



Investment Funds
Order and Confirmation Processing
Global Market Practice

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Version 2.0	Final	<ul style="list-style-type: none"> - Updated activity diagram session, page 8 with comment about the usage of the RECE status. 	20th September 2011

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1. Introduction

This document contains the global market practice guidelines for the interpretation and usage of ISO 20022 order and confirmation messages by the players in the international investment funds industry.

This document serves as a reference for the work of Investment Funds Working Group (IFWG) of the Securities Market Practice Group (SMPG). It is intended to be considered as a basis for market practices in the investment fund business. The definition of such market practices is an important task of the SMPG. It is intended for:

Sell side

- Fund management companies
- Transfer agents

Buy side

- Institutional investors
- Fund platforms and hubs
- Custodians
- Distributors of investment funds

However, its primary purpose is to provide a reference source of the ongoing development of national market practices - implementers are recommended to refer to relevant local market practice documentation in the first instance. The document was prepared in consultation with the following countries and organizations participating in the SMPG IFWG

- France (FR)
- Germany (DE)
- Ireland (IE)
- Italy (IT)
- Luxembourg (LU)
- The Netherlands (NL)
- Norway (NO)
- Spain (ES)
- Switzerland (CH)
- Sweden (SE)
- United Kingdom (UK)
- United States (US)
- Clearstream
- Euroclear

This is a living document and is subject to future revision and addition as global market practice develops and evolves.

The main goal of this collaboration is to increase efficiency in the process of distribution and settlement in the cross border investment fund business, and is designed to compliment the domestic market practice documents in each market.

2. Scope

The scope of this document covers the order and associated, status, confirmation and cancellation processes when dealing in investment funds. The recommendation of the SMPG is to communicate using the ISO 20022 message standard, which is non proprietary and therefore network independent.

It is focused on the order and confirmation process that takes place between an ordering party and an executing party (usually a Transfer Agent for the fund) using a single intermediary. However this can be adapted for situations involving multiple levels of intermediaries, or where the ordering party communicates directly with the executing party.

It identifies the business data required for an individual transaction, but can be extended to cater for multiple transactions within the messages, although the scenarios have not been fully explored for multiple or bulk transactions. This document covers subscriptions, redemptions, and switch orders.

The market practice does not cover the account opening or settlement processes; these will be covered in separate documents.

Definitions

For the purposes of this document the term ‘investment fund’ and ‘fund’ include typical mutual fund and collective investment undertakings, such as unit trusts, open ended investment companies (OEIC¹, SICAV²) and contractual funds (FCP³), note that although it may be possible for alternative types of fund, eg, hedge funds, to follow the market practice, but the IFWG has not attempted to accommodate these specifically.

- The term ‘units’ is used to represent units or shares of a fund.
- Subscription - an instruction (order) given to the executing party, to purchase (subscribe) units in a fund.
- Redemption - an instruction (order) given to the executing party, to sell (redeem) units in a fund.
- Switch - an instruction to sell units in a fund with the proceeds used to purchase units in another fund. A switch is usually within the one fund family or fund umbrella and does not result in any changes to either the holder or the investor.
- Confirmation - a report sent to the instructing party, to confirm the execution details of an order. This will confirm the financial and contractual details of the transaction.
- Order Cancellation –cancellation of an order that has been previously sent. The processing of a cancellation may be subject to the agreement of the executing party and the time at which the cancellation request is received.

¹ Open-ended investment company

² Société d’investissement a capital variable

³ Fonds Commun de Placement

3. Roles and Actors

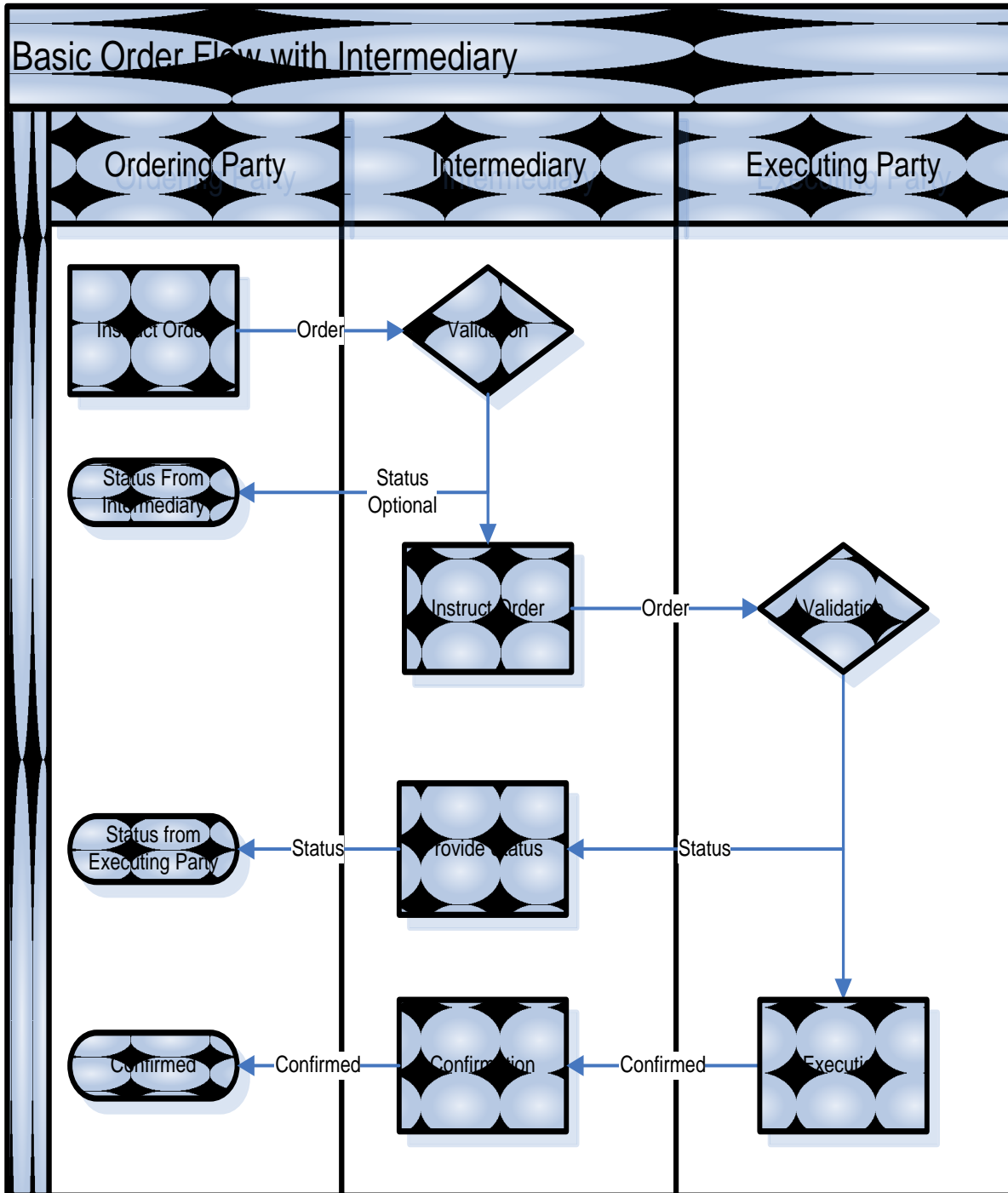
This section describes the actors involved in the process outlined in this document, and the roles that they play.

