Foreign Exchange Order and Confirmation Market Practice

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Version 1.0	Draft	Consolidation of ISITC (MT380 and MT381) and SMPG (MT54x FXIB/FXIS) Market Practices	K. Rabon
Version 1.2	Draft	Update wording, add open question, update diagrams	C. Brown
Version 1.3	Draft	Clarification of wording in multiple sections of document	J. Brasile
Version 1.4	Draft	1. Updates to Section A.1 Preliminary remarks 2. Section C. MT300 usage. 3. Update to Market practice rules section VI regarding instructing FX differences for amended trades 4. Updated sequence diagram and ISO15022 illustration diagram	J. Brasile
Version 1.5	Draft	Updates based on ISITC Conference call: 1. Update to MT380 field recommendations and sample to include recommendations when the IM chooses to instruct a bulk FX order and wants include the original security trade reference Ids within the instruction. 2. Update to scope/definitions section highlighting the MT300 confirmation from Sub-custodian to Global Custodian is out of scope for this document. Focus is on the instruction and confirmation messaging between IM and Global Custodian	J. Brasile
Version 1.6	Draft	Updates based on ISITC Conference December, 2010 1. Open items on page 4 addressed.	J. Brasile
Version 1.7	Final	Addition of market practice disclaimer on Pg. 1	J. Brasile
Version 2.0	Updated	Addition of SR2011 Sequence B2 – Reason and Sequence C – Underlying Transaction Detail field recommendations and markets impacted	J. Brasile
Version 2.2	Updated	Activity Diagram created during Securities/Payments Joint workshop in November, 2010 added.	J. Brasile
Version 2.3	Updated	Flow diagram on page 8 updated to reflect market practice recommendation of MT381 FX execution confirmation from sub-custodian to global custodian. Replacing previously incorrectly noted usage of MT300.	J. Brasile
Version 2.4	Updated	Addition of Colombia local market requirement within section B to include Sequence B2 – Reason field 24B, and Sequence C – Underlying Transaction Detail Security Identifier fields recommendation	J. Brasile
Version 2.5	Updated	Addition of requirements and updated examples for FX's in relation to partial settlements	R. Leary
Version 2.6	Updated	Updated document to reflect ISO 20022 CBPR+ migration November 2022 – November 2025	D. Chard

I. Scope and definitions:

This document provides guidelines and contains the template for all foreign exchange orders and confirmations via the ISO 15022 message format. The document will address message formats for the following methods:

- MT54X message with linked FX request via FXIB/FXIS
- MT380 message-foreign exchange order
- MT381 message-foreign exchange confirmation

The illustrative examples provided are shown from the perspective of a client/investment manager (IM) instructing its custodian to execute a foreign exchange request, the custodian acting on the request and the custodian confirming that the foreign exchange was executed.

ISO20022 messaging is currently out of scope of this document until ISO models the messages into the MX format.

The following foreign exchanges/confirmations will NOT be addressed in this market practice guide:
- MT304 messages-Advice of a third party FX
- Direct FX deals with custodian bank's treasury desk.
- MT300 confirmation messaging between Sub-custodian and Global Custodian

Open questions resolved after discussions within ISITC and SMPG:
1. Current business process is for the IM to call the Global Custodian to confirm if the FX has been executed if a cancellation is required. Currently, the MT54x FXIB/FXIS message allows for a cancellation to be sent once determined by the custodian via telephone the FX can be cancelled. The MT380 does not allow for cancellations, only reversals.   SWIFT has confirmed the proper message for cancelling an MT380 FX order instruction is the MT392 message once confirmed by the account servicer a cancellation can still be done on the FX instruction. There is risk of abuse by IMs attempting to cancel FXs that were already executed, but this needs to be clearly stated as only to be used after agreement has been made with the Global Custodian the FX was not yet executed and can be cancelled instead of reversed.
2. The MT565 Corporate Action/Income instruction message allows for an associated FX instruction within the message. After discussing within ISITC and SMPG Corporate Actions WG, it was agreed the MT565 FX functionality is not recommended. In all cases, the FX order should be sent separately via MT380 or other manual means linking back to an MT565 message if possible.

A. Settlement Transaction Linked FX usage MT54x FXIS/FXIB:

1. Preliminary remarks:

Foreign Exchange messages can be communicated in a number of ways between the Investment Manager, Custodian, and Subcustodian. An FX can be communicated in trade messages utilizing MT54x and FXIB/FXIS or the MT380, confirming back to the Investment Manager by the Global Custodian using the MT381.

2. Consequent scope – MT54x FXIB/FXIS usage:

- Although the recommendation for FX order instruction and confirmation is the MT380 and MT381 messages, there is a need to provide recommendations on market practice due to continuing industry usage of the MT54x FXIB/FXIS codewords for settlement transaction linked FXs.
- This market practice will focus on the instruction and cancellation of a forex order linked to a settlement instruction using the FXIB/FXIS ISO 15022 functionality.

- Section VI. Market Practice Rules, also includes usage recommendations for the rebook of settlement instruction after the cancellation of the original instruction keeping the FX order as well as the confirmation part of the business flow. This section also clarifies the recommendation to instruct a rebook when a FX standing instruction exists and the FX remains during the cancellation of the original instruction.

B. MT 380 order usage:

The MT380 Foreign Exchange Order is meant to cover all scenarios in which the account owner has instructed the global custodian to perform an FX order. This includes but is not limited to the following scenarios:

- The Investment Manager sends the custodian bank an MT380 instruction to execute a trade related Foreign Exchange instead of embedding a FX request (FXIB/S) in their MT54X trade instruction.

- The Investment Manager sends the custodian an MT380 instruction to fund a trade for a value date different from settlement date on the corresponding security trade.

- The Investment Manager sends the custodian an MT380 instruction to fund/repatriate the difference between an existing trade and its amendment allowing an FX amount different than trade net amount to be specified.

- The Investment Manager sends the custodian an MT380 instruction to fund/repatriate an income or corporate event.

- It is important to note that an Investment Manager can utilize either MT54x FXIS/FXIB and/or MT380, however, both should not be sent for the same FX or the FX will be duplicated.

C. MT 381 confirmation usage:

The MT381 FX confirmation is meant to cover all scenarios in which the account owner has instructed the global custodian to perform a securities related FX order. This includes the following scenarios:

- When the global custodian instructs the sub-custodian in the local market to execute the FX on behalf of the custodian and confirmation is sent back to the custodian and ultimately the asset manager.

- When the global custodian has requested their treasury department within a custodian bank to execute the FX.

Appropriate scenarios include the receipt of an MT380 FX Order instruction or the receipt of an MT54x FXIB/FXIS execution order sent from the fund manager. The following additional scenarios were identified as possible in scope cases of requiring an MT381 response:

- **FX to cover 1 security trade** – Investment manager for Account A instructs the custodian to execute the foreign exchange on the MT541 FXIS/MT380 instruction for one trade.

- **FX for account repatriation** – Investment manager for Account A instructs the custodian bank to execute the foreign exchange to convert non-base currency back to the accounts base currency on the MT543 FXIB/MT380 instruction for one trade.

