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**UK & IE CA Market Practice**

**Cash Instructions**

Status: Final

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# Introduction

In the UK & IE (and Australia and New Zealand), there are subscription offers (also called share purchase plan in Australia) where the account owner needs to indicate to the account servicer the amount of cash they intend to subscribe for.

Based on stats compiled for 2015, the numbers of events were:

Australia - 210

New Zealand - 11

UK & IE - 54

In the UK these events are normally processed as CAEV OTHR, as there is no Priority for existing shareholders. If an event is announced with a Priority for existing holders they should be processed as CAEV PRIO.

In Australia these event are normally sent as CAEV PRIO.

Instructions in Cash were not possible in the MT56x messages and narratives were needed to be used instead. There wasn’t a way in the MT 565 to indicate the amount of cash that the account owner wanted to subscribe for, so instead Faxes and MT 599 were used.

To correct this issue and decrease operational risk, a Change Request (CR 001108) was proposed by the UK&IE Group to allow for cash instructions in the MT / MX messages, the Change request was approved by the Maintenance Working Group in August 2016. New fields have been added within the 564 / 565 & 567 messages to support the CR. The new fields are detailed below.

**MT564**

A new code QCAS (Instruct Cash Amount) has been created in Sequence E for use with the 22F:: OPTF Qualifier.

This code **must only** be used when Instructions in Cash are required.

**MT565**

In Sequence D, add a new optional non repetitive field 19B with a new mandatory and non-repetitive amount qualifier QCAS (Cash Amount to be instructed) has been created.

Within Sequence D if field 36a is present to show the amount of securities to which the instruction applies, then field 19B is **not** allowed.

Conversely if field 36a is not present, then field 19B is **Mandatory**. This is detailed by Network Validated Rule C5.

**MT567**

A number of new Codes have been added to allow for rejection of Cash Instructions:

In Sequence A2a in field :24B: Reason Code, a new code value DQCS (Disagreement on Cash Amount)

has been added to be used with the PEND, REJT and CANP qualifiers.

New code values DQCC (Currency Rejection), DQCS (Amount Rejection) and DQAM (Instruction Type

Rejection) to be used with the REJT qualifiers.

# PRIO: Instructions in Cash (VOLU)

**Definition:**

Offer to existing investors by the issuing company, to purchase further or new securities

in the issuer. The instruction for the event will be for a Cash amount not for a number of securities.

**Issue Name:**

Northern 2 VCT

Ordinary GBP0.05

ISIN GB0005356430

**Terms:**

Subscription Offer to raise GBP4.3 million at an Issue price to be based on the Net Asset Value.

Investors must apply for Cash amount. Minimum subscription amount is GBP2,000.

Maximum subscription amount is GBP10,000, Subscription should be in multiples of GBP2,000.

**Relative Dates:**

Market Deadline date/time: 9th February 20YY at 11:00 am

Response Deadline date/time: 8th February 20YY at 3:00 pm

Pay date: 3rd April 20YY

**Transaction description:**

The client sends an instruction to subscribe for GBP2,000.

