



Financial Instrument Identification Market Practice

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Changes to previous versions			
Version 0.2 October 2011	Updates based on previous SMPG	Note on impact in ISO 15022 Paragraph on joint meeting with ANNA representative to be foreseen VII.A: Usage of ISIN strongly recommended VII.C: splitting reporting and instruction scenarios Deletion of scenario 5 for CA VII.d: Validation paragraph if more than one identifier is used	Pages 3, 4, 7, 8 10
Version 0.3 Nov 2011	Updates based on Prague SMPG	Update sentence related to external code list Move scenario 6/7 into reporting scenario and therefore deletion of instruction scenario as not relevant anymore Validation section	Pages 3 and 10
Version 0.4 Jan 2012	Review comments	Section 1	Page 3
Version 0.5 April 2012		SMPG review	Page 10
Version 0.6		Final with JP comments	Page 11

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V1.0		Approved version	
2023	Review	Add new codes ISO15022 format and examples added JP comments included	

I. Scope and definitions:

This document aims at proposing a global market practice for the use of the Financial Instrument Identification structure in ISO 20022, within all the securities business processes throughout the whole trade lifecycle, from pre-trade/trade, post trade, settlement, reconciliation, corporate actions, investment funds and all messages with security identifier in use.

This new structure will allow the providing of:

- one ISIN (+ a description)

For instructions and confirmations ISIN is leading content receiver should rely on

or

- one ISIN and one or more OtherIds (+ a description),

For instructions and confirmations ISIN is leading content receiver should rely on

or

- one or more OtherIds (+ a description)

In case of more than one OtherID for instructions and confirmations first appearance of the OtherID is leading content receiver should rely on

or

- a description only as a last resort when no identifier exists

The Other Ids Code will be based on the ISO 20022 external code list for the provision of the type of OtherId (Sedol, Cusip, RIC, OCC, etc.) or proprietary codes, for ids temporarily created by institutions for some instruments.

It is acknowledged that in some business areas, some additional restrictions might be needed and the design allows for it.

Important note: This external code list contains the ISO20022 codes as the market practice focuses on MX message structure, but equivalent ISO15022 code types are documented in the full External Financial Instrument Identification Type 1 Code list validated and approved by the Standards Evaluation Group (SEG). For new codes the 4-character ISO20022 code can also be used in the ISO15022 messages.

II. Background:

In the US market, the ISITC Reconciliation working group supports the use of ISIN however there are scenarios where more than one identifier would increase automation of reconciliation processes requested.

Further, ISITC wanted to amend the use of primary identifier to be optional as the ability to provide other identifiers is adequate and consistent with how we currently utilize the securities messages in the US.

In Japan, JASDEC provides the central matching service (Pre-Settlement Matching System: PSMS) and PSMS permits its users to use either ISIN or the local code for financial instruments identification when they send the messages to PSMS. PSMS does cross matching of the financial instruments identification and it enriches missing financial instrument identification code when it sends out allegation and matching status to the counterparty/both parties or redirects a settlement instruction to a third party as a copy, etc. Also, JASDEC's book-entry transfer system (BETS) for stocks permits its users to use either ISIN or the local code when they send the messages to BETS. BETS uses the local code for internal processing and enriches ISIN when it sends out settlement confirmation, etc. to the settlement parties. Thus JASDEC needs to set both ISIN and local code concurrently in one message.

From a reconciliation perspective, there is no risk in having additional security Identifiers where ISIN is recommended and additional security identifiers where local ID could be used as needed simultaneously (at least from a reconciliation perspective). The US currently utilize the functionality today in that firms choose any security identifier or multiple IDs as bilaterally agreed upon between messaging partners. Typically the hierarchy is defined between two parties. The sender of the message is responsible for sending the appropriate security identifier in the messages.

Given this additional flexibility and to avoid any misuses (especially at the instruction level), the industry recommended the creation of a market practice that would clearly reiterate the fact the use of the ISIN is recommended unless it is not available and to describe precise scenarios where the ISIN cannot be used or used together with another identifier.

III. Actors and Roles:

This section applies to all the S&R, CA and IF actors and roles involved in these processes.

IV. Activity Diagram:

As the standardisation of the financial instrument identification impacts all the securities business areas, it is not possible to describe all the activity diagrams and therefore this section will not be completed.

