



December Monthly TEAMS SMPG SnR Meeting December 15, 2023

Meeting Venue:

TEAMS teleconference

I. Settlement and Reconciliation – Agenda

Friday December 15, 2023

14:00 – 16:00 (Brussels)
08:00 – 10:00 (NY)
22:00 – 24:00 (Tokyo)

- Transaction Reference in Allegement MP -Yusuke
- External code lists as a way to limit the versioning in the messaging through Standards Releases - Robin
- UTI implementation – Ami-SeCo request - Karine
- Question from on TFOS on ISO CRO01643: Add On Hold status reason codes to PACK or PPRC – Robin
- S&R common guidelines MP including recommendation on quantity and amount values exceeding respective field definition (action item 21-20) – Marcin
- AOB (Any Other Business)

II. Settlement and Reconciliation - Attendees

Attendee	Representation	Attendance	Attendee	Representation	Attendance
Alberto Almazan	ES		Marcin Zawistowski (co-chair)	PL	X
Alexandre Hotat	SWIFT		Mayte Arraez	ES	
Karine Taquet (host)	SWIFT	X	Elodie Dahmet	FR	X
Angeliki Katapodi	GR		Olivier Leveque	ECB	
Ann-Kristin Gonska	Market Infrastructure/ECB	X	Paolo-Maria Deantoni	IT	X
Armin Borries	DE/Clearstream		Ryosuke Abiko	JP	X
Arnaud Jochems (co-chair)	LU/Clearstream	X	Robin Leary	UK/IE	X
Asa Lewenhagen	SE	X	Tero Töllikkö	FI	X
Ayaka Shibui	JP	X	Shereef Zedan	US	
Brett Kotze	ZA		Silvia Sancin	IT	
Charles-Raymond Boniver	SWIFT	X	Philipp Auf Der Maur	CH	X
Christian Pientz	AT		Suzanne Forup	DK	X
Christine Strandberg	SE	X	Hitoshi Tanaka	JP	X
David Wouters	Euroclear	X	Terence Ferrao	Market Infrastructure/DTCC	
Denis Andrejew	DE		Ton Van Andel	NL	X
Hiroyasu Niitsu	JP		Yusuke Kobayashi	JP	
Hans Martin Aulie	NO		Teresa Palacios	ES	X
Hugo Abreu	PT	X			
Lisa Lagatta	US	X			

III. Settlement and Reconciliation – Meeting Minutes

Friday December 15, 2023

Welcome

Marcin, Karine and Arnaud opened the session and welcomed the participants joining from all over the world, at early morning in the US, afternoon in EMEA and late evening in Japan and Asia. The agenda was presented with TEAMS virtual sessions.

Topic 1: Transaction Reference in Allegement MP -Yusuke

Yusuke explained to the group the issue regarding the Transaction Reference in the Allegement Market Practice. He questioned whether the reference mentioned on page 28 (123456789) was the reference of the instructing party of the allegement or not?

The group confirmed that it was not the case and that this was just the identification reference of the allegement generated by the CSD (account servicer) and not the reference of the instructing party of the allegement. We will clarify in the market practice that the reference is linked to the transaction identifier assigned by the account servicer for the sese.028. Suzanne Forup is in charge of the market practice and will update it.

1. sese.028:

Message identification, NCSDREF123456, will be included in the Business Application header

Sese.028 format	Comments
<TxId>123456789</TxId>	
<StlmTpAndAcctParams>	
<SciesMvmntTp>DELI</SciesMvmntTp>	Whether the <u>counterparty's instruction</u> is a delivery (DELI) or a receipt (RECE).
<Pmt>APMT</Pmt>	Whether the <u>counterparty's instruction</u> is against (APMT) or free of payment (FREE).

Topic 2: External code lists as a way to limit the versioning in the messaging through Standards Releases

The group discussed whether we should have external code lists in securities messages.

Arguments given in **favour** of such initiative:

- Lengthy process: Today, if a new code is added, it must be done in the yearly SWIFT release (+- 18 months process). The process for the External code lists is quicker.

- If we look at the payment world, the vast majority of the messages is based on the external code lists. If a new code is added, the version of the message is not changed. This works well for the payment side.
- Some stakeholders think that external code lists could be easier than today's process, especially in ISO20022, where when a new code is implemented, everybody needs to adapt to the new version of the message (cumbersome).

