



Portfolio Transfer - Custodian to Custodian Communication Market Practice

Disclaimer

The Securities Market Practice Group is a group of experts who devote their time on a voluntary basis to define global and local market practices for the benefit of the securities industry. 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 ISO 15022 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 efficient as possible.

Although the SMPG has used all reasonable efforts to ensure accuracy of the contents of this document, the SMPG assumes no liability whatsoever for any inadvertent errors or omissions that may appear thereon. Moreover, the information is provided on an "as is" basis. The SMPG disclaims all warranties and conditions, either express or implied, including but not limited to implied warranties of merchantability, title, non-infringement and fitness for a particular purpose.

Neither the SMPG, nor any of its members and/or contributors shall be liable for any direct, indirect, special or consequential damages arising out of the use of the information published in this document, even if the SMPG or any of its members have been advised of the possibility of such damage.

Status: [Draft](#)
Prep date: [September 2015](#)
Update:
Author: [SMPG](#)



I. SCOPE3

II. MARKET PRACTICE.....4

 1. *Communication flow covered by the Market Practice*4

 2. *General market practice recommendation*.....5

 a. *Delivering custodian to receiving custodian MT 586*.....5

 b. *Receiving custodian to delivering custodian MT 586*5

 c. *Tax-relevant information*.....5

 d. *Existing local practice*.....5

ILLUSTRATIONS.....6

 1. *Delivering custodian to receiving custodian MT 586 (custodian request enquiry)*.....6

 2. *Receiving custodian to delivering custodian MT 586*8

 a. *Receiving custodian accepts all positions*8

 b. *Receiving custodian does not agree to all positions*10

 c. *Second response to a previously pending position*12

III. ADDITIONAL INFORMATION15

 1. *Example of a scenario which involves a sub custodian and a market with special requirements*15

 2. *Reminder functionality*17

Changes to previous version (See track Changes)			
VER 1.0	SKSF	General change to the 2007 Draft	Multiple pages



PORTFOLIO TRANSFER
CUSTODIAN TO CUSTODIAN COMMUNICATION

Market Practice

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.