Ordering Party	Intermediary	Executing Party
The party that instructs an order, for example, investor, investment manager.	The party that receives an order from the ordering party and transmits it to the executing party. May include fund hub, distributors, consolidator, custodian, aggregator etc.	The party that receives and executes the order, for example, transfer agent, fund manager order desk.

Actor	Description	Examples/synonyms	Typical Roles
Fund manager	The company that is responsible for the management and operation of the fund, eg, determines the investment strategy, appoints the service providers, and makes major decisions for the fund. It is usually responsible for promotion distribution and marketing of the fund.	Fund Company, Fund management company, Fund promoter	Executing Party
Transfer agent	The entity that undertakes the execution of subscription, redemption and switch orders on behalf of the fund.		Executing Party
Investor	The party whose money is invested. It can be one or more individuals or entities.		Ordering Party
Custodian	A party who holds the assets on behalf of an individual or institutional investor. They may be asked to send orders on behalf of the investor.		Intermediary
Investment manager	An entity that may be appointed by an investor to make investment decisions on their behalf.		Ordering Party
Fund platform	An entity that collects and aggregates investor orders for placement with the executing party, and maintains the shares in its nominee account	Aggregator, consolidator	Intermediary
Fund hub	An entity that manages and centralizes communication, settlement and coordination of individual orders among the various parties. A Hub's can range from managed order routing to settlement and asset servicing.	For example Vestima, Fundsettle, etc.	Intermediary
Distributor	An entity through which investors may buy or sell funds units. This may be on an advisory or execution-only basis .	For example brokers, financial advisors, and banks.	Intermediary

4. Activity Diagram:

The following diagram provides an overview of the order instruction process. This shows the main activities from Order Instruction that will result in the Execution of an Investment Fund Order between the Ordering party, Intermediary and Executing Party. *Note that this document does not examine the settlement process.*



Ordering Party	Intermediary	Executing Party
<u>Instruct Order</u> Instruction of the order to the intermediary.	<u>Validate /Process Order</u> Validation of the instruction and the ability to process it.	
	<u>Status (Optional)</u> To indicate to the ordering party if the order could be processed by the Intermediary	
	<u>Instruct Order</u> Instruction of order based on an instruction received from the Ordering Party	<u>Validate / Process Order</u> Validation of the instruction and the ability to process it.
	<u>Status</u> To indicate to the ordering party if the order was accepted by the Executing Party	<u>Status*</u> To indicate to the Intermediary if the order is accepted by the Executing Party
		<u>Execution</u> Processing of the order using the appropriate unit/share price
	<u>Confirmation</u> Notification to the ordering party of execution of the order.	<u>Confirmation</u> Notification of intermediary of the execution of the order.

* *Parties may agree that in all or certain circumstances the receiver of an order instruction message will also send a status response immediately on receipt, with the "RECE" status to indicate simply that it has been received and validated technically for processing, but without legally accepting the order at that stage. This flow is optional and part of the SLA between parties.*

5. Sequence Diagrams:

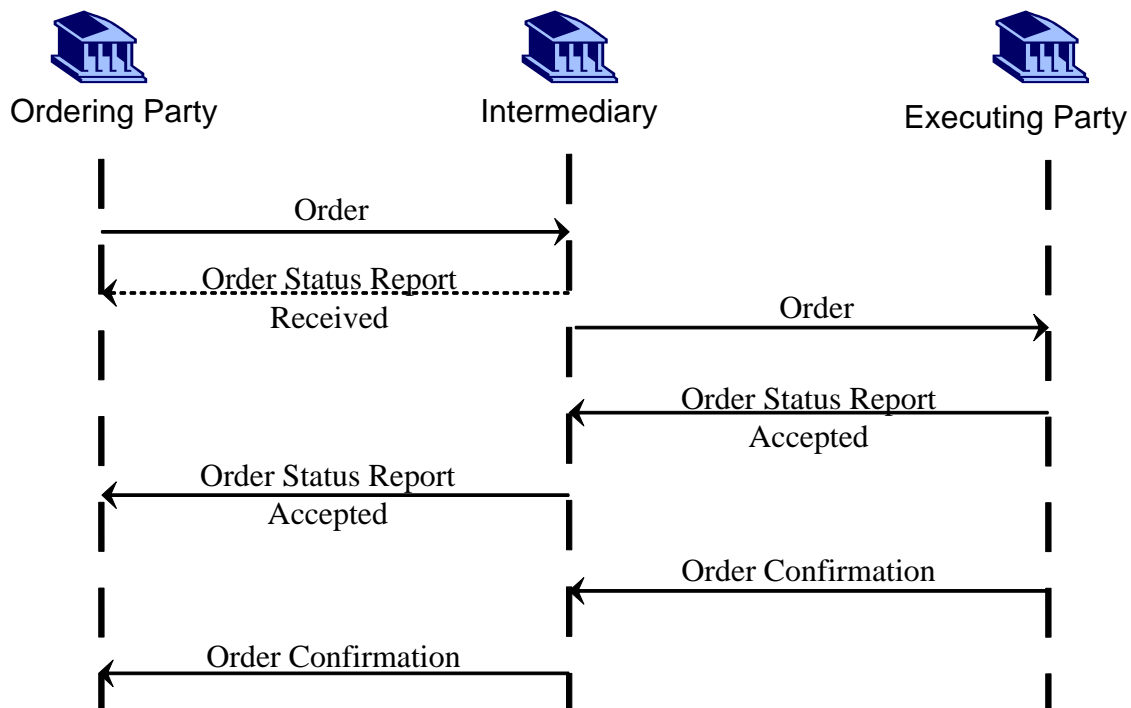
The following diagrams describe the communication flows for specific scenarios. It shows the typical exchanges of messages in the context of a transaction.

For the global market practice we concentrate on the simple order flow depicted below, but this can be extended to new roles and actors and continue in a chain or multiple counterparty environment. In these scenarios there may be additional data required but the core data and minimum data set remains the same.

5.1. Order Flow – Positive Scenario

This diagram describes a positive flow of messages between an Ordering party, the Intermediary and the Executing Party.

Example:



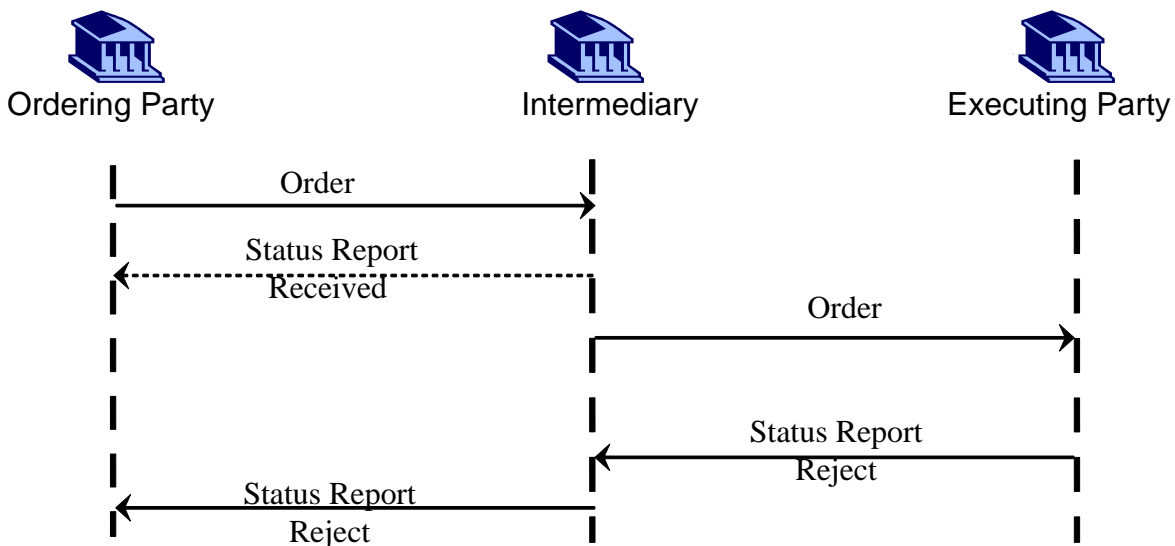
- The Order (subscription, redemption or switch) is sent by the Ordering Party to the Intermediary.
- The Intermediary may acknowledge receipt using an Order Instruction Status message with a status of "received". This may be sent by the Intermediary immediately to confirm that they are able to process the order or they may wait for a status message from the executing party (this flow is optional and part of the SLA between the Ordering Party and Intermediary).
- The Intermediary may enrich the order with additional information to send to the Executing Party.
- The Order Instruction Status Message with a status "positively acknowledged" is sent by the Executing Party to show that the order has been accepted for execution.
- The Intermediary sends an Order Instruction Status message to the Ordering Party to confirm that the order has been accepted for execution.

