



Standards Release 2023

SMPG

Alexandre Hotat

14 June 2022

Executive summary

BSC

- BSC gave the approval to start the MT maintenance process

Key information

- 34 change requests (CR) have been received
- 2 CRs for payments (from JP & ZM but unlikely to be approved)
- 4 CR are linked to regulatory needs (CSDR penalty msg corrections), the remaining CRs seek to optimize processing
- 20 CRs for trade finance (12 to improve SR 21 implementation, 8 from PL 'nice to have')
- 3 CRs will have a (potential) high impact (cost) on back-office systems, most have a medium or low impact (documentation)

Next steps

- Maintenance Working Groups debates and recommendations
- BSC approval September 2022 to go for country vote

Extended Standards Working Groups – Settlement and Reconciliation (Countries are listed alphabetically)

Current country representatives (10)

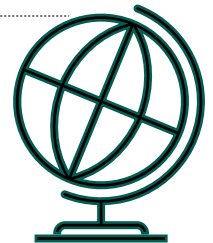
- Belgium
- France
- Germany
- Hong Kong
- Japan
- Luxembourg / ICSD
- Netherlands
- Switzerland
- United Kingdom
- United States

Industry expertise (1)

- ICDS experts

New additional country representatives (10)

- Australia
- Canada
- Denmark
- Ireland
- Italy
- Republic of Korea
- Singapore
- South Africa
- Spain
- Sweden



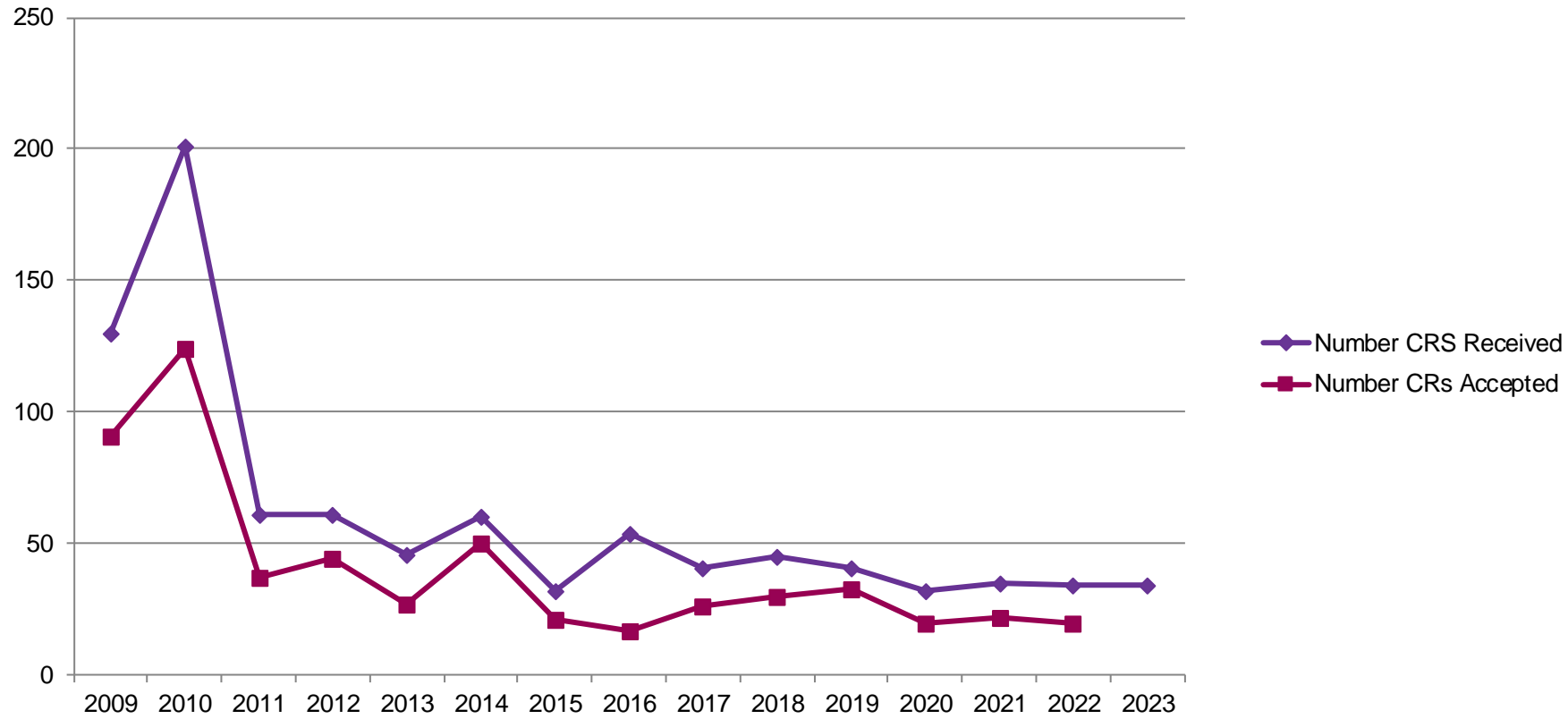
Note: Composition of working groups will be reviewed on annual basis, based on traffic volumes.

