



SETTLEMENT AND ISO 15022 STANDARDS:

UNITED KINGDOM AND IRELAND MARKET PRACTICE

Issued on behalf of the UK and Ireland Market Practice Group

Release 2013

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The Securities Market Practice Group is a group of experts that represents local markets or market infrastructures and who devote their time on a voluntary basis to define global and local market practices for the benefit of the securities industry. The time spent is sponsored by the market players. The market practice documentation and recommendations produced by this organization are intended to solve common problems across the securities industry, from which financial institutions can derive clear benefits, to harmonize business processes and to facilitate the usage of message protocols ISO15022 and ISO 20022.

While the Securities Market Practice Group encourages the implementation of the market practices it develops it is up to the financial institutions within each market to implement the market practices according to their needs and agreements with their business counterparts to support their businesses as efficiently as possible. For more information on the MP release cycle please refer to the SMPG by-laws document section 4.

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II. UK & IE Market Practice Group

1 Introduction

This document is produced by the National Market Practice Group for UK and Ireland as part of the Securities Market Practice Group initiative. It contains the templates for UK and Irish Market Practice for:

- a) settlement of an equity or bond trade;
- b) physical settlement of certificated unit trusts at the Unit Trust Provider (UTP), the cash settling separately;
- c) settlement of unit trusts where the UTP maintains a dematerialised register;
- d) settlement of a dematerialised Money Market Instrument (MMI);
- e) settlement of a physical MMI;
- f) settlement of stock movements resulting from the transition of funds, otherwise known as ‘new business’;
- g) settlement of net transactions
- h) settlement of Repos.

Note that ‘CREST’ refers to the settlement system owned and operated by Euroclear UK & Ireland (EUI).

2 Securities Market Practice Group

For details of the Securities Market Practice Group (SMPG) please see www.smpg.info.

3 Structure of this document

This document consists of:

- The **Needed business elements** (the common elements and any others required) and their data content format for UK & IE for settlement of an equity or bond trade,
- The **Additional elements** on top of the common “generic” elements are presented. These additions are standard business elements required (or specific data format of business elements) by the market in addition of the common elements identified, again for settlement of an equity or bond trade
- Specifics for other instrument types and business practices based on the UK&IE Settlement Market Practice
- Annexes containing:
 - Historic change logs,

- Membership lists,
- Reference details.

4 Changes from Previous Version

4.1 Changes SR2011 Version (December 2011) to SR2013 Version (November 2013) to

Change Type		Location
Amend	Footnote to remove 2006	III.1.1
Amend	Addition of Stamp able Consideration to the Additional Elements table	III.2
Amend	<p>“The UK&IE group considers that the composition of the settlement confirmation message should be agreed between individual firms.” to</p> <p>“The UK&IE group recommends that all parties should follow the Global Market Practice with regards to Settlement confirmations as described within the Global Common elements MP on www.smpg.info.”</p>	V.2.3
Amend	Addition of INTM Cash party sequence to table following availability of the qualifier in SR2013. Resequencing the notes	IV 1.2.1
Remove	<p>Not included from MT521 - Agreed by Unit Trust Market Practice Group.</p> <ul style="list-style-type: none"> * Place of Trade * Instructing Party - This is the sender of the message (in the FM to Custodian leg) * Deal Price * Deal Amount * Sender to Receiver information 	IV 1.2.1 & IV 1.4.2
Amend	Addition of Identity of an intermediary institution bank holding the Unit Trust provider Bank’s currency accounts	IV 1.3
Amend	Addition of INTM Cash party sequence to mapping following availability of the qualifier in SR2013	IV 1.3.1
Amend	<u>Remove year from Standards Release Guide</u>	V.2.1
Amend	<u>Members of the National Market Practice Groups for UK&IE (2013-14)</u>	V.3.1

III. UK&IE Market Practice template for Settlement

Based on the ISO 15022 Settlement Instruction messages documented in the SWIFT Standards Release¹.

1 The Needed Elements

Business Element Name	Data Content
Sender's Message Reference	16x
Trade Date	8!n
Settlement Date	8!n
Identification of Financial Instrument	ISIN1!e12!c (1)
Quantity of Financial Instrument to be settled	4!c/15d with 4!c = UNIT for equities and 4!c = FAMT for bonds
Safekeeping account to be credited or debited	35x
Delivering or Receiving agent	/CRST/CREST Id (2)
Direct Client of Delivering or Receiving agent	BIC (3)
Place of Settlement	BIC
Settlement Amount (including currency)	3!a15d

1.1 Specifics

To settle equities or fixed income securities in the UK and IE market the Common List of Data Elements² needs to be used, with:

1. A description may be supplied with the ISIN if necessary, variable length 4*35x.
2. The Delivering or Receiving agent is to be specified by its proprietary CREST identifier.
CREST Code Format Scheme: variable.
Maximum 5 upper case alphanumeric (5X).
A list of CREST proprietary identifiers may be downloaded from the Euroclear UK & Ireland home page:
 - Services
 - Operational Information
 - Directory of members.
3. The presence of the full settlement chain is highly recommended. A minimum of two levels is required. Additional parties should be identified using their BIC. The executing broker and the fund manager should be identified if they are not the direct clients of the delivering or receiving agent.

¹ Reference 1 – SWIFT User Handbook for Standards Release Guide – see annex 2 for details.

² Reference 2 – SMPG Common Elements – see annex 2 for details.

2 The Additional Elements

Further elements are not absolutely necessary for settlement in UK & IE, but their use is recommended; most elements are supplied typically by the market side of the trade (by the broker or by the broker's clearer) to the local CSD; others by the client side (by the investment manager, global- or sub-custodian). These elements are documented in the following table; their provision before the final message leg to CREST is down to SLA, their provision on the message leg to CREST is down to CREST procedures and market norms.

Business element name	Data Content	ISO 15022 Format	MT 540-7 Location	Typically Supplied By ³	Note
Trade Price (including currency)	3!a15d	90B::DEAL	Seq B	MS	
Place of Trade	4!c/4!c	94B::TRAD	Seq B	MS	
Trade Time	6!n	98C::TRAD	Seq B	MS	
Stampable consideration (including currency)	[N]3!a15d	19A::DEAL	Seq E3	EB	
Commission Amount (including currency)	[N]3!a15d	19A::EXEC	Seq E3	EB	
Fees/Charges (including currency)	[N]3!a15d	19A::CHAR	Seq E3	EB	
Other Fees and Panel of Takeovers and Mergers levied by the London Stock Exchange (PTM Levy), (including currency)	[N]3!a15d	19A::OTHR	Seq E3	MS	
Account of Client of Delivering or Receiving agent (Underlying buyer or seller)	35x	97A::SAFE	Seq E1	EB	1)
Nationalities of underlying buyer and seller	2!a	95C::INVE	Seq F	EB	2)
Transaction Report Marker	4!c	22F::RPOR	Seq B	MS	3)
Special Condition	4!c	22F::TTCO	Seq B	EB	4)
Trading Client of Delivering or Receiving Agent	BIC	95a::SELL or BUYR		EB	5)
Unique Transaction Identifier/Shared Reference	16x	20C::COMM	SeqA1	EB	6)
Place of Listing	4!c/4!c	94B::PLIS	Seq B1	EB	7)

³ MS Market Side, CS Client Side, EB Either or Both Sides

- 1) This is the Fund Manager’s portfolio account number (thus the account of the client of the underlying buyer or seller), its use limits the chance of cross matching, when supplied by both parties.
- 2) The nationalities of the underlying buyer and seller must be supplied for certain securities by both parties, the party selling in a delivery instruction or the party buying in a receive instruction.
- 3) The Transaction Report Marker indicates how the trade is to be reported (e.g. to an exchange or a regulatory organisation), it is mandatory for the market side. The codes are either ISO 15022 or defined by CREST using a data source scheme (DSS)

22F::RPOR/[4!c]/4!c

Where [4!c] is the DSS for CREST, required for all but two of the codes,
and where 4!c is a code indicating the type of transaction reporting.

