



Settlement and Reconciliation Global Market Practice

Portfolio Transfer

Custodian to Custodian Communication

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Changes to previous version (See track Changes)			
VER 1.0 Sept. 2015	SKSF	General change to the 2007 Draft	Multiple pages
VER 2.0 July 2020 yellow highlighted	SKSF / SASFS	<ul style="list-style-type: none"> - General (wording) updates - Common usage of References (20C "SEME") and pagination (28E) - Recommendation of Settlement Indicator in the Settlement instructions MT540 & MT542 - Reminder functionality - Extended Party information 	<ul style="list-style-type: none"> Multiple pages 6 6 18 19
VER 3.0 June 2021 blue highlighted	SASFS <i>(New name of Swiss NMPG)</i>	<ul style="list-style-type: none"> - Recommendation in case an Account Servicer (BPO-Provider) is involved - Recommendation of additional party identification - Reminder functionality: Correction of typo and LINK added 	<ul style="list-style-type: none"> 3, 6 & 7 6 18

I. Scope

The purpose of this document is to specify and illustrate the use of ISO 15022 formats for the exchange of standard settlement instructions (SSI) between custodians as part of a retail or institutional portfolio transfer.

The “exchange of settlement details” concerning individual positions that are to be transferred within the scope of a full or partial portfolio transfer is understood as the exchange of settlement details (such as delivering parties, place of settlement a proposed trade date, settlement date etc.) between the delivering custodian and the receiving custodian.

The current process involves the exchange of excel spread sheets between the custodians (mainly via email) and the manual input of instructions which could lead to processing errors.

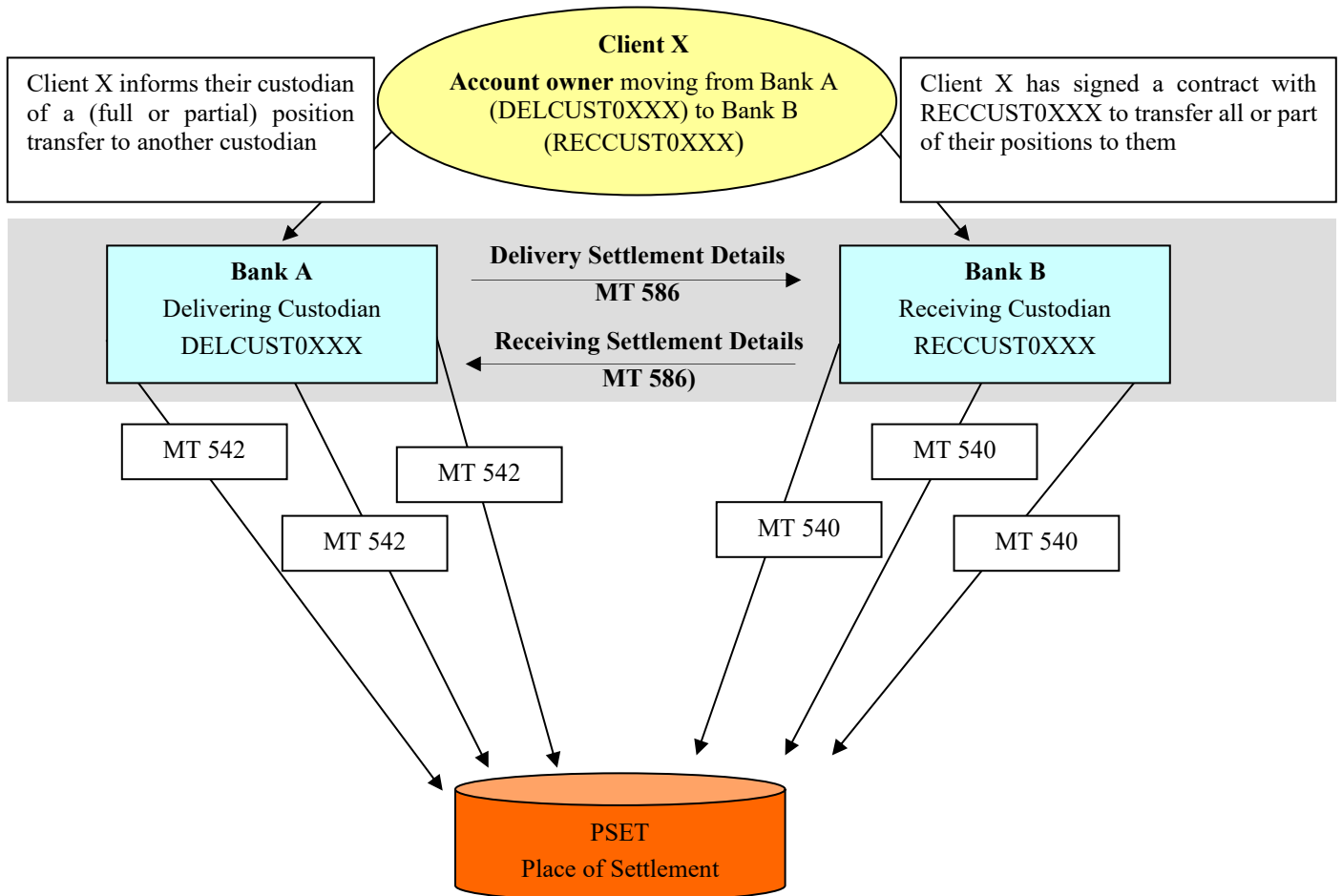
Please take into consideration that some Financial institutions have outsourced some operational tasks to service providers (BPO) and they might be considered as Receiver / Sender BIC for MT586 messaging. In such cases the information about the client’s custodian bank must be stated in the MT586 requests – see ["II" / h Recommendation in case an Account Servicer \(BPO-Provider\) is involved.](#)