- **FX to cover multiple security trades** – Investment manager for account A instructs the custodian bank to do the foreign exchange to cover two security trades with the same currency through the instruction of multiple MT54x FXIB/FXIS instructions or MT380 instruction. Practice of custodians to lump confirmation of FX into one MT381 with multiple linkage sequences within A1, field 20C::RELA.

- **FX to cover security trade and account repatriation** – Investment manager for account A instructs the custodian bank to do a foreign exchange to cover a security trade and to convert non-base currency back to the account's base currency through the instruction of a combination of multiple

MT54x FXIB/FXIS and/or MT380 instructions. Practice of custodians to lump confirmation of FX into one MT381 with multiple linkage sequences within A1, 20C::RELA.

- **Standing SSI with Global Custodian to execute FX with Treasury Desk at Global Custodian or Sub-Custodian –** The group has agreed the MT381 should be used to cover this scenario.   Although there will not be an originating instruction from the asset manager, the appropriate confirmation of the execution of the FX by the custodian should be the MT381.   The mandatory 98C::ORDR field should be populated with the sub-custodian execution date/time as noted in the field usage format specifications of this document.

- **Faxed instruction to Global Custodian to execute FX with Treasury Desk at Global Custodian or Sub-Custodian –** Although faxed instructions will not allow the MT381 to have a message type/reference and date/time of order to properly link to the original IM instruction, the group felt the MT381 should consider this scenario in scope and populate the sub-custodian execution date/time as noted in the field usage format specifications of this document.

Other scenarios which were discussed, but determined not to be appropriate for usage of the MT381 include:

- **MT304 received:** The MT900/910 or camt.054 should be used for confirmation of the individual currencies bought and sold within the MT304 FX instruction. Please refer to the MT900/910 SWIFT User Handbooks or CBPR+ camt.054 usage guidelines in the SWIFT MyStandards Readiness Portal for more information on usage. The IM can also track this FX activity through the receipt of the MT950/940 or camt.053 from the custodian. Please refer to the ISITC MT950 market practice published by the ISITC reconciliation WG for more information on usage. This market practice will be updated in due course to incorporate the camt.053.

- **Direct Deals:** In the scenario in which the account owner has notified the treasury desk of a custodian directly to execute an FX order instruction, this is considered a direct deal and out of scope of the MT381 market practice.

- **MT300 confirmation usage:** The MT300 is not recommended by SMPG for usage in the confirmation of a securities related FX instruction/execution order instructed to the Global Custodian, regardless of whether ultimately executed by the Global Custodians treasury desk or by the Sub-custodian.

II. Actors and Roles:

A. FX Orders or Settlement Transaction Linked FX

There are two distinct roles involved in Foreign Exchange order instruction:

- Sender – A sender sends the message containing the data
- Recipient – The recipient receives the message containing the data from the provider.

There are multiple actors involved in the process. Each actor may at any time play more than one of the roles outlined below.

Instructing Party	Receiving/Executing Party
Investment Manager	Custodian Bank
Custodian Bank	Sub-Custodian Bank
Interested Party/Vendor	

B. FX Confirmations

There are two distinct roles involved in FX order confirmation:

- Sender – A sender sends the message containing the relevant FX execution data.
- Recipient – The recipient receives the message containing the data from the provider.

There are multiple actors involved in the process. Each actor may at any time play more than one of the roles outlined below.

Sender	Recipient
Sub-Custodian	Custodian Bank
Custodian Bank	Investment Manager
	Portfolio Manager
	Interested Party/Vendor

III. Activity Diagram:
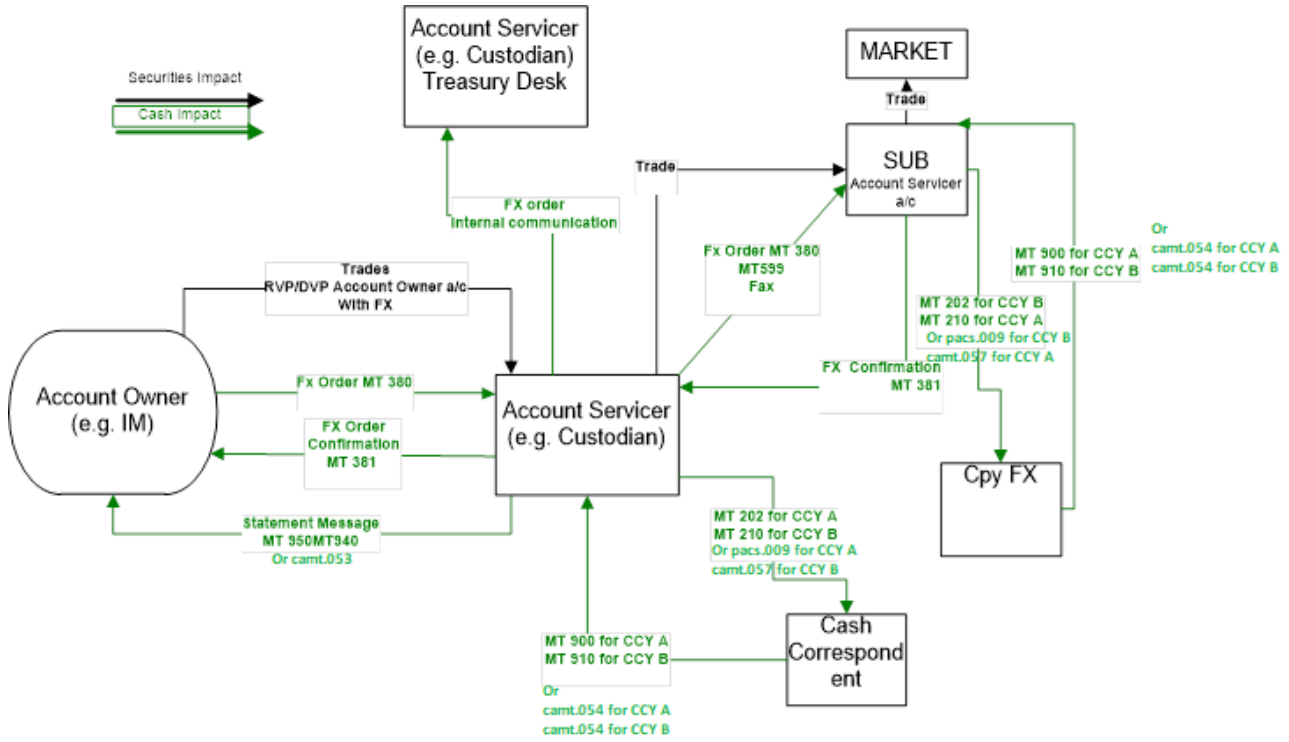
Foreign Exchange Order and Confirmation Flow-IM to Custodian

Foreign Exchange Request and Confirmation Flow-Custodian to Sub Custodian

Recipient — Sub Custodian	Receive FX Request → Execute FX	
Instructing Party — Custodian Bank	Initiation of FX Request	FX Confirmation (MT300)