Tag	Description
:22F::RPOR/CRST/TRMD	Duplicate report to a Recognised Investment Exchange (RIE) and SFA (part of the FSA – the Financial Services Authority)
:22F::RPOR//TRRE	Transaction report to the SFA only
:22F::RPOR/CRST/TRMZ	Not a transaction report to any Self Regulatory Organisation (SRO) or RIE

- 4) The Special Condition indicates the conditions under which the trade was executed (e.g. ex dividend), when applicable must be supplied by both parties.
- 5) The executing broker and the fund manager should be identified if they are not the direct clients of the delivering or receiving agent.
- 6) A Unique Transaction Identifier/Shared (transaction) Reference, agreed between the trading parties, may be used optionally in UK&IE; it is intended that it will become mandatory, its use also limits the chance of cross matching, when supplied by both parties.
- 7) The Place of Listing must be supplied where an issue of a security is listed in more than one location. The main application in the UK&IE market is to distinguish between the London and Dublin listed lines of an Irish security. In the case of dual listed Irish securities this is most appropriate before the final message leg to CREST as the different lines of Irish securities are fully fungible at CREST where they settle at issue level.

The Market Identifier Code (ISO 10383)⁴ must be used to identify the place of listing:

XLON identifies the London line and
XDUB identifies the Irish line.

For example, the London line of Irish security IE0023456789

Security (issue) identifier, Sequence B, Tag 35B :35B:ISIN IE0023456789

Place of Listing identifier, Sequence B1 , Tag 94B :94B::PLIS//EXCH/XLON

⁴ A list of MICs may be found on www.iso15022.org

2.1. Stamp: Accountability, Liability and Use of the Stamp Fields

2.1.1. Introduction

Full details of the CREST processing of UK Stamp Duty Reserve Tax (SDRT) may be found in reference 6⁵. This section covers UK SDRT only, Irish stamp is not covered. Although the processing of UK SDRT and Irish stamp duty are similar, the main difference in Ireland is the lack of the 'accounting party' concept. Therefore while many of the concepts applied to UK & IE stamp duty are the same in processing terms, this is not the case in business terms and the Irish Revenue Commission website must be consulted for details of how Irish stamp operates.

It is recommended that the underlying client ensures that their counterparty inputs Irish stamp correctly, and in case of any problems they are the first point of contact.

Please note that NONE of the stamp business process, and indeed the stamp duty market practice, has changed because of the introduction of ISO 15022.

A summary of the CREST processing of UK SDRT is given below.

2.1.2. Liability and Accountability

Stamp is PAID by the LIABLE party (the buyer), and is COLLECTED from the ACCOUNTABLE party.

The liable party may be the same or different from the accountable party.

In the UK, accountability for the payment of SDRT on behalf of another may only be assumed by a member of an SRO or a qualified dealer, usually the broker.

Thus, typically, when the Investment Management Institution (IMI) is the buyer (the liable party), the IMI pays stamp to the broker (the accountable party) as part of the settlement amount. The stamp is calculated and collected from the broker by CREST (based on the stamp information supplied by the broker); it is then passed onto the relevant tax authority - Her Majesty's Revenue and Customs (HMRC) for UK or the Irish Revenue Commissioners for IE.

The accountable party supplies the stamp information to CREST; the liable party does NOT (unless the liable party is also the accountable party).

If the liable party supplies stamp information when they are not accountable they may pay stamp twice, firstly as part of the settlement amount paid to the broker; and secondly (incorrectly) via CREST, as CREST may calculate and collect stamp from the liable party based on the stamp information supplied by them.

⁵ Reference 6 - **STAMP DUTY RESERVE TAX IN CREST A GUIDE TO MARKET PRACTICE** – see annex 2 for details.

2.1.3. Stamp Fields

Business Element Name	Data Content	ISO 15022 Format	MT 540-7 Location	Note
<i>The following two fields are used in the calculation of stamp</i>				
Stampable Consideration	3!a15d	19A::DEAL	Seq E3	1)
Stamp Status	4!c	22F::STAM/CRST/	Seq E	2)
<i>The following two fields are NOT used in the calculation of stamp, they are used in some situations where exemption or relief is claimed</i>				
Charity Identifier	2!a/30x	95S::ALTE//CHTY/	Seq E1	3)
Role of Trading Party	4!c	22F::TCPI	Seq E	4)
<i>The following two fields are NOT used in the calculation of stamp, they are for information only and supplied according toSLA</i>				
Stamp Duty, the amount of stamp to be paid (including currency)	3!a15d	19A::STAM	Seq E3	5)
Stamp Flag	1!c	17B::STAM	Seq E3	5)

- 1) The Stampable Consideration is the amount on which stamp is to be charged (including currency).
- 2) The Stamp Status indicates the rate of stamp or the exemption reason, a list of the current CREST codes is given in a separate section.
- 3) Charity Identifier⁶ is required from the party accountable for stamp if stamp exemption is claimed on behalf of a charity. It is the charity identifier (as the alternative identifier) of the party for whom stamp exemption is claimed.

95S::ALTE//CHTY/2!a/30x

Where:

CHTY indicates that the alternative identifier is a charity identifier.

2!a is GB or IE and indicates the country where the alternative identifier is issued.

30x is the charity identifier.

- 4) The role of the trading party (agent or principal) may be supplied by the market side in order to qualify for some forms of exemption from stamp. Codes formatted as 4!c
22F::TCPI//4!c
Where 4!c valid values are :-
PRIN - Acting as a principal for tax liability
AGEN - Acting as an agent for tax liability.
- 5) The stamp duty amount (19A::STAM) and the stamp duty flag (17B::STAM) are purely reporting/accounting fields when used in the settlement instruction. The stamp amount is the stamp component of the settlement amount. The stamp flag indicates whether the net proceeds include stamp duty amount.

⁶ Charity Identifiers are available from the HMRC website.

2.1.4. Use of the Stamp Fields for Calculation of Stamp

The two fields Stampable Consideration and Stamp Status are the only ones used in the process of stamp calculation and collection.

If stamp is to be paid on the transaction then two fields are supplied:

- 1) the stamp status indicating one of the three stamp rates:
 - a) UK 0.5% ad valorem;
 - b) UK 1.5% ad valorem;
 - c) IE 1.0% ad valorem (exact percentage);

- 2) the stampable consideration, this is used by CREST in the calculation of stamp.

If stamp is NOT to be paid on the transaction (it is exempt from stamp), only the stamp status should be supplied the indicating the exemption reason (a list of stamp status values is given below). The stampable consideration should NOT be supplied.

Any other combination of these fields may result in incorrect stamp being paid/collected. Note that reclamation of overpaid stamp is outside the scope of this market practice.

If the IMI is both liable and accountable, for example in an off market trade involving a counterparty who is not an SRO member or a qualified dealer, they follow the above rules. The stamp is calculated and collected from the custodial representative of the IMI by CREST (based on the stamp information supplied by the IMI).

Otherwise, if no stamp information is supplied by both settling parties, the stamp liability is calculated by CREST from the trade details.

2.1.5. Example Formats for Stamp for Off- and On-Market Trades

This section explains **how to format the stamp and amount fields for a fund to fund transfer**, i.e. off market **with the custodian of the receiving fund manager accounting for stamp**.

The principles given in the UK&IE Settlement market practice are followed. The following examples illustrate.