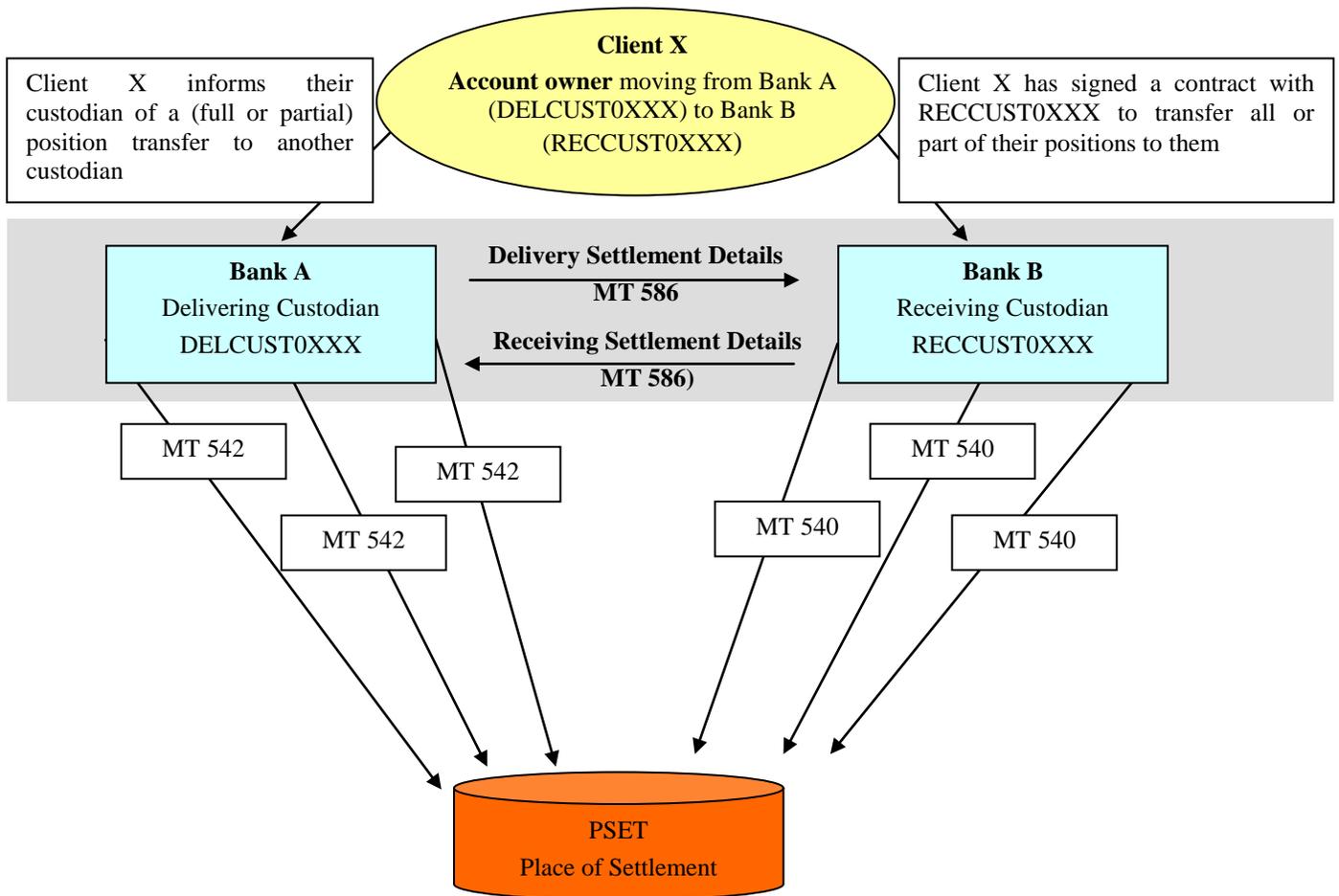


II. Market Practice

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 Standardisation) set up a working group in order to establish a Swiss market practice around the MT 586 message for portfolio transfers by spring 2015.**

1. 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.





2. 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.

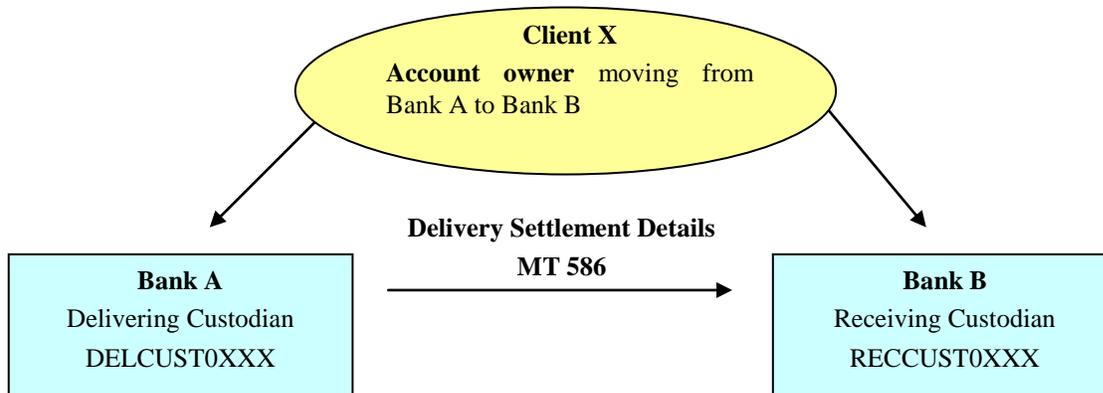
d. Existing local practices

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.



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 Crest
- 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//20151102	
:22F::CODE//COMP	Indication that the Statement contains complete information. /The enquiry statement allways contains complete information.
:95R::ACOW/NAME//Client X	Client's name at the receiving custodian (final beneficiary)
: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//20151102	
:98A::SETT//20151104	
: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
:16R:FIAC	
:36B::SETT//UNIT/10000,	
:16S:FIAC	
:16R:SETDET	
:22F::SETR//PORT	Indicator for the portfolio transfer