IV. <u>Sequence Diagrams:</u>

Foreign Exchange Order Instruction

IM/Client/Vendor   Custodian Bank

FX Confirmation Message

IM/Client/Vendor   Custodian Bank

FX Confirmation Message

Custodian Bank   Sub-Custodian Bank
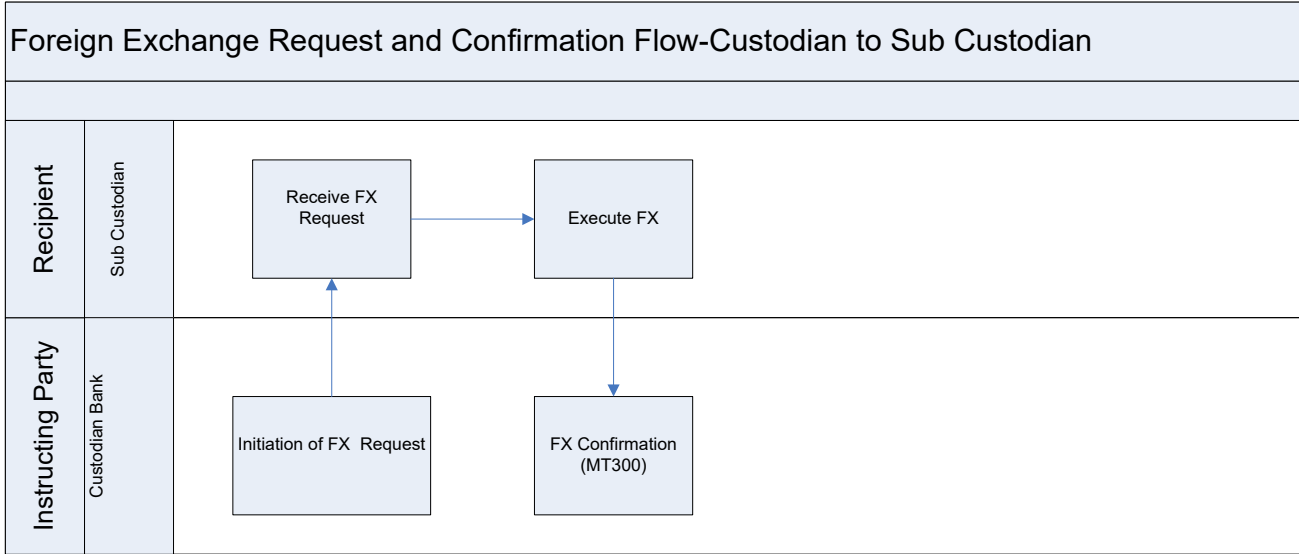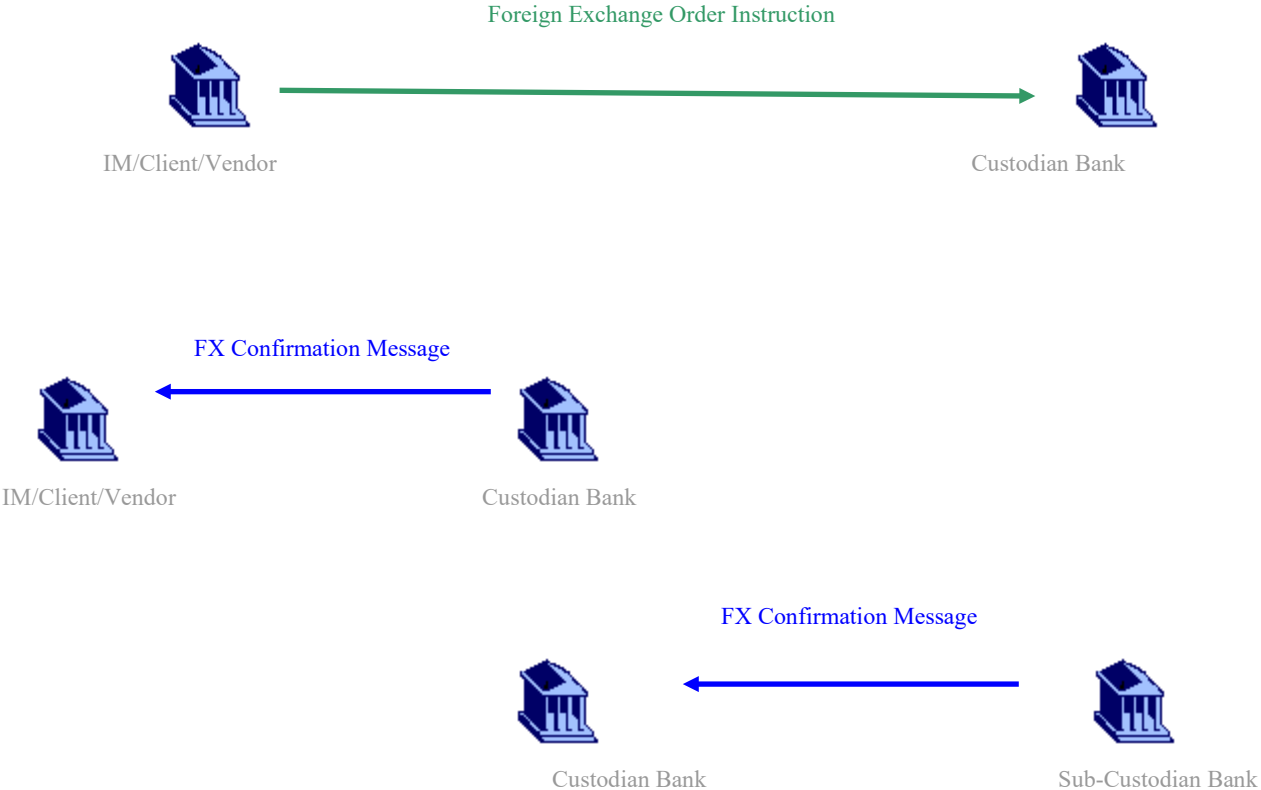
V. Business data requirements:

A. Settlement Transaction Linked FX

Business Element	Comments
Message Reference	Unique transaction id from the sender.
Function of the Message	Indicates New/Cancel
Currency & Indicator	Buy/Sell Indicator with Currency
Date & Time	ISO 8601 Date
Settlement Currency and Amount	Counter Currency and Settlement Amount
Safekeeping Account	Account Number
Indicator	FX Cancel Indicator

B. MT380-FX Order Message

Business Element	Comments
Message Reference	Unique transaction id from the sender.
Function of the Message	Indicates New
Transaction Type Indicator	FX Order Transaction Type Indicator for Reversals
Indicator	Buy/Sell Indicator
Date & Time	ISO 8601 Date
Amount Ordered	Buy/Sell Amount
Currency and Amount	Counter Currency
Investor	Investor
Safekeeping Account	Account Number

C. MT381-FX Confirmation Message

Business Element	Comments
Message Reference	Unique transaction id from the sender.
Function of the message	Indicates New/Cancel
FX Order Details	Indicates date and time the FX order was placed.
Trade Date	ISO 8601 Date
Value Date	ISO 8601 Date
Buy Currency and Amount	Buying currency and Amount.
Sell Currency and Amount	Selling currency and Amount.
Exchange Rate	Exchange Rate of the Order.
Safekeeping Account	Account number.

VI. Market Practice Rules:

A. Settlement Transaction Linked FX

1. Instruction:

ISO 15022 proposes specific codes for the instruction of a foreign exchange in a securities transaction. Only those should be used. Narrative should not be used.