V. Communication Flows:

As the standardisation of the financial instrument identification impacts all the securities business areas, it is not possible to describe all the communication flows and therefore this section will not be completed.

VI. Business data requirements:

For the identification of the Financial Instrument, the following business data are required.

Business elements	Additional information	Presence
ISIN	The ISIN (ISO 6166:2021) is composed of a 2-character prefix representing the country of issue, followed by the national security number (if one exists), and a check digit.	O
Other Identification	Identification of a security by proprietary or domestic identification scheme.	O
Description	Textual description of a security instrument.	O

VII. Market Practice Rules:

This section provides the general recommendations for the use of the Financial Instrument Identification and describes the scenarios where the ISIN cannot be used or could be used together with another identifier.

A. ISIN guideline:

When an ISIN code exists, it is strongly recommended that the ISIN is used.

B. Description guideline:

The description alone shouldn't be used except as the last resort, when no formal id exists.

C. Scenarios where ISIN is not used or used in conjunction with another identifier:

The following reporting scenarios explain why in some very specific business circumstances ISIN cannot be used or is used in conjunction with another identifier. Only in these very specific cases something different than ISIN only will be used.

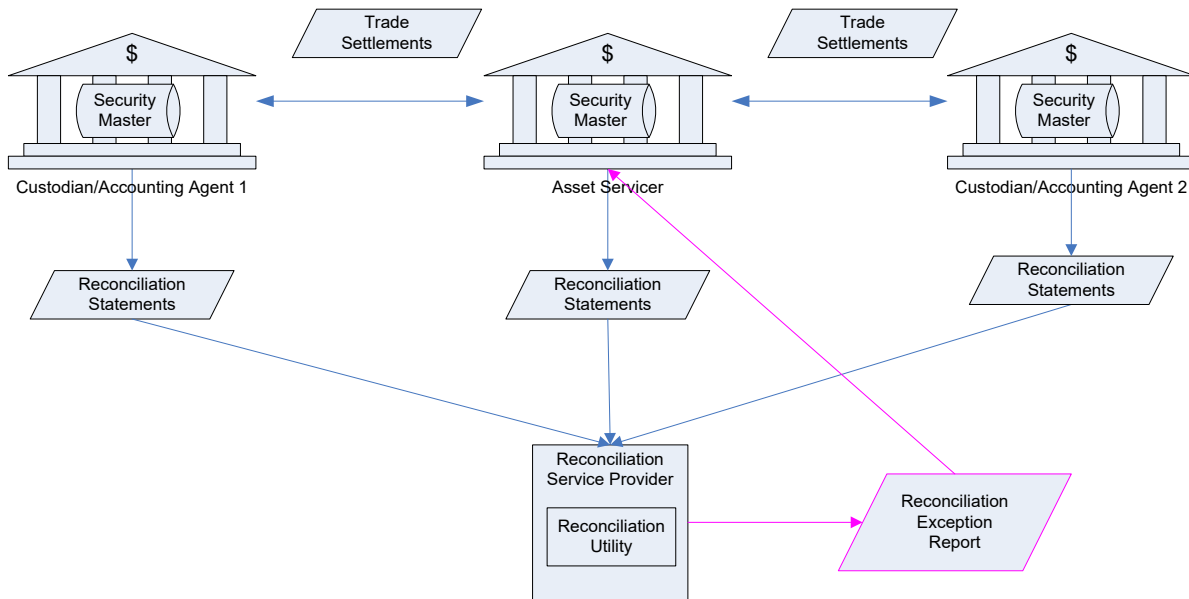
Scenario 1:

In some reconciliation reporting, there is no industry financial instrument identifier available. In these cases the Asset Manager sends a proprietary ID. In some cases the Identifier may become available or assigned following settlement. In which case, it is helpful to provide both the proprietary ID and the newly issued identifier to allow for STP in reconciliation.

Scenario 2:

In the US, for instance, several organizations offer reconciliation processing as a product. In this service model, there is no visibility to the trade instructions, the source of the data, or linking to a security master database. The firm providing the reconciliation service receives in Custodian/Accounting Agent reconciliation statement messages and the corresponding Asset Servicers reconciliation messages to produce an exception report. It is beneficial in this service model to have the ability to receive more than one identifier to increase the ability to match positions and reduce the exceptions on the report.