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



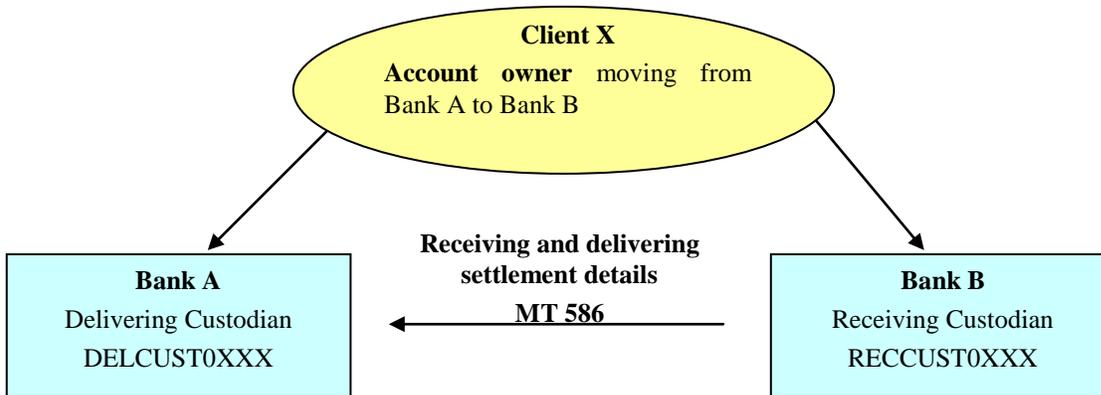
Market Practice

:16R:SETPRTY		
:95P::SELL//DELCUST0XXX		
:16S:SETPRTY		
:16R:SETPRTY		
:95R::DEAG/DTCYID/45600000	Delivering settlement chain details. These will be used in the MT 540 transfer instruction of the receiving custodian	
: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// 20151102	:98A::TRAD// 20151102	:98A::TRAD// 20151102
:98A::SETT// 20151104	:98A::SETT// 20151104	:98A::SETT// 20151104
: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
: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//MGTCBEBEXX	: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//20151102	
: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	
:95R::ACOW/NAME//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//20151102	
:98A::SETT//20151104	
: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
:16R:SETPRTY	
:95P::SELL// DELCUST0XXX	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG/DTCYID/45600000	Delivering SSI details. These will be used in the MT 540 transfer instruction of the receiving custodian
:16S:SETPRTY	
:16R:SETPRTY	

PORTFOLIO TRANSFER
CUSTODION TO CUSTODIAN COMMUNICATION



Market Practice

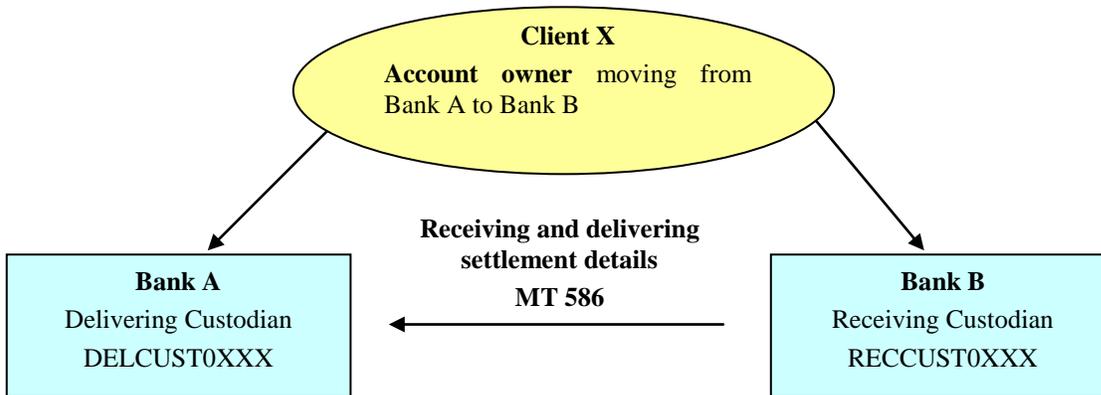
:95P::PSET//DTCYUS33XXX		
:16S:SETPRTY		
:16R:SETPRTY		
:95R::REAG/DTCYID/00004789	Receiving SSI details. These will be used in the MT 542 transfer instruction sent by the delivering custodian	
:16S:SETPRTY		
:16R:SETPRTY		
:95P::BUYR//RECCUST0XXX		
:16S:SETPRTY		
:16S:SETDET		
:16S:ALLDET		
:16R:ALLDET	:16R:ALLDET	:16R:ALLDET
:16R:LINK	:16R:LINK	:16R:LINK
:20C::ASRF//DELCASTREF2	:20C::ASRF//DELCASTREF3	:20C::ASRF//DELCASTREF4
:16S:LINK	:16S:LINK	:16S:LINK
:98A::TRAD// 20151102	:98A::TRAD// 20151102	:98A::TRAD// 20151102
:98A::SETT// 20151104	:98A::SETT// 20151104	:98A::SETT// 20151104
: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
: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//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//20151102	
: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	
:95R::ACOW/NAME//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//20151102	
:98A::SETT//20151104	
: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

