



SETTLEMENT AND ISO 15022  
STANDARDS:

**HONG KONG**  
MARKET PRACTICE

*Issued on behalf of the **Hong Kong** Market Practice Group*

**June 2004**

# Hong Kong Market Practice Templates for Settlement

## 1 Introduction

This document refers to equities and fixed income vanilla trades in a custody environment.

Changes to previous version			
V 5.1 May 2004	Clarification	Clarification of the usage of RTGS code words (no change to the current practice).	Page 6
	Addition	Addition of a country specific on the use of the safekeeping account in party field.	Page 6
	Addition	Addition of background information for the arrangement of stamp duty.	Page 7
V 5.2 June 2004	Correction	Correction to template MT543 usage of safekeeping account (see correction in red)	Page 5

## 2 Equities

### MT541: Receive Against Payment

Field	Definition		Domestic counter party		Client group		Comment
			Broker	Custodian	Custodian	Fund acctg	
<b>Sequence A - GENERAL</b>							
16R	Start of General Information Sequence	:16R:GENL					
20C	Sender's Reference Number	:20C::SEME//123456	Yes	Yes	Yes	Yes	
23G	Function of the Message	:23G:NEWM	Yes	Yes	Yes	Yes	
16S	End of General Information Sequence	:16S:GENL					
<b>Sequence B - TRADE</b>							
16R	Start of the Transaction Details Sequence	:16R:TRADEDET					
94B	Place of Trade	:94B::TRAD//EXCH/XHKG	Optional	Optional	Optional	Optional	able to accept option to indicate where to trade TRAD//EXCH/XHKG (stock exchange of HK)... should be equivalent to HK Exchange and Clearing this field is required by fund accounting
98a	Settlement Date	:98A::SETT//19980805	Yes	Yes	Yes	Yes	
98a	Trade Date	:98A::TRAD//19980803	Yes	Yes	Yes	Yes	
90a	Deal Price	:90B::DEAL//ACTU/HKD182,737	Optional	Optional	Optional	Yes	

35B	Identification of the Financial Instrument	:35B::ISIN GB0005405286 HSBC HOLDINGS PLC (5) ORDINARY HKD 10	Yes	Yes	Yes	Yes	
16S	End of the Transaction Details Sequence	:16S::TRADET					
<b>Sequence C - FIAC</b>							
16R	Start of the Financial Instrument / Account Sequence	:16R::FIAC					
36B	Quantity of the Financial Instrument	:36B::SETT//UNIT/20000,	Yes	Yes	Yes	Yes	
97a	Safekeeping Account	:97A::SAFE//AY60	Yes	Yes	Yes	Yes	
97a	Cash Account for payments	:97A::CASH//CASHAY60	Optional	Optional	Optional	Optional	Cash account maintained at custodian for settlement
16S	End of the Financial Instrument / Account Sequence	:16S::FIAC					
<b>Sequence E - SETTLEMENT DETAILS</b>							
16R	Start of the Settlement Details Sequence	:16R::SETDET					
22F	Indicator	:22F::SETR//TRAD	Yes	Yes	Yes	Yes	
22F		:22F::RTGS//YRTG	Optional	Optional	Optional	Optional	Two indicators are allowed YRTG = settle in RTGS mode NRTG = settle in normal DVP mode (non RTGS)
22F		:22F::BENE//YBEN	Optional	Optional	Optional	Optional	Two indicators are allowed YBEN = change of beneficiary ownership NBEN = no change of beneficiary ownership
22F		:22F::STAM//CCAS/HASD	Optional	Optional	Optional	Optional	STAM//CCAS//FUSD - instructing party pays the stamp duty for both buyer and seller STAM//CCAS//HASD - instructing party (buyer/seller) pays its own stamp duty
<b>Sub-sequence E1 SETTLEMENT PARTIES</b>							
16R	Start of the Settlement Parties Sequence	:16R::SETPRTY					
95a	Settlement Location	:95P::PSET//XHKCHKH1	Yes	Yes	Yes	Yes	Country code (physical) or BIC code for relevant CSD is enough.
16S	End of the Settlement Parties Sequence	:16S::SETPRTY					
16R	Start of the Settlement Parties Sequence	:16R::SETPRTY					
95a	Delivering Agent	:95P::DEAG//HSBCHKHH	Yes	Yes	Yes	Yes	BIC code is preferred CCASS code is also accepted. If used, it should be 6 numeric (6!n) for investor participants or 1 alpha character + 5 numeric for institutional participants (1!c5!n). The sample formats are - :95R::REAG//CCAS//cnnnnn or 95R::DEAG//CCAS//cnnnnn
16S	End of the Settlement Parties Sequence	:16S::SETPRTY					
16R	Start of the Settlement Parties Sequence	:16R::SETPRTY					
95a	Seller	:95P::SELL//JCALHKHH	Yes	Yes	Yes	Yes	BIC code is preferred
97a	Safekeeping Account	:97A::SAFE//BC20	Optional	Yes*	Yes*	Yes*	* Details refer to section 2.2