II. Market Practice

In a project in 2007 it was identified that the above described communication could be supported by using the MT 586. Hence, the scope of the MT 586 was expanded during the SWIFT release 2007 process to allow such a communication flow between custodians. A new sub-functionality (PORT) has been added in order to indicate that the message is used for the exchange of settlement details within the scope of a retail or institutional client portfolio transfer. **In 2013 SKSF (Swiss Commission for Financial Standardization) set up a working group in order to establish a Swiss market practice around the MT 586 message for portfolio transfers by spring 2015.**

Communication flow covered by the Market Practice

The below illustration describes the communication flow (highlighted in grey) covered by the market practice. It is to be noted that multiple scenarios exist and that this market practice covers one from the delivery custodian's perspective and three from the receiving custodian's perspective.



General market practice recommendation

Important introductory remark: This market practice aims at providing an automated solution for the communication flow described above.

a. Delivering custodian to receiving custodian MT 586

The delivering custodian initiates the process as they are the party having all the information about the positions to be transferred. They send a MT 586 to the receiving custodian containing all transfer instructions including:

- the indication that the MT 586 is sent for the purpose of a portfolio transfer (23G:NEWM/PORT)
- the transfer details in line with global and country specific market practices for all the positions to be transferred
- the delivering SSI details compliant with the country specific market practice recommendations
- the receiving settlement chain details if known by the sender (based on information provided by the client or extracted from a Standing Settlement Instruction database). This however is optional.

b. Receiving custodian to delivering custodian MT 586

The receiving party has to mention both SSI in their MT 586 response. They send back a MT 586 to the delivering custodian containing all transfer instructions including:

- the indication that the MT 586 is sent for the purpose of a portfolio transfer (23G:NEWM/PORT)
- the transfer details in line with global and country specific market practices
- the delivering and receiving SSI details compliant with country specific market practice recommendations

Please note that the ASRF Reference as well the Client Name and Safe provided in the MT 586 by the initiating party can't be changed by the receiving custodian.

With regard to the MT 586 response from the receiving custodian, the following three scenarios have been identified:

1. The receiving custodian agrees to all positions and sends an MT 586 response with both SSI details to receive the positions.
2. The receiving custodian does not agree to all positions yet. Some of the positions to be transferred may need to be investigated first by the receiving custodian (e.g. due to a missing waiver).
3. The receiving custodian does not agree and therefore rejects some or all positions contained in the request.

After the exchange of SSI by MT586 both parties will put the actual settlement instructions (MT54X) to the Market.

The settlement instructions that are sent to the market for the actual transfers will need to comply with the market practice and country specific settlement requirements published on www.smpg.info and <https://www2.swift.com/uhbonline/books/hub/home.htm>.

c. Tax-relevant information

In those markets where information about purchase dates and price details are mandatory, a separate communication is necessary. In these cases, the client order date should match the trade date mentioned in the MT586 message. An implementation for tax-relevant information in a second step is currently being considered by the SMPG working group.

d. Existing local practices

It should be noted that some local market practices may be applied. Please be aware of existing local guides and their possible additional or differing approach.

e. Common usage of References (20C "SEME") and pagination (28E)

To assure that systems of the sender and the receiver are interoperable without technical breaks it is recommended to stick to the following field definition:

- :20C::SEME//ABCD16
 - is always the same for **1 (one)** client transfer request
 - always **1 (one)** SEME for all related MT586/PORT SWIFTS per transfer request, even if more than one "physical" SWIFT is involved.
- :28E: 1/ONLY if one physical page is needed for the hole transfer request
- :28E: 1/MORE if more than 1 physical page is needed for the hole transfer request
- :28E: 2/MORE, 3/MORE, 4/MORE
→ counting up for all pages needed for the hole transfer request, but not for the last one
- :28E: 5/LAST for the last page needed for the hole transfer request
→ the number is counted up from the last "MORE"

f. Recommendation for beneficial ownership change (CBO / NCBO)

It is recommend to provide information about beneficial ownership change (:22F::BENE: "NBEN" or "YBEN") - especially if one of the parties (delivering bank or receiving bank) is located in a country where it's necessary to provide this by any reason e.g. Tax reason.

g. Recommendation of Settlement Indicator in the Settlement instructions MT540 & MT542

In some markets it is relevant to differentiate the related business purpose and use the specific indicator in qualifier 22F "SETR" according to ISO15022 definition. For portfolio transfers from one investment manager to another and/or from an account servicer to another, it is "PORT" (:22F::SETR//PORT = Portfolio Move) and the use of MT586 to determine the settlement details is not a pre requisite.

"SETR//PORT" can be used in almost every market to differentiate Portfolio Moves from other market moving transactions but please assure that local specific rules allow the usage. SMPG encourages market participants to use Settlement Indicators more related to the respective Business purpose.

h. Recommendation in case an Account Servicer (BPO-Provider) is involved

Some Institutions have outsourced the securities handling to "Business Process Outsourcing Providers" (BPO) which are handling transaction for them. In these cases the BPO is the Receiver of the MT 586 request message but not a Party in the settlement itself.