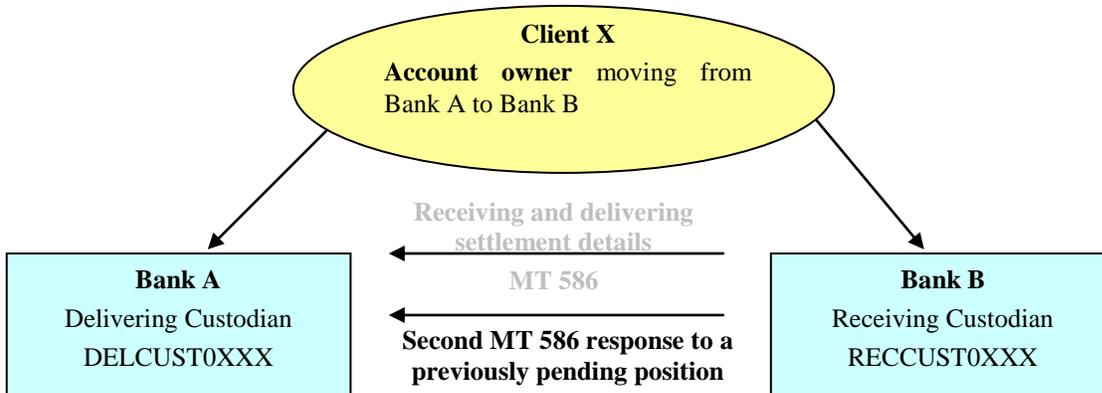


Market Practice

:16R:SETPRTY		
:95P::SELL//DELICUST0XX		
:16S:SETPRTY		
:16R:SETPRTY		
:95R::DEAG/DTCYID/45600000	Delivering SSI details. These will be used in the MT 540 transfer instruction of the receiving custodian.	
: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// 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
:25D::ALLE/CUSTREQ/PEND	:25D::ALLE/CUSTREQ/REJT	
:98A::TRAD// 20151102	:98A::TRAD// 20151102	:98A::TRAD// 20151102
:98A::SETT// 20151104	:98A::SETT// 20151104	:98A::SETT// 20151104
: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
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::SELL//DELICUST0XX	:95P::SELL//DELICUST0XX	:95P::SELL//DELICUST0XX
: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: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	



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//20151102	
: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	
:95R::ACOW/NAME//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//20151102	
:98A::SETT//20151104	
: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	
: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



