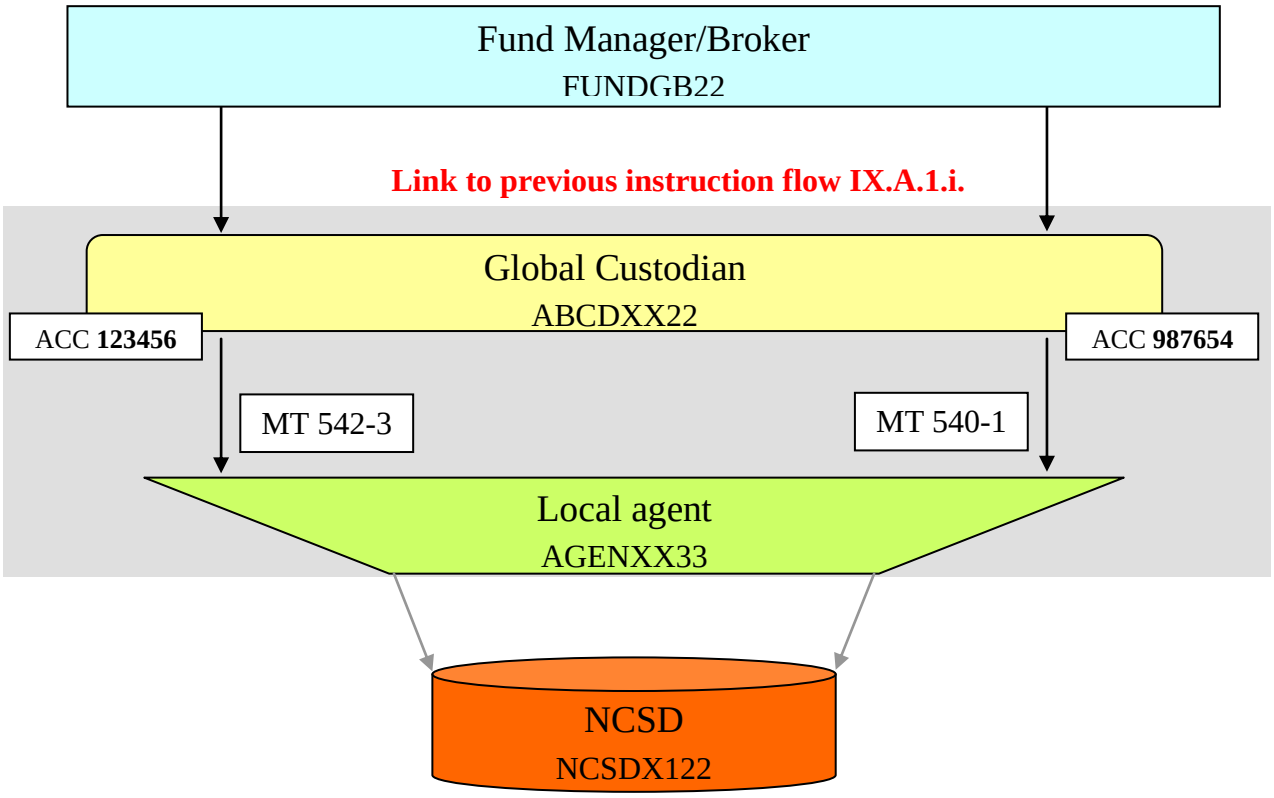
FUNDGB22's MT 540-1 to CUSTUS33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::SELL//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTUS33
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//SUBBX1PP
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX1PP
:16S:SETPRTY
:16S:SETDET

- CUSTUS33 identifies the trade as being a book transfer. (CUSTUS33 is both RECU and DECU)
- Being a CSD-CSD instruction, CUSTUS33 will need to send the messages to its sub-custodians.

B. Instruction to an account servicer acting as a local agent

1. Internal Account Transfer:

i. On a market requiring BICs

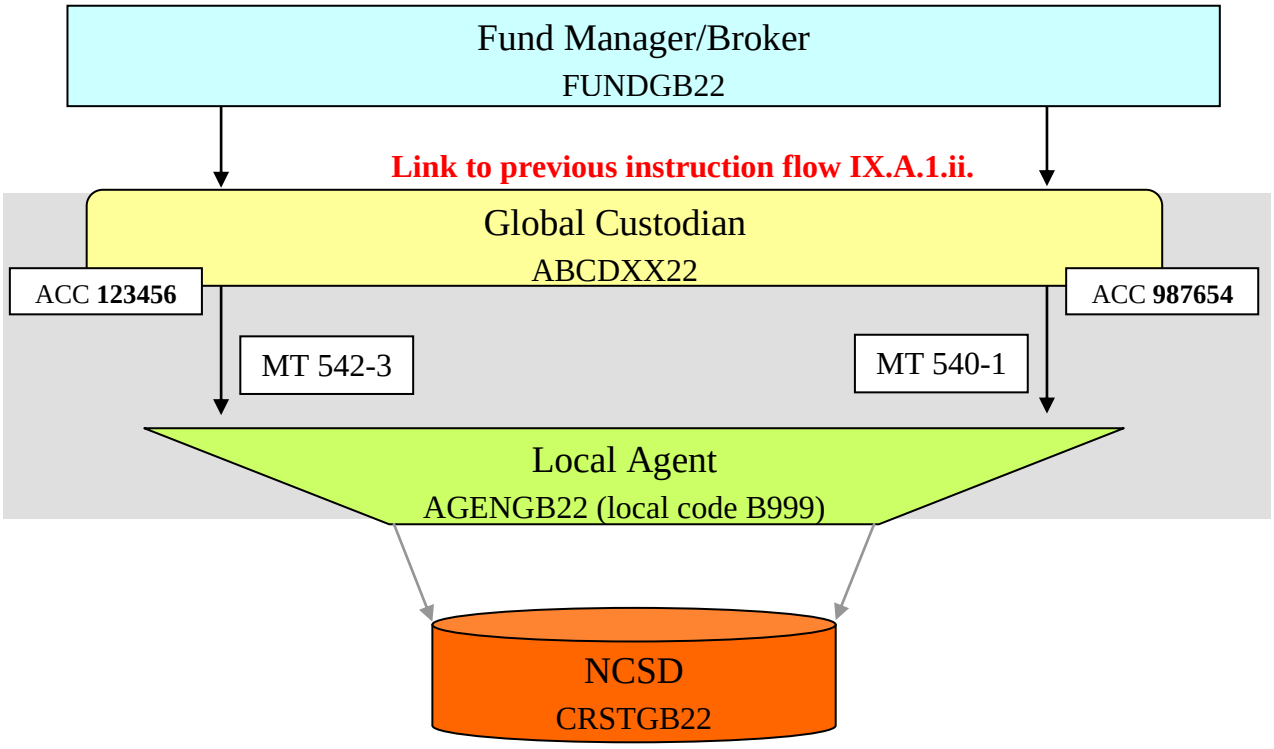


Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX122</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>AGENXX33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>ABCDXX22</AnyBIC> </Id> <SfkpgAcct><Id>987654</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> NCSDX122</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> AGENXX33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> ABCDXX22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

ABCDXX22's MT 542-3 to AGENXX33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//ABCDXX22 :97A::SAFE//987654
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//AGENXX33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX122
:16S:SETPRTY
:16S:SETDET

ABCDXX22's MT 540-1 to AGENXX33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//ABCDXX22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//AGENXX33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX122
:16S:SETPRTY
:16S:SETDET

ii. On a market requiring local codes

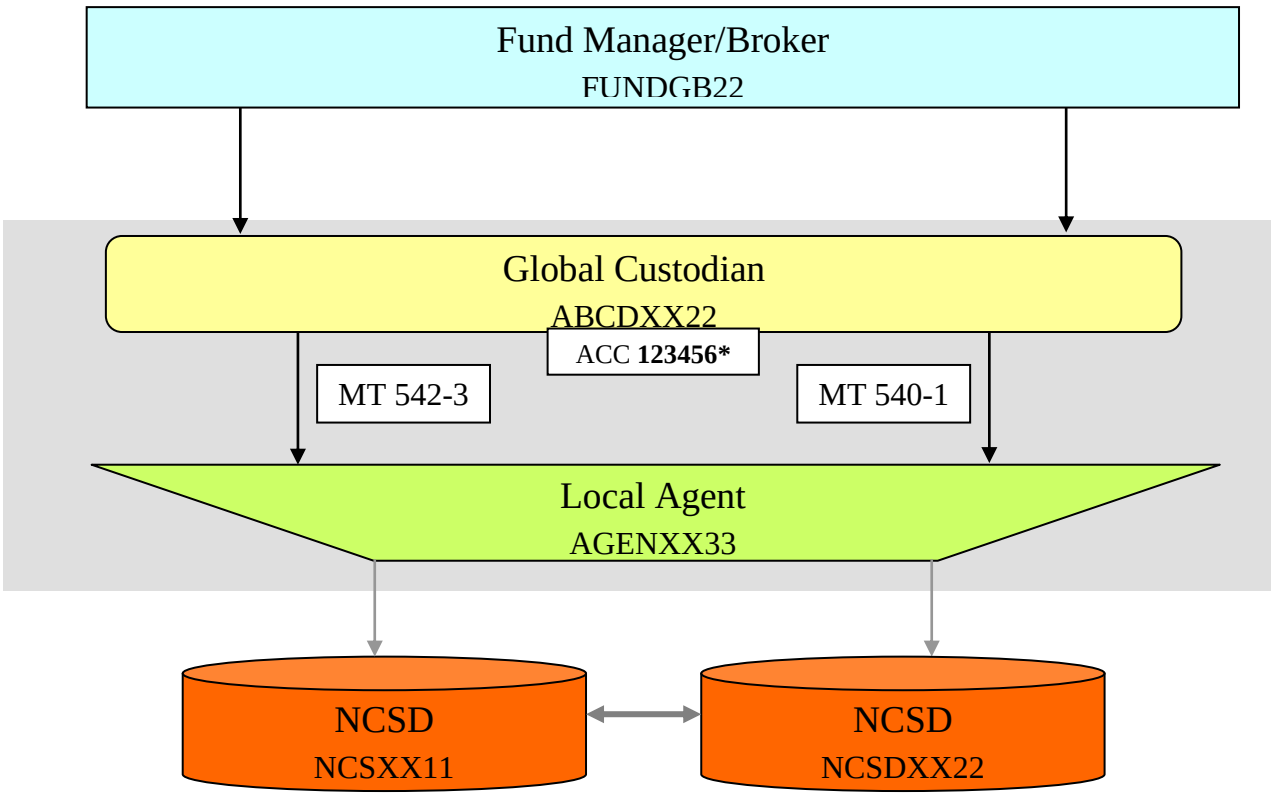


Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>CRSTGB22</AnyBIC> </Id></Dpstry> <Pty1><Id> <PrtryId> <Id>B999</Id> <Issr>CRST</Issr> </PrtryId></Id></Pty1> <Pty2><Id> <AnyBIC>ABCDXX22</AnyBIC></Id> <SfkpgAcct><Id>987654</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> CRSTGB22</AnyBIC> </Id></Dpstry> <Pty1><Id> <PrtryId> <Id>B999</Id> <Issr>CRST</Issr> </PrtryId></Id></Pty1> <Pty2><Id> <AnyBIC>ABCDXX22</AnyBIC></Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

ABCDXX22's MT 542-3 to AGENGB22
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//ABCDXX22 :97A::SAFE//987654
:16S:SETPRTY
:16R:SETPRTY
:95R::REAG/CRST/B999
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//CRSTGB22
:16S:SETPRTY
:16S:SETDET

ABCDXX22's MT 540-1 to AGENGB22
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//ABCDXX22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95R::DEAG/CRST/B999
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//CRSTGB22
:16S:SETPRTY
:16S:SETDET

iii. Transfer from one NCSD to another NCSD:



*Could involve 2 accounts

This transfer is from one CSD to another CSD within the same country.

Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX22</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>AGENXX33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>ABCDXX22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNI</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX11</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> AGENXX33</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> ABCDXX22</AnyBIC> </Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

ABCDXX22's MT 542-3 to AGENXX33
:16R:FIAC
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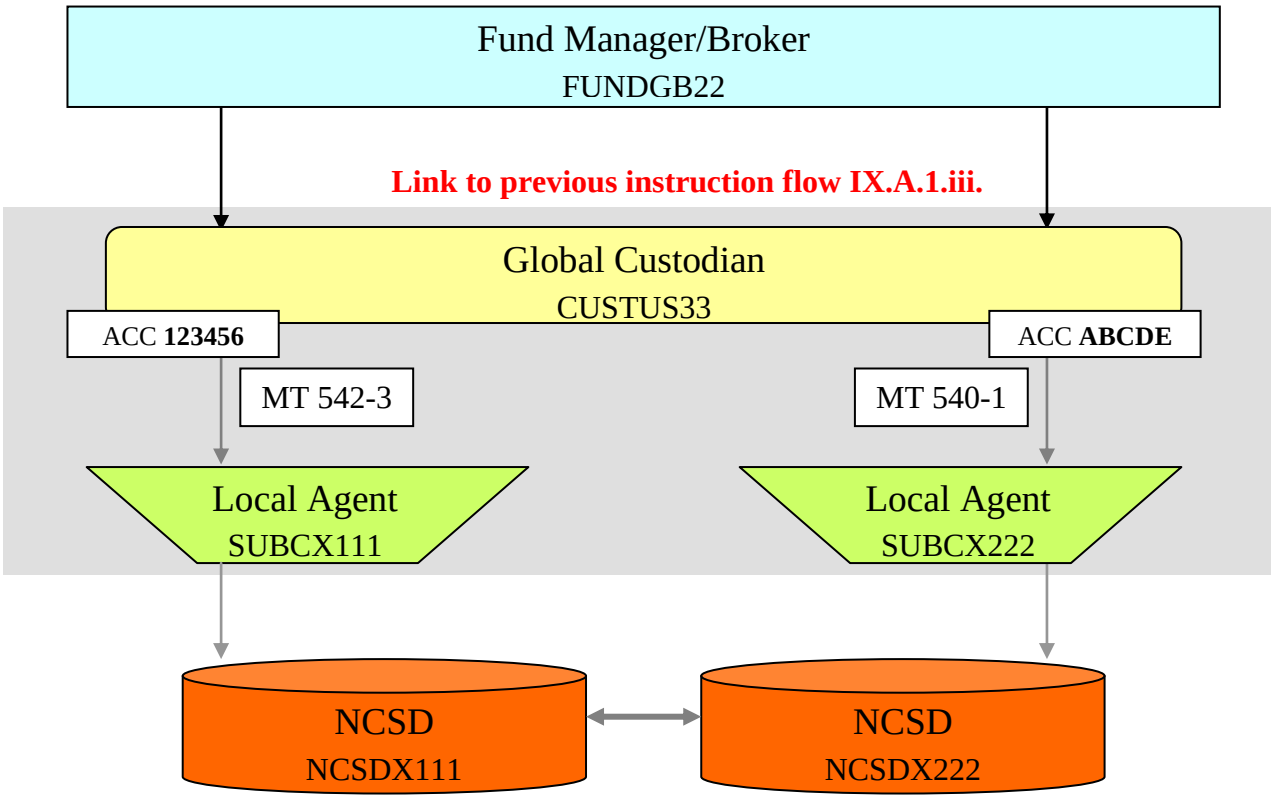
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::BUYR//ABCDXX22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//AGENXX33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX22
:16S:SETPRTY
:16S:SETDET

ABCDXX22's MT 540-1 to AGENXX33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNI
:16R:SETPRTY
:95P::SELL//ABCDXX22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//AGENXX33
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX11
:16S:SETPRTY
:16S:SETDET

2. External account transfer:

i. Transfer from one CSD to another.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNE</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX222</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBCX222</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>CUSTUS33</AnyBIC> <SfkpgAcct><Id>ABCDE</Id></SfkpgAcct> </Id></Pty2> <Pty3><Id> <AnyBIC>FUNDGB22</AnyBIC> </Id></Pty3> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>ABCDE</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNE</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDX111</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBCX111</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> CUSTUS33</AnyBIC> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Id></Pty2> <Pty3><Id> <AnyBIC> FUNDGB22</AnyBIC> </Id</Pty3> </DlvrgSttlmPties>

CUSTUS33's MT 542-3 to SUBCX111
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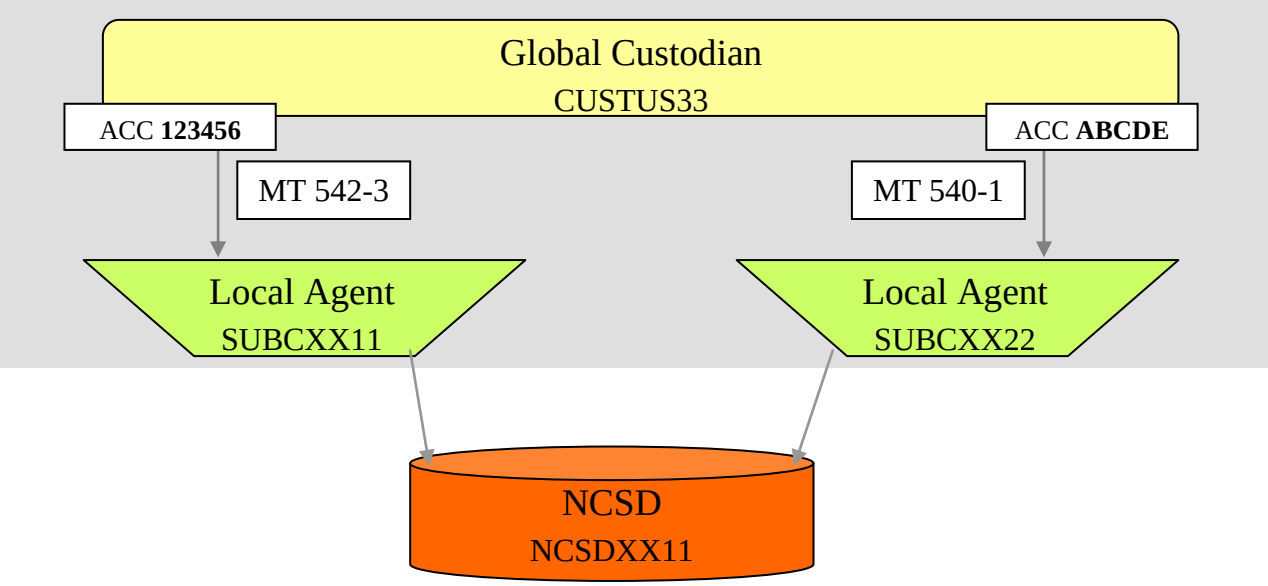
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::BUYR//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTUS33 :97A::SAFE//ABCDE
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBCX222
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX222
:16S:SETPRTY
:16S:SETDET

CUSTUS33's MT 540-1 to SUBCX222
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//ABCDE
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::SELL//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTUS33 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//SUBCX111
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX111
:16S:SETPRTY
:16S:SETDET

ii. In / Out-conversion of a global custodian.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
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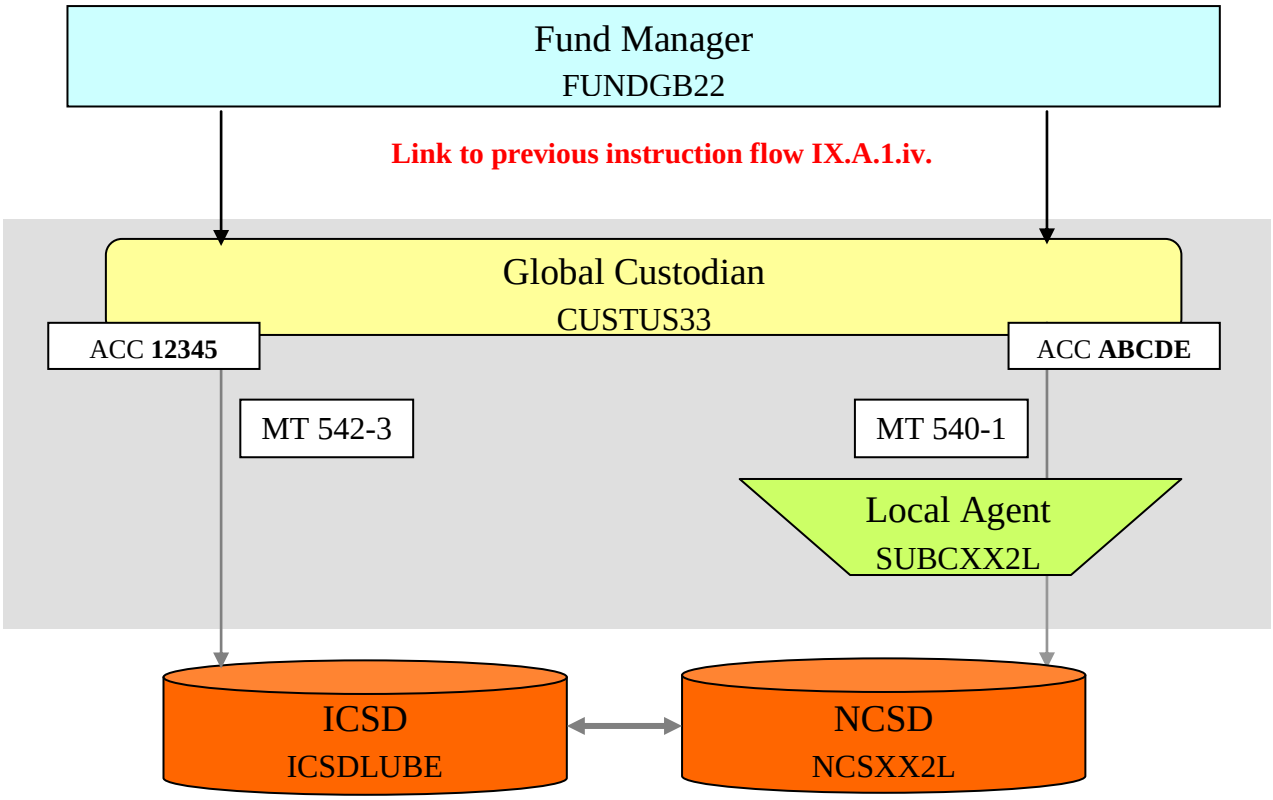
CUSTUS33's MT 542-3 to SUBCXX11
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::BUYR//CUSTUS33 :97A::SAFE//ABCDE
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBCXX22
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX11
:16S:SETPRTY
:16S:SETDET

CUSTUS33's MT 540-1 to SUBCXX22
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//ABCDE
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::SELL//CUSTUS33 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//SUBCXX11
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDX11
:16S:SETPRTY
:16S:SETDET

iii. Transfer from an ICSD to one CSD or (vice versa)



- We will assume in our example the ICSD has a direct account at the other NCSD.

Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
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CUSTUS33's MT 542-3 to ICSDLUBE
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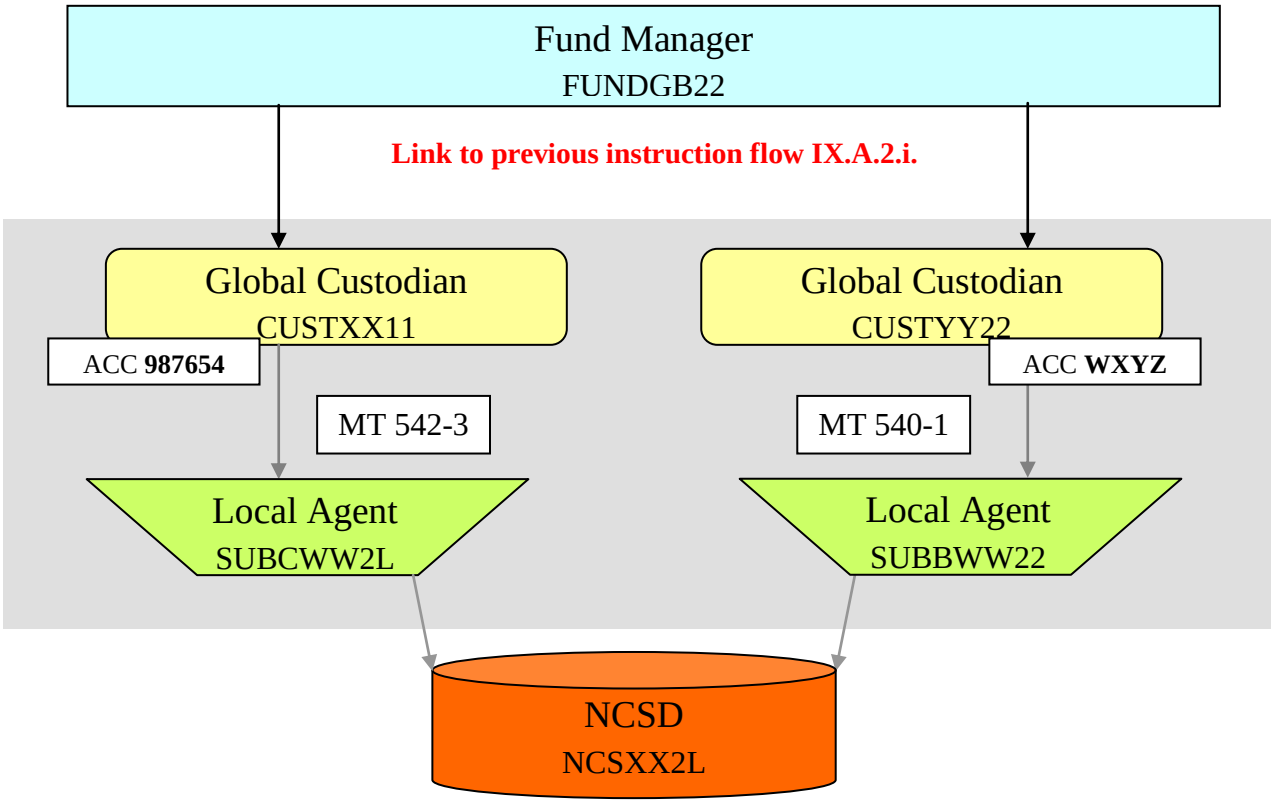
:36B::SETT//UNIT/1000,
:97A::SAFE//12345
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::BUYR//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTUS33 :97A::SAFE//ABCDE
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBCXX2L
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

CUSTUS33's MT 540-1 to SUBCXX2I
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//ABCDE
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::SELL//FUNDGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTUS33 :97A::SAFE//12345
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//ICSDLUBE
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

iv. IN or Out-conversion of a fund manager (next level).



We will assume the NCSD local requires the use of a BIC to identify the local agent.

Global custodian to Subcustodian flow

Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNE</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX2L</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBBWW22</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>CUSTYY22</AnyBIC> </Id></Pty2> <Pty3><Id> <AnyBIC>FUNDGB22</AnyBIC> <SfkpgAcct><Id>ABCDE</Id></SfkpgAcct> </Id></Pty3> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>WXYZ</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>OWNE</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>NCSDXX2L</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>SUBCWW2L</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> CUSTXX11</AnyBIC> </Id></Pty2> <Pty3><Id> <AnyBIC> FUNDGB22</AnyBIC> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Id</Pty3> </DlvrgSttlmPties>

CUSTXX11's MT 542-3 to SUBCWW2L
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::BUYR//FUNDGB22 :97A::SAFE//ABCDE
:16S:SETPRTY
:16R:SETPRTY
:95P::RECU//CUSTYY22
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//SUBBWW22
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

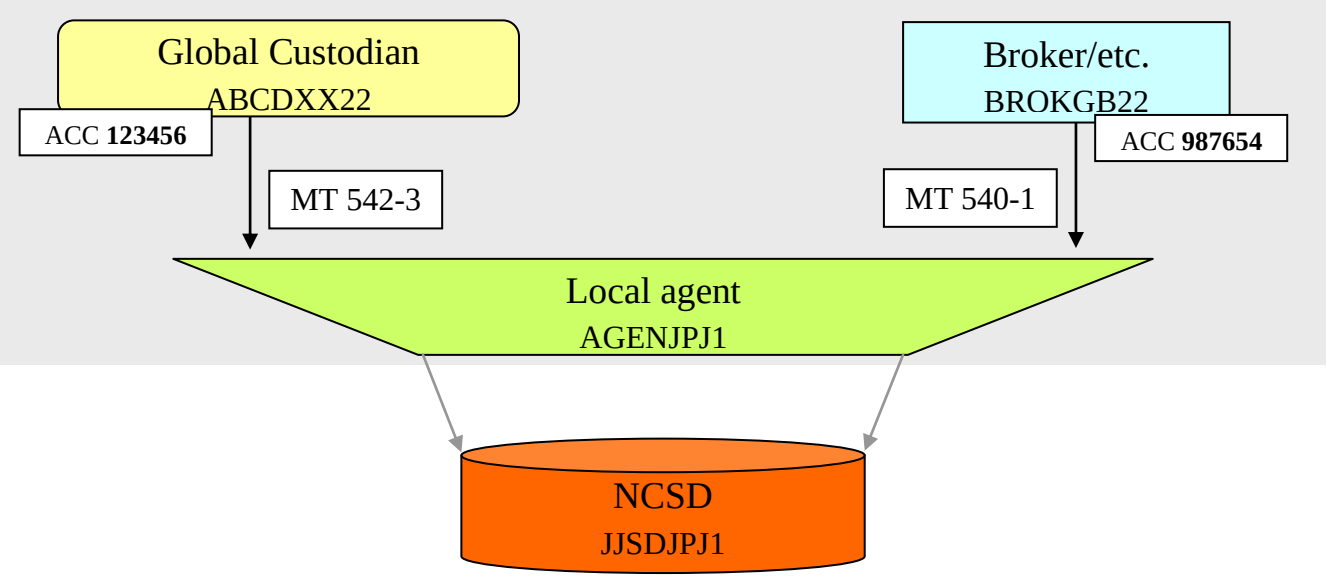
CUSTYY22's MT 540-1 to SUBBWW22
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//WXYZ
:16S:FIAC
:16R:SETDET
:22F::SETR//OWNE
:16R:SETPRTY
:95P::SELL//FUNDGB22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DECU//CUSTXX11
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//SUBCWW2L
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX2L
:16S:SETPRTY
:16S:SETDET

Though there are 2 senders and 2 receivers, OWNE will be used, as it is NOT a simple settlement trade but a transfer. It may be interesting for the receiver to know it in order to take specific actions.

3. Settlement Transaction Transfer:

i. BIC NCSD

Institution ABCDXX22 made a deal with Broker BROKGB22. Account servicer AGENJPJ1 services them both. ABCDXX22 sends it delivery instruction. BROKGB22 sends its receipt instruction. AGENJPJ1 has an omnibus account at the CSD.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>JJSDJPJ1</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC>AGENJPJ1</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC>BROKGB2L</AnyBIC></Id> <SfkpgAcct><Id>987654</Id></SfkpgAcct> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC>JJSDJPJ1</AnyBIC> </Id></Dpstry> <Pty1><Id> <AnyBIC> AGENJPJ1</AnyBIC> </Id></Pty1> <Pty2><Id> <AnyBIC> ABCDXX22</AnyBIC></Id> <SfkpgAcct><Id>123456</Id></SfkpgAcct> </Pty2> </DlvrgSttlmPties>

ABCDXX22's MT 542-3 to AGENJPJ1
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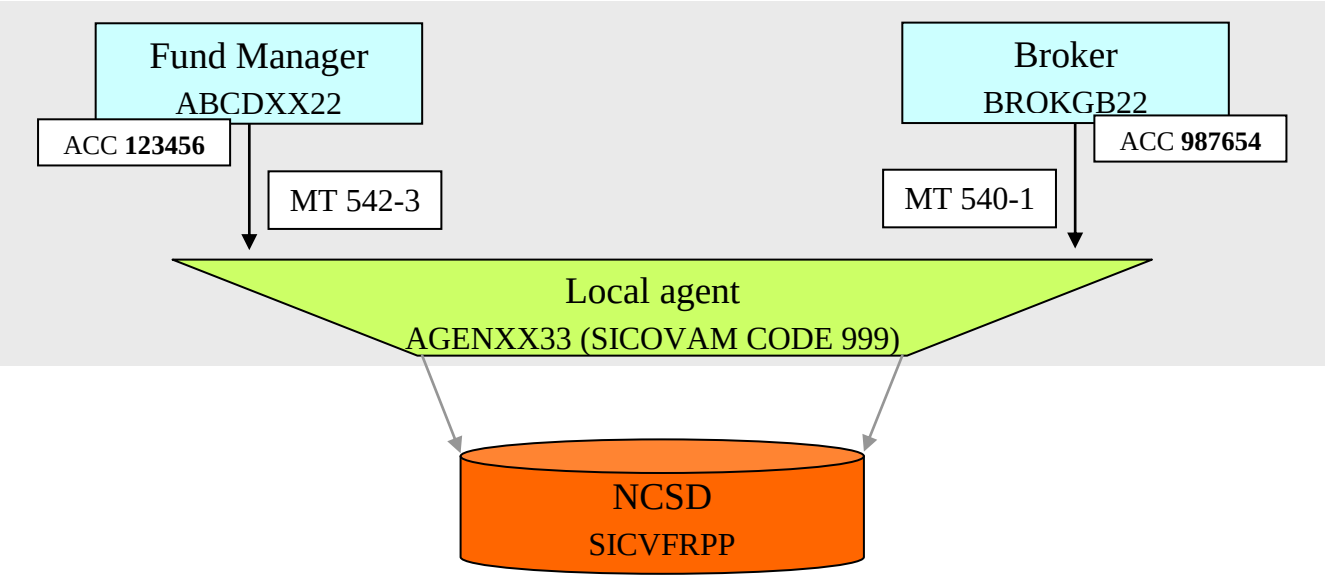
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::BUYR//BROKGB2L :97A::SAFE//987654
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//AGENJPJ1
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//JJSDJPJ1
:16S:SETPRTY
:16S:SETDET

BROKGB22's MT 540-1 to AGENJPJ1
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::SELL//ABCDXX22 :97A::SAFE//123456
:16S:SETPRTY
:16R:SETPRTY
:95P::DEAG//AGENJPJ1
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//JJSDJPJ1
:16S:SETPRTY
:16S:SETDET

- In the market concerned (Japan), the account of the direct client of the receiving/delivering agent is required. Therefore, the template happens to be the same as if both buyer and seller knew it was an account transfer. But it will not always be the case (see next example).
- AGENJPJ1 identifies the trade as being a book transfer. (AGENJPJ1 is both REAG and DEAG)
- AGENJPJ1, having an omnibus account at the CSD, the agent settles the trade internally.

ii. Local code NCSD or ICSD

Institution ABCDXX22 made a deal with Broker BROKGB22. Account servicer AGENXX33 services them both. ABCDXX22 sends it delivery instruction. BROKGB22 sends its receipt instruction.



Sese.023 DELI (FREE or APMT)	Sese.023 RECE (FREE or APMT)
<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>123456</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <RcvgSttlmPties> <Dpstry><Id> <AnyBIC>SICVFRPP</AnyBIC> </Id></Dpstry> <Pty1><Id> <PrtryId> <Id>000000000999</Id> <Issr>EGSP</Issr> </PrtryId></Id></Pty1> <Pty2><Id> <AnyBIC>BROKGB22</AnyBIC></Id> </Pty2> </RcvgSttlmPties>	<QtyAndAcctDtls> <SttlmQty><Qty><Unit>1000.</Unit></Qty> </SttlmQty> <SfkpgAcct><Id>987654</Id> </SfkpgAcct> </QtyAndAcctDtls><SttlmParams> <SctiesTxTp><Cd>TRAD</Cd> </SctiesTxTp></SttlmParams> <DlvrgSttlmPties> <Dpstry><Id> <AnyBIC> SICVFRPP</AnyBIC> </Id></Dpstry> <Pty1><Id> <PrtryId> <Id>000000000999</Id> <Issr>EGSP</Issr> </PrtryId></Id></Pty1> <Pty2><Id> <AnyBIC>ABCDXX22</AnyBIC></Id> </Pty2> </DlvrgSttlmPties>

ABCDXX22's MT 542-3 to AGENXX33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//123456
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::BUYR//BROKGB22
:16S:SETPRTY
:16R:SETPRTY
:95R::DEAG/EGSP/000000000999
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//SICVFRPP
:16S:SETPRTY
:16S:SETDET

ABCDXX22's MT 540-1 to AGENXX33
:16R:FIAC
:36B::SETT//UNIT/1000,
:97A::SAFE//987654
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::SELL//ABCDXX22
:16S:SETPRTY
:16R:SETPRTY
:95R::DEAG/EGSP/000000000999
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//SICVFRPP
:16S:SETPRTY
:16S:SETDET

- In the market concerned (France), the REAG and DEAG are to be identified using a SICOVAM local code.
- AGENXX33 identifies the trade as being a book transfer. (AGENXX33 is both REAG and DEAG)
- AGENXX33, having an omnibus account at the CSD, the agent settles the trade internally.

C. Instruction to an account servicer acting as a CSD:

CSDs' requirements for book transfers may be different. Three types of process have been identified:

1) Book transfers are handled only with two legs that need to be matched before settlement. Those CSDs will follow the above market practice.

2) All transfers are without matching (1 delivery leg only). It may be allowed between any accounts (belonging to the same institution or not). They will generally follow the delivery part of the above market practice.

3) Other CSDs have both processes (with or without matching). In that case, there is the need to differentiate one process form the other.

Those CSDs have requested the creation of a specific code to identify whether or not a transfer delivery is to be settled with or without matching.

- For delivery without matching transfers, the participant needs to mention in the Settlement sequence E a STCO indicator: 22F::STCO//DLWM.

  DLWM stands for delivery without matching.
- If the transfer is with matching, the above market practice will be followed.

For delivery without matching, it is recommended to identify at least the client of the receiving agent and its account at the agent. It will help the receiving participant (READ) to identify the client's account where the securities should be credited to.

D. Other transfers:

As from May 2005, users have the possibility to identify 2 other types of transfers:

Portfolio Move (:22F::SETR//PORT) <SctiesTxTp><Cd>PORT</Cd></SctiesTxTp>	The transaction relates to a portfolio move from one investment manager to another and/or from an account servicer to another. It is generally charged differently than another account transfer (OWNE, OWNI, INSP), hence the need to identify this type of transfer as such.
In Specie / Share Exchange (:22F::SETR//INSP) <SctiesTxTp><Cd>INSP</Cd></SctiesTxTp>	The instruction relates to a move of stock into or out of a pooled account. The stock is generally used, instead of cash, to purchase or redeem unit holdings. It is generally charged differently than another account transfer (PORT, OWNE, OWNI), hence the need to identify this type of transfer as such.

In those instances, instructing parties should apply the book transfer market practice with the settlement transaction type indicator set to INSP or PORT to clearly identify these types of transfer as such.

As for all MP documents, these recommendations are only applicable when relevant. This document does not aim at mandating the performing of such transfers.

1. More on In Specie and Portfolio transfer instructions sent by a fund manager or transition manager to a custodian

i. Introduction and scope

This market practice section covers settlement instructions for the settlement of stock in transition. It was developed by the UK & IE Transition Settlement MPG, the originator of the request for the creation of INSP and PORT settlement transaction types.

At the 2006 Stockholm meeting, it was clarified that INSP only applies between an IM and a global custodian. INSP should not be sent to the local market but should be changed to TRAD (default transaction type code).

ii. Definition of transition transfer

Stock moved in a transition instruction is identified as one of the following for charging purposes at the custodian (the receiver of the instruction):

(1) Portfolio transfer (Take-On, Take-Off)

- **Portfolio transfer deliver (Take-Off)** - the fund manager is passing management of a fund to another fund manager:
  ISO15022: :22F::SETR//PORT - with a Deliver instruction (MT 542, MT 543);
  ISO20022: <SctiesTxTp><Cd>PORT</Cd></SctiesTxTp> - with a settlement instruction (sese.023, DELI)
- **Portfolio transfer receipt (Take-On)** - the fund manager is taking on management of a fund from another fund manager:
  ISO15022: :22F::SETR//PORT - with a Receive instruction (MT 540, MT 541);
  ISO20022: <SctiesTxTp><Cd>PORT</Cd></SctiesTxTp> - with a settlement instruction (sese.023, RECE)

(2) In Specie instructions

- **In specie (share exchange)** – segregated holdings of stock are moved into the pooled fund of a fund manager, or value is given for movement out of a pooled fund (all or part) as stock, rather than cash. A change of fund manager may also be involved.
  The movement into the pooled fund may also be supported by the sending of the contract note to the custodian for the purchase of the segregated stock by the pooled fund.

  The value out movement may be given as segregated lines of stock pro rata to the composition of the pooled fund, or as a concentration of stocks, typically in the case of a move out of a fund tracking a large number of stocks.

  ISO15022: :22F::SETR//INSP - with Deliver or Receive instruction.

  ISO20022: <SctiesTxTp><Cd>INSP</Cd></SctiesTxTp> - with a settlement instruction (sese.023, DELI or RECE)

iii. Settlement instruction message flows

- There are four types of transition flow. Any of them may be a portfolio transfer (take-off or take-on of stock) or an in specie transfer.
- The Type of Settlement Transaction indicator and settlement chain format used is given by the following table:

Change of ACCOUNT	Change of FM?	Change of CUSTODIAN?	SETR//	Settlement Chain Formatted as OWNI, OWNE or TRAD?
Yes	No	No	PORT or INSP	OWNI
Yes	No	Yes	PORT or INSP	OWNE
Yes	Yes	No	PORT or INSP	TRAD
Yes	Yes	Yes	PORT or INSP	TRAD

iv. SMPG book transfer definitions

The starting point for settlement chain formats is the global SMPG paper on Book Transfer, (Reference 3).

v. Settlement instructions

- The message formats discussed are those sent by a fund manager or transition manager to custodian;
- Settlement Transaction Type (SETR) is either PORT or INSP depending on the type of transition, and the settlement chain is formatted according to the definitions in the SMPG Book Transfer market practice paper and local settlement market practice;
- Use of PORT or INSP indicates the type of transition, used to determine the charging applied by the receiver of the message for the transfer:
  - Portfolio transfer (also known as take-off and take-on) defined above;
  - In specie transfer (also known as share exchange) defined above;
- There is no business requirement to indicate in the settlement instruction whether a transition manager is involved in the transfer;
- The settlement transaction type in the onward instruction may be different in the onward message.

vi. Length of settlement chain

The Settlement Chain is formatted according to the local market practice rules for settlement. Note that the majority of country specific market practices recommend the use of the full settlement chain.

Thus a three or more party chain may be sent, eg identify DEAG, DECU and SELL parties in a receive instruction; and REAG, RECU and BUYR parties in a deliver instruction. Additional parties may be included following the ISO 15022 / ISO 20022 Standard.

It was affirmed that there is no restriction on the length of the settlement chain for transition instructions. The standard market practice rules for settlement apply.

vii. Change of Beneficial Owner

Change of Beneficial Owner follows standard use of ISO 15022 / 20022 and may be indicated in the settlement instruction as required:

Qualifier and Code	Definition
<BnfclOwnrsh> <Ind>false</Ind> </BnfclOwnrsh> 22F::BENE//NBEN	• If standing instruction in place: though standing instruction is CBO, this transaction is NCBO • If no standing instruction in place, it means NCBO
<BnfclOwnrsh> <Ind>true</Ind> </BnfclOwnrsh> 22F::BENE//YBEN	• If standing instruction in place: though standing instruction is NCBO, this transaction is CBO • If no standing instruction in place, it means CBO

It was affirmed that the standard market practice rules for change of beneficial owner apply for transition instructions.

viii. Settlement of Stock in Transition - with a Transition Manager

- A transition manager may act on behalf of the fund for its transition from one fund manager to another.
- **The message flows follow those for take-off and take-on or in specie. There is no requirement to indicate that a party acts as a transition manager in the settlement instruction**.
- The transition manager controls stock in a segregated account at either the custodian of the take-off or take-on fund manager or in their own account.
- Stock is transferred from the take-off fund manager to a segregated account or own account under the control of the transition manager.
- The stock may be transferred from a pooled or segregated account.
- The fund is rebalanced and the stock transferred to the take-on fund manager.
- The segregated account may be at the custodian of the take-off or the take-on fund manager.
- The same custodian may act for both the take-on and take-off fund managers. This is determined by the fund (the client of the fund manager).
- The transfer to the transition manager may also be instructed by the fund (the client of the fund manager) directly to the custodian, giving control of the account at the custodian to the transition manager. This does not involve the use of ISO 15022 settlement instructions by the fund or the custodian. Transfer of control of the fund account at the custodian is then an administrative operation.