Example 1, An Off-Market Trade

Fund Manager A receives securities, in an **off-market trade**, from Fund Manager B for a consideration of GBP10000,

Fund Manager A is liable and in this case accountable for the stamp and instructs their custodian to settle the trade and pay the stamp.

Fund Manager A's instruction will include stamp information as Fund Manager A's custodian will account for the stamp for them:

22F::STAM/CRST/GBPX stamp status indicating stamp at 0.5% ad valorem;

19A::DEAL//GBP10000, the stampable consideration to be passed to CREST for the stamp calculation there;

and

19A::SETT//GBP10000, the amount to be passed to Fund Manager B at settlement.

Fund Manager B's instruction will include:

19A::SETT//GBP10000, the amount to be received from Fund Manager A at settlement.

No stamp information is included in Fund Manager B's instruction as they (and their custodian) are not accounting for the stamp.

Example 2, An On-Market Trade

Fund Manager A receives securities, in an **on-market trade**, from Broker C for a consideration of GBP10050, this consists of GBP10000, for the deal and GBP50, for the stamp which the broker will pay on behalf of the fund manager.

Fund Manager A's instruction will NOT include stamp information as Broker C will account for the stamp for them:

19A::SETT//GBP10050, the amount to be passed to Broker C at settlement, this includes a stamp component.

Broker C's instruction will include stamp information as they account for the stamp:

22F::STAM/CRST/GBPX stamp status indicating stamp at 0.5% ad valorem;
19A::DEAL//GBP10000, the stampable consideration to be passed to CREST for the stamp calculation there;

and

19A::SETT//GBP10050, the amount to be received from Fund Manager A at settlement.

2.1.6. Specification of the Stamp Status Code

A code which defines the stamp accountability of a participant for a transaction.

22F::STAM/CRST/4!c

Where:

- CRST is the data source scheme (or issuer code) for CREST – the CSD for the UK and Ireland;
- 4!c must be one of the following codes (note that the codes may be changed on request of the tax authorities in UK or IE, six months notice will be given of any

change). The definitive list is given in the CREST ISO 15022 interface document⁷:

Codewords	Description
GBAX	no SDRT liability, change of trustee
GBBX	no SDRT liability, transfer to specific beneficiary of will, transfer to residual beneficiary of will or distribution to beneficiary of settlement
GBCX	no SDRT liability, transfer in intestacy
GBDX	no SDRT liability, appropriation on death
GBEX	no SDRT liability, confirmation of traditional option
GBFX	no SDRT liability, hedge against traditional option
GBGX	no SDRT liability, transfer on marriage
GBHX	no SDRT liability, transfer on divorce
GBIX	no SDRT liability, transfer on liquidation
IEJX	Irish exempt, CCP clearing related relief claimed
GBLX	no SDRT liability, gift inter vivos
GBMX	no SDRT liability, death (varying disposition)
GBNX	no SDRT liability, result of automatic transformation (cannot be input by members)
GBOX	no SDRT liability, transfer to/from nominee, with no change of beneficial owner (or transfer between nominees of the same beneficial owner)
GBPX	0.5% ad valorem SDRT
IEQX	Irish exempt, for any other reason
GBRX	1.5% ad valorem SDRT
GBSX	no SDRT liability, transfer to exempt charity
GBTX*	no SDRT liability, SDRT paid inside CREST on another CREST transaction
GBUX	no SDRT liability, stamp duty paid outside CREST on physical document (including form 169); or SDRT paid (or to be paid) outside CREST on corporate action
GBVX	no SDRT liability, NCBO-NCLO (including pure de- or re-materialisation)
GBWX	no SDRT liability, issuing house exemption on new issue
GBXX	no SDRT liability, contra trade linked to a settled transaction
IEYX	Irish exempt, no change in beneficial ownership (NCBO)
IE1X	Irish 1% ad valorem (exact percentage)
GB2X	no SDRT liability, transfer result of corporate action
GB3X	no SDRT liability, intra-group transfer, a letter of direction executed
GB4X	no SDRT liability, stock loan return or transfer of DBV collateral, relating to loans
GB5X	no SDRT liability, letter of direction executed (including pension scheme mergers, purchase of life insurance policies and transfers as security for loans)

⁷ Reference 7 – The CREST ISO Standard Interface Data Exchange Manual – see annex 2 for details.

Codewords	Description
GB6X	no SDRT liability, AUT merger or AUT/OEIC conversion/amalgamation
GB7X	no SDRT liability, security on an overseas branch register
IE8X	Irish exempt, new issue

* where GBTX is used, the ID of the SDRT-bearing transaction may be placed in the Narrative field of Block B - Trade details. Full usage details can be found in EUI ISO DEX manual (see annex 2 reference 7 and other related documents)

2.2. Format of Safekeeping Account When Serviced by CREST

The Safekeeping account in 97A in sequence C of the message must be a concatenation of the CREST participant id and account id delimited by '-'. Note that this applies only to the final message sent to CREST.

Where further information for transaction reporting purposes is required (ie the settlement chain does not automatically enrich it, or over-riding is required at transaction level), the BIC or FRN should be supplied in field 70C/70E narrative in block E1

2.3. Settlement Confirmation

The UK&IE group recommends that all parties should follow the Global Market Practice with regards to Settlement confirmations as described within the Global Common elements MP on www.smpg.info.

2.4. Amount Field Qualifiers

The UK&IE TIC (November 1999) and this Settlement Market Practices identify five amounts in addition to the settlement amount. These are:

- Amount on which Stamp Duty Reserve Tax (stamp or SDRT) is to be charged
Gross Deal Amount [N]3!a15d DEAL
- Commission Amount [N]3!a15d EXEC
- Stamp Duty Amount [N]3!a15d STAM
- Fees Amount [N]3!a15d CHAR
- Other Fees and Panel of Takeovers and Mergers levied by the London Stock Exchange (PTM Levy), typically supplied by the market side
Other Fees Amount [N]3!a15d OTHR

2.5. MT 530 Code Functions Supported by CREST

The UK & Ireland CSD system, CREST, does not currently support transaction processing commands via its ISO 15022 interface, although this will change after migration to the new Single Platform system which will be fully compliant with either MT 530 and/or (to be decided) its ISO 20022 equivalent.

However, the CREST system does support some of the MT 530 functions via its proprietary interface.

MT 530 Indicator	CREST Support	Indicator Function
BORR	No	Use auto-borrow if needed
CONP	No *	Retain a failed instruction
LINK	Yes	Link to another transaction
PRIR	Yes	Set priority
PROC	No	Other processing change
PRTL	No **	Partial settlement allowed/disallowed
SETT	Yes	Can be settled (freeze/unfreeze)

* In CREST all failed instructions are kept

** Partial settlement of transactions is available in CREST at a client/account subscription level. However, the switching on/off of eligibility for partial settlement at a transaction level is not offered.

IV. UK&IE Market Practice for Other Instrument Types and Business Practices

Introduction:

Since the creation of a UK & IE Securities Market Practice Group, there has been further need to place some standards around the formatting of other instrument types and business practices outside of the standard Fixed Income and Equity DVP / RVP settlement guidelines.

The reason why these 'Other' practices are included in the UK & IE MP document is either down to the fact that these practices are not relevant to other markets, or because a global standard in these areas of business has yet to be established or agreed upon.

This section of the UK & IE MP includes the following instrument types / business practices:

1. Unit Trust Settlement Message Format for Fund Manager to Custodian
2. Money Market Instruments – Dematerialised
3. Money Market Instruments – Physical
4. Market Practice for Transition – Requirements for Settlement of Stock in Transition – Take-On/Off & In Specie
5. Settlement Instructions for netting transactions
6. Settlement Instructions for Repo
7. Handling of Block Trades

1. Unit Trust Settlement Message Format for Fund Manager to Custodian

1.1. Scope

1.1.1. What is covered in the scope?

- * Physical settlement of certificated unit trusts at the Unit Trust Provider (UTP), the cash settling separately;
- * Settlement of unit trusts where the UTP maintains a dematerialised register.