- Once the order has been executed (ie. the appropriate price has been allocated), the Executing Party sends and Order Confirmation to the Intermediary to confirm the contractual details of the transaction.
- The Intermediary sends an Order Confirmation to the Ordering Party. This may enrich or consolidate confirmations that are received from the Executing Party(ies).

5.2. Order Flow – Rejection Scenario

This diagram describes a flow of messages where an order is placed but is rejected for execution due to incorrect details such as an incorrect account or ISIN details.

Example:

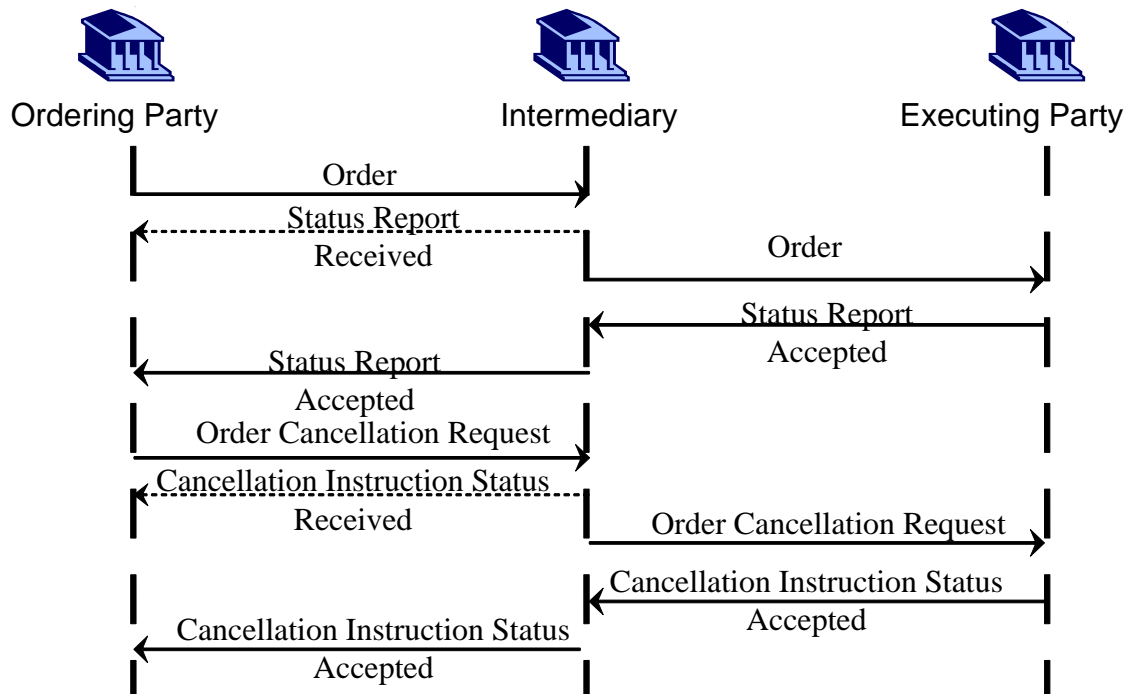


- The Order (subscription, redemption or switch) is sent by the Ordering Party to the Intermediary.
- The Intermediary may acknowledge receipt using an Order Instruction Status message with a status of "received". This may be sent by the Intermediary immediately to confirm that they are able to process the order or they may wait for a status message from the executing party (this flow is optional and part of the SLA between the Ordering Party and Intermediary).
- The Intermediary may enrich the order with additional information to send to the Executing Party.
- The Order Instruction Status Message with a status to Reject the Order is sent by the Executing Party to show that is not accepted for execution; at least one reason code is included to explain the cause of the rejection.
- The Intermediary could:
 - correct the error and send a new order instruction; or
 - notify the Ordering Party of the rejection for the Ordering Party to send a new corrected order instruction.

5.3. Cancellation of Order – Positive Scenario

This diagram describes a flow of messages where an order is placed but subsequently cancelled by the Ordering Party. The cancellation is received by the Executing Party before the cut off time and therefore no trade is executed.

Example:



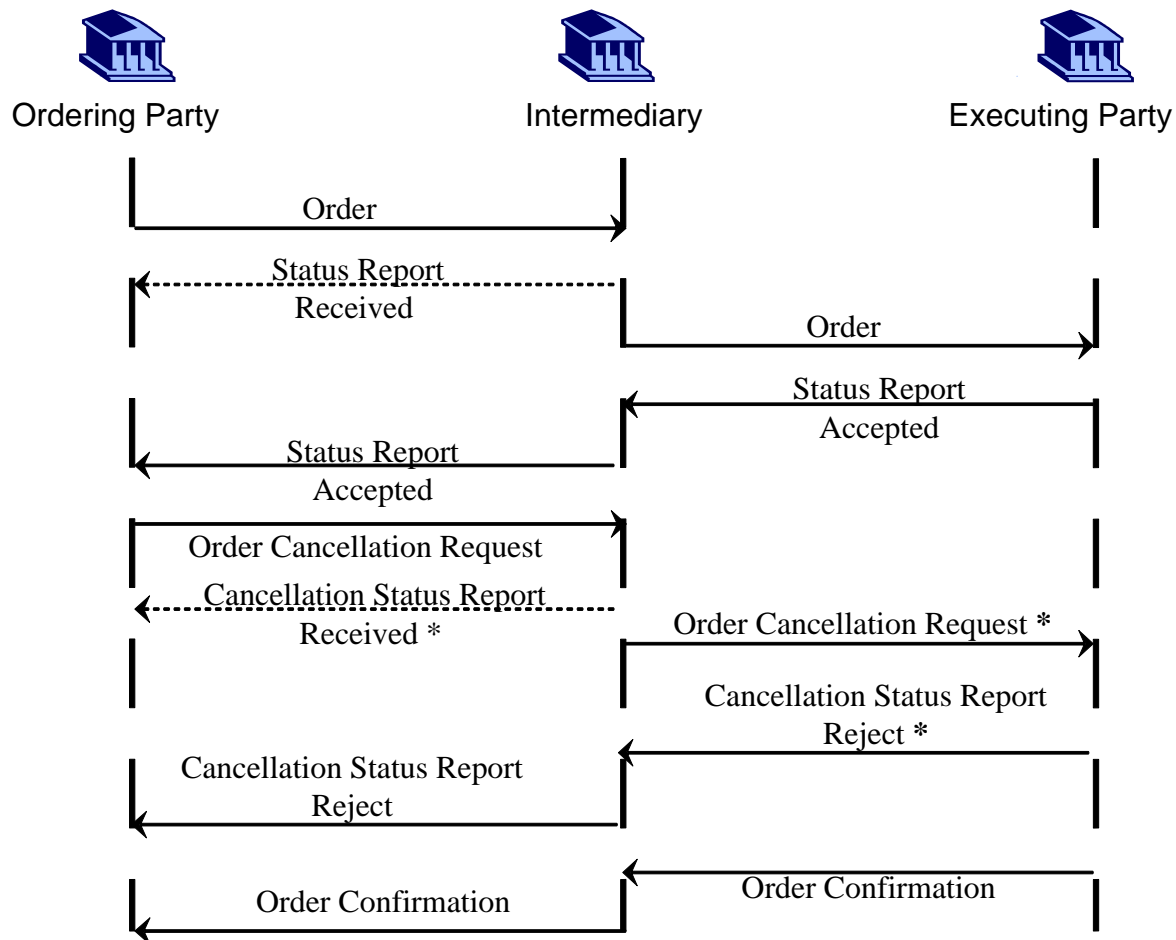
- The Order (subscription, redemption or switch) is sent by the Ordering Party to the Intermediary.
- The Intermediary may acknowledge receipt using an Order Instruction Status message with a status of "received". This may be sent by the Intermediary immediately to confirm that they are able to process the order or they may wait for a status message from the executing party (this flow is optional and part of the SLA between the Ordering Party and Intermediary).
- The Intermediary may enrich the order with additional information to send to the Executing Party.
- The Order Instruction Status Message with a status "positively acknowledged" is sent by the Executing Party to show that the order has been accepted for execution. The Ordering Party notices an error with the order instruction and sends an Order Cancellation Request to the Intermediary.
- The Intermediary validates if cancellation is viable (before or after cut off, the executing parties rules for cancellation, client cancellation rights etc) and sends the cancellation request to the Executing Party.
- The Intermediary may acknowledge receipt using a Cancellation Instruction Status message with a status of "received".
- The Executing Party validates if the cancellation can be processed and responds with a cancellation status report with a status to accept the cancellation request.

- If the cancellation is accepted, the Executing Party may also send an updated Order Instruction Status report with a status "cancelled" to close the process.
- No confirmation message is sent.

5.4. Cancellation of Order – Rejection Scenario

This diagram describes a flow of messages where an order is placed but subsequently cancelled by the Ordering Party; the cancellation is received after cut off and is rejected by the executing party. The original transaction is successfully processed.

Example:



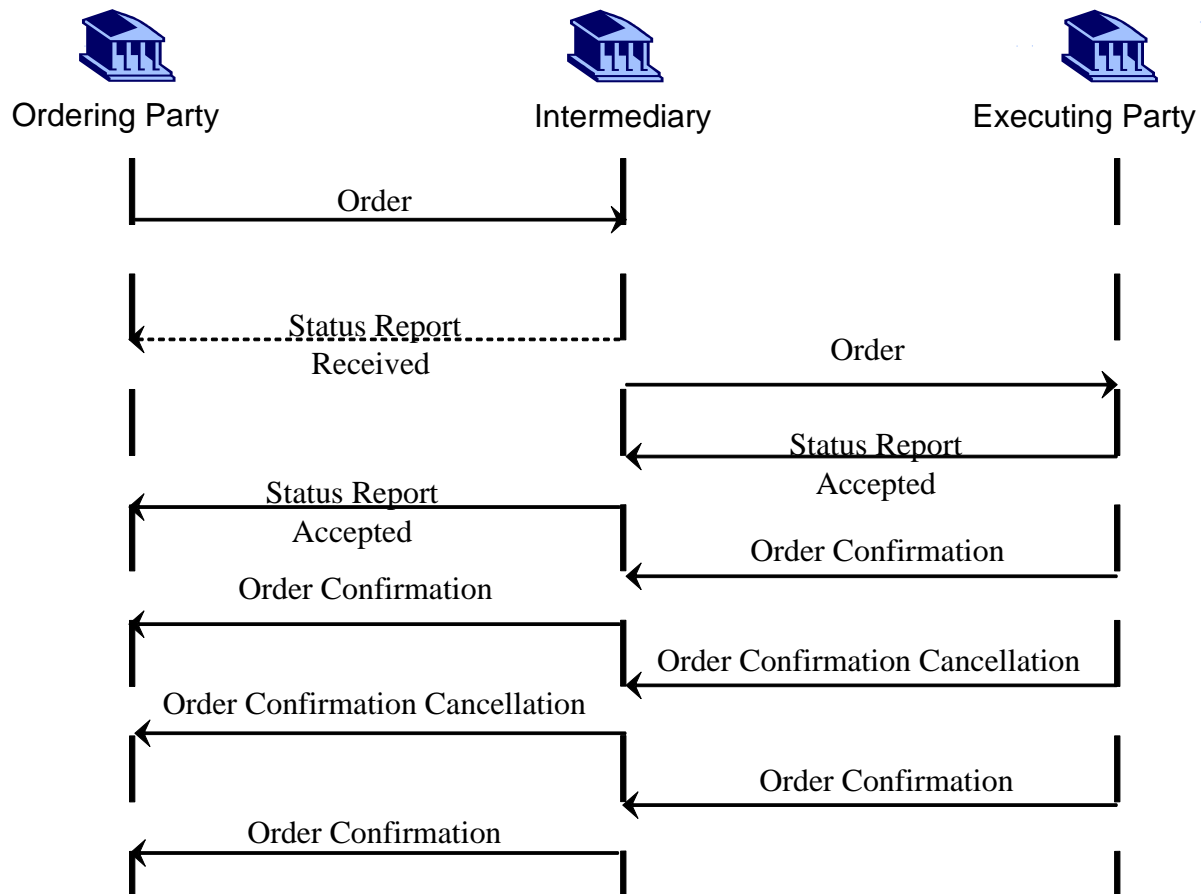
- The Order (subscription, redemption or switch) is sent by the Ordering Party to the Intermediary.
- The Intermediary may acknowledge receipt using an Order Instruction Status message with a status of "received". This may be sent by the Intermediary immediately to confirm that they are able to process the order or they may wait for a status message from the executing party (this flow is optional and part of the SLA between the Ordering Party and Intermediary).
- The Intermediary may enrich the order with additional information to send to the Executing Party.
- The Order Instruction Status Message with a status "positively acknowledged" is sent by the Executing Party to show that the order has been accepted for execution. The Ordering Party notices an error with the order instruction and sends an Order Cancellation Request to the Intermediary.

- The Executing Party validates if the cancellation can be processed and responds with a cancellation status report with a status to reject the cancellation request.
** These steps in the process may be omitted where the intermediary is able to determine for itself that the order cannot be cancelled.*
- The Executing party will continue to process the order instruction.
- Once the order has been executed (ie. the appropriate price has been allocated), the Executing Party sends and Order Confirmation to the Intermediary to confirm the contractual details of the transaction.
- The Intermediary sends an Order Confirmation to the Ordering Party. This may enrich or consolidate confirmations that are received from the Executing Party(ies).
- To unwind this transaction the Ordering party will need to send a new order to reverse the position.

5.5. Cancellation of a Confirmation

This diagram documents the same positive flow of messages as depicted in Scenario 1 (positive order). The extension here is that the Executing Party notices an error in the Confirmation previously sent and needs to cancel and correct it.