Business Diagram:



Scenario 3:

Providing more than one identifier as there are currently Service Level Agreements between organizations to support sending multiple security identifiers. Having such a Financial Instrument Identification Structure allows a business processing request that has already been contractually agreed upon.

Scenario 4:

A few short term instruments that do not always have standard identifiers at the time they are traded. Some examples include: Certificates of Deposit, Commercial Papers, and Money Market accounts. This also applies to some TBAs as well. In these scenarios the Investment Manager has sent a dummy security identifier for a holding since there was no market identifier available. When the security identifier is assigned, the next time Investment Manager is buying or selling the same security, the Investment Manger will need to communicate to the Custodian both identifiers to allow the Custodian to link the security identifiers together on the new buy or sell transaction. Custodian would report back on reconciliation statement the new market security identifier and their previously used dummy identifier to report the entire holding for the instrument.

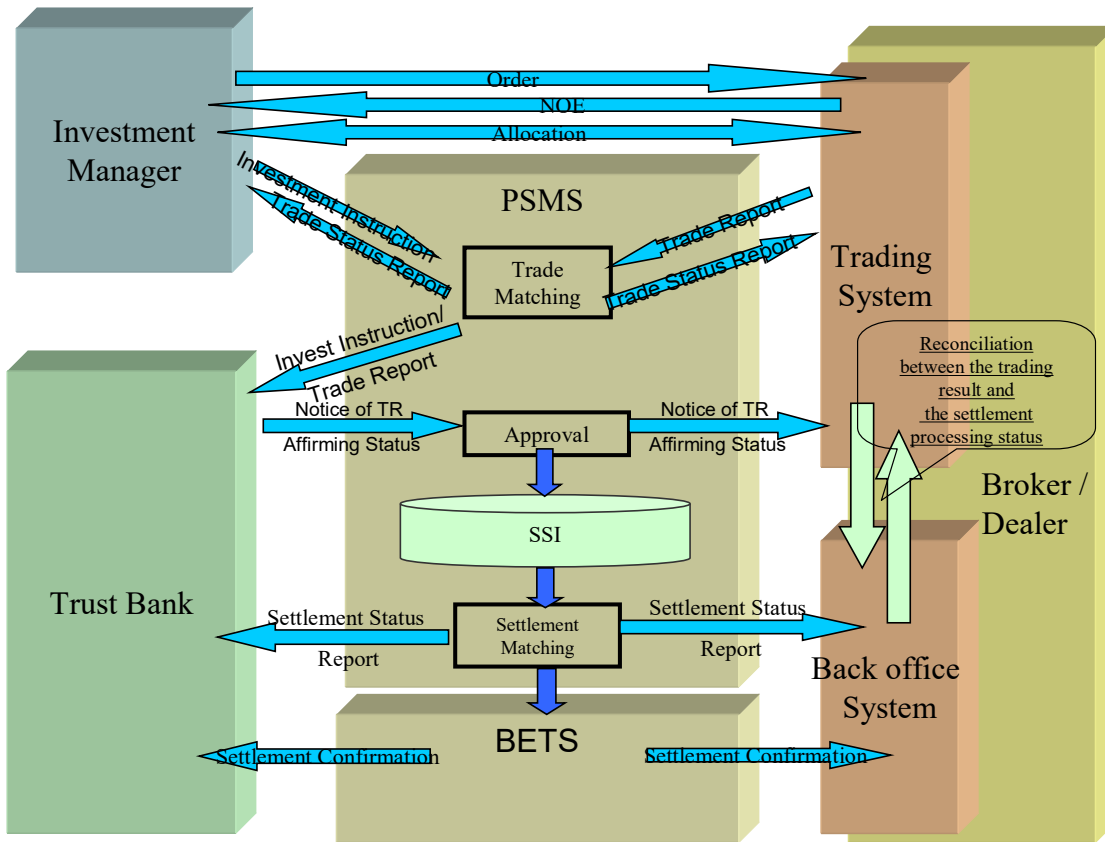
Scenario 5: Multiple Systems at participant level (JP CSD)

There are multiple systems at participant level, and each of them uses different identifiers.