The BIC code of the Client's Safekeeping Bank (receiving custodian) has to be added in the first row of the beneficiary details (TAG :95Q::ACOW//)

Example:

Line1: **RECCUST0XXX**

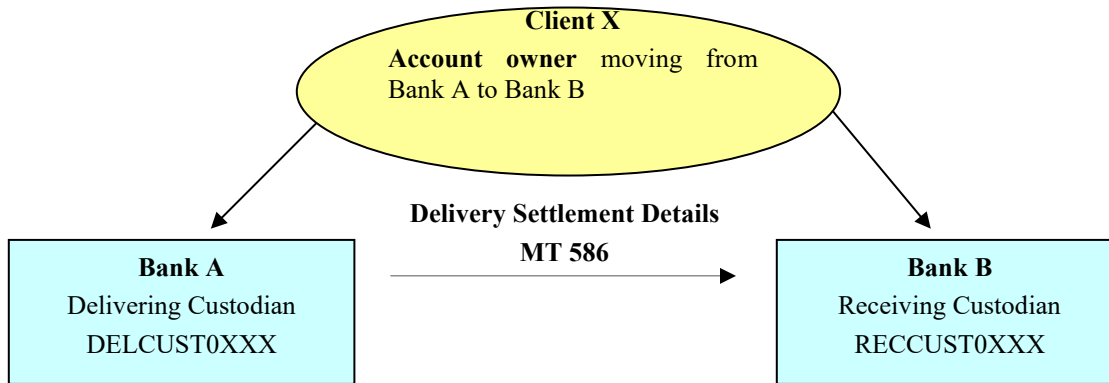
Line2, 3 & 4: **NAME AND ADRESS OF RECEIVING CLIENT**

i. Recommendation of additional party identification

In case of more than 2 Parties per side are involved in the settlement it is recommended to use the respective logic from the MT54x Series SWIFT Standards. This means that besides the DEAG/REAG and BUYR/SELL the additional parties DECU/RECU, DEI1/REI1 and DEI2/REI2 should be used in MT586 accordingly.

III. Illustrations

1. Delivering custodian to receiving custodian MT 586 (custodian request enquiry)



Client X positions at Bank A to be moved:

- 10000, UNITS of equity US1234567890 safekept in DTCC
- 20000, FAMT of bonds GB0123456789 safekept in Euroclear UK
- 10000, FAMT of bonds XS0878008225 safekept in Euroclear
- 30000, UNIT of equity BE123456789 safekept in Clearstream

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass123	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//COMP	Indication that the Statement contains complete information. /The enquiry statement allways contains complete information.
:95Q::ACOW//Client X	Client's name at the receiving custodian (final beneficiary) IMPORTANT: In case the receipt of this Message is a BPO Provider: The BIC code of the Client's Safekeeping Bank (receiving custodian) has to be added in the first row of this TAG <i>Example:</i> Line1: RECCUST0XXX Line2, 3 & 4: NAME AND ADRESS OF RECEIVING CLIENT
:97A::SAFE//123456	Client's account at the receiving custodian (final beneficiary)
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information
:16R:ALLDET	Start Sequence B Allegement Details
:16R:LINK	
:20C::ASRF//DELCUSTREF1	Reference given by the delivering custodian for the position to be transferred
:16S:LINK	
:98A::TRAD//20200506	
:98A::SETT//20200508	
:90B::DEAL//ACTU/USD1000,	Dealprice is recommended
:35B:ISIN US1234567890	
:22H::PAYM//FREE	Transfer is free of payment
:22H::REDE//DELI	The MT 586 sender will DELIver