Example:



- The Order, Status and Confirmation flow is unaltered from 5.1 above.
- The Executing Party after noticing the error will send a Confirmation Cancellation Advice to the Intermediary relating to the previous message.
- This message is used by the Intermediary as an alert to stop further processing. If it has already issued a confirmation to the Ordering Party, it will send them a Confirmation Cancellation Advice.
- The confirmation process from 5.1 above will be repeated using the correct details.

6. Order Business data requirements:

This section describes the business information that will be needed for the business process to take place. This information relates to a single transaction, but may be extended to cover multiple or bulk orders as the business information remains the same.

Order Charges and Commission variation details can be supplied if the Order sender has the ability to alter terms and conditions with the fund manager, on a transactional basis. These details can be used by any market allowed to vary terms and conditions, but this arrangement must be in place with the fund manager first.

These details must not be used to confirm existing terms this is a variation only

Order Custody variation details can be supplied if the Order sender intends security settlement will be placed into custody or a CSD environment.

Additional Order Party Identification details can be supplied within an order instruction, if applicable to the market or financial instrument involved. These details show the additional information that may be requested to help to identify an additional party related to the transaction.

Related Party, Commission Recipient, Account Servicer and Settlement & Custody details are used to further identify the Party, Account and servicing terms for the investment. These are currently used differently by each TA / Fund Manager but further investigations into consolidating this are underway.

These details are market and context specific variations and should only be used with prior agreement with the executing party. They are not a global recommendation.

The group recommend moving towards using the Related Party (Intermediary details) to capture most party and relationship details and Settlement & Custody details when dealing with I(CSD) or custodian.

For detailed global market practices please refer to: [FundOrders0905\(a\)Sub.xls](#) and [FundOrders0905\(b\)Red.xls](#)

7. Order Status business data requirements

7.1. Market usage of Status Reporting

Status Reporting – An executing party, sends the Order instruction Status message to the Intermediary or Ordering party, to confirm whether or not an order is valid and accepted for execution at the next valuation point.

The following status reports are recommended by the SMPG:

- To report the acceptance of an order instruction
- To report the rejection of an order instruction and the reason for rejection

In some business scenarios other status messages may be provided but these should be agreed by SLA. For example for weekly or monthly traded funds a Received Status may be used.

In some markets that date the instruction will be executed should be is mandatory to be included with the Status instruction.

SMPG recommends the Order reference is used to link Order, Status, Confirmation and Cancellation processes. The provision of additional order data such as Investment Account, and ISIN should be avoided.

The SMPG does not recommend the use of further details as these would need to be validated by the receiver of the status causing an additional processing burden to the recipient.

For detailed global market practices please refer to: [FundOrders0905\(c\)InsStsRpt.xls](#)

8. Order Confirmation business data requirements

Please refer to: [FundOrders0905\(d\)SubConf.xls](#) and [FundOrders0905\(e\)RedConf.xls](#)

9. Switch Order Business data requirements:

This section describes the business information that will be needed for the Switch process to take place. This market practice relates to a single transaction (one fund to one fund), but may be extended to cover multiple or bulk orders as the business information remains the same.

Order Charges and Commission variation details can be supplied if the Order sender has the ability to alter terms and conditions with the fund manager, on a transactional basis. These details can be used by any market allowed to vary terms and conditions, but this arrangement must be in place with the fund manager first.

These details must not be used to confirm existing terms this is a variation only

Order Custody variation details can be supplied if the Order sender intends security settlement will be placed into custody or a CSD environment.

Additional Order Party Identification details can be supplied within an order instruction, if applicable to the market or financial instrument involved. These details show the additional information that may be requested to help to identify an additional party related to the transaction.

Related Party, Commission Recipient, Account Servicer and Settlement & Custody details are used to further identify the Party, Account and servicing terms for the investment. These are currently used differently by each TA / Fund Manager but further investigations into consolidating this are underway.

These details are market and context specific variations and should only be used with prior agreement with the executing party. They are not a global recommendation.

The group recommend moving towards using the Related Party (Intermediary details) to capture most party and relationship details and Settlement & Custody details when dealing with I(CSD) or custodian.

Switches require the valuation points of the funds concerned to be in the same pricing cycle, for example daily, weekly, monthly. This process is to be driven by the information included in the redemption leg.

In some markets, switching between funds at different valuation points is handled using separate redemption and subscription orders. In those markets a Switch order involving funds that do not share a common valuation point will be rejected and the instructing party required to send a Redemption and Subscription Order separately. In many markets, however, they may be handled as follows:

- The redemption leg is carried out at first possible point in time.
- The subscription leg is placed immediately, based on available amount per redemption.
- The switch process is in the pipeline until both legs are fulfilled.
- A Switch confirmation is issued after both legs have been executed

The minimum investment level must not be breached when dealing with Switches and that if the Instructing Party and Executing Party would need to handle it. It is also recommended to implement a business rule that would stop the processing of a Switch if the minimum investment level was breached.

For detailed global market practices please refer to: [FundOrders0905\(f\)Swi.xls](#)

10. Switch Order Status business data requirements

10.1. Market usage of Status Reporting

Status Reporting – An executing party, sends the Order instruction Status message to the Intermediary or Ordering party, to confirm whether or not an order is valid and accepted for execution at the next valuation point.

The following status reports are recommended by the SMPG:

- To report the acceptance of an order instruction
- To report the rejection of an order instruction and the reason for rejection

In some business scenarios other status messages may be provided but these should be agreed by SLA. For example for weekly or monthly traded funds a Received Status may be used.

In some markets that date the instruction will be executed should be mandatory to be included with the Status instruction.

SMPG recommends the Order reference is used to link Order, Status, Confirmation and Cancellation processes. The provision of additional order data such as Investment Account, and ISIN should be avoided.

The SMPG does not recommend the use of further details as these would need to be validated by the receiver of the status causing an additional processing burden to the recipient.

For detailed global market practices please refer to: [FundOrders0905\(g\)SwiStsRpt.xls](#)

11. Switch Order Confirmation business data requirements

Please refer to: [FundOrders0905\(h\)SwiConf.xls](#)

12. Cancellation of an Order Business Data Requirements

12.1. Market usage of Order Cancellation Requests

The market usage of Order Cancellation Requests is still evolving, as the acceptance and processing of cancellations varies between Fund Managers, Transfer Agents and between markets. Where cancellations are accepted, the following SMPG generic recommendations are:

- (a) Cancellation Requests are processed by order reference
- (b) Cancellation Requests can be processed until the order cut off time for the expected valuation point; requests after this time should be rejected.
- (c) Cancellation Requests may contain one or many order references

The SMPG supports the suggestion of consolidating the Subscription/Redemption/Switch and Bulk Order Cancellation Request into a single Order Cancellation Request message type. However, the appropriate cancellation request message (corresponding to the original order type) must be used for the time being until this change can be made.

The SMPG recommends that a "Cancellation by Reference" approach be followed. In some domestic markets, "Cancellation by Order Details" will also be supported, quoting at least the investment account and financial instrument. Please refer to domestic market practice documents for these variations.

12.2. Order Cancellation Request data requirements

Please refer to:

[FundOrders0905\(i\)SubCan.xls](#)

[FundOrders0905\(j\)RedCan.xls](#)

[FundOrders0905\(k\)SwiCan.xls](#)

13. Cancellation Status Report Business Data Requirements

13.1. Market usage of Cancellation Order Status Report

The SMPG recommends that every Order Cancellation Request should receive an Order Cancellation Status report. The group recommends that the status is provided at individual cancellation status level (not message level) and that the status is matched by sender and order reference only.