2. Cancellation:

a. Cancellation of the securities trade and the FX:

The cancellation request (:23G:CANC) should include Sequence E indicator field :22F::FXCX//FXYE (The FX instructed in the original instruction is also to be cancelled).

b. Cancellation of the securities trade and NOT of the FX:

The cancellation request (:23G:CANC) should include Sequence E indicator field :22F::FXCX//FXNO (The FX instructed in the original instruction is not to be cancelled).

Note: In some countries, it is not possible to keep a linked FX pending when canceling the settlement instruction. Custodians should be contacted to ascertain currencies and markets where this is the case.

c. Cancellation / amendment of the securities trade and the FX in relation to partial settlement

See section "5. Amended trade with FX for resulting difference"

3. Rebook:

When a cancellation request is sent (:23G:CANC) but the linked FX instruction is kept (:22F::FXCX//FXNO) because a rebook is to follow, in the amended instruction (:23G:NEWM):

- there should **NOT** be any field :11A::FXIB-FXIS indicator to avoid duplication of the FX.

4. FX Standing instruction:

When an FX standing instruction exists at the account servicer, the instructing party that wants to cancel but keep the FX because a rebook will be instructed, should:

1. in the cancellation request, provide the indicator :22F::FXCX//FXNO;

2. when rebooking, provide indicator :22F::FXCX//SINO (FX Standing Instruction does not apply) to avoid the duplication of the FX order.

5. Amended trade with FX for resulting difference:

a. When an FX was already instructed via a security trade MT54x FXIB/FXIS or MT380, but a change in settlement amount for the trade has occurred. The scenario exists where the instructing party does not wish to cancel the FX, but instead instruct an additional FX for the only the resulting difference between the original trade and the amended trade amount. The recommendation is for the instructing party to leave the original FX in place and send an additional MT380 instruction for the residual difference. The MT380 is recommended to be used regardless if the original FX was instructed via MT54x FXIB/FXIS or MT380.

b. Cancellation of the securities trade and the cancellation / amendment of the FX in relation to partial settlement should also be considered part of this scenario. Based on agreement with your account servicer, a MT380 additional FX for the resulting difference between the original trade and the amended trade amount should be instructed.

However, not all institutions currently provide support for MT380 processing. Hence, there are additional ways this could be considered and each is down to a bi-lateral SLA with your account servicer and based on a best efforts basis. These may include:

    i.   The cancellation request (:23G:CANC) should include Sequence E indicator field :22F::FXCX/SMPG/FXPA (The FX instructed in the original instruction is to be cancelled / amended for the unsettled portion of the trade and retained for the settled portion).

    ii.   Through SIs with your account servicer

B. Reason and Underlying Transaction Detail on FX order Instruction

- As part of SR2011, two new sequences were added to the FX Order and Confirmation message for populating the reason and underlying transaction detail of an FX order. Individual markets in which the FX reason and additional related transaction detail is recommended to be included in the FX order MT380 message include:

1. **Egypt** - requirement to report to the regulator if the FX is related to debt or equity trading.
2. **India** - for foreign institutional investors requirement to provide a purpose for the FX e.g. "to fund security activity." For local funds investing internationally regulations require disclosure of full supporting information as to the purpose of the FX.
3. **Indonesia** - regulatory requirement to provide full supporting information as to the purpose of the FX (including full security trade/ dividend/ corporate action information.)
4. **Malaysia** - If tenor of FX is greater than T+2 then as Indonesia.
5. **Nigeria -** need disclosure of the provenance of the funds to ensure in-market documentation completed. Without this repatriation is impossible.
6. **Thailand -** Needs to advise if FX to be executed onshore/ offshore. 2 different account structures exist and funds may not be moved between the 2. Securities activity must settle onshore (Non resident baht security account.) Non securities related FXs need to settle offshore (non resident baht account.)
7. **Colombia -** requirement to advise if FX is related to Corporate Action activity through the usage of field 24B:REAS//INCO in sequence B2 and the underlying security identifier in field 35B of sequence C.

VII. ISO 15022 Illustration:

Instruct MT54X SWIFT Message with FXIB/FXIS (11A)

IM/Client/Vendor   Custodian Bank

Instruct Foreign Exchange Order (MT380 SWIFT Message)

IM/Client/Vendor   Custodian Bank

Send MT381 FX Confirmation SWIFT Message

IM/Client/Vendor   Custodian Bank

Send MT300 FX Confirmation SWIFT Message

Custodian Bank   Sub-Custodian Bank
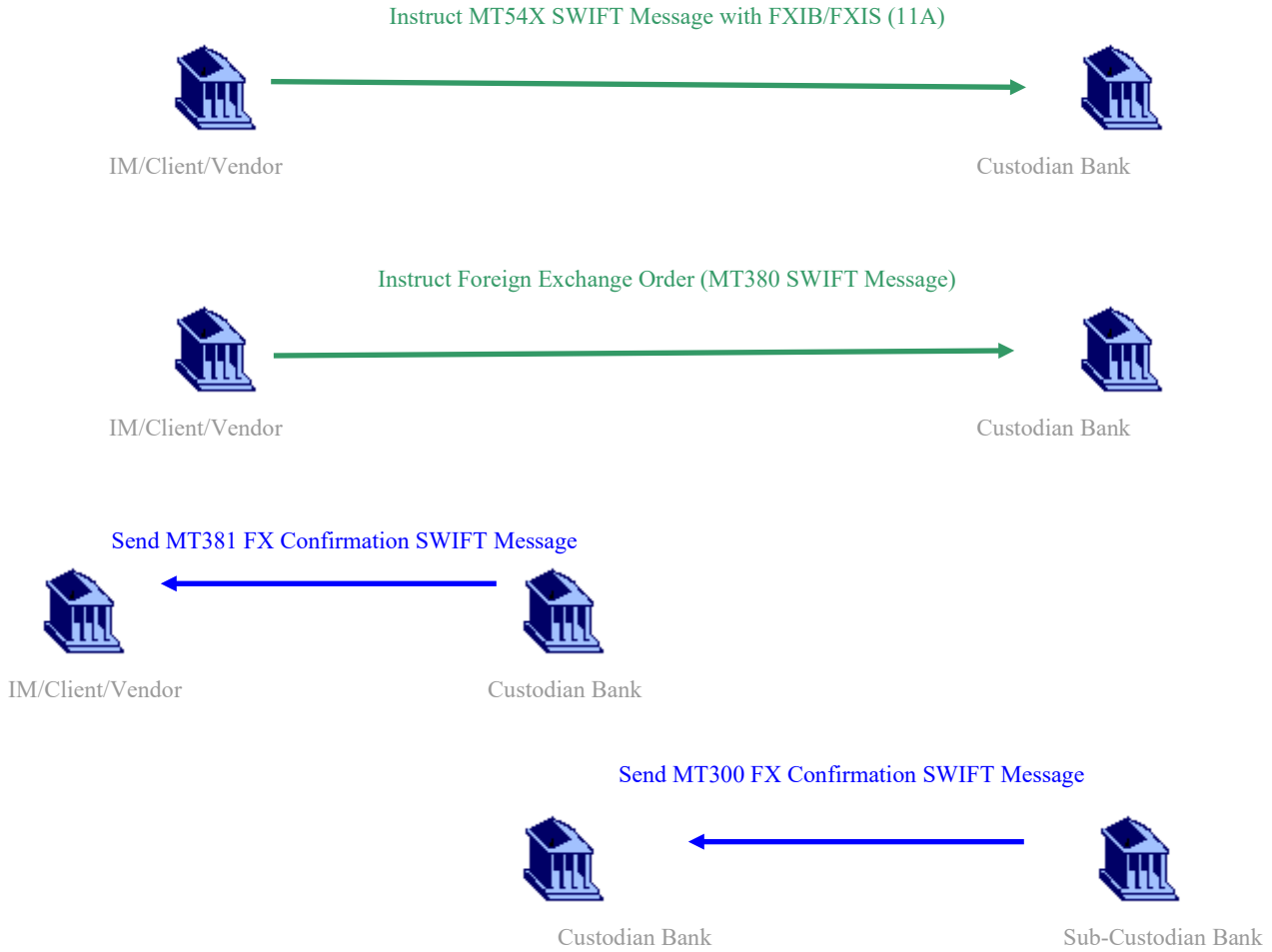
A. Settlement Transaction Linked FX