1.1.2. What is NOT covered in the scope?

- * Settlement of exchange traded unit trusts. These settle through CREST as standard deliveries. They are therefore covered by the existing UK&IE Settlement Market Practice;
- * Settlement of unit trusts via the CREST residual mechanism (cash settles through CREST, stock delivered physically outside of CREST). This is NOT covered by a market practice as yet;
- * Settlement of unit trusts via CREST where a coverall renunciation has been agreed bilaterally by the fund manager and the UTP (cash settles through CREST, no stock delivered in CREST). This is NOT covered by a market practice as yet;

1.1.3. Message Format Baseline

- * All message templates are based on the SWIFT Standards User Handbook.⁸;

1.2. Unit Trust Purchase - MT541

UK&IE SMPG Proposed MT541 Unit Trust message format for Fund manager to Custodian - Unit Trust Purchase.

1.2.1. MT541 Message Template

Fields are mandatory unless indicated otherwise.

Field	Tag	Qualifier	Format	Example	Note	M/O
<i>A General Information – start</i>	:16R:	GENL				
Fund Manager's Internal Reference Number	:20C::	SEME//	16x	FMREF1234567		
<i>Function of Message</i>	:23G:	NEWM			1	
<i>AI Linkages – start</i>	:16R:	LINK				O
Contract Reference Number	:20C::	COMM//	16x	9876543	2	O
<i>AILinkages – end</i>	:16S:	LINK				O
<i>A General Information – end</i>	:16S:	GENL				
<i>B Trade Details – start</i>	:16R:	TRADEDET				
Settlement Date	:98A::	SETT//	8!n	20000411		
Trade Date	:98A::	TRAD//	8!n	20000404		
Identification of the Unit Trust	:35B:		ISIN1!e12!c [4*35x]	ISIN GB123456789 Any Unit Trust Fund A	3	
<i>B Trade Details – end</i>	:16S:	TRADEDET				

⁸ Reference 1 – SWIFT User handbook for Standards Release 2006 – see annex 2 for details

Field	Tag	Qualifier	Format	Example	Note	M/O
<i>C Financial Instrument /Account – start</i>	:16R:	FIAC				
Quantity of the Unit Trust	:36B::	SETT//	4!c/15d	UNIT/640000,		
Client's Safekeeping Account at the custodian	:97A::	SAFE//	35x	123456		
<i>C Financial Instrument / Account – end</i>	:16S:	FIAC				
<i>E Settlement Details – start</i>	:16R:	SETDET				
Type of Settlement Transaction	:22F::	SETR//	4!c	TRAD	4	
Settlement Condition – Split Settlement	:22F::	STCO//	4!c	SPST	5	
Settlement Condition – Physical Settlement	:22F::	STCO	4!c	PHYS	6	O
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Deliverer of the Unit Trust	:95a::	DEAG//			7	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Place of Settlement	:95aC::	PSET//	2!c	GB	8	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Seller of the Unit Trust	:95a::	SELL//			7,9	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Account With Institution (UTP's Bank Branch) Sort Code for GBP, BIC for other currency	:95a::	ACCW//			10	
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Intermediary Financial Institution	:95P::	INTM//	4!a2!a2!c[3!c]		11	O
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Beneficiary of Money (UTP)	:95P::	BENM//	4!a2!a2!c[3!c]		12	
Cash Account (Held by UTP)	:97A::	CASH//	35x	76543210		
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				
<i>E3 Amounts – start</i>	:16R:	AMT				
Net Settlement Amount	:19A::	SETT//	[N]3!a15d	GBP1120000,		
<i>E3 Amounts – end</i>	:16S:	AMT				
<i>E Settlement Details end</i>	:16S:	SETDET				

1.2.2. Notes

- 1 This field is mandatory in the message, NEWM indicates new message.
- 2 Supply the contract reference when known.
- 3 ISIN is mandatory, description is optional.
- 4 TRAD – Trade, the transaction relates to the settlement of a trade.
- 5 SPST - Split Settlement, when cash and securities settle in different locations.
- 6 If the delivery is physical the Settlement Condition must indicate physical settlement (field 22F::STCO//PHYS).
- 7 Recommendation is identify by BIC (format 95P), include branch code when known.
Use Name & Address format (95Q) only when BIC not available.
- 8 If the delivery is physical include Place of Settlement as format 95C, indicated by a two character country code: GB or IE.
If the delivery is via a dematerialised register include Place of Settlement as format 95C, indicated by a two character country code: GB or IE
- 9 The seller may be the same as deliverer of the UT. The two level settlement chain is consistent with the UK&IE settlement market practice, (which requires a minimum of two levels in the settlement chain).
- 10 ACCW may be BIC (format 95P) for non-GBP settlement. For GBP settlement sort code is strongly recommended, e.g. 95R::ACCW/GBSC/112233
- 11 **INTM is the intermediary institution facilitating the cash transaction. Eg the UTP holds a USD currency account with a UK entity (Intermediary) that in turn uses the services of a US institution (ACCW) for final settlement.**
- 12 UTP is the Unit Trust Provider

1.3. Unit Trust Purchase - MT541 to MT202

CASH INFORMATION - FOR PURCHASE BY FM

Data flow agreed to be Settlement Instruction from Fund Manager to Custodian followed by Payment Instruction from Custodian to Unit Trust Provider's Bank.

- * Identity of party Unit Trust Provider (UTP) - format BIC (line 2 of field 58A)
- * Identity of account of UTP at Bank of UTP - format, either text or dependant on country of Bank (typically determined by currency of payment, line 1 of field 58A)
- * Identity of party Bank of UTP - format BIC or Sort Code (or equivalent). (Sort code, or equivalent in line 1 of 57D, note second line is mandatory so send some agreed text. If the BIC of the bank is known the 57A format may be used).
- * **Identity of an intermediary institution bank holding the Unit Trust provider currency accounts**

There are two options for the custodian receiving the settlement instruction:

- 1) Send an MT202 to the correspondent bank for the currency of the payment (thus the receiver of the MT202 is determined by currency from standing data held by the custodian).
The correspondent bank then deals with the payment.
- 2) The custodian may 'clear' the payment and determine the recipient of the MT202 themselves.

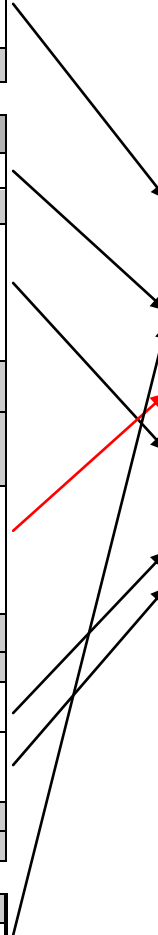
1.3.1. Cash Format MT541-MT202 Message Templates

MT541 sent by Fund Manager to Custodian (extract).