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION

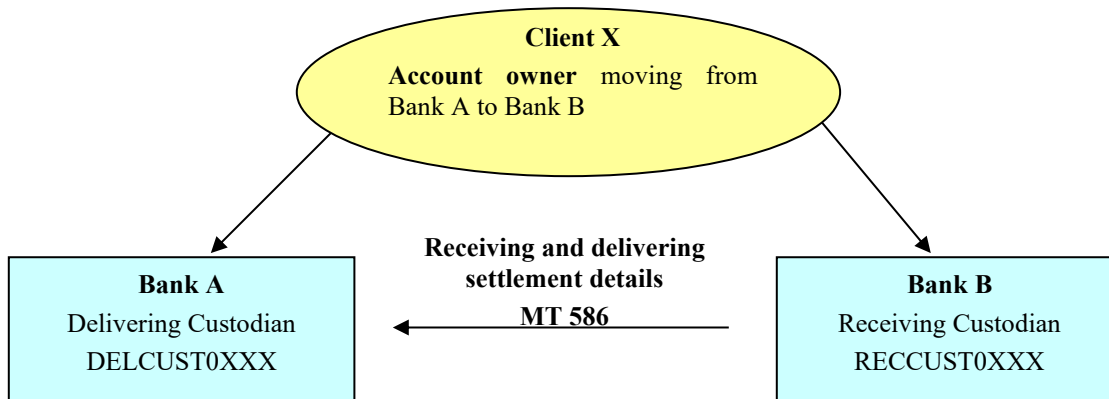


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:16R:FIAC		
:36B::SETT//UNIT/10000,		
:16S:FIAC		
:16R:SETDET		
:22F::SETR//PORT	Indicator for the portfolio transfer – to be used in instruction to custodian	
:22F::BENE/NBEN	Indicates whether a Change of Beneficial Ownership is involved or not	
:16R:SETPRTY		
:95P::SELL//DELCUST0XXX	Delivering settlement chain details. These will be used in the MT 540 transfer instruction of the receiving custodian	
:16S:SETPRTY		
:16R:SETPRTY		
:95R::DEAG/DTCYID/45600000		
:16S:SETPRTY		
:16R:SETPRTY		
:95P::PSET//DTCYUS33XXX		
:16S:SETPRTY		
:16S:SETDET		
:16S:ALLDET		
:16R:ALLDET	:16R:ALLDET	:16R:ALLDET
:16R:LINK	:16R:LINK	:16R:LINK
:20C::ASRF//DELCUSTREF2	:20C::ASRF//DELCUSTREF3	:20C::ASRF//DELCUSTREF4
:16S:LINK	:16S:LINK	:16S:LINK
:98A::TRAD// 20200506	:98A::TRAD// 20200506	:98A::TRAD// 20200506
:98A::SETT// 20200508	:98A::SETT// 20200508	:98A::SETT// 20200508
:90A::DEAL//PRCT/99,	:90A::DEAL//PRCT/89,	:90B::DEAL//ACTU/USD1000,
:35B:ISIN GB0123456789	:35B:ISIN XS0878008225	:35B:ISIN BE123456789
:22H::PAYM//FREE	:22H::PAYM//FREE	:22H::PAYM//FREE
:22H::REDE//DELI	:22H::REDE//DELI	:22H::REDE//DELI
:16R:FIAC	:16R:FIAC	:16R:FIAC
:36B::SETT//FAMT/20000,	:36B::SETT//FAMT/10000,	:36B::SETT//UNIT/30000,
:16S:FIAC	:16S:FIAC	:16S:FIAC
:16R:SETDET	:16R:SETDET	:16R:SETDET
:22F::SETR//PORT	:22F::SETR//PORT	:22F::SETR//PORT
:22F::BENE/NBEN	:22F::BENE/NBEN	:22F::BENE/NBEN
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::SELL//DELCUST0XXX	:95P::SELL// DELCUST0XXX	:95P::SELL// DELCUST0XXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95R::DEAG/CRST/02456	:95R::DEAG/ECLR/95487	:95R::DEAG/CEDE/54789
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::PSET//CRSTGB22XXX	:95P::PSET//MGTCBEBEXXX	:95P::PSET//CEDELULLXXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16S:SETDET	:16S:SETDET	:16S:SETDET
:16S:ALLDET	End of Sequence B Allegement Details	
:16R:ADDINFO	Start Sequence C Additional Information	
:95Q::MEOR//clientadvisory(at) banka.com	Contact details at the delivering custodian	
:16S:ADDINFO	End of Sequence C Additional Information	

2. Receiving custodian to delivering custodian MT 586

a. *Receiving custodian accepts all positions*



MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass789	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//COMP	Indication that the Statement contains complete information
:16R:LINK	
:20C::RELA//mass123	Content has to be equal to the SEME of the RELA Message
:16S:LINK	
:95Q::ACOW//Client X	Content has to be equal to the RELA Message
:97A::SAFE//123456	Content has to be equal to the RELA Message
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information
:16R:ALLDET	Start Sequence B Allegement Details
:16R:LINK	
:20C::ASRF//DELCUSTREF1	Content has to be equal to the RELA Message
:16S:LINK	
:98A::TRAD//20200506	
:98A::SETT//20200508	
:90B::DEAL//ACTU/USD1000,	Dealprice is recommended
:35B:ISIN US1234567890	
:22H::PAYM//FREE	Transfer is free of payment
:22H::REDE//RECE	The MT 586 sender will RECEIVE
:16R:FIAC	
:36B::SETT//UNIT/10000,	
:16S:FIAC	
:16R:SETDET	
:22F::SETR//PORT	Indicator for the portfolio transfer
:22F::BENE/NBEN	Indicates whether a Change of Beneficial Ownership is involved or not
:16R:SETPRTY	
:95P::SELL// DELCUST0XXX	Delivering SSI details. These will be used in the MT 540 transfer instruction of the receiving custodian
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG/DTCYID/45600000	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//DTCYUS33XXX	
:16S:SETPRTY	