Market Practice

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

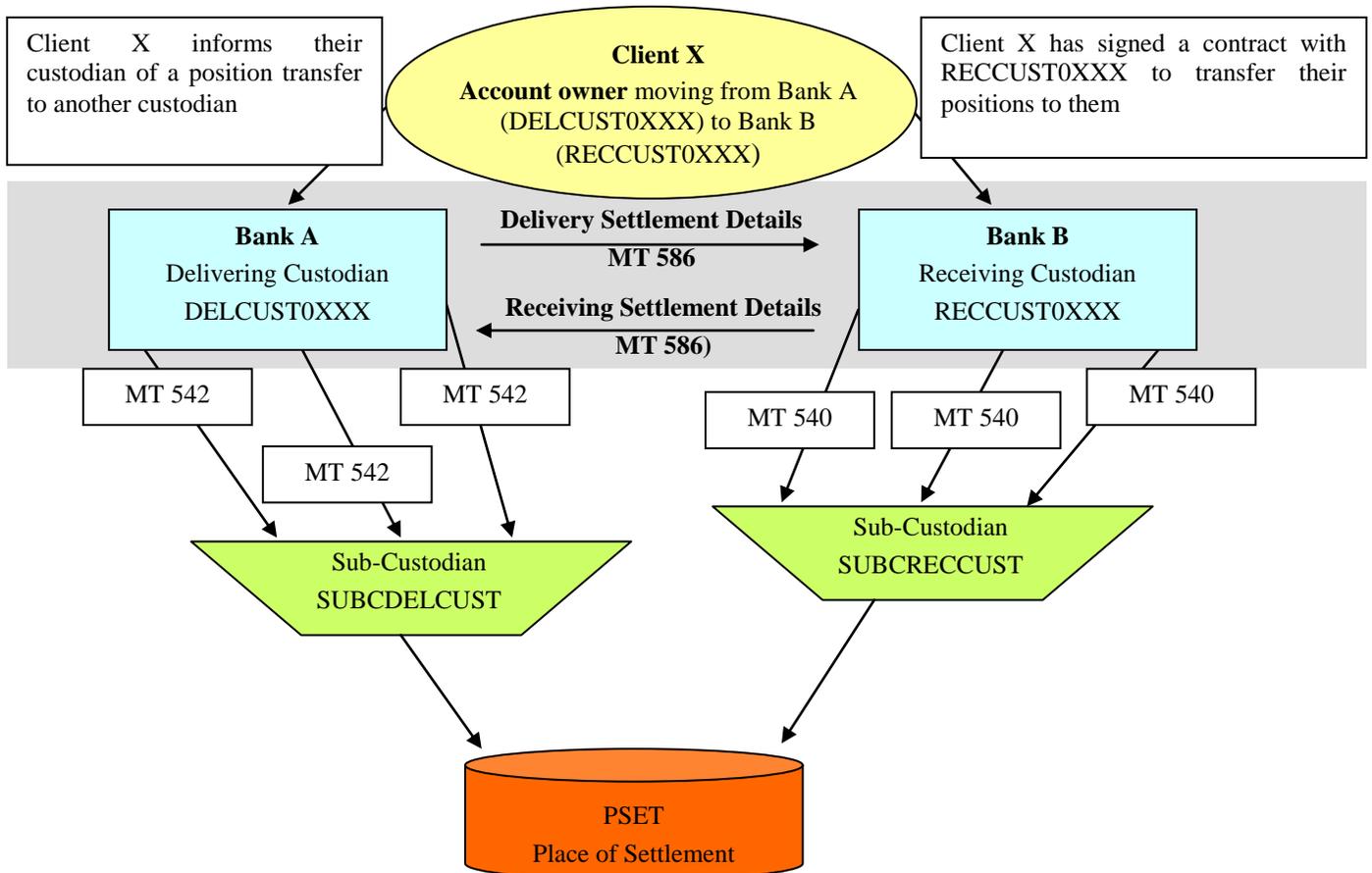
MT 586	Comments
:16R:GENL	Start Sequence A General Information
:28E::00001/ONLY	
:20C::SEME//mass789b	
:23G:NEWM/PORT	Indication that the MT 586 is sent within the scope of a portfolio transfer
:98A::STAT//20151102	
:22F::CODE//DELT	Contains changes which have not yet been reported
:16R:LINK	
:20C::RELA//mass123	Content has to be equal to the SEME of the RELA Message
:16S::LINK	
:95R::ACOW/NAME//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//20151102	
:98A::SETT//20151104	
: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	
: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	



III. 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//20151102	
:22F::CODE//COMP	Indication that the Statement contains complete information
:95R::ACOW/NAME//Client XY	Client's name at the receiving custodian (final beneficiary)
: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//20151102	
:98A::SETT//20151104	
: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	No Change of Beneficial Ownership (NCBO)
: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	End of Sequence B Allegement Details
:95Q::MEOR//clientadvisory(at)banka.com	Start Sequence C Additional Information
:16S:ADDINFO	Contact details at the delivering custodian
	End of Sequence C Additional Information



2. Reminder functionality

Currently there is no reminder functionality available for the delivering custodian if the receiving custodian doesn't respond to the request. The functionality of the Message (23G) RMDR exists for other MT types (as example MT564) but not for MT586 at the moment. This reminder option should also be supported for the MT 586. The SKSF working group intends to submit a change request for the SWIFT release 2017 to solve this problem.