Field	Tag	Qualifier	Format	Example
<i>A1 Linkages – start</i>				
Contract Reference Number	:20C:	COMM//	16x	9876543
<i>A1 Linkages – end</i>				
<i>B Trade Details – start</i>				
Settlement Date	:98A::	SETT//	8!n	20000411
<i>E2 Cash Parties – start</i>				
Account With Institution (UTP's Bank Branch) Sort Code for GBP, BIC for other currency	:95R::	ACCW/GBSC /	34x	112233
<i>E2 Cash Parties – end</i>				
<i>E2 Cash Parties – start</i>				
Intermediary Financial Institution	:95P::	INTM//	4!a2!a2!c [3!c]	INTMGB2L
<i>E2 Cash Parties – end</i>				
<i>E2 Cash Parties – start</i>				
Beneficiary of Money (UTP)	:95P::	BENM//	4!a2!a2!c [3!c]	UTPRGB2L
Cash Account (Held by UTP)	:97A::	CASH//	35x	76543210
<i>E2 Cash Parties – end</i>				
<i>E3 Amounts – start</i>				
Net Settlement Amount	:19A::	SETT//	[N]3!a15d	GBP1120000,
<i>E3 Amounts – end</i>				

MT202 sent by Custodian to Correspondent Bank (extract)

Field	Tag	Format	M/O	Example
<i>Application Header Block</i>				
Receiver's Address <i>Derived by Custodian</i>		4!a2!a2!c [3!c]	M	KLMNGB21
<i>Text Block</i>				
Transaction reference Number	:20:	16x	M	
Related Reference	:21:	16x	M	9876543
Value Date, Currency Code, Amount	:32A:	6!n3!a15d	M	010203GBP1120000,
Intermediary	:56a:	4!a2!a2!c [3!c]	O	INTMGB2L
Account with Institution (Sort Code of UTP's Bank Branch)	:57D:	[/1!a] [/34x] 4*35x	O	//SC112233 A Bank Name
Beneficiary Institution (Includes party identifier and account)	58A:	[/1!a] [/34x] 4!a2!a2!c [3!c]	M	76543210 UTPRGB2L



1.3.2. Notes

Comments Agreed by Unit Trust Market Practice Group

- * Fund Manager to provide all the information in the Cash Party block of the MT541
- * UTP's account required, in addition to the sort code (and equivalents)
- * Note that account format in MT541 is longer than account format in MT202
- * Data Source Scheme (DSS) required for National account identifiers, e.g. DSS for APACS for GB sort codes, available in 95R party format
- * Transaction Number required for MT202 is supplied automatically by the Custodian
- * Text format (95Q) acceptable if BIC of UTP is not known by Fund manager - as a last resort
- * Value Date also required for field 32A of MT202 - sourced from the Settlement Date of the MT541 unless the date is passed and then earliest achievable value date will have to be used
- * The BIC format for Account With Institution (57A) may be used in the MT202 if the BIC format was supplied in the MT541(95P::ACCW)

1.4. Unit Trust Sale - MT543

UK&IE SMPG Proposed MT543 Unit Trust message format for Fund manager to Custodian - Unit Trust Sale

1.4.1. *MT543 Message Template*

Fields are mandatory unless indicated otherwise.

Field	Tag	Qualifier	Format	Example	Note	M/O
<i>A General Information – start</i>	:16R:	GENL				
Fund Manager's Internal Reference Number	:20C::	SEME//	16x	FMREF1234567		
<i>Function of Message</i>	:23G:	NEWM			1	
<i>Al Linkages – start</i>	:16R:	LINK				O
Contract Reference Number	:20C::	COMM//	16x	9876543	2	O
<i>Al Linkages – end</i>	:16S:	LINK				O
<i>A General Information – end</i>	:16S:	GENL				
<i>B Trade Details – start</i>	:16R:	TRADEDET				

Field	Tag	Qualifier	Format	Example	Note	M/O
Settlement Date	:98A::	SETT//	8!n	20000411		
Trade Date	:98A::	TRAD//	8!n	20000404		
Identification of the Unit Trust	:35B:		ISIN!e12!c [4*35x]	ISIN GB123456789 Any Unit Trust Fund A	3	
<i>B Trade Details – end</i>	:16S:	TRADET				
<i>C Financial Instrument /Account – start</i>	:16R:	FIAC				
Quantity of the Unit Trust	:36B::	SETT//	4!c/15d	UNIT/350962,77		
Client’s Safekeeping Account at the custodian	:97A::	SAFE//	35x	256227001		
<i>C Financial Instrument / Account – end</i>	:16S:	FIAC				
<i>E Settlement Details – start</i>	:16R:	SETDET				
Type of Settlement Transaction	:22F::	SETR//	4!c	TRAD	4	
Settlement Condition – Split Settlement	:22F::	STCO//	4!c	SPST	5	
Settlement Condition – Physical Settlement	:22F::	STCO//	4!c	PHYS	6	O
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Receiver of the Unit Trust	:95a::	REAG//			7	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Place of Settlement	:95aC::	PSET//	2!c	GB	8	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Buyer of the Unit Trust	:95a::	BUYR//			7,9	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Paying Institution	:95P::	PAYE//	4!a2!a2!c[3!c]	UTPRGB2L	10	
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				
<i>E3 Amounts – start</i>	:16R:	AMT				
Net Settlement Amount	:19A::	SETT//	[N]3!a15d	GBP1311547,86		
<i>E3 Amounts – end</i>	:16S:	AMT				
<i>E Settlement Details end</i>	:16S:	SETDET				

1.4.2. Notes

- 1 This field is mandatory in the message, NEWM indicates new message.
- 2 Supply the contract reference when known.
- 3 ISIN is mandatory, description is optional.
- 4 TRAD – Trade, the transaction relates to the settlement of a trade.
- 5 SPST - Split Settlement, when cash and securities settle in different locations.
- 6 If the delivery is physical the Settlement Condition must indicate physical settlement (field 22F::STCO//PHYS).

- 7 Recommendation is identify by BIC (format 95P), include branch code when known.
Use Name & Address format (95Q) only when BIC not available.
- 8 If the delivery is physical include Place of Settlement as format 95C, indicated by a two character country code: GB or IE.
If the delivery is via a dematerialised register include Place of Settlement as format 95C, indicated by a two character country code: GB or IE
- 9 The buyer may be the same as receiver of the UT. The two level settlement chain is consistent with the UK&IE settlement market practice, (which requires a minimum of two levels in the settlement chain).
- 10 UTP is the Unit Trust Provider

1.5. Unit Trust Sale - MT543 to MT210

CASH INFORMATION - FOR SALE BY FM

Data flow agreed to be Settlement Instruction from Fund Manager to Custodian followed by Payment Advice from Custodian to Unit Trust Provider's Bank.

* Identity of party Unit Trust Provider (UTP) - format BIC (line 2 of field 52A)

There are two options for the custodian receiving the settlement instruction:

- 1) Send an MT210 to the correspondent bank for the currency of the payment (thus the receiver of the MT210 is determined by currency from standing data held by the custodian). The correspondent bank then deals with the payment.
- 2) The custodian may 'clear' the advice and determine the recipient of the MT210 themselves.

1.5.1. Cash Format MT543-MT210 Message Templates

MT543 sent by Fund Manager to Custodian (extract).