Arguments given **against** such initiative:

- Most of the codes are stable and have not changed for years. The likelihood to have new codes is pretty small.
- For External code lists, you need to go to the SEG with every new code.
- This represents a lot of work to convert all standard code lists into external code lists
- A lot of burden for small added value
- Validation of the external code lists is not currently done on the SWIFT Network (but will be with CBPR+)

Conclusion:

The group was divided on this point. Should we do it, yes or no? Should it be formally validated by SWIFT? What will Corporate Action (CA) be doing? If we move, we need to move with CA as well. Still food for thoughts for the moment, each member needs to discuss internally with their organization.

Topic 3: UTI implementation – Ami-SeCo request

The TFOS (ECB Taskforce) challenged SWIFT on the reason why the UTI was done differently in ISO15022 and in ISO20022.

In ISO15022: We have a specific option U for the UTI which allows to clearly distinguish between a standard reference (option C) and a UTI (20U::TRRF//)

In ISO20022: We do not have any specific option or field. You have to derive from the content that this is an UTI (e.g. as the LEI is included).

Some stakeholders argued that the current set-up does not allow to pull statistics easily and that, from a business standpoint, this is not ideal to derive that a UTI has been used (much easier in ISO15022 where we have a dedicated option).

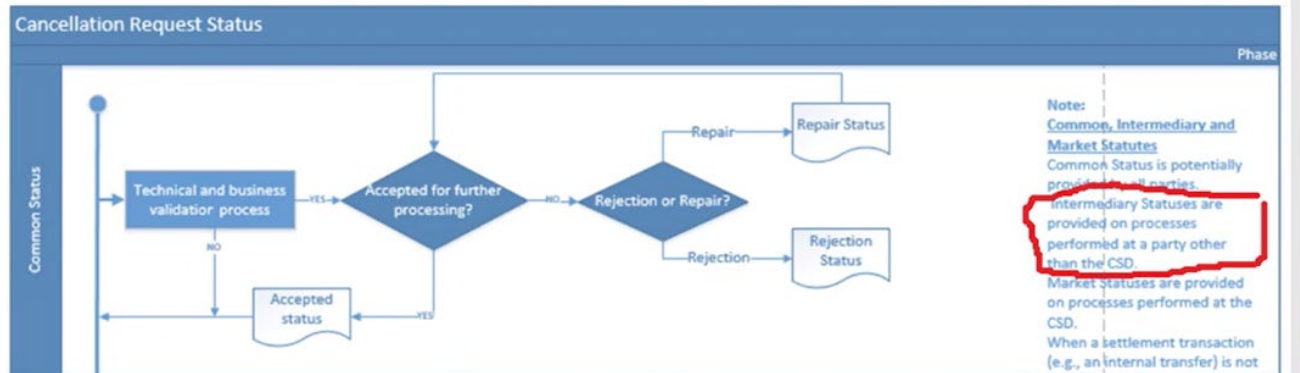
However, some stakeholders argued that this is not an issue from a processing perspective. Only the length differs in ISO20022 and, based on this, you can derive that a UTI has been used. The business needs should not be taken into account to trigger a change.

Most of the group does not see why we should use two trade identifiers in one message.

Topic 4: Question from TFOS on ISO CR001643: Add On Hold status reason codes to PACK or PPRC – Robin

While reviewing the SWIFT change requests that were implemented in the last few years, the TFOS (ECB Taskforce) questioned the SMPG on the content of one of its market practice (MT548) that was in contradiction with CR001643 (adding “On Hold” status reason codes to PACK or PPRC). The group agreed that the market practice should be reviewed to be aligned with this change request and confirmed to the TFOS that they can go ahead with their T2S change request to implement a new status for unmatched instruction “On Hold”.

See below, the incorrect sentence in the market practice that will need to be changed.



Topic 5: S&R common guidelines MP including recommendation on quantity and amount values exceeding respective field definition (action item 21-20) – Marcin

A common guidelines document was created and drafted but never published. Marcin presented it to the group and now we will need to review it in order to publish it. The idea of such document is to have generic information/common guidelines that do not fit within one specific market practice but apply to many processes/messages.

Topic 6: AOB

Nothing