A local code is often an identification key in front systems such as OMS (Order Management System), trading system, etc. On the other hand, ISIN code is identification key in back-office systems such as customer reporting system, settlement system, etc.

Therefore, PSMS and BETS provide 2 kinds of identifications so that each participant can establish connections among its multiple systems easily. In the case of PSMS, this post-trade matching system communicates with the front office trading system (local code) and back-office settlement systems (ISIN) of the same client and it is important that both identifiers are provided in the reporting.

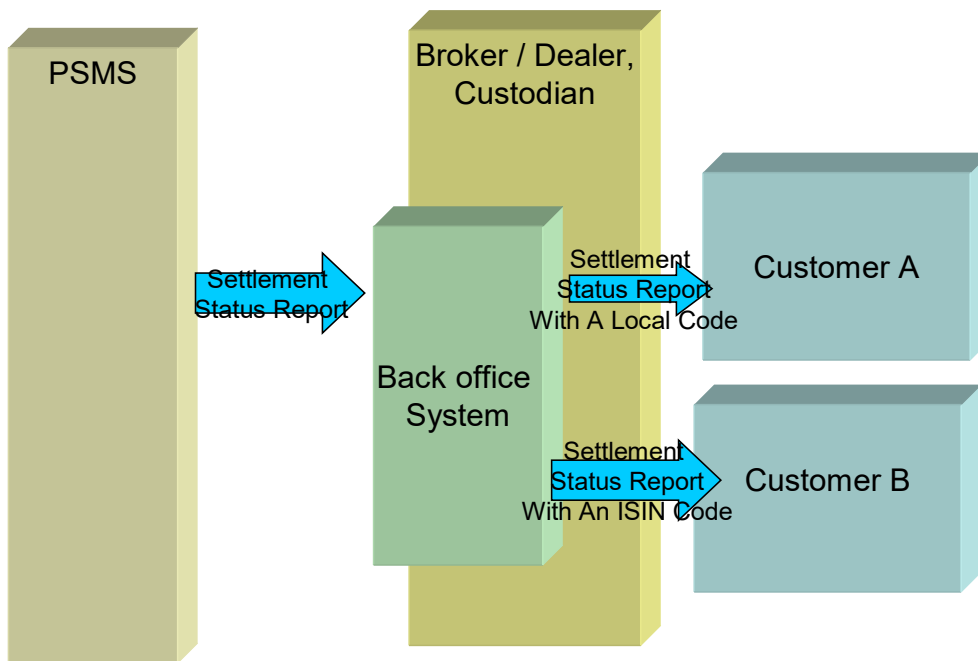
SMPG_MP_SR_Financial Instrument Identification



For example, one broker administers the result of trading (including the instruction to PSMS and trade status reporting back) in its trading system and the transmission of the settlement matching status and settlement confirmation status in its back-office system. (See above) When the status messages or the confirmation messages are received from PSMS or BETS, an ISIN code is used as identification key and the above mentioned status are updated in its back-office system. Besides, a local code is captured as one of financial attributes in its back-office system at this moment. When these data in its back-office system are transmitted to its trading system, a local code is used as an identification key in its trading system for reconciliation between the trading result and progress in PSMS and BETS.

Scenario 6: Preference of participant's customer (JP CSD)

As each customer of the participant prefers different identifications in its reports, it is necessary for some participants to use the preferred identification for each of their account. Therefore, PSMS provides, as a service to its customers, 2 kinds of identifications so that each participant can establish, using data coming directly from the market, its reporting system based on customer's preference. In this case, it is insufficient to specify the preference identification per each participant in PSMS. (See below.)



D. Validation if more than one identifier is provided:

- A) In case of ISIN being used with another identifier, the ISIN is the primary information and the other identification are only present for clarification but do not require validation.