Field	Tag	Qualifier	Format	Example
<i>A1 Linkages – start</i>				
Contract Reference Number	:20C::	COMM//	16x	9876543
<i>A1 Linkages – end</i>				
<i>B Trade Details – start</i>				
Settlement Date	:98A::	SETT//	8!n	20010203
<i>B Trade Details – end</i>				
<i>E2 Cash Parties – start</i>				
Paying Institution (UTP)	:95P::	PAYE//	4!a2!a2!c[3!c]	UTPRGB2L
<i>E2 Cash Parties – end</i>				
<i>E3 Amounts – start</i>				
Net Settlement Amount	:19A::	SETT//	[N]3!a15d	GBP1120000,
<i>E3 Amounts – end</i>				

MT210 sent by Custodian to Correspondent Bank (extract)

Field	Tag	Format	M/O	Example
<i>Application Header Block</i>				
Receiver's Address <i>Derived by Custodian</i>		4!a2!a2!c[3!c]	M	KLMNGB2L
<i>Text Block</i>				
Transaction reference Number	:20:	16x	M	
Value Date	:30:	6!n	M	010203
Related Reference	:21:	16x	M	9876543
Currency Code, Amount	:32B:	3!a15d	M	GBP1120000,
Ordering Institution	52A:	[/1!a][/34x]4!a2!a2!c[3!c]	M	UTPRGB2L

1.5.2. Notes

Comments Agreed by Unit Trust Market Practice Group

- * Fund Manager to provide all the information in the Cash Party blocks of the MT543
- * Transaction Number required for MT210 is supplied automatically by the Custodian
- * Text format (95Q) acceptable if BIC of UTP is not known by Fund manager - as a last resort
- * Value Date also required for field 32A of MT210 - sourced from the MT543 Settlement date (i.e. by Fund Manager)

1.6. How to Determine the Place of Settlement of a UnitTrust

The Group view is that PSET should represent the elected location/central depository through which both parties, ie receiver/deliverer, wish to complete settlement. A large number are likely, in practice, to be:

:95C::PSET//GB

2. Money Market Instruments – Dematerialised

2.1. Introduction and Scope

This market practice covers ISO 15022 settlement instructions for Money Market Instruments (MMIs) following their migration to CREST in September 2003. It was developed by the UK&IE MPG in the second quarter of 2003.

The scope is settlement between fund manager or broker and their custodian and agent in the market. The practice does NOT address the issuer side of the settlement. The starting point is the existing settlement market practice for the UK and Ireland in this document.

At present CREST can settle instruments issued under UK law, these may be denominated in any valid ISO currency, they may be settled in any CREST eligible currency. The instrument itself must be CREST eligible.

Instruments issued under other jurisdictions may be able to reach CREST via a settlement link.

2.2. Market Practice for Settlement of Dematerialised Money Market Instruments

The instruction for settlement of MMIs follows the existing UK and Ireland settlement market practice.

Because of the same day settlement (T0) in this market, parties are **strongly advised** also to supply **the account of the direct client of the counterparty's agent** (at the agent). This may be sourced from trading systems, static data or the trade instructions exchanged by party and counterparty.

For example, in an instruction to receive (MT541), where the counterparty instructs their agent directly, the account to be supplied in the message is associated with the SELL settlement party and should be detailed in field :97A::SAFE.

If there are further parties involved in the counterparty's side of the settlement, the account to be supplied in the message is associated with the DECU settlement party.

3. Money Market Instruments – Physical

3.1. Introduction and Scope

This market practice covers ISO 15022 settlement instructions for Physical Money Market Instruments (MMIs) in the London market, that is those instruments that settle in

London and will be ineligible for settlement in CREST. (At present CREST are not settling medium term notes.) It was developed by the UK&IE MPG in the second quarter of 2003.

The scope is settlement between fund manager or broker and their custodian and agent in the market. The practice does NOT address the issuer side of the settlement. The starting points are the existing settlement market practice for the UK and Ireland in this document, and the Securities Market Practice paper on Physical Settlement⁹.

3.2. Market Practice for Settlement of Physical Money Market Instruments in the London Market

The following data elements are to be included in the settlement instruction (MT540/1/2/3).

3.2.1. Instrument Identification and Details

Details of the instrument should be carried in the FIA sequence of the message:

- Instrument Type 12A qualifier CLAS
- Denomination currency 11A qualifier DENO
- Maturity date 98A qualifier MATU
- Issue date 98A qualifier ISSU
- Coupon rate 92A qualifier INTR

The first line of the security identifier may carry a dummy ISIN or similar.

The issuer name does not have a dedicated field in the message, as at present it will continue to be carried in the second line of the security identification field (35B).

Note that the SWIFT Securities Message Maintenance Group deferred the UK&IE request for an issuer party field.

If the instrument details cannot be supplied in the FIA sequence they may continue to be supplied in the security identifier field (35B) in lines 3 and 4.

⁹ Reference 4 – SMPG Physical Settlement – see annex 2 for details

3.2.2. *Settlement Chain*

As in the practice for dematerialised MMIs discussed in meeting 1, it is “**strongly advised** also to supply **the account of the direct client of the counterparty’s agent** (at the agent). This may be sourced from trading systems, static data or the trade instructions exchanged by party and counterparty.

For example, in an instruction to receive (MT541), where the counterparty instructs their agent directly, the account to be supplied in the message is associated with the SELL settlement party and should be detailed in field 97A::SAFE.

If there are further parties involved in the counterparty’s side of the settlement, the account to be supplied in the message is associated with the DECU settlement party”.

3.2.3. *Physical Settlement:*

As in the SMPG Physical Settlement market practice¹⁰:

- Settlement is indicated as physical (22F::STCO//PHYS);
- The Place of Settlement is indicated as the GB country code (95C::PSET//GB).

3.2.4. *Cash Parties*

Cash parties must be supplied:

- For receive instructions, the account with (95a::ACCW) and beneficiary party (95a::BENM) together with the beneficiary’s account at the account with party (97A::CASH);
- For delivery instructions, the paying institutions (95a::PAYE), from where message receiver should expect the funds.

3.2.5. *Receiving Agent*

- Format for Receiving Agent. Use of BIC is recommended, however, if the physical address associated with the BIC is not the exact address for receipt, the Name and Address format for the party should be used (95Q).

3.2.6. *Cancellation*

- Cancellation follows the SMPG paper on Linkages¹¹.

¹⁰ Reference 4 – SMPG Physical Settlement – see annex 2 for details

¹¹ Reference 2 – SMPG Linkages – see annex 2 for details.

3.3. Settlement Template - Illustrations

The template shows how the Physical MMIs information is formatted.

Field	Tag	Qualifier	Format	Example	Note	M/O
Instrument Identification and Details						
<i>B Trade Details – start</i>	:16R:	TRADDET				
Settlement Date	:98A::	SETT//	8!n			
Trade Date	:98A::	TRAD//	8!n			
Identification of the Unit Trust	:35B:		ISIN1!e12!c [4*35x]	ISIN GB123456789 Issuer's Name	1	
<i>B1 Financial Instrument Attributes – start</i>	:16R:	FIA				
Type of Financial Instrument	:12a::	CLAS//		12A::CLAS/ISIT/CD	2	
Currency of Denomination	:11A::	DENO//	3!a	GBP		
Maturity Date	:98A::	MATU//	8!n			
Issue Date	:98A::	ISSU//	8!n			
Coupon (Interest) Rate	:92A::	INTR//	[N]15d			
<i>B1 Financial Instrument Attributes – end</i>	:16S:	FIA				
<i>B Trade Details – end</i>	:16S:	TRADDET				
Physical Settlement and Settlement Chain – Shown For A Delivery						
<i>E Settlement Details – start</i>	:16R:	SETDET				
Type of Settlement Transaction	:22F::	SETR//	4!c	TRAD		
Settlement Condition – Physical Settlement	:22F::	STCO//	4!c	PHYS		
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Place of Settlement	:95C::	PSET//	2!a	GB		
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Receiver of the MMI	:95a::	REAG//		95P::REAG//ABICGB 2L or 95Q::REAG//Name and address		
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Direct Client of Counterparty's Agent	:95a::	RECU//				
Account of direct client of counterparty's agent	:97A::	SAFE//	35x		3	
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				
<i>E1 Settlement Parties – start</i>	:16R:	SETPRTY				
Buyer (Counterparty)	:95a::	BUYR//				
<i>E1 Settlement Parties – end</i>	:16S:	SETPRTY				

Field	Tag	Qualifier	Format	Example	Note	M/O
Cash Party – Shown For A Delivery						
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Paying Institution	:95a::	PAYE//		UTPRGB2L	4	
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				
Cash Parties – Shown For A Receipt						
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Account With Institution	:95a::	ACCW//		UTPRGB2L	4	
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				
<i>E2 Cash Parties – start</i>	:16R:	CSHPRTY				
Beneficiary of Money	:95a::	PAYE//	4!a2!a2!c[3!c]	UTPRGB2L	4	
Beneficiary's account at Account With Institution	:97A::	CASH//	35x			
<i>E2 Cash Parties – end</i>	:16S:	CSHPRTY				

3.3.1. Notes

- 1) Issuer's Name on second line of security identifier, following the instrument identification code
- 2) Use of an ISITC Data Source Scheme and code
- 3) In case there are two parties in the settlement chain the x will be associated with the buyer (BUYR) party for a delivery.
- 4) Example shown as a BIC.