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



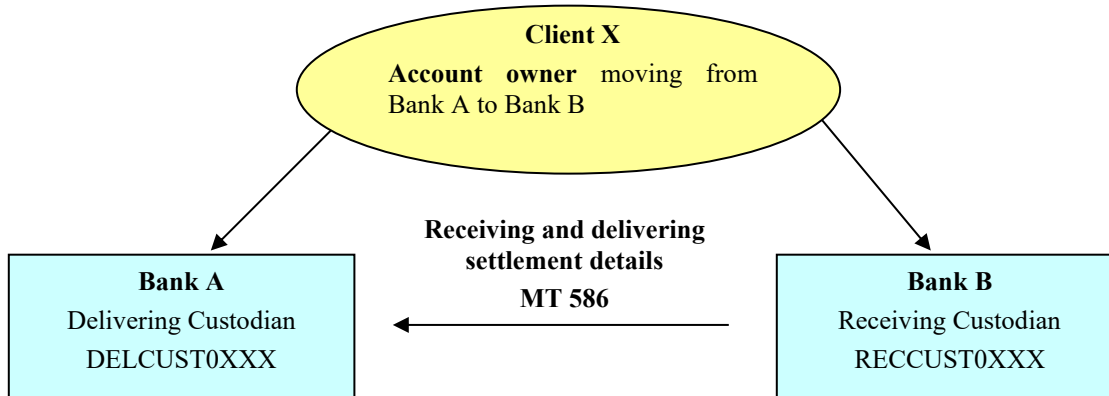
Market Practice

:16R:SETPRTY		
:95R::REAG/DTCYID/00004789		
:16S:SETPRTY	Receiving SSI details. These will be used in the MT 542 transfer instruction sent by the delivering custodian	
:16R:SETPRTY		
:95P::BUYR//RECCUST0XXX		
:16S:SETPRTY		
:16S:SETDET		
:16S:ALLDET		
:16R:ALLDET	:16R:ALLDET	:16R:ALLDET
:16R:LINK	:16R:LINK	:16R:LINK
:20C::ASRF//DELICUSTREF2	:20C::ASRF//DELICUSTREF3	:20C::ASRF//DELICUSTREF4
:16S:LINK	:16S:LINK	:16S:LINK
:98A::TRAD// 20200506	:98A::TRAD// 20200506	:98A::TRAD// 20200506
:98A::SETT// 20200508	:98A::SETT// 20200508	:98A::SETT// 20200508
:90A::DEAL//PRCT/99,	:90A::DEAL//PRCT/89,	:90B::DEAL//ACTU/USD1000,
:35B:ISIN GB0123456789	:35B:ISIN XS0878008225	:35B:ISIN BE123456789
:22H::PAYM//FREE	:22H::PAYM//FREE	:22H::PAYM//FREE
:22H::REDE//RECE	:22H::REDE//RECE	:22H::REDE//RECE
:16R:FIAC	:16R:FIAC	:16R:FIAC
:36B::SETT//FAMT/20000,	:36B::SETT//FAMT/10000,	:36B::SETT//UNIT/30000,
:16S:FIAC	:16S:FIAC	:16S:FIAC
:16R:SETDET	:16R:SETDET	:16R:SETDET
:22F::SETR//PORT	:22F::SETR//PORT	:22F::SETR//PORT
:22F::BENE/NBEN	:22F::BENE/NBEN	:22F::BENE/NBEN
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::SELL//DELICUST0XXX	:95P::SELL//DELICUST0XXX	:95P::SELL//DELICUST0XXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95R::DEAG/CRST/02456	:95R::DEAG/ECLR/95487	:95R::DEAG/CEDE/54789
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::PSET//CRSTGB22XXX	:95P::PSET//MGTCBEBEXX	:95P::PSET//CEDELULLXXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::BUYR//RECCUST0XXX	:95P::BUYR//RECCUST0XXX	:95P::BUYR//RECCUST0XXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95R::REAG/CRST/05679	:95R::REAG/ECLR/65478	:95R::REAG/CEDE/45789
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16S:SETDET	:16S:SETDET	:16S:SETDET
:16S:ALLDET	End of Sequence B Allegement Details	
:16R:ADDINFO	Start Sequence C Additional Information	
:95Q::MEOR//clientadvisory(at)banka.com	Contact details at the delivering custodian	
:95Q::MERE//clientadvisor(at)bankb.com	Contact details at the receiving custodian	
:16S:ADDINFO	End of Sequence C Additional Information	

b. Receiving custodian does not agree to all positions

The following example represents a position transfer containing two exceptions:

- One position (ISIN: GB0123456789) which the receiving custodian would like to investigate first (e.g. due to a missing internal waiver); hence, the MT 586 response shows the status PEND in :25D:. In this case the receiving custodian will need to send a further response as soon as they accept or reject the pending position (as illustrated in the next chapter).
- One position (ISIN: XS0878008225) is not accepted by the receiving agent (e.g. due to internal regulations); hence, the MT 586 response shows the status REJT in :25D:. In this case no further response is expected / necessary.



MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass789	
:23G::NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//DELT	USAGE RULES Unless differently bilaterally agreed, field 25D Allegement Status is only to be used for DELTA (field 22F::CODE//DELT)
:16R:LINK	
:20C::RELA//mass123	Content has to be equal to the SEME of the RELA Message
:16S:LINK	
:95Q::ACOW//Client X	Content has to be equal to the RELA Message
:97A::SAFE//123456	Content has to be equal to the RELA Message
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information
:16R:ALLDET	Start Sequence B Allegement Details
:16R:LINK	
:20C::ASRF//DELCUSTREF1	Content has to be equal to the RELA Message
:16S:LINK	
:98A::TRAD//20200506	
:98A::SETT//20200508	
:90B::DEAL//ACTU/USD1000,	Dealprice is recommended
:35B:ISIN US1234567890	
:22H::PAYM//FREE	Transfer is free of payment
:22H::REDE//RECE	The MT 586 sender will RECEive
:16R:FIAC	
:36B::SETT//UNIT/10000,	
:16S:FIAC	
:16R:SETDET	
:22F::SETR//PORT	Indicator for the portfolio transfer