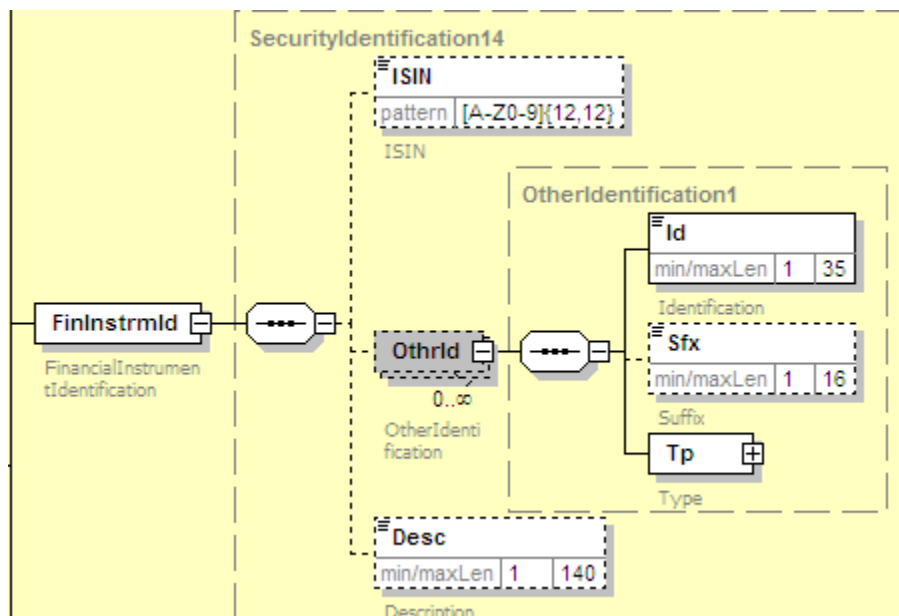
- B) If no ISIN is available, then the first other identification is the primary information. In other words, if ISIN is not available, the first occurrence of the Other Identification field is the primary ID and the Message Receiver will not be validating any other occurrence of the Other Identification sequence with another ID in the same line of the security.

VIII. ISO 15022 / ISO 20022 illustration:

ISO 15022

Tag	Format	Definition	Validation								
:35B:	[ISIN1!e12!c] [4*35x]	This field identifies the financial instrument.	At least Identification of a Security (Subfield 1) or Description of Security (Subfield 2) must be present; both may be present ISIN is used at the beginning of Identification of Security (Subfield 1) and must be composed of uppercase letters only								
			When used in Description of Security (Subfield 2), codes must start and end with a slash '/'. When an ISIN identifier is not used, one of the following codes must be used as the first characters of the Description of Security (Subfield 2): <table border="1" style="margin-top: 10px;"> <tr> <td>[/2!a/]</td> <td>The ISO two-digit country code, followed by the national scheme number.</td> </tr> <tr> <td>[/TS/]</td> <td>Followed by the ticker symbol.</td> </tr> <tr> <td>[/XX/]</td> <td>Bilaterally agreed or proprietary scheme which may be further identified by a code or short description identifying the scheme used.</td> </tr> <tr> <td>[/4!c/]</td> <td>Code identifying the type of security identifier used. This code must be one published by ISO 20022 (ExternalFinancialInstrumentIdentificationTypeCode).</td> </tr> </table>	[/2!a/]	The ISO two-digit country code, followed by the national scheme number.	[/TS/]	Followed by the ticker symbol.	[/XX/]	Bilaterally agreed or proprietary scheme which may be further identified by a code or short description identifying the scheme used.	[/4!c/]	Code identifying the type of security identifier used. This code must be one published by ISO 20022 (ExternalFinancialInstrumentIdentificationTypeCode).
[/2!a/]	The ISO two-digit country code, followed by the national scheme number.										
[/TS/]	Followed by the ticker symbol.										
[/XX/]	Bilaterally agreed or proprietary scheme which may be further identified by a code or short description identifying the scheme used.										
[/4!c/]	Code identifying the type of security identifier used. This code must be one published by ISO 20022 (ExternalFinancialInstrumentIdentificationTypeCode).										

ISO 20022



Data	ISO 20022	Presence
Start FinancialInstrumentIdentification	< FinInstrmId >	O
ISIN	<ISIN> [A-Z0-9]{12,12} < /ISIN >	O
Start OtherIdentification	<OthrId>	O
Identification	<Id> Max35Text</Id>	M
Suffix	<Sfx>Max16Text</Sfx>	O
Type	<Tp> <Cd>Max4Text</Cd>* or <Prtry>Max35text</Prtry	M
End OtherIdentification	</OthrId>	
Description	<Desc>Max140Text</Desc>	O
End FinancialInstrumentIdentification	</FinInstrmId >	

Rules (that can be validated by a network) are included to prevent that no identifier is provided by the sender.