4. Market Practice For Transition - Requirements for Settlement of Stock in Transition – Take-On/Off & In Specie

4.1. Introduction

This market practice covers ISO 15022 settlement instructions for the settlement of stock in transition. It was developed by the UK&IE Transition Settlement MPG in quarters three and four of 2003. The market practice is now to be found in the global SMPG paper on Book Transfer¹², with the exception of the paragraph on SDRT below.

4.2. Stamp Duty Reserve Tax

There are no special message format rules to indicate stamp in a transition instruction, the UK&IE Settlement Market Practice is followed to indicate stamp accountability. Note that the business process has not been changed by the migration to ISO 15022 settlement messages.

It was affirmed that **the standard market practice rules for stamp apply for transition instructions.**

5. Settlement Instructions for Netting Transactions

[Discussed at UK&IE Settlement MP Meeting 19 November 2002, (Global) SMPG have since indicated that they are in agreement with the approach.]

Movement of stock and cash in the same direction is possible in a transaction resulting from netting. In addition there may be cash only moved or no cash and stock movements at all.

- When cash moves in the ‘wrong’ direction, i.e. from the deliverer of the stock to the receiver, the cash movement should be negative.
- Zero quantity stock may be indicated with zero in the quantity field – this is valid syntax in ISO 15022.
- Zero cash may be indicated with zero in the settlement amount field – this is valid syntax in ISO 15022.

¹² Reference 3 – SMPG Book Transfer – see annex 2 for details

6. Settlement Instructions for Repo

[As requested at the global SMPG meeting November 2004 in Rome.]

The UK&IE practice is to use one or two messages, subject to bilateral agreement, up to the final instruction to the CSD.

One or two message scenarios may be used when instructing the CSD depending on the instrument type¹³:

- For equities the instruction is typically a CREST stock loan in proprietary syntax only (two messages);
- For government debt the instruction is typically a CREST delivery in either proprietary or ISO 15022 syntax (two messages);
- For money market instruments (MMIs) the instruction is typically a CREST repo in proprietary syntax only (one message).

7. Handling of Block Trades

Block Trades at the CSD.

It should be noted that in the UK & IE, Block Trading is facilitated at the CSD (EUI) by using the splitting process of dividing down a trade for part settlement.

As this differs from the process in many other markets it is recommended that reference is made to the global SMPG paper Split Settlement¹⁴. Please refer to this document for a more detailed explanation of the message flows and formats.

¹³ Reference 8 – SMPG REPO Settlement – see annex 2 for details

¹⁴ Reference 9 – SMPG Split Settlement – see annex 2 for details

V. Annexes

1 Historic Change Logs

1.1. Changes: SR2001 to SR2002 Version

Change Type	Change	Location (in SR2002 version)
Addition	CREST Local code format scheme	Page 5.
Clarification	Clarification of stamp business process. New section added - 2.2 Stamp: Accountability, Liability and Use of the Stamp Fields. Cross-reference to CREST ISO 15022 interface specification and also SDRT market norms (the 'blue book'). Two new scenarios (8&9) showing stamp collected from broker.	Page 7, 26
Clarification	New section 2.12, comment on details returned in confirmation - not necessarily all that was sent – sufficient to understand settlement confirmed and down to SLA. As agreed at UK&IE steering and settlement market practice meeting.	Page 11.
SR2002	Removal of CRST as Data Source Scheme in Charity Identifier, section 2.5 and scenario 6. Requested by UK&IE MPG.	Page 10 and 25.
SR2002	Section 2.7, use sequence E field 22F::TCPI//4!c for the role of the trading party. Replaces use of sequence B field 22F::PROC with CRST as Data Source Scheme. Requested by UK&IE MPG.	Page 11 and 26.
SR2002	New section 2.8, use sequence F field 95C::INVE//2!a (where 2!a is a country code) for Nationality Declaration, scenarios 6&7. This replaces use of a narrative field. Requested by UK&IE MPG	Page 11, 27, 29, 32, 34.
SR2002	New section 2.9, use COMM in A1 Linkage sequence for unique transaction reference/shared reference, scenarios 6&7. Note that this field is optional. Requested by UK&IE MPG.	Page 11, 26, 29.
SR2002	New section 2.11, optional stamp duty flag indicating if stamp included in settlement amount 19A::SETT. This may be used for reporting only in the UK&IE.	Page 11

1.2. Changes SR2002 to SR2003 Version

Change Type	Change, shown in blue. Where a section is new, the title only is shown in blue.	Location (in SR2003 version)
Update	Introduction. Inclusion of full list of instrument types covered and other processes	II 1
Update	Reference to other instrument types in Structure of Document section	II 5
Update	Members and Firms of UK&IE Settlement Market Practice Group updated to include ESPG members	II 6
Addition	Addition of a Reference section	II 7
Addition	Addition of 'Example Formats for Stamp on Off- and On-Market Trades', from ESPG meeting minutes 20021122	III 2.2.4
Update SR2003	Stamp Duty Flag moved from sequence E to sub sequence E3 of MT54x settlement instruction as of SR2003	III 2.11
Addition	Addition of section IV UK&IE Market Practice for Other Instrument Types and Business Practices	IV

1.3. Changes SR2003 to SR2005 Version (August 2004)

Change Type	Change, shown in blue. Where a section is new, the title only is shown in blue.	Location (in SR2003 version)
Update	Update Members and Firms of UK&IE Settlement Market Practice Group	II 6
Update	Move members of unit trust and transition settlement MPGs to II 6	II 6
Update	Update of Reference section	II.7
Update SR2005	Addition of section on Place of Listing, explains how to differentiate between the London and Irish lines if an Irish security	III 2 & 2.13
Update	Add section on Amount Qualifiers	III 2.14
Deletion	Remove Unit Trust changes details	IV.1.3 & 1.4
Update	Remove SMPG DSS from transition codes in SETR, add footnote to use SMPG DSS in the interim	IV 4.2.1 4.2.2 & 4.5
Update	Remove reference to SR2005 for NETT code which identifies a transaction as part of a netting operation – it is already available	IV 5
Update	Add note that netting and CCP eligibility are not applicable at transaction level in UK&IE market	IV 5
Deletion	Remove of the generic message flow template and illustrative scenarios	Amend II.5 and delete V

1.4. Changes SR2005 Version (August 2004) to SR2005 Version (August 2005)

Change Type	Change, shown in blue (and change-barred). Where a section is new, the title only is shown in blue.	Location (in SR2005 v8.2004)
Update	Update members of NMPG Settlement, Reconciliation and Treasury MPG	II.6
Update	Add location of information for CRESTCo proprietary identifier for delivering and receiving agents	III.1.1.2
Update	Note on MP for Repo – 1 message or 2	N/A IV.6 in SR2005 v9.2005