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
M	16R			Start of Block	GENL	
M	20C	SEME	Reference	Sender's Message Reference	:4!c//16x	Component of linked FX
M	23G			Function of the Message	4!c[/4!c]	Indicates New or Cancel message
O	98a	PREP	Date/Time	Preparation Date/Time	A or C	
----->						
O	99B	4!c	Number Count	(See qualifier description)	:4!c//3!n	
-----|						

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
----->Repetitive Optional Subsequence A1 Linkages						
M	16R			Start of Block	LINK	
O	22F	LINK	Indicator	Linkage Type Indicator	:4!c/[8c]/4!c	
M	20C	4!c	Reference	(see qualifier description)	:4!c//16x	
O	36B	PAIR	Quantity of Financial Instrument	Quantity of Financial Instrument to be Paired-off	:4!c//4!c/15d	
M	16S			End of Block	LINK	
-----| End of Subsequence A1 Linkages						
M	16S			End of Block	GENL	
End of Sequence A General Information						
Mandatory Sequence B Trade Details						
M	16R			Start of Block	TRADDET	
O	94B	TRAD	Place	Place of Trade	:4!c/[8c]/4!c[/30x]	
----->						
M	98a	4!c	Date/Time	(see qualifier description)	A, B, C, or E	Trade Date and Settlement Date needed for Linked FX transaction
-----|						
O	90a	DEAL	Price	Deal Price	A or B	
O	99A	DAAC	Number Count	Number of Days Accrued	:4!c//[N]3!n	
M	35B			Identification of the Financial Instrument	[ISIN1!e12!c] [4*35x]	
Optional Subsequence B1 Financial Instrument Attributes						
M	16R			Start of Block	FIA	
O	94B	PLIS	Place	Place of Listing	:4!c/[8c]/4!c[/30x]	
----->						
O	22F	4!c	Indicator	(see qualifier description)	:4!c/[8c]/4!c	
-----|						
----->						
O	12a	4!c	Type of Financial Instrument	(see qualifier description)	A, B, or C	
-----|						
O	11A	DENO	Currency	Currency of Denomination	:4!c//3!a	
----->						
O	98A	4!c	Date	(see qualifier description)	:4!c//8!n	
-----|						
----->						
O	92A	4!c	Rate	(see qualifier description)	:4!c//[N]15d	
-----|						
----->						

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
O	90a	4!c	Price	(see qualifier description)	A or B	
-----|						
----->						
O	36B	4!c	Quantity of Financial Instrument	(see qualifier description)	:4!c//4!c/15d	
-----|						
----->						
O	35B			Identification of the Financial Instrument	[ISIN1!e12!c] [4*35x]	
-----|						
O	70E	FIAN	Narrative	Financial Instrument Attribute Narrative	:4!c//10*35x	
M	16S			End of Block	FIA	
End of Subsequence B1 Financial Instrument Attributes						
----->						
O	22F	4!c	Indicator	(see qualifier description)	:4!c/[8c]/4!c	
-----|						
O	11A	FXIS FSIB	Currency	Currency to Sell or Currency to Buy	:4!c//3!a	540/541 is Currency to Sell FXIS 542/543 is Currency to Buy FXIB
----->						
O	25D	4!c	Status	(see qualifier description)	:4!c/[8c]/4!c	
-----|						
----->						
O	70E	4!c	Narrative	(see qualifier description)	:4!c//10*35x	
-----|						
M	16S			End of Block	TRADDET	
End of Sequence B Trade Details						
-----> Mandatory Repetitive Sequence C Financial Instrument/Account						
M	16R			Start of Block	FIAC	
----->						
M	36B	SETT	Quantity of Financial Instrument	Quantity of Financial Instrument to be Settled	:4!c//4!c/15d	
-----|						
O	19A	SETT	Amount	Settlement Amount	:4!c//[N]3!a15d	
O	70D	DENC	Narrative	Denomination Choice	:4!c//6*35x	
----->						
O	13B	CERT	Number Identification	Certificate Number	:4!c/[8c]/30x	
-----|						
O	95a	ACOW	Party	Account Owner	P or R	

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
----->						
M	97a	4!c	Account	(see qualifier description)	A or B	Provides Safekeeping Account for Linked FX
-----|						
O	94a	SAFE	Place	Place of Safekeeping	B, C, or F	
-----> Optional Repetitive Subsequence C1 Quantity Breakdown						
M	16R			Start of Block	BREAK	
O	13a	LOTS	Number Identification	Lot Number	A or B	
O	36B	LOTS	Quantity of Financial Instrument	Quantity of Financial Instrument In The Lot	:4!c//4!c/15d	
O	98a	LOTS	Date/Time	Lot Date/Time	A, C, or E	
O	90a	LOTS	Price	Book/Lot Price	A or B	
O	22F	PRIC	Indicator	Type of Price Indicator	:4!c/[8c]/4!c	
M	16S			End of Block	BREAK	
-----| End of Subsequence C1 Quantity Breakdown						
M	16S			End of Block	FIAC	
-----| End of Sequence C Financial Instrument/Account						
Optional Sequence D Two Leg Transaction Details						
M	16R			Start of Block	REPO	
----->						
O	98a	4!c	Date/Time	(see qualifier description)	A, B, or C	
-----|						
----->						
O	22F	4!c	Indicator	(see qualifier description)	:4!c/[8c]/4!c	
-----|						
----->						
O	20C	4!c	Reference	(see qualifier description)	:4!c//16x	
-----|						
----->						
O	92a	4!c	Rate	(see qualifier description)	A, C, or F	
-----|						
----->						
O	99B	4!c	Number Count	(see qualifier description)	:4!c//3!n	
-----|						
----->						
O	19A	4!c	Amount	(see qualifier description)	:4!c//[N]3!a15d	
-----|						
O	70C	SECO	Narrative	Second Leg Narrative	:4!c//4*35x	