Summary of received change requests for SR 2023

Business Area	Regulatory	Non-Regulatory	Total
Payments	0	2	2
Treasury and Commodities	0	3	3
Securities			
CA	0	4	4
S&R	4	0	4
All securities	0	1	1
Triparty Collateral Management	0	0	0
Trade	0	20	20
Reference Data	0	0	0
TOTALS	4	30	34



Evolution of change requests (CRs)



Details of SR 2023 by business area

- **Payments:** 2 CRs from **JP and ZM**: add a new field to ease screening for ‘taking care of’ and ‘doing business as’ (JP); make field 72 mandatory for purpose code (ZM)
- **Treasury:** 2 CRs from **FX MPG, ISDA**: align with new ISDA guidelines (barriers and binary options in MT 306/High impact); and add UTI jurisdiction code (all FX MTs)
- **Trade Finance:** 20 CRs from MT 798 WG, **DE, IT, FR and PL**: 12 CRs to correct/improve SR 2021 implementation (medium and low impact), 2 CRs from IT to add fields 56 and 57 to MT 760 (high impact); 8 CRs from PL requesting additional info for intermediary and transferring bank, allow to start line with a dash in various fields, extension of the length of certain fields
- **Securities:**
 - **S&R:** 4 CRs from **SMPG, AFME**: All to correct the Penalty Report (MT 537) as a result of the beginning of the penalty reporting for CSDR
 - **CA:** 4 CRs from **SMPG, ISITC**: Add an optional event code (incentive fee payment); add Y/N indicator for a conditional payment of a full call; and add two optional fields (tax rate and amount), alignments of date formats. Note : these CRs were already approved in SR 2022 but needed more analysis because they are high Impact
 - **Common:** 1 CR from the **Securities Digital Assets Working Group** to correct a usage rule for digital assets (textual only)



Details of SR 2023 Common Cat 5

1 CR common to all Cat 5 to correct a usage rule for digital asset (no impact on implementation)

This CR is about to update the Usage Rule that was put in place last year to segregate the Transactions for digital asset from the regular transaction.

The request is now to be less restrictive and allow the usage of Digital asset with any type of account format.

There is a huge list of messages to be updated however as this is an update of a usage rule (so not validated on the network), the impact is low.

Following the submission and approval of the SWIFT CR (SR2022) to add fields related to digital asset and therefore the recent awareness of the industry, the request seems legitimate as the industry is preparing to receive digital asset instructions.

Executive summary :

Needed : YES

Urgent : NO

Impact LOW



Details of SR 2023 S&R

CR1 : Add a continuation flag for the Penalties sequence.

This CR is about adding a continuation flag in the penalty sequence. Due to the long timing of some penalties, the message is quickly reaching his maximum size.

Therefore on the next messages, it seems to be confusing to repeat mandatory fields to continue the description of the penalties calculation.

This new flag would help the recipient with the calculation of the full penalty.

Only MT537 is impacted.

Executive summary :

Needed : YES

Urgent : YES

Impact MEDIUM



Details of SR 2023 S&R

CR2 : Add sequence D1a1B1 to network validation rule C2.

This CR is about to modify the NVR C2 to include the sequence D1a1B1 in the validation.

The MT537 contains a Network Validation Rule C2 that states that, if the transaction type is against payment, then 19A PSTA is mandatory in sequences B2b or C2 (as 19A PSTA is an optional field).

The NVR is in place for the regular transactions already. The submitter request the transactions described for the penalties is also validated with this NVR.

MT537 and MT 548 are impacted.

Executive summary :

Needed : YES

Urgent : YES

Impact MEDIUM



Details of SR 2023 S&R

CR3 : Add a new Network Validation Rules to enforce the presence of the payment date in the monthly penalty report :

As per Global SMPG guidelines for CSDR Penalty Reporting, the pre-advise payment date is considered mandatory in monthly penalty reports. However, the payment date is often not contained in the monthly report as the field is optional and may not be populated if an institution cannot guarantee that payment will not be made on that date.

This CR is about to add a NVR to solve that, we can't make the Field mandatory as the sequence is also used for the daily penalty reporting.

MT537 and MT 548 are impacted.

Executive summary :

Needed : YES

Urgent : YES

Impact MEDIUM



Details of SR 2023 S&R

CR4 : Add a new Network Validation to enforce the statement period in the monthly penalty report :

As per Global SMPG guidelines for CSDR Penalty Reporting, the statement period is considered mandatory in monthly penalty reports. However, the statement period is often not contained in the monthly report as the field is optional and may not be populated. The non-inclusion of the field makes it difficult to know for which month the statement belongs to.

This CR is about to add a NVR to solve that, we can't make the Field mandatory as the sequence is also used for the daily penalty reporting.

MT537 and MT 548 are impacted.

Executive summary :

Needed : YES

Urgent : YES

Impact MEDIUM



Standards MT Release 2023 maintenance timeline



01 June 2022	Deadline for MT and usage guidelines change requests
20 July 2022	MT and FINplus High-level Information published
August 2022	Standards WG meetings
early September 2022	Standards WG recommendations to BSC
20 September 2022	BSC approves start country vote SR 2023
21 Sept – 2 November 2022	Country voting
18 November 2022	Update High-Level Information published
16 December 2022	Standards Release Guide (SRG) and Message Format Validation Rules (MFVR) published
24 February 2023	SRG and MFVR Updates published (tentative) & Final FINplus documentation
6 May 2023	Vendor Test System activated (FIN & FINplus)
20 July 2023	Standards User Handbook published
23 July 2023	Test & Training activated (FIN & FINplus)
19 November 2023	Standards MT and FINplus Release 2023 Live





www.swift.com