*Note

The below list has been created based on the external code list as published on the ISO20022 website.

Code Value	Name	Definition	ISO15022 Mapping
BELC	Code SRW (Secretariaat voor Roerende Waarden) or SVM (Secrétariat des Valeurs mobilières)	National securities identification number for BE issued by the National Numbering Association SIX Telekurs Belgium.	/BE/
BLOM	Bloomberg	Ticker-like code assigned by Bloomberg to identify financial instruments.	/BLOM/
CCCD	Other National Securities Identification Number	National Securities Identification Number issued by the National Numbering Association for a country for which no specific financial instrument identification type code already yet. The first two letters of the code represents the country code (for example, EGDC for Egyptian NSIN). To be used only until the code is added to the ISO ExternalFinancialInstrumentIdentificationType1Code list.	/CC/
CMED	Chicago Mercantile Exchange (CME)	Ticker-like code assigned by the Chicago Mercantile Exchange to identify listed-derivatives instruments.	/CMED/
COMM	Common Code	National securities identification number for ICSDs issued by the National Numbering Association Clearstream and Euroclear.	/XS/

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CTAC	Consolidated Tape Association (CTA)	Ticker-like code assigned by the Consolidated Tape Association to identify financial instruments.	/CTAC/
CUSP	Committee on Uniform Security Identification Procedures (CUSIP)	National securities identification number for US and CA issued by the National Numbering Association Standard & Poor's - CUSIP Global Services.	/US/
FIGC	FinancialInstrumentGlobalIdentifierComposite	A Financial Instrument Global Identifier Composite (FIGC) is a unique, persistent twelve character string that serves to identify financial instruments across asset classes at the composite level, is associated with one or more FIGI venue level ID's and a single Share Class level ID.	/FIGC/
FIGG	FinancialInstrumentGlobalIdentifierShareClass	A Financial Instrument Global Identifier Share Class (FIGG) is a unique, persistent twelve character string that serves to identify financial instruments across asset classes at the global share class level, and is associated with one or more Composite level ID's.	/FIGG/
FIGI	FinancialInstrumentGlobalIdentifier	A Financial Instrument Global Identifier (FIGI) is a unique, persistent twelve character string that serves to identify financial instruments across asset classes at the venue level. It is associated with one Composite ID.	/FIGI/
ISDU	ISDA/FpML Product URL (URL in SecurityID)	URL in Description to identify OTC derivatives instruments.	/ISDU/
ISDX	ISDA/FpML Product Specification (XML in EncodedSecurityDesc)	XML in Description to identify OTC derivatives instruments.	/ISDX/
LCHD	LCH-Clearnet	Ticker-like code assigned by LCH to identify listed-derivatives instruments.	/LCHD/
OCCS	Options Clearing Corp (OCC)	Ticker-like code assigned by the Options Clearing Corporation to identify financial instruments.	/OCCS/
OPRA	Options Price Reporting Authority (OPRA)	Ticker-like code assigned by the Options Price Reporting Authority to identify financial instruments.	/OPRA/
RCMD	Markit Red Code	Ticker-like code assigned by Markit to identify listed-derivatives instruments.	/RCMD/
RICC	Reuters Instrument Code (RIC)	Ticker-like code assigned by Thomson Reuters to identify financial instruments.	/RICC/
SEDL	Stock Exchange Daily Official List (SEDOL)	National securities identification number for GB issued by the National Numbering Association London Stock Exchange.	/GB/
SICC	Securities Identification Code Committee	National securities identification number for JP issued by the National Numbering Association 5 Stock Exchanges and	/JP/

		JASDEC (Securities Identification Ticker-like code Committee)	
TIKR	Ticker Symbol (TS)	Ticker Code assigned by an exchange to identify financial instruments.	/TS/
VALO	VALOR	National securities identification number for CH and LI issued by the National Numbering Association SIX Telekurs Ltd.	/CH/
WKNR	Wertpapierkennnummer (WKN)	National securities identification number for DE issued by the National Numbering Association WM Datenservice.	/DE/
CCDC	BondIdentificationCodeListChina	National Bond identification number for China issued by CHINA CENTRAL DEPOSITORY & CLEARING CO., Limited.	/CCDC/
DTID	DigitalTokenIdentifier	Digital Token Identifier, as defined in ISO 24165.	/DTID/