The SMPG does not recommend the use of further details as these would need to be validated by the receiver of the status causing an additional processing burden to the recipient.

13.2. Order Cancellation Status data requirements

Please refer to: [FundOrders0905\(l\)CancStsRpt.xls](#)

14. Cancellation of a Confirmation Business Data Requirements

14.1. Market usage of cancellation of confirmation report

The cancellations of confirmation messages have three methods in 20022:

- Cancellation of a Confirmation placed in error (with no correction)
- Cancellation of Confirmation followed by replacement
- Amendment of Confirmation (not recommended)

If a confirmation is sent and a correction is required:

- Confirmation sent with error
- Confirmation cancellation is sent to warn the client
- New Confirmation is sent to replace the original confirmation – it is identified as a replacement by the presence of previous reference for the original confirmation and cancellation confirmation within the message.

All messages will use the previous reference to link to the other transactions:

- The previous reference will contain the Message ID repeated to contain both the references of the confirmation cancellation and original confirmation
- The message name indicator would also be used to clarify.
- The use of cancellation amendments is not recommended as SMPG practice.

14.2. Confirmation Cancellation Advice data requirements

Please refer to:

[FundOrders0905\(m\)SubConfCan.xls](#)

[FundOrders0905\(n\)RedConfCan.xls](#)

[FundOrders0905\(o\)SwiConfCan.xls](#)

ANNEX 1 - EXAMPLES

ISO 20022 illustration:

The ISO 20022 illustrations shows how the MP will be implemented using ISO 20022 messages.

Examples A with set core data only:

A1. A SubscriptionOrder message (setr.010.001.03), with message identification reference SubscriptionOrder001, is sent for investment account EU9999000. It contains one order.

The individual order has the reference Order1 and is for financial instrument ISIN LU1234567890.

EUR 1,000 is to be invested in the referenced financial instrument.

```
<SbcptOrdrV03>
  <MsgId>
  <Id>SubscriptionOrder001</Id>
  <CreDtTm>2008-09-02T09:30:47.0Z</CreDtTm>
  </MsgId>
  <MltplOrdrDtls>
    <InvstmtAcctDtls>
      <AcctId>
        <Prtry>
          <Id>EU9999000</Id>
        </Prtry>
      </AcctId>
    </InvstmtAcctDtls>
    <IndvOrdrDtls>
      <OrdrRef>Order1</OrdrRef>
      <FinInstrmDtls>
        <Id>
          <ISIN>LU1234567890</ISIN>
        </Id>
      </FinInstrmDtls>
      <GrssAmt Ccy="EUR">1000</GrssAmt>
      <PhysDlvryInd>false</PhysDlvryInd>
    </IndvOrdrDtls>
  </MltplOrdrDtls>
</SbcptOrdrV03>
```

A2. An OrderInstructionStatusReport message (setr.016.001.03), with message identification reference Status001, is sent to report on the status of the order sent above. It reports that the order contained in a SubscriptionOrder message (setr.010.001.03) with the order reference, SubscriptionOrder001, for account EU9999000 has been positively acknowledged.

```
<OrdrInstrStsRptV03>
  <MsgId>
    <Id>Stauts001</Id>
    <CreDtTm>2008-09-02T12:40:41.0Z</CreDtTm>
  </MsgId>
  <IndvOrdrDtlsRpt>
    <OrdrRef>Order1</OrdrRef>
    <Sts>PACK</Sts>
  </IndvOrdrDtlsRpt>
</OrdrInstrStsRptV03>
```

A3. A SubscriptionOrderConfirmation message (setr.012.001.03), with message identification reference SubscriptionOrderConfirmation001, is sent for investment account EU9999000.

It replies to a SubscriptionOrder (setr.010.001.03) with message identification reference SubscriptionOrder001.

The confirmation message contains one order execution. It is the execution of the order with order reference Order1 and with deal reference Deal1. This execution is for financial instrument ISIN LU1234567890.

EUR 1,000 have been invested in this financial instrument - corresponding to 25 units - and have been subscribed at a creation price of EUR 40 per unit.

The trade date for this execution is 03 September 2008. This execution is made cum dividend. It is not a partial execution of the original order, and there is no physical delivery.

```
<SbcptOrdrConfV03>
  <MsgId>
    <Id>SubscriptionOrderConfirmation001</Id>
    <CreDtTm>2008-09-03T13:10:31.0Z</CreDtTm>
  </MsgId>
  <MltplExctnDtls>
    <InvstmtAcctDtls>
      <AcctId>
        <Prtry>
          <Id>EU9999000</Id>
        </Prtry>
      </AcctId>
    </InvstmtAcctDtls>
    <IndvExctnDtls>
      <OrdrRef>Order1</OrdrRef>
      <DealRef>Deal1</DealRef>
    </IndvExctnDtls>
  </MltplExctnDtls>
</SbcptOrdrConfV03>
```

```

    <FinInstrmDtls>
      <Id>
        <ISIN>LU1234567890</ISIN>
      </Id>
    </FinInstrmDtls>
    <UnitsNb>
      <Unit>25</Unit>
    </UnitsNb>
    <TradDtTm>
      <Dt>2008-09-02</Dt>
    </TradDtTm>
    <DealgPricDtls>
      <Tp>CREA</Tp>
      <Val>
        <Amt Ccy="EUR">40</Amt>
      </Val>
    </DealgPricDtls>
    <SttlmAmt Ccy="EUR">1000</SttlmAmt>
    <PrtlyExctdInd>false</PrtlyExctdInd>
    <CumDvddInd>true</CumDvddInd>
    <PhysDlvryInd>false</PhysDlvryInd>
  </IndvExctnDtls>
</MltplExctnDtls>
</SbcptOrdrConfV03>

```

Examples B with set core data and optional fields:

B1. A SubscriptionOrder message (setr.010.001.03), with message identification reference SubscriptionOrder002, is sent for investment account 9999000. It contains one order.

The individual order has the reference Order1 and is for financial instrument ISIN GB1234567890.

EUR 1,000 is to be invested in the referenced financial instrument.

There will be a physical delivery to Carl Smith at the following address: Avenue Adele, 1, B-1310, La Hulpe, Belgium.

```

<SbcptOrdrV03>
  <MsgId>
    <Id>SubscriptionOrder002</Id>
    <CreDtTm>2008-09-02T09:30:47.0Z</CreDtTm>
  </MsgId>
  <MltplOrdrDtls>
    <InvstmtAcctDtls>
      <AcctId>
        <Prtry>
          <Id>9999000</Id>
        </Prtry>
      </AcctId>
    </InvstmtAcctDtls>
  </MltplOrdrDtls>
</SbcptOrdrV03>

```

```

</AcctId>
</InvstmtAcctDtls>
<IndvOrdR Dtls>
<OrdRRef>Order2</OrdRRef>
<FinInstrmDtls>
  <Id>
    <ISIN>GB1234567890</ISIN>
  </Id>
</FinInstrmDtls>
<GrssAmt Ccy="EUR">1000</GrssAmt>
<PhysDlvryInd>true</PhysDlvryInd>
<PhysDlvryDtls>
<Nm>Carl Smith</Nm>
  <Adr>
    <StrtNm>Avenue Adele</StrtNm>
    <BldgNb>1</BldgNb>
    <PstCd>B-1310</PstCd>
    <Ctry>BE</Ctry>
  </Adr>
</PhysDlvryDtls>
</IndvOrdR Dtls>
</MltplOrdR Dtls>
</SbcptOrdR V03>