**Messages:**

MT 564 for the notification

MT 565 for the instruction

MT 567 for the processing status of the instruction

**MT564 Corporate Action Notification**

|  |  |  |  |
| --- | --- | --- | --- |
| M |  | *Mandatory* ***Sequence A*** *General Information* |  |
|  | :16R: | GENL | Start of Block |
| M | :20C:: | CORP//PRIO12345 | Corporate Action Reference |
| M | :20C:: | SEME//201X0020 | Sender's Message Reference |
| O | :20C:: | COAF//UKPRIO12345Y2016 | Official Corporate Action Event Reference |
| M | :23G: | NEWM | Function of the message |
| O | :22F:: | CAEP//DISN | Corporate Action Event Processing |
| M | :22F:: | CAEV//PRIO | Corporate Action Event Indicator |
| M | :22F:: | CAMV//VOLU | Mandatory/Voluntary Indicator |
| M | :25D:: | PROC//COMP | Processing Status |
|  | :98A:: | PREP//20YY0111 | Preparation Date |
|  | :16S: | GENL | End of Block |
|  |  | *End of* ***Sequence A*** *General Information* |  |
|  |  |  |  |
| M |  | *Mandatory* ***Sequence B*** *Underlying Securities* |  |
|  | :16R: | USECU | Start of Block |
| M | :35B: | ISIN GB0005356430 | Identification of the Financial Instrument |
|  |  | /GB//0535643//NORTHERN 2 VCT/ |  |
|  |  | ORD GBP0.05 |  |
|  |  |  |  |
| M |  | *Mandatory Repetitive Subsequence B2 Account Information* |  |
|  | :16R: | ACCTINFO | Start of Block |
| M | :97A:: | SAFE//12345 | Safekeeping Account |
| O | :94B:: | SAFE//1234/1234/12345 | Place of safekeeping |
| O | :93B:: | ELIG//UNIT/100, | Eligible balance |
| O | :93B:: | SETT//UNIT/100, | Settlement Position Balance |
|  | :16S: | ACCTINFO | End Of Block |
|  |  | *End of Subsequence B2 Account Information* |  |
|  | :16S: | USECU | End of Block |
|  |  | *End of Mandatory* ***Sequence B*** *Underlying Securities* |  |
|  |  |  |  |
| O |  | *Optional* ***Sequence D*** *Corporate Actions Details* |  |
|  | :16R: | CADETL | Start of Block |
| O | :98A:: | ANOU//20YY0111 | Announcement date |
| M | :98A:: | RDTE//20YY0111 | Record date |
|  | :16S: | CADETL | End Of Block |
|  |  | *End of* ***Sequence D*** *Corporate Actions Details* |  |
| O |  | *Optional Repetitive* **Sequence E** *Corporate Action Options* |  |
|  | :16R: | CAOPTN | Start of Block |
| M | :13A:: | CAON//001 | CA Option Number |
| M | :22F:: | CAOP//SECU | Corporate Action Option Code Indicator |
| M | :22F:: | OPTF//QCAS | Instruct Cash Amount |
| M | :17B:: | DFLT//N | Default Processing Flag |
| O | :98C:: | MKDT//20YY0209110000 | Market Deadline |
| O | :98C:: | RDDT//20YY0208150000 | Response Deadline |
| O | :98C:: | BORD//20YY0208150000 | Stock lending deadline date/time |
| O | :98A:: | SUBS//20YY0209 | Subscription Cost Debit |
| O | :69A:: | PWAL//20YY0207/20YY0209 | Period of Action |
| O | :90B:: | MACI//ACTU/GBP/10,000 | Maximum Cash to instruct |
| O | :90B:: | MICI//ACTU/GBP/2,000 | Minimum Cash to instruct |
| O | :90B:: | MMCI//ACTU/GBP/2,000 | Minimum Multiple Cash to instruct |
|  |  |  |  |
| O |  | *Optional Repetitive Subsequence E1 Securities Movement* |  |
|  | :16R: | SECMOVE | Start of Block |
| M | :22H:: | CRDB//CRED | Credit/Debit Indicator |
| M | :35B: | ISIN GB0005356430 | Identification of the Financial Instrument |
|  |  | /GB//0535643//NORTHERN 2 VCT/ |  |
|  |  | ORD GBP0.05 |  |
| O | :92K:: | ADEX//UKWN | Additional for Existing |
| M | :98A:: | PAYD//20YY0403 | Payment Date/Time |
|  | :16S: | SECMOVE | End Of Block |
|  |  | End of Subsequence E1 Securities Movement |  |
|  |  |  |  |
| O |  | *Optional Repetitive Subsequence E2 Cash Movement* |  |
|  | :16R: | CASHMOVE | Start of Block |
| M | :22H:: | CRDB//DEBT | Credit/Debit Indicator |
| M | :98A:: | PAYD//20YY0209 | Payment Date/Time |
| M | :90E:: | PRPP//UKWN | Generic Cash Price Paid per Product |
|  | :16S: | CASHMOVE | End Of Block |
|  | :16S: | CAOPTN | End Of Block |
|  |  | *End of Subsequence E2 Cash Movement* |  |
|  |  |  |  |
| O |  | *Optional Repetitive* **Sequence E** *Corporate Action Options* |  |
|  | :16R: | CAOPTN | Start of Block |
| M | :13A:: | CAON//002 | CA Option Number |
| M | :22F:: | CAOP//NOAC | Corporate Action Option Code Indicator |
| M | :17B:: | DFLT//Y | Default Processing Flag |
|  | :16S: | CAOPTN | End Of Block |
| O |  | *End of* ***Sequence E*** *Corporate Action Options* |  |
|  |  |  |  |