1.5. Changes SR2005 Version (August 2005) to SR2006 Version (July 2006)

Change Type		Location (in SR2005 v5.9 August 2005)
Remove	General background sections on SMPG – see www.smpg.info for this information	II.2,3,4
Update & Relocate	Update members list and relocate in an annex	II.6
Update & Relocate	Update references and relocate in an annex	II.7
Update	Update change log	II.8
Relocate	Relocate historic change logs in annexes	II.8
Add	Summary of change requests put forward by the group for SR2007	
Amend	Remove ‘GB’ from the banner for the needed and additional elements	III.1
Amend	Consolidate as much of the information about additional elements in an extended table, including indication of whether the information is supplied only by the market-side, client-side or both	III.2
Amend	Information on stamp elements to be a separate table	III.2
Amend	State that the SDRT sections cover UK stamp only, Irish stamp is not covered and the Irish Revenue Commission website must be consulted for details of how Irish stamp operates	III.2
Amend	Stamp Status table includes updated definition for GBXX	III.2
Add	Include a short introduction to the ‘other instruments’ section	IV

Remove	Remove the ‘Derivation of PSET’ example from the unit trust settlement section	IV.1.6
Remove	Remove almost all the transition section, except for the SDRT paragraph, as it is now covered in the global SMPG Book Transfer MP	IV.4
Amend	Section on netting – no specific processing and reporting at CREST and no specific formatting of the net transaction at CREST	IV.5

1.6. Changes SR2006 Version (July 2006) to SR2008 Version (December 2008)

Change Type		Location (in SR2006 v5.10 July 2006)
Correction	Transaction Report Markers: <ul style="list-style-type: none"> Remove RPOR/CRST/TRMT Reinstate RPOR/CRST/TRMZ, which was removed incorrectly in the first published version of the SR2008 practice, 28th November 2008 	III.2
Remove	<u>Changes put forward by the UK&IE SRT MPG for SR2007</u>	II.5
Remove	Transaction Report Markers: <ul style="list-style-type: none"> Remove the second marker RPOR//EXCH as MiFID has shifted the regulatory responsibility Remove the following three markers as settlement agents do not expect to receive these from their clients and do not need to report to CREST.: <ul style="list-style-type: none"> RPOR/CRST/TRMT, RPOR/CRST/TRMX, RPOR/CRST/TRMY 	III.2
Amend	Inland Revenue to Her Majesty’s Revenue and Customs (HMRC)	III.2.1.1
Add	Note that reclamation of overpaid stamp is outside the scope of this market practice.	III.2.1.4
Add	<u>Stamp status codes IEJX and IEQX</u>	III.2.1.6
Amend	<u>Stamp status code GB7X</u>	III.2.1.6
Remove	<u>Stamp status code IEZX</u>	III.2.1.6
Amend	Format of Safekeeping Account when Serviced by CREST. Additional paragraph added on reporting	III.2.2
Add	<u>MT 530 code functions supported by CREST</u>	III.2.5
Amend	<u>Reference to change request removed</u>	IV.3.2.1
Add	<u>Handling of Block Trades</u>	IV.7
Amend	<u>Reference to CREST SDRT document</u>	V.2.6

Amend	Members of the UK&IE Settlement, Reconciliation and Treasury MPG - Active	V.3.1
Amend	Members of dormant groups now identified by institution only	V.3.2, 3
Amend	<u>References to CRESTCo amended to Euroclear UK & Ireland.</u> <u>References to www.crestco.co.uk amended to www.euroclear.com</u> <u>Note that references to the CREST system are retained.</u>	Throughout

1.7. Changes SR2008 Version (December 2008) to SR2011 Version (December 2011)

Change Type		Location (in SR2006 v5.10 July 2006)
Amend	Introduction to include “It is recommended that the underlying client ensures that their counterparty inputs Irish stamp correctly, and in case of any problems they are the first point of contact”	III.2.1.1
Amend	Stamp status code GBTX to include a footnote “where GBTX is used, the ID of the SDRT-bearing transaction may be placed in the Narrative field of Block B - Trade details. Full usage details can be found in EUI ISO DEX manual (see annex 2 reference 7 and other related documents)”	III.2.1.6
Amend	SWIFT UHB and Stamp Guide versions	V.2.1
Amend	Reference of ‘UK&IE Market Practice for MT321 Instruction to Settle a Third Party Loan/Deposit’ to ‘SMPG Global Time Deposit Market Practice’	V.2.2
Amend	Reference of ‘UK&IE Market Practice for Corporate Actions and ISO 15022 Standards’ to ‘SMPG Corporate Actions Global Market Practice parts 1, 2 and 3’	V.2.2
Amend	Members of the National Market Practice Groups for UK&IE (2011)	V.3.1

2. References and Other Related Documents

2.1. References

Note that the title of an SMPG document is given only, the latest version is available on www.smpg.info.

1. SWIFT User Handbook for Standards Release Guide.
2. SMPG Common Elements.
3. SMPG Book Transfer.
4. SMPG Physical Settlement.
5. SMPG Linkages
6. **STAMP DUTY RESERVE TAX IN CREST A GUIDE TO MARKET PRACTICE**
Issued by Euroclear UK & Ireland May 2010, available on www.euroclear.com
7. The CREST ISO Standard Interface Data Exchange Manual, available on www.euroclear.com
8. SMPG REPO Settlement,
9. SMPG Split Settlement

2.2. Other Related Documents

10. The European ISO 15022 Settlement Process Implementation Group – Custodian-FM template ISO 15022 EISPIG, available under the UK&IE folder of www.smpg.info
11. SMPG Global Time Deposit Market Practice
12. SMPG Corporate Actions Global Market Practice parts 1, 2 and 3

3. Members of the National Market Practice Groups for UK&IE (2013-14):

3.1. Members of the UK&IE Settlement, Reconciliation and Treasury MPG - Active

3.1.1. Participating

Institution	Main Contact	Others involved
Bank of New York Mellon	Laura Hannan	Paul Edwards, Stephen

Institution	Main Contact	Others involved
		Harris
BBH	Neil Lewington	
BNPParibas	Mari Angela Fumagalli	
Citi	Chris Brewster	
Citibank Europe	Robin Leary	
Euroclear UK & Ireland	Jasbir Thumber	
JPMorganChase Worldwide Securities Services	Simon Burke (Co-chair)	
Northern Trust	Peter Mahoney (Co-chair)	Steve Kelly
SWIFT, Standards	Tim Taylor	

3.1.2. Observing

Institution	Main Contact	Others involved
Blackrock	Steven Cornew	
Deutsche Bank	Dianna Wiseman	
Fidelity International	Suzanne Cahill	Nicola Sunderland
Invesco	Tom Gardner	
L&G Investment Management	Brenda Walker	
Merrill Lynch	Nick Whiteley	
Morley Fund Management	Harold Bimpong	
Newton Investment Management	Brian Bradley	
State Street	Peter Tulloch	
State Street Global Advisors	Peter Shum	
Threadneedle	David Ewings	

3.2. Members of the UK&IE Unit Trust Settlement MPG – Work carried out 2001/02

Institution
Bank of New York
Citibank
Aberdeen Asset Management
Fidelity Investments
HSBC Securities Services
JPMorgan Chase
Newton Investment Management
Northern Trust
UBS Global Asset Management
SWIFT

3.3. Members of the UK&IE Transition Settlement MPG – Work carried out 2003

Institution

Institution
Barclays Global Investment
Bank of New York
Citibank
Goldman Sachs Asset Management
HSBC Securities Services
JPMorgan Chase
Legal and General Investment Management
Morgan Stanley
Northern Trust
State Street
State Street Global Advisors Limited
UBS Asset Management
SWIFT Standards Department

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