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



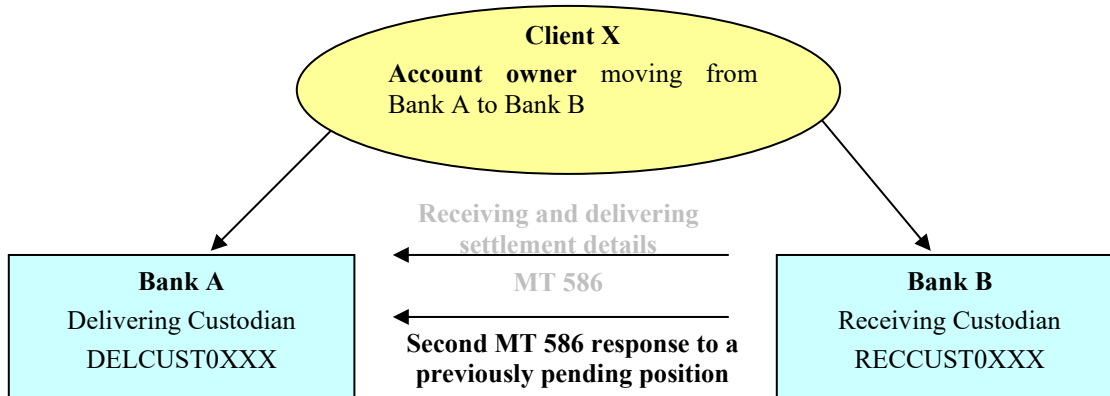
Market Practice

:22F::BENE/NBEN	Indicates whether a Change of Beneficial Ownership is involved or not	
:16R:SETPRTY		
:95P::SELL//DELCUST0XX	Delivering SSI details. These will be used in the MT 540 transfer instruction of the receiving custodian.	
:16S:SETPRTY		
:16R:SETPRTY		
:95R::DEAG/DTCYID/45600000		
:16S:SETPRTY		
:16R:SETPRTY		
:95P::PSET//DTCYUS33XXX		
:16S:SETPRTY		
:16R:SETPRTY		
:95R::REAG/DTCYID/00004789	Receiving SSI details. These will be used in the MT 542 transfer instruction sent by the delivering custodian	
:16S:SETPRTY		
:16R:SETPRTY		
:95P::BUYR// RECECUSTXXX		
:16S:SETPRTY		
:16S:SETDET		
:16S:ALLDDET		
:16R:ALLDDET	:16R:ALLDDET	:16R:ALLDDET
:16R:LINK	:16R:LINK	:16R:LINK
:20C::ASRF//DELCUSTREF2	:20C::ASRF//DELCUSTREF3	:20C::ASRF//DELCUSTREF4
:16S:LINK	:16S:LINK	:16S:LINK
:25D::ALLE/CUSTREQ/PEND	:25D::ALLE/CUSTREQ/REJT	
:98A::TRAD// 20200506	:98A::TRAD// 20200506	:98A::TRAD// 20200506
:98A::SETT// 20200508	:98A::SETT// 20200508	:98A::SETT// 20200508
:90A::DEAL//PRCT/99,	:90A::DEAL//PRCT/89,	:90B::DEAL//ACTU/USD1000,
:35B:ISIN GB0123456789	:35B:ISIN XS0878008225	:35B:ISIN BE123456789
:22H::PAYM//FREE	:22H::PAYM//FREE	:22H::PAYM//FREE
:22H::REDE//RECE	:22H::REDE//RECE	:22H::REDE//RECE
:16R:FIAC	:16R:FIAC	:16R:FIAC
:36B::SETT//FAMT/20000,	:36B::SETT//FAMT/10000,	:36B::SETT//UNIT/30000,
:16S:FIAC	:16S:FIAC	:16S:FIAC
:16R:SETDET	:16R:SETDET	:16R:SETDET
:22F::SETR//PORT	:22F::SETR//PORT	:22F::SETR//PORT
:22F::BENE/NBEN	:22F::BENE/NBEN	:22F::BENE/NBEN
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::SELL//DELICUSTXXX	:95P::SELL//DELICUSTXXX	:95P::SELL//DELICUSTXXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95R::DEAG/CRST/02456	:95R::DEAG/ECLR/95487	:95R::DEAG/CEDE/54789
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::PSET//CRSTGB22XXX	:95P::PSET//MGTCBEBEXXX	:95P::PSET//CEDELULLXXX
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY		:16R:SETPRTY
:95P::BUYR// RECCUST0XXX		:95P::BUYR// RECCUST0XXX
:16S:SETPRTY		:16S:SETPRTY
:16R:SETPRTY		:16R:SETPRTY
:95R::REAG/CRST/05679		:95R::REAG/CEDE/45789
:16S:SETPRTY		:16S:SETPRTY
:16S:SETDET	:16S:SETDET	:16S:SETDET
:16S:ALLDDET	End of Sequence B Allegement Details	
:16R:ADDINFO	Start Sequence C Additional Information	
:95Q::MEOR//clientadvisory(at)banka.com	Contact details at the delivering custodian	

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:95Q::MERE//clientadvisor(at)bankb.com	Contact details at the receiving custodian
:16S:ADDINFO	End of Sequence C Additional Information

c. Second response to a previously pending position



If a position is pending, the following two scenarios are possible:

1. The pending position is accepted by the receiving custodian
A second MT 586 response with valid delivering and receiving SSI will be sent by the receiving custodian. Field 25D won't be included in the message.
2. The pending position is rejected by the receiving custodian
A second MT 586 response will be sent by the receiving custodian. Field 25D will be filled in as follows:
:25D::ALLE/CUSTREQ/REJT

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



Market Practice

1. The following example represents the scenario of the previously pending position being accepted:

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass789b	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//DELT	Contains changes which have not yet been reported
:16R:LINK	
:20C::RELA//mass123	Content has to be equal to the SEME of the RELA Message
:16S:LINK	
:95Q::ACOW//Client X	Content has to be equal to the RELA Message
:97A::SAFE//123456	Content has to be equal to the RELA Message
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information
:16R:ALLDET	
:16R:LINK	
:20C::ASRF// DELCUSTREF2	
:16S:LINK	
:98A::TRAD//20200506	
:98A::SETT//20200508	
:90B::DEAL//ACTU/USD1000,	
:35B:ISIN GB0123456789	
:22H::PAYM//FREE	
:22H::REDE//RECE	
:16R:FIAC	
:36B::SETT//FAMT/20000,	
:16S:FIAC	
:16R:SETDET	
:22F::SETR//PORT	
:22F::BENE/NBEN	
:95P::SELL//DELCUST0XX	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG/CRST/02456	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//CRSTGB22XXX	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG/CRST/05679	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR// RECCUST0XXX	
:16S:SETPRTY	
:16S:SETDET	
:16S:ALLDET	
:16R:ADDINFO	
:95Q::MEOR//clientadvisory(at) banka.com	
:95Q::MERE//clientadvisor(at) bankb.com	
:16S:ADDINFO	