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
M	16S			End of Block	REPO	
End of Sequence D Two Leg Transaction Details						
Mandatory Sequence E Settlement Details						
M	16R			Start of Block	SETDET	
----->						
M	22F	4!c	Indicator	(see qualifier description)	:4!c/[8c]/4	:22F::FXCX//FXNO (The forex instructed in the original instruction is not to be cancelled). :22F::FXCX//FXYE (The forex instructed in the original instruction is to be cancelled). :22F::FXCX//SINO (FX Standing Instruction does not apply) :22F::FXCX/SMPG/FXPA (The forex instructed in the original instruction is to be cancelled for the unsettled portion of the trade and not cancelled for the settled portion)
-----|						
-----> Mandatory Repetitive Subsequence E1 Settlement Parties						
M	16R			Start of Block	SETPRTY	
----->						
M	95a	4!c	Party	(see qualifier description)	C, P, Q, R, or S	
-----|						
O	97a	SAFE	Account	Safekeeping Account	A or B	
O	98a	PROC	Date/Time	Processing Date/Time	A or C	
O	20C	PROC	Reference	Processing Reference	:4!c//16x	
----->						
O	70a	4!c	Narrative	(see qualifier description)	C, D, or E	
-----|						
M	16S			End of Block	SETPRTY	
-----| End of Subsequence E1 Settlement Parties						
-----> Optional Repetitive Subsequence E2 Cash Parties						
M	16R			Start of Block	CSHPRTY	
----->						
M	95a	4!c	Party	(see qualifier description)	P, Q, R, or S	
-----|						
----->						
O	97A	4!c	Account	(see qualifier description)	:4!c//35x	
-----|						

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
----->						
O	70a	4!c	Narrative	(see qualifier description)	C, D, or E	
-----|						
M	16S			End of Block	CSHPRTY	
-----	**End of Subsequence E2 Cash Parties**					
-----> **Mandatory Repetitive Subsequence E3 Amount**						
M	16R			Start of Block	AMT	
----->						
O	17B	4!c	Flag	(see qualifier description)	:4!c//1!a	
-----|						
----->						
M	19A	4!c	Amount	(see qualifier description)	:4!c//[N]3!a15d	Provides Settlement Currency and Amount for Linked FX
-----|						
O	92B	EXCH	Rate	Exchange Rate	:4!c//3!a/3!a/15d	
M	16S			End of Block	AMT	
-----	**End of Subsequence E3 Amount**					
M	16S			End of Block	SETDET	
End of Sequence E Settlement Details						
-----> **Optional Repetitive Sequence F Other Parties**						
M	16R			Start of Block	OTHRPRTY	
----->						
M	95a	4!c	Party	(see qualifier description)	C, P, Q, R, or S	
-----|						
----->						
O	97A	4!c	Account	(see qualifier description)	:4!c//35x	
-----|						
----->						
O	70a	4!c	Narrative	(see qualifier description)	C, D, or E	
-----|						
O	20C	PROC	Reference	Processing Reference	:4!c//16x	
M	16S			End of Block	OTHRPRTY	
-----	**End of Sequence F Other Parties**					

1. Instruction

a. Instruction to Buy a currency:

It is to be instructed using field 11A: Currency with qualifier FXIB.

It means that the account servicer is instructed to buy the indicated currency <u>after the receipt of cash proceeds</u> following the settlement of the instruction.

$\Rightarrow$ Only in delivery versus payment instructions.

The settlement amount currency will always be different from the indicated FXIB currency.

:16R:GENL
:20C::SEME//DELIVERYREF12
:23G:NEWM
:16S:GENL
:16R:TRADDET
…/…
:11A::FXIB//EUR
…/…

If the currency of the trade is for instance in USD, the above means that the USD cash amount resulting from the settlement of the trade should be used to buy EUR.

b. Instruction to Sell a currency:

It is to be instructed using field 11A: Currency with qualifier FXIS.

It means that the account servicer is instructed to sell the indicated currency in order to obtain the necessary currency <u>to fund the transaction within this instruction message</u>.

$\Rightarrow$ Only in receive versus payment instructions.

The settlement amount currency will always be different from the indicated FXIS currency.

:16R:GENL
:20C::SEME//RECEIVEREF12
:23G:NEWM
:16S:GENL
:16R:TRADDET
…/…
:11A::FXIS//EUR
…/…

If the currency of the trade is for instance in USD, the above means that the account servicer should sell EUR to get the necessary USD to fund the securities transaction.

2. Cancellation:

a. Cancellation of both the securities and forex instructions:

Delivery against payment	Receive against payment
:16R:GENL	:16R:GENL
:20C::SEME//CANCELREF1234	:20C::SEME//CANCELREF1234
:23G:CANC	:23G:CANC
:16R:LINK	:16R:LINK
:13A::LINK//543	:13A::LINK//541

:20C::PREV//DELIVERYREF12
:16S:LINK
:16S:GENL
:16R:TRADDET
…/…
:11A::FXIB//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX//FXYE
…/…

:20C::PREV//RECEIVEREF12
:16S:LINK
:16S:GENL
:16R:TRADDET
…/…
:11A::FXIS//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX//FXYE
…/…

b. Cancellation of the securities instruction but NOT of the forex:

Delivery against payment
16R:GENL
20C::SEME//CANCELREF1234
23G:CANC
16R:LINK
13A::LINK//543
20C::PREV//DELIVERYREF12
16S:LINK
16S:GENL
16R:TRADDET
…/…
11A::FXIB//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX//FXNO
…/…

Receive against payment
16R:GENL
20C::SEME//CANCELREF1234
23G:CANC
16R:LINK
13A::LINK//541
20C::PREV//RECEIVEREF12
16S:LINK
16S:GENL
16R:TRADDET
…/…
11A::FXIS//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX//FXNO
…/…

c. Cancellation of the securities trade and the FX in relation to partial settlement when bi-laterally agreed with the account servicer

Delivery against payment
16R:GENL
20C::SEME//CANCELREF1234
23G:CANC
16R:LINK
13A::LINK//543
20C::PREV//DELIVERYREF12
16S:LINK

Receive against payment
16R:GENL
20C::SEME//CANCELREF1234
23G:CANC
16R:LINK
13A::LINK//541
20C::PREV//RECEIVEREF12
16S:LINK

16S:GENL
16R:TRADDET
…/…
11A::FXIB//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX/SMPG/FXPA
…/…

16S:GENL
16R:TRADDET
…/…
11A::FXIS//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX/SMPG/FXPA
…/…

3. Rebook:

Delivery against payment
:16R:GENL
:20C::SEME//REBOOKREF12
:23G:NEWM
:16S:GENL
:16R:TRADDET
…/…
:11A::FXIB//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
…/…

Receive against payment
:16R:GENL
:20C::SEME// REBOOKREF12
:23G:NEWM
:16S:GENL
:16R:TRADDET
…/…
:11A::FXIS//EUR
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
…/…

4. FX Standing instruction:

In scenarios where a FX standing instruction should not apply on a rebook because the FX was kept, the below should appear in the new instruction.