```

B2. An OrderInstructionStatusReport message (setr.016.001.03), with message identification reference Status002, is sent to report on the status of the order sent above. It reports that the orders in the SubscriptionOrder (setr.001.001.03) with message identification reference SubscriptionOrder002, is suspended because the fund manager, BILLULL, has indicated that the pricing is suspended. The fund manager is reported as the status initiator.

```

<OrdRInstrStsRptV03>
  <MsgId>
    <Id>Stauts1</Id>
    <CreDtTm>2008-09-02T12:40:41.0Z</CreDtTm>
  </MsgId>
  <OrdRDtlsRpt>
    <Sspd>
      <RsnDtls>
        <Rsn>PRIC</Rsn>
      </RsnDtls>
    </Sspd>
  <StsInitr>
    <BICOrBEI>BILLULL</BICOrBEI>
  </StsInitr>
</OrdRDtlsRpt>
</OrdRInstrStsRptV03>

```

Switches Examples:

1. A SwitchOrder message (setr.013.001.03), with message identification reference SwitchOrder001, is sent for investment account A67367Z32-67.

This order has the order reference 20070103093512.

The redemption leg, with the leg identification 1, indicates that EUR 500 worth of financial instrument ISIN IT1111111111 is to be redeemed. There is no physical delivery for this leg.

The subscription leg, with the leg identification 2, indicates that 100 percent of the redeemed total amount must be subscribed to financial instrument ISIN IT2222222222. There is no physical delivery for this leg.

```
<SwtchOrdV03>
  <MsgId>
    <Id>SwitchOrder001</Id>
    <CreDtTm>2007-01-03T09:30:47.0Z</CreDtTm>
  </MsgId>
  <SwtchOrdDtls>
    <OrdRef>20070103093512</OrdRef>
    <InvstmtAcctDtls>
      <AcctId>
        <Prtry>
          <Id>A67367Z32-67</Id>
        </Prtry>
      </AcctId>
    </InvstmtAcctDtls>
    <RedLegDtls>
      <LegId>1</LegId>
      <FinInstrmDtls>
        <Id>
          <ISIN>IT1111111111</ISIN>
        </Id>
      </FinInstrmDtls>
      <FinInstrmQtyChc>
        <NetAmt Ccy="EUR">500</NetAmt>
      </FinInstrmQtyChc>
      <PhysDlvryInd>>false</PhysDlvryInd>
    </RedLegDtls>
    <SbcptLegDtls>
      <LegId>2</LegId>
      <FinInstrmDtls>
        <Id>
          <ISIN>IT2222222222</ISIN>
        </Id>
      </FinInstrmDtls>
      <FinInstrmQtyChc>
        <PctgOfTtlRedAmt>100</PctgOfTtlRedAmt>
      </FinInstrmQtyChc>
```

```

        <PhysDlvryInd>>false</PhysDlvryInd>
      </SbcptLegDtls>
    </SwchOrdDtls>
  </SwchOrdV03>

```

2. A SwitchOrderConfirmation message (setr.015.001.03), with message identification reference SwitchConf001, is sent for investment account A67367Z32-67. It replies to the SwitchOrder message (setr.013.001.03) with message identification reference SwitchOrder001.

This order has the order reference 20070103093512 and the deal reference IT56/89/90.

The redemption leg, with the leg identification 1, indicates that 25 units of financial instrument ISIN IT1111111111, worth EUR 500 have been redeemed at a switch price of EUR 20 per unit. There is no physical delivery for this leg.

The subscription leg, with the leg identification 2, indicates that 100 units of financial instrument ISIN IT2222222222 have been subscribed to at EUR 5 per unit for an amount of EUR 500. There is no physical delivery for this leg.

```

<SwchOrdConfV03>
  <MsgId>
    <Id>SwitchConf001</Id>
    <CreDtTm>2007-01-03T09:30:47.0Z</CreDtTm>
  </MsgId>
  <SwchExctnDtls>
    <InvstmtAcctDtls>
      <AcctId>
        <Prtry>
          <Id>SwitchOrder001</Id>
        </Prtry>
      </AcctId>
    </InvstmtAcctDtls>
    <DealRef>IT56/89/90</DealRef>
    <OrdRef>20070103093512</OrdRef>
    <RedLegDtls>
      <LegId>1</LegId>
      <FinInstrmDtls>
        <Id>
          <ISIN>IT1111111111</ISIN>
        </Id>
      </FinInstrmDtls>
      <UnitsNb>
        <Unit>25</Unit>
      </UnitsNb>
      <TradDtTm>
        <Dt>2007-01-03</Dt>
      </TradDtTm>
    </RedLegDtls>
  </SwchExctnDtls>
</SwchOrdConfV03>

```



```

        <PricDtls>
            <Tp>SWIC</Tp>
            <Val>
                <Amt Ccy="EUR">20</Amt>
            </Val>
        </PricDtls>
        <CumDvddInd>true</CumDvddInd>
        <PhysDlvryInd>>false</PhysDlvryInd>
    </RedLegDtls>
    <SbcptLegDtls>
        <LegId>2</LegId>
        <FinInstrmDtls>
            <Id>
                <ISIN>IT2222222222</ISIN>
            </Id>
        </FinInstrmDtls>
        <UnitsNb>
            <Unit>100</Unit>
        </UnitsNb>
        <NetAmt Ccy="EUR">500</NetAmt>
        <TradDtTm>
            <Dt>2007-01-03</Dt>
        </TradDtTm>
        <PricDtls>
            <Tp>SWIC</Tp>
            <Val>
                <Amt Ccy="EUR">5</Amt>
            </Val>
        </PricDtls>
        <CumDvddInd>true</CumDvddInd>
        <PhysDlvryInd>>false</PhysDlvryInd>
    </SbcptLegDtls>
</SwchExctnDtls>
</SwchOrdrConfV03>

```

ANNEX 2 – GLOSSARY

This glossary should be read in conjunction with the ISO 20022 Data Dictionary, which is available at www.iso20022.org and will be updated in due course to include items identified by the FPSG.

Term	Description
Acknowledgement	A message returned by the fund-side institution to the client-side institution, which indicates that an order has been received and accepted for execution.
BIC	Bank Identifier Code - international standard (ISO 9362) reference code used to identify individual banks and other financial institutions.
Central Securities Depository	See (I)CSD
Charge	An amount deducted by the fund or promoter.
Commission	An amount paid for a service related to the order.
Confirmation	A report sent to the instructing party, to confirm the details of execution for a subscription, redemption or switch order. This will confirm the financial and contractual details of the transaction.
Custodian	A party who holds the assets on behalf of an individual or institutional investor. They may be asked to send orders on behalf of the investor.
Distributor	An entity through which investors may buy or sell funds units. This may also be on an advisory or execution-only basis.
FCP	A FCP or “Fonds Commun de Placement” is a type of investment fund that is established as a common contractual arrangement between the parties involved and the investors.
Fund manager	The company that is responsible for the management and operation of the fund, eg, determines the investment strategy, appoints the service providers, and makes major decisions for the fund. It is usually responsible for the distribution and marketing of the fund.
Fund hub	An entity that manages and centralizes communication, settlement and coordination of individual orders among the various parties. The Hub centralizes communication and offers services which, depending on the Hub's service offering, can range from managed order routing to settlement and asset servicing.
Fund or Investment Fund	‘investment fund’ and ‘fund’ include typical mutual fund and collective investment undertakings, such as unit trusts, open ended investment companies (OEIC, SICAV, FCP etc), and contractual funds (note that although it may be possible to follow the market practice for alternative types of fund, eg, hedge funds, the IFWG has not attempted to accommodate these specifically).
Fund platform	An entity that collects and aggregates investor orders for placement with the executing party, and maintains the shares in its nominee account.
Holder	A person or entity that is recorded (singly or jointly) on the fund register, as having legal title to the units or shares.
(I)CSD	Central Securities Depository (CSD) – An organisation that holds securities either in certificated or uncertificated (dematerialized) form, to enable their book entry transfer. It further deals with transaction processing such as clearing and settlement of securities in electronic form and in some instances, also offers order routing services for investment funds. International Central Securities Depository (ICSD) - A CSD that focuses its service offering (asset servicing, settlement, fund order routing) on cross-border activity.
Investment Manager	An entity that may be appointed by investors to make investment decisions on their behalf.
Investor	The party whose money is invested. It can be one or more individual(s) or entities.