16S	End of the Settlement Parties Sequence	:16S:SETPRTY						
<b>Sub-sequence E3 - AMT</b>								
16R	Start of the Amounts Sequence	:16R:AMT						
19a	Specifies Currency Amounts - Trade Amount	:19A::DEAL//HKD3654740,	Optional	Optional	Optional	Yes		
16S	End of the Amounts Sequence	:16S:AMT						
16R	Start of the Amounts Sequence	:16R:AMT						
19a	Specifies Currency Amounts - Broker Commission	:19A::LOCO//HKD18273,70	Optional	Optional	Optional	Optional		
16S	End of the Amounts Sequence	:16S:AMT						
16R	Start of the Amounts Sequence	:16R:AMT						
19a	Specifies Currency Amounts - Stamp Duty	:19A::STAM//HKD5482,50	Optional	Optional	Optional	Optional		0.1% stamp duty, HKD 1 for every HKD 1000
16S	End of the Amounts Sequence	:16S:AMT						
16R	Start of the Amounts Sequence	:16R:AMT						
19a	Specifies Currency Amounts - Levy	:19A::LEVY//HKD255,83	Optional	Optional	Optional	Optional		0.007% for levy
16S	End of the Amounts Sequence	:16S:AMT						
16R	Start of the Amounts Sequence	:16R:AMT						
19a	Specifies Currency Amounts - Charges/fees	:19A::CHAR//HKD219,29	Optional	Optional	Optional	Optional		0.005% for trading fee
16S	End of the Amounts Sequence	:16S:AMT						
16R	Start of the Amounts Sequence	:16R:AMT						
19a	Specifies Currency Amounts - Settlement Amount	:19A::SETT//HKD3678971,32	Yes	Yes	Yes	Yes		
16S	End of the Amounts Sequence	:16S:AMT						
16S	End of the Settlement Details Sequence	:16S:SETDET						
Note: various sub-amounts only necessary for 'fund accounting' clients, not required for 'custody only' clients								

### MT543 Delivery Against Payment

Field	Definition		Domestic counter party		Client group		Comment	
			broker	Custodian	Custodian	fund acctg		
<b>Sequence A - GENERAL</b>								
16R	Start of General Information Sequence	:16R:GENL						
20C	Sender's Reference Number	:20C::SEME//123456	Yes	Yes	Yes	Yes		
23G	Function of the Message	:23G:NEWM	Yes	Yes	Yes	Yes		
16S	End of General Information Sequence	:16S:GENL						
<b>Sequence B - TRADE</b>								
16R	Start of the Transaction Details Sequence	:16R:TRADDET						
94B	Place of Trade	:94B::TRAD//EXCH/XHKG	Optional	Optional	Optional	Optional		Able to accept option to indicate where to trade TRAD//EXCH/XHKG (stock exchange of HK)... should be equivalent to HK Exchange and Clearing.
98a	Settlement Date	:98A::SETT//19980805	Yes	Yes	Yes	Yes		
98a	Trade Date	:98A::TRAD//19980803	Yes	Yes	Yes	Yes		
90a	Deal Price	:90B::DEAL//ACTU//HKD182,737	Optional	Optional	Optional	Yes		
35B	Identification of the Financial Instrument	:35B:ISIN GB0005405286 HSBC HOLDINGS PLC (5)	Yes	Yes	Yes	Yes		

		<b>ORDINARY HKD 10</b>					
<b>16S</b>	<i>End of the Transaction Details Sequence</i>	:16S:TRADDET					
<b>Sequence C - FIAC</b>							
<b>16R</b>	<i>Start of the Financial Instrument / Account Sequence</i>	:16R:FIAC					
<b>36B</b>	<b>Quantity of the Financial Instrument</b>	:36B::SETT//UNIT/20000