Delivery against payment
:16R:GENL
:20C::SEME//REBOOKREF12
:23G:NEWM
:16S:GENL
:16R:TRADDET
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX//SINO

Receive against payment
:16R:GENL
:20C::SEME// REBOOKREF12
:23G:NEWM
:16S:GENL
:16R:TRADDET
…/…
:16S:TRADDET
:16R:FIAC
…/…
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:22F::FXCX//SINO

…/…	…/…

B. MT 380

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
M	16R			Start of Block	GENL	
M	20C	SEME	Transaction Reference Number	Sender's Message Reference		SMPG conforms to SWIFT tag use rule. :20C::SEME// Field will uniquely identify the transaction.
M	23G		Function of the Message	New		SMPG conforms to SWIFT tag use rule. :23G:NEWM
O	22H	FXTR	FX Order Transaction Type Indicator	Informational only, indicates the FX is the reverse of an order previously sent.		SMPG conforms to SWIFT tag use rule. :22H::FXTR//REVS The code REVS is included for information only and indicates that the FX order in the message is the reverse of an order sent previously.
M	16R			Start of Block	LINK	
O	13A	LINK	Linked Message	Identifies the linked original FX Exchange execution order message		SMPG recommends the usage of this field to identify the linked original FX execution order message when initiated by account owner by Swift messaging.
M	20C	PREV	Previous Reference	Previously Sent Message Reference		**:20C::PREV// on Reversals** SMPG recommends populating the previously sent MT380 reference when a reversal trade. **:20C::PREV// on NEWM** SMPG recommends if the IM decides to bulk multiple security trade FXs together and they wish to populate each of the original security trade reference IDs, the 20C::PREV should be used repeating the LINKAGE sequence to state each of the trade Ids.
M	16S			End of Block	LINK	
M	16S			End of Block	GENL	
M	16R			Start of Block	FXORDER	
M	22H	BUSE	Indicator	Buy/Sell Indicator		SMPG conforms to SWIFT tag use rule. :2SH:BUSE
M	98A	ORDR RVAL	Order Date & Time Requested Value Date/Time	Date and Time the FX Order was Placed by the Instructing Party Value Date and Time the FX Order was		SMPG Conforms to SWIFT tag use rule. :98C::ORDR// SMPG Conforms to SWIFT tag use rule. :98C::RVAL//

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
				Requested by the Instructing Party		**Date must be a valid date expressed as YYYYMMDD** **Time must be a valid time expressed as HHMMSS**
M	19B	ORDR	Ordered Amount	The cash amount to be bought or sold.		SMPG Conforms to SWIFT tag use rule. :19B::ORDR//
M	11A	CNTR	Counter Currency	Counter currency to be bought or sold.		SMPG Conforms to SWIFT tag use rule. :19B::CNTR
M	16R			Start of Block	ORDRPRTY	
O	95P	INVE	Investor			SMPG Conforms to SWIFT tag use rule. 95Q::INVE//
M	97A	SAFE	Safekeeping Account	Custodian Account Number		SMPG Conforms to SWIFT tag use rule. :97A::SAFE//
M	16S			End of Block	ORDRPRTY	
M	16S			End of Block	FXORDER	

Example: MT380 instruction

:16R::GENL

:20C::SEME//FX123456789

:23G::NEWM

:16S:GENL

:16R:FXORDER

:22H::BUSE//BUYI

:98A::ORDR//20100301

:98A::RVAL//20100301

:19B::ORDR//USD100000000,

:11A::CNTR//EUR

:16R::ORDRPRTY

::97A::SAFE//ABCD

:16S::ORDRPRTY

:16S::FXORDER

MT380 instruction – Bulk FX instructed by IM (Refer to field 20C::PREV in MT380 field recommendations)

:16R::GENL

:20C::SEME//FX123456789

:23G::NEWM

:16S:GENL

:16R:LINK

:13A::LINK//541
:20C::PREV//ORGTRADESEME
:16S:LINK
:16R:LINK
:13A::LINK//541
:20C::PREV//ORGTRADESEME
:16S:LINK
:16R:FXORDER
:22H::BUSE//BUYI
:98A::ORDR//20100301
:98A::RVAL//20100301
:19B::ORDR//USD100000000,
:11A::CNTR//EUR
:16R::ORDRPRTY
::97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER

C. MT 381

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
M	16R			Start of Block	GENL	
M	20C	SEME	Transaction Reference Number	Sender's Message Reference		SMPG conforms to SWIFT tag use rule. :20C::SEME// Field will uniquely identify the transaction.
M	23G		Function of the Message	New or Cancel		SMPG conforms to SWIFT tag use rule. :23G:NEWM :23G:CANC –The cancellation confirmation is only to indicate the confirmation of cancellation of the previously sent MT381 message which could have been sent for some reason in error. Recommendation was agreed the MT381 CANC is not appropriate to notify the FX associated to MT54x has been cancelled since the Cancellation should only be used to indicate a previously sent confirmation is being cancelled. A previously sent confirmation would not be sent until the fx is executed, at which point it is too late to cancel the fx and would require a reversal or new fx be completed in the opposite direction to unwind the fx executed. The notification of cancellation of the original MT54x FX prior to execution should be confirmed back through the MT548 using the CAST qualifier. Refer to usage of MT548 message.
O	22H	FXTR	FX Order Transaction Type Indicator	Informational only, indicates the FX is the reverse of an order previously sent.		SMPG conforms to SWIFT tag use rule. :22H::FXTR//REVS The code REVS is included for information only and indicates that the FX order in the message is the reverse of an order sent previously. Recommended to only use when the MT380 received with the 22H::FXTR//REVS. The usage of the MT381 REVS indicator is not recommended for confirming back an MT541/543 FXIB/FXIS cancellation.
M	16R			Start of Block	LINK	
O	13A	LINK	Linked Message	Identifies the linked original FX execution order message		SMPG recommends the usage of this field to identify the linked original FX execution order message when initiated by account owner by Swift messaging. Option A: :LINK//3!c (FIN Message Type) **540**, 541, **542,** 543 and 380 *Although not typical, it was confirmed the MT540 and MT542 messages do allow for the 11A::FXIB/FXIS instruction to be included. We therefore agreed this should be stated as a FIN linkage MT type possibility. **This field would not be recommended to be included if original instruction from account owner was by Fax or MT599.

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
M	20C	RELA PREV	Transaction Reference Number	Related Message Reference Previously Sent Message Reference		**:20C::RELA//** This field reference number should link back to the original FX execution instruction(s) reference(s) received from the instructing account owner. If applicable, the use of NONREF is suggested if there is not an original instruction associated with the FX execution. **:20C::PREV//** SMPG confirms to Swift tag use rule to indicate the previously sent MT381 reference. Due to the limitation of the field not being repetitive, the recommendation is to repeat the entire A1 linkage sequence to identify each account owner initiated message when confirming multiple messages bulked in one executed FX by the sub-custodian. When the IM has chosen to instruct a bulk FX and provide the original security trade references on the MT380 FX order, the custodian is not expected to provide back the original trade Ids on the MT381 confirmation.
M	16S			End of Block	LINK	
M	16S			End of Block	GENL	
M	16R			Start of Block	FXORDER	
M	98C	ORDR	Order Date & Time	Date and Time the FX Order was Placed by the Instructing Party		SMPG Conforms to SWIFT tag use rule. :98C::ORDR//8!n6!n - Date and Time the order was placed by the instructing party with the custodian. This field can be linked back to the original MT380 instruction which contains the 98C::ORDR Recommendation to include the date and time of custodian/treasury execution of the FX will be used if the FX was not instructed by MT380/54x. IE. MT599, Fax, SSI. **Date must be a valid date expressed as YYYYMMDD** **Time must be a valid time expressed as HHMMSS**
M	98A	TRAD	Trade Date			SMPG Conforms to SWIFT tag use rule. The trade date is the date in which the order was carried out by the custodian/treasury. Date must be a valid date expressed as YYYYMMDD
M	98a	VALU	Value Date			SMPG Conforms to SWIFT tag use rule. Date must be a valid date expressed as YYYYMMDD
M	19B	BUYE	Buy Currency & Amount			SMPG Conforms to SWIFT tag use rule. :19B::BUYE//3!a15d The buying currency is considered from the perspective of the asset manager regardless of whether they were the initial instructor of the order or if the FX was