OEIC	An OEIC or ‘Open-ended investment company’ is a type investment fund that is established in corporate form.
Order Cancellation	A request to cancel a subscription, redemption or switch order that has been previously sent. The processing of a cancellation will be subject to the agreement of the executing party and the time at which the cancellation request is received.
Redemption	An instruction (order) given to the executing party, to sell (redeem) units in a fund.
SICAV	An SICAV or “Societe d’investissement a capital variable’ is a type investment fund that is established in corporate form.
Subscription	An instruction (order) given to the executing party, to purchase (subscribe) units in a fund.
Switch	An instruction to sell in a fund with the proceeds used to purchase units in another fund. A switch is usually within the one fund family or fund umbrella and does not result in any changes to the holder and investor.
Transfer agent	The entity that undertakes the execution of subscription, redemption and switch orders on behalf of the fund.
Unit trust	A unit trust is a type of investment fund that is common in some countries, which is established under trust law.
Units	The term 'unit' applies generally to FCP and unit trusts whereas the term 'share' applies usually to corporate funds, suchs as OEIC and SICAVs. For the purpose of this document the term ‘units’ is used to represent units or shares of a fund.

ANNEX 3 – Change requests raised by the SMPG IFWG related to orders, confirmations, switches, and status messages that will be reviewed by the maintenance working group.

#	Market	Region	Nature	Description	Message(s) Impacted	Title	Date Submitted
F028	Global	Global	Modification	Replace Net and gross amount elements with Ordered Amount and Executed Amount elements to better align with the business.	All	Ordered / Executed Amounts	25-Apr-07
F029	Global	Global	Modification	Remove tax detail sequence from the order messages.	All	Tax Details Removal	25-Apr-07
F030	Global	Global	Addition	addition of a code to the charge details sequence for 'charge for a foreign exchange transaction'	All	FX Charge Type 2	25-Apr-07
F032	Global	Global	Modification	Move requested settlement currency to Settlement Bulk and Settlement details section of messages.	All	Request Settlement Currency	25-Apr-07
F033	Global	Global	Modification	Merge Charge and Commission Sequences.	All	Charge and Commission Merge	25-Apr-07
F037	Global	Global	Modification	Make Partially Settled Indicator Optional.	Redemption / Subscription / Switch Confirmation	Partially Settled Indicator	31-Jul-08
F038	Global	Global	Modification	Make CumDivInd Optional.	Redemption / Subscription / Switch Confirmation	CumDivInd	31-Jul-08
F039	Global	Global	Addition	Create new Cash Settlement Reference with Cash Settlement date outside of the Cash settlement details sequence	Redemption / Subscription / Switch Confirmation	Cash Settlement Reference with Cash Settlement date outside of the Cash settlement details sequence	31-Jul-08
A005	Global	Global	Modification	Make creditor bank account number optional and debtor account mandatory in Subscription messages	Subscription	Align business rationale of message elements in the subscription message	14-Nov-08

ANNEX 4 - MARKET PRACTICE SUPPLEMENTARY DETAILS:

This section describes agreed global market practices for the processes outlined in the document.

Including changes to existing practice and change requests to modify the current ISO message structure, full details of these changes are:

Net and Gross amounts

SMPG recommends avoiding cross market confusion on Net and Gross amounts, by replacing fields with generic Ordered Amount and Payable Amount. Until implemented the Net Amount field will continue to be used.

Original = New Name	Message	Definition
Net Amount = Order Amount	Subscription Order	Amount of money remaining after deduction of charges, commissions and taxes and used to determine the quantity of investment fund units to be subscribed. [Quantity * Price]
NET Amount = PAYABLE AMOUNT	Redemption Order	Amount of money to be received following a redemption after deduction of charges, commissions and taxes and used to derive the quantity of investment fund units to be sold. [(Quantity * Price) - (Charges + Commissions + Taxes)]
NET Amount = ORDERED AMOUNT	Subscription Confirmation	Amount of money invested in a specific financial instrument by an investor, after deduction of charges, commissions and taxes. [Quantity * Price]
NET Amount = PAYABLE AMOUNT	Redemption Confirmation	Amount of money paid to the investor as a result of the redemption after deduction of charges, commissions and taxes. [(Quantity * Price) - (Charges + Commissions + Taxes)]

Original = New Name	Message	Definition
Gross Amount = PAYABLE AMOUNT	Subscription Order	Amount of money to be invested in a specific financial instrument by an investor before deduction of charges, commissions and taxes and used to determine the quantity of investment fund units to be subscribed. [(Quantity * Price) + (Charges + Commissions + Taxes)]
GROSS AMOUNT = ORDERED AMOUNT	Redemption Order	Amount of money used to derive the quantity of investment fund units to be sold, before deduction of charges, commissions and taxes. [Quantity * Price]
GROSS Amount = PAYABLE AMOUNT	Subscription Confirmation	Amount of money invested in a specific financial instrument by an investor, before deduction of charges, commissions and taxes. [(Quantity * Price) + (Charges + Commissions + Taxes)]
Gross Amount = ORDERED AMOUNT	Redemption Confirmation	Amount of money resulting from the redemption before deduction of charges, commissions and taxes. [Quantity * Price]

A change request has been submitted to SWIFT for consideration in the next maintenance release, scheduled for 2010. While the change request will rectify the issue with net and gross amounts it is evident that an interim solution is necessary.

Commission and Charge types

SMPG recommends combining the commission and charge types within the order message into a single section. Until implemented the message charge / commission types will be used as defined in sections above.

CHARGE: An amount deducted by the fund or promoter.

COMMISSION: An amount paid for a service related to the order.

A change request has been submitted to SWIFT for consideration in the next maintenance release, scheduled for 2010. While the change request will rectify the issue with net and gross amounts it is evident that an interim solution is necessary.

Cash Settlement References

SMPG recommends providing a cash settlement reference to link order processing with payment where possible. The recommendation is to use

1. Credit Transfer Details / Reference (either Individual Order Details or Bulk settlement details)
2. Cash Settlement Date
3. Cash Settlement Amount

The structure of the message does not currently support providing these details without supplying the payment account details.

- Creditor Agent and Creditor Account details on a redemption
- Debtor Agent and Debtor Account details on a Subscription where money laundering.

A change request has been submitted to SWIFT for consideration in the next maintenance release, scheduled for 2010. While the change request will rectify the issue with net and gross amounts it is evident that an interim solution is necessary.