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



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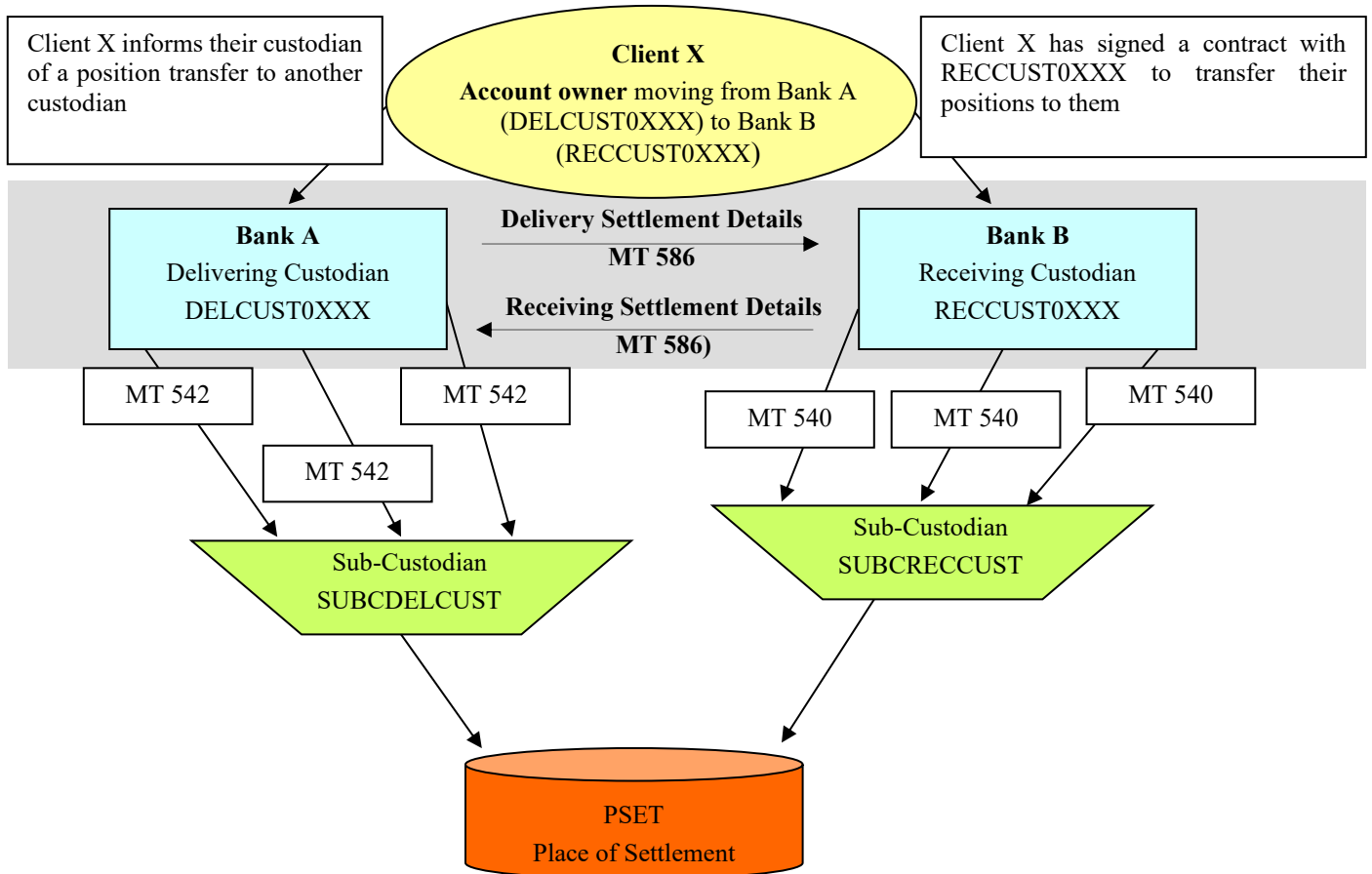
2. The following example represents the scenario of the previously pending position being rejected:

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass789b	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//DELT	Contains changes which have not yet been reported
:16R:LINK	
:20C::RELA//mass123	Content has to be equal to the SEME of the RELA Message
:16S:LINK	
:95Q::ACOW//Client X	Content has to be equal to the RELA Message
:97A::SAFE//123456	Content has to be equal to the RELA Message
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information
:16R:ALLDET	
:16R:LINK	
:20C::ASRF//DELCUSTREF2	
:16S:LINK	
:25D::ALLE/CUSTREQ/REJT	
:98A::TRAD//20200506	
:98A::SETT//20200508	
:90B::DEAL//ACTU/USD1000,	
:35B:ISIN GB0123456789	
:22H::PAYM//FREE	
:22H::REDE//RECE	
:16R:FIAC	
:36B::SETT//FAMT/20000,	
:16S:FIAC	
:16R:SETDET	
:22F::SETR//PORT	
:22F::BENE/NBEN	
:95P::SELL//DELCUST0XX	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG/CRST/02456	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//CRSTGB22XXX	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG/CRST/05679	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR// RECCUST0XXX	
:16S:SETPRTY	
:16S:SETDET	
:16S:ALLDET	
:16R:ADDINFO	
:95Q::MEOR//clientadvisory(at) banka.com	
:95Q::MERE//clientadvisor(at) bankb.com	
:16S:ADDINFO	

IV. Additional Information

1. Example of a scenario which involves a sub custodian and a market with special requirements

The below illustration represents a scenario which involves a sub custodian and a market that has special requirements (e.q. Singapore). Similar cases are possible in various markets and due to custodians special requirements.