**MT565 Corporate Action Instruction**

|  |  |  |  |
| --- | --- | --- | --- |
| M |  | *Mandatory* **Sequence A** *General Information* |  |
| M | :16R: | GENL | Start of Block |
| M | :20C:: | CORP//PRIO12345 | Corporate Action Reference |
| M | :20C:: | SEME//5650000001 | Sender's Message Reference |
| O | :20C:: | COAF//UKPRIO12345Y2016 | Official Corporate Action Event Reference |
| M | :23G: | NEWM | Function of the message (here, new message) |
| M | :22F:: | CAEV//PRIO | Corporate Action Event Indicator |
|  | :98A:: | PREP//20YY0111 | Preparation Date |
|  |  |  |  |
| O |  | *Optional Repetitive Subsequence A1 Linkages* |  |
|  | :16R: | LINK | Start of Block |
| O | :13A:: | LINK//564 | Linked message type |
| M | :20C:: | RELA//201X0020 | Linked message reference |
|  | :16S: | LINK | End of Block |
| O |  | *End of Subsequence A1 Linkages* |  |
|  |  |  |  |
|  | :16S: | GENL | End of Block |
| M |  | *End of* ***Sequence A*** *General Information* |  |
|  |  |  |  |
| M |  | *Mandatory* **Sequence B** *Underlying Securities* |  |
|  | :16R: | USECU | Start of Block |
| M | :35B: | ISIN GB0005356430 | Identification of the Financial Instrument |
|  |  | /GB//0535643//NORTHERN 2 VCT/ |  |
|  |  | ORD GBP0.05 |  |
|  |  |  |  |
|  |  | *Mandatory* **Sequence B2** *Account Information* |  |
|  | :16R: | ACCTINFO | Start of Block |
| M | :97A:: | SAFE//12345 | Safekeeping Account |
|  | :16S: | ACCTINFO | End of Block |
|  |  | *End of Mandatory* **Sequence B2** *Account Information* |  |
|  |  |  |  |
|  | :16S: | USECU | End of Block |
|  |  | *End of Mandatory* ***Sequence B*** *Underlying Securities* |  |
|  |  |  |  |
|  |  | *Mandatory* **Sequence D** *Corporate Action Instruction* |  |
|  | :16R: | CAINST | Start of Block |
| M | :13A:: | CAON//001 | CA Option Number |
| M | :22F:: | CAOP//SECU | Corporate Action Option Code Indicator |
| M | :19B: | QCAS//GBP2,000 | Cash amount instructed |
|  | :16S: | CAINST | End of Block |

|  |  |  |  |
| --- | --- | --- | --- |
|  | MT567 | **Corporate Action Status and Processing Advice** |  |
|  |  |  |  |
| M |  | *Mandatory* **Sequence A** *General Information* |  |
|  | :16R: | GENL | Start of Block |
| M | :20C:: | CORP//OTHR12345 | Corporate Action Reference |
| M | :20C:: | SEME//5670000001 | Sender's Message Reference |
| O | :20C:: | COAF//UKOTHR12345Y2016 | Official Corporate Action Event Reference |
| M | :23G: | INST | Function of the message |
| M | :22F:: | CAEV//PRIO | Corporate Action Event Indicator |
|  | :98A:: | PREP//20YY0111 | Preparation Date |
|  |  |  |  |
| O |  | *Optional Repetitive Subsequence A1 Linkages* |  |
|  | :16R: | LINK | Start of Block |
| O | :13A:: | LINK//565 | Linked message type |
| M | :20C:: | RELA//5650000001 | Linked message reference |
|  | :16S: | LINK | End of Block |
| O |  | *End of Subsequence A1 Linkages* |  |
|  |  |  |  |
| M |  | *Mandatory Repetitive* **Sequence A2** *Status* |  |
|  | :16R: | STAT | Start of Block |
| M | :25D:: | IPRC//PACK | Instruction accepted for further processing |
|  | :16S: | STAT | End of Block |
| M |  | *End of Mandatory Repetitive* **Sequence A2** *Status* |  |
|  |  |  |  |
|  | :16S: | GENL | End of Block |
|  |  | *End of* ***Sequence A*** *General Information* |  |
|  |  |  |  |
| M |  | *Optional* **Sequence B** *Corporate Action Details* |  |
|  | :16R: | CADETL | Start of Block |
| O | :13A:: | CAON//001 | CA Option Number |
| O | :22F:: | CAOP//SECU | Corporate Action Option Code Indicator |
| O | :97A:: | SAFE//12345 | Safekeeping Account |
| O | :35B: | ISIN GB0005356430 | Identification of the Financial Instrument |
|  |  | /GB//0535643//NORTHERN 2 VCT/ |  |
|  |  | ORD GBP0.05 |  |
|  | :19B: | STAC//GBP/2,000 | Status Cash amount |
|  | :16S: | CADETL | End of Block |
| M |  | *End of Optional* **Sequence B** *Corporate Action Details* |  |