A. ISIN + Local Id + Description, example 1:

ISO20022		ISO15022
< FinInstrmId >		
<ISIN> JP3435000009 </ISIN>	ISIN	:35B:ISIN JP3435000009
<OthrId>	Identification	/JP/67580 ¹⁾
<Id> 67580 </Id>	ISO 20022 External Code (SICC)	
<Tp>		
<Cd> SICC </Cd>		
</Tp>		
</OthrId>		
<Desc> SONY CORPORATION </Desc>	Description	SONY CORPORATION
</FinInstrmId >		

¹⁾: Note: In JP the SICC code is only used in communication between CSD and its Participants. Custodians use only ISIN in ISO15022. Example is left as is for general illustration purpose.

B. ISIN + Local Id + Description, example 2:

ISO20022		ISO15022
< FinInstrmId >		
<ISIN> GB00B127GF29 </ISIN>	ISIN	:35B:ISIN GB00B127GF29
<OthrId>	Identification	/US/CB127GF26
<Id> CB127GF26 </Id>	ISO 20022 External Code (CUSIP)	
<Tp>		
<Cd> CUSP </Cd>		
</Tp>		
</OthrId>		

<Desc> CORUS GROUP PLC ORD GBP0.5 </Desc>
< /FinInstrmId >

Description

**CORUS GROUP PLC ORD
GBP0.5**

C. Two Other Ids + Description:

ISO20022
< FinInstrmId >
<OthrId> <Id> CB127GF26 </Id> <Tp> <Cd> CUSP </Cd> </Tp> </OthrId>
<OthrId> <Id> B127GF2 </Id> <Tp> <Cd> SEDL </Cd> </Tp> </OthrId>
<Desc> CORUS GROUP PLC ORD GBP0.5 </Desc>
< /FinInstrmId >

Identification

ISO 20022 External Code
(CUSIP)

Identification

ISO 20022 External Code
(SEDOL)

Description

ISO15022
:35B:/US/**CB127GF26**

/GB/**B127GF2**

**CORUS GROUP PLC ORD
GBP0.5**

D. Proprietary dummy Id + Description:

ISO20022
< FinInstrmId >
<ISIN> GB00B127GF29 </ISIN>
<OthrId> <Id> ABCDEF123 </Id> <Tp> <Prtry> CUST </Prtry> </Tp> </OthrId>
<Desc> COMMERCIAL PAPER ABCD </Desc>
< /FinInstrmId >

ISIN

Identification

Type of ID (dummy custodian ID)

Description

ISO15022
:35B:ISIN **GB00B127GF29**
/XX/**ABCDEF123**

COMMERCIAL PAPER ABCD

E. ISIN + Description:

ISO20022
< FinInstrmId >
<ISIN> FR0000133308 </ISIN>
<Desc> FRANCE TELECOM </Desc>
< /FinInstrmId >

ISIN

Description

ISO15022
:35B:ISIN **FR0000133308**
FRANCE TELECOM

F. Two Proprietary dummy Ids + Description:

ISO20022		ISO15022
< FinInstrmId >		
<OthrId> <Id> XYZ09876 </Id> <Tp> <Prtry> CUSTDUMC </Prtry> </Tp> </OthrId>	Identification Type of ID (dummy cusip custodian)	:35B:/XX/ CUSTDUMC/XYZ09876
<OthrId> <Id> ABCDEF123 </Id> <Tp> <Prtry> IMMIDUMS </Prtry> </Tp> </OthrId>	Identification Type of ID (dummy sedol IM)	/XX/ IMMIDUMS/ABCDEF123
<Desc> COMMERCIAL PAPER ABCD </Desc> < /FinInstrmId >	Description	COMMERCIAL PAPER ABCD

G. Description only:

ISO20022		ISO15022
< FinInstrmId >		
<Desc> COMMERCIAL PAPER WXYZ </Desc> < /FinInstrmId >	Description	:35B: COMMERCIAL PAPER WXYZ