Client X position at Bank A to be transferred:

- 10000, UNITS of equity SG1T75931496 safekept in Singapore Market.

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



Market Practice

1. The following example represents the scenario of a Delivering custodian to receiving custodian MT 586:

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass123	
:23G::NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//COMP	Indication that the Statement contains complete information
:95Q::ACOW//Client XY	Client's name at the receiving custodian (final beneficiary) * (see description)
:97A::SAFE//123457	Client's account at the receiving custodian (final beneficiary)
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information
:16R:ALLDET	Start Sequence B Allegement Details
:16R:LINK	
:20C::ASRF//DELCUSTREF1	Reference given by the delivering custodian for the position to be transferred
:16S:LINK	
:98A::TRAD//20200506	
:98A::SETT//20200508	
:90B::DEAL//ACTU/SGD1000,	Dealprice is recommended
:35B:ISIN SG1T75931496	
:22H::PAYM//FREE	Transfer is free of payment.
:22H::REDE//DELI	The MT 586 sender will DELiver.
:16R:FIAC	
:36B::SETT//UNIT/10000,	
:16S:FIAC	
:16R:SETDET	
:22F::SETR//PORT	Indicator for the portfolio transfer
:22F::BENE/NBEN	Indicates whether a Change of Beneficial Ownership is involved or not
:16R:SETPRTY	
:95Q::SELL//Client XY	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DECU//DELCUST0XXX	
:97A::SAFE//123-456	
:16S:SETPRTY	Delivering settlement chain details. These will be used in the MT 540 transfer instruction of the receiving custodian
:16R:SETPRTY	
:95P::DEAG/SUBCDELCUST	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//CDPLSGSGXXX	
:16S:SETPRTY	
:16S:SETDET	
:16S:ALLDET	
:16S:ALLDET	
:16R:ADDINFO	Start Sequence C Additional Information
:95Q::MEOR//clientadvisory(at)banka.com	Contact details at the delivering custodian
:16S:ADDINFO	End of Sequence C Additional Information

Market Practice

2. Update Standards MT release 2017

Following two change Request related to the MT586 Portfolio Transfer have been confirmed with Standards MT release 2017.

CR 001085 to Add a reminder code to the Function of Message field in MT 586

CR 001096 to Add tag option Q for qualifier 95a:ACOW in MT586

Settlement & Reconciliation (Category 5)

UGCs Replied	49	Voting Items with percentage* of YES/NO votes	YES	NO
Traffic represented (%)	97.32	CR 001084: Add letter option "Q" to party fields to allow for lengthy party names	99.87	0.13
		CR 001085: Add a reminder code to the Function of Message field	100.00	0.00
		CR 001096: Add tag option Q for qualifier 95a:ACOW	96.05	3.95

a. Reminder functionality

Reminder code to the Function of Message field in MT 586

Field 23G: Function of the Message:

New Code RMDR (Reminder Message) sent as a reminder of an event taking place.

- The following example represents the scenario of sending a MT586 PORT request:

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass123	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//COMP	Indication that the Statement contains complete information. /The enquiry statement allways contains complete information.
:95Q::ACOW//Client X	Client's name at the receiving custodian (final beneficiary) * (see description)
:97A::SAFE//123456	Client's account at the receiving custodian (final beneficiary)
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information

- The following example represents the scenario of sending a reminder (RMDR) if an answer from the receiving party is missing:

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass124	Must not be equal to the original message
:23G:RMDR/PORT	Indication that the reminder is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//COMP	Indication that the Statement contains complete information. /The enquiry statement allways contains complete information.
:16R:LINK	
:20C::PREV//mass123	Content has to be equal to the SEME of the PREV (=previously sent) Message
:16SR:LINK	
:95Q::ACOW//Client X	Client's name at the receiving custodian (final beneficiary) * (see description)
:97A::SAFE//123456	Client's account at the receiving custodian (final beneficiary)
:17B::ACTI//Y	

Market Practice

:16S:GENL	End of Sequence A General Information
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b. Party field

Tag option Q for qualifier 95a:ACOW in MT586

Option "Q" for Party fields to allow for lengthy party names

1. The following example represents the scenario of sending a MT586 PORT request with Field 95Q:

MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass123	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20200506	
:22F::CODE//COMP	Indication that the Statement contains complete information. /The enquiry statement allways contains complete information.
:95Q::ACOW//Client X	Client's name at the receiving custodian (final beneficiary) (:4!c//4*35X) IMPORTANT: In case the receipt of this Message is a BPO Provider: The BIC code of the Client's Safekeeping Bank (receiving custodian) has to be added in the first row of this TAG <i>Example:</i> Line1: RECCUST0XXX Line2, 3 & 4: NAME AND ADRESS OF RECEIVING CLIENT
:97A::SAFE//123456	Client's account at the receiving custodian (final beneficiary)
:17B::ACTI//Y	
:16S:GENL	End of Sequence A General Information

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