M/O	Tag	Qualifier	Generic Field Name	Detailed Field Name	Content Options	Comments
						executed by SSI. The buying currency on the MT381 should be consistent with what is stated on the MT950/940 or camt.053.
M	19B	SELL	Sell Currency & Amount			SMPG Conforms to SWIFT tag use rule. :19B::SELL//3!a15d The selling currency is considered from the perspective of the asset manager regardless of whether they were the initial instructor of the order or if the FX was executed by SSI. The selling currency on the MT381 should be consistent with what is stated on the MT950/940 or camt.053.
M	92B	EXCH	Exchange Rate			SMPG Conforms to SWIFT tag use rule. :92B::EXCH//3!a/3!a/15d The order of the two currencies specified here is independent of the currencies in the amount fields. Therefore the exchange rate can be expressed as a reciprocal if required. For the calculation of the rate itself, the First Currency Code will be the base currency and the Second Currency Code will be the quoted currency. (1,00 First Currency Code = [Rate] Second Currency Code) Example: The exchange rate between US dollars and pound sterling can be shown as: :92B::EXCH//GBP/USD/1,619 (1,00 GBP = 1,619 USD) or as :92B::EXCH//USD/GBP/0,618 (1,00 USD = 0,618 GBP)
M	16S			Start of Block	ORDRPRTY	
M	97A	SAFE	Safekeeping Account	Custodian Account Number		:97A::SAFE// Custody account number to be populated.
O	95Q	INVE	Investor			95Q::INVE//4*35x Recommendation is to not require this optional information. The 97A::SAFE with the custodian account number should be sufficient for identification of the investor.
M	16S			End of Block	ORDRPRTY	
M	16S			End of Block	FXORDER	

1. Repetitive Conditional Sequence A1 – Linkages

Expansion of the MT381 scope to include confirmation of account servicer initiated FXs (SSI or Fax) requires the linkage sequence to be conditional. The A1 linkage sequence is recommended to not be populated when the

FX is account servicer initiated. The linkage sequence is recommended mandatory for confirming back account owner initiated messages.

Expansion of MT381 scope usage to include bulk confirmation of multiple MT54x FXIB/FXIS and/or MT380 instructions requires the linkage sequence to be repetitive. Each linkage sequence used to identify individual account owner initiated instructions that make up the FX execution confirmation.

2. Sample Message Format

      a. Example: Confirmation of Account Owner initiated MT380 instruction

:16R::GENL
:20C::SEME//123456789
:23G::NEWM
:16R:LINK
:13A::LINK//380
:20C::RELA//ACCOWNERSEME
:16S:LINK
:16S:GENL
:16R:FXORDER
:98C::ORDR//20080226122600   (Order execution date and time from account owner sent within MT380)
:98A::TRAD//20080226
:98A::VALU//20080228
:19B::BUYE//USD100000000,
:19B::SELL//CHF17100000,
:92B::EXCH//USD/CHF/1,71
:16R::ORDRPRTY
:97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER

      b. Example: Confirmation of Account Owner initiated MT541 instruction

:16R::GENL
:20C::SEME//123456789
:23G::NEWM
:16R:LINK
:13A::LINK//541
:20C::RELA//ACCOWNERSEME
:16S:LINK
:16S:GENL
:16R:FXORDER
:98C::ORDR//20080226122600   (Order execution date and time from account owner sent within MT541)
:98A::TRAD//20080226
:98A::VALU//20080228
:19B::BUYE//USD100000000,

:19B::SELL//CHF17100000,
:92B::EXCH//USD/CHF/1,71
:16R::ORDRPRTY
:97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER

      c. Example: Confirmation of Account Servicer initiated or Non-SWIFT Account Owner initiated instruction

:16R::GENL
:20C::SEME//123456789
:23G::NEWM
:16S:GENL
:16R:FXORDER
:98C::ORDR//20080226122600   (Order execution from account servicer)
:98A::TRAD//20080226
:98A::VALU//20080228
:19B::BUYE//USD100000000,
:19B::SELL//CHF17100000,
:92B::EXCH//USD/CHF/1,71
:16R::ORDRPRTY
:97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER

      d. Example: Bulk FX Confirmation of Account Owner initiated MT541 and MT380 instruction

:16R::GENL
:20C::SEME//123456789
:23G::NEWM
:16R:LINK
:13A::LINK//380
:20C::RELA//ACCOWNERSEME1
:16S:LINK
:16R::LINK
:13A::LINK//541
:20C::RELA//ACCOWNERSEME2
:16S:LINK
:16S:GENL
:16R:FXORDER
:98C::ORDR//20080226122600   (The order date and time should be the time of the last message receipt.)
:98A::TRAD//20080226
:98A::VALU//20080228
:19B::BUYE//USD100000000,

:19B::SELL//CHF17100000,
:92B::EXCH//USD/CHF/1,71
:16R::ORDRPRTY
:97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER

       e. Example: Confirmation of an account owner initiated MT380 Reversal instruction
:16R::GENL
:20C::SEME//123456789
:23G::NEWM
:22H::FXTR//REVS
:16R:LINK
:20C::RELA//ACCOWNERSEME1
:16S:LINK
:16S:GENL
:16R:FXORDER
:98C::ORDR//20080226122600
:98A::TRAD//20080226
:98A::VALU//20080228
:19B::BUYE//USD100000000,
:19B::SELL//CHF17100000,
:92B::EXCH//USD/CHF/1,71
:16R::ORDRPRTY
:97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER

       f. Example: Confirmation of Cancellation of a previously sent MT381 confirmation

**Cancellation message only used to notify if a previously sent MT381 confirmation was sent in error. MT381 FX confirms are sent after execution at which point it is too late to cancel the FX. Refer to the message layout grid above for field usage.
:16R::GENL
:20C::SEME//123456789
:23G::CANC
:16R:LINK
:20C::PREV//ACCSERVICERSEME
:16S:LINK
:16R:GENL
:16R:FXORDER
:98C::ORDR//20080226122600

:98A::TRAD//20080226
:98A::VALU//20080228
:19B::BUYE//USD100000000,
:19B::SELL//CHF17100000,
:92B::EXCH//USD/CHF/1,71
:16R::ORDRPRTY
:97A::SAFE//ABCD
:16S::ORDRPRTY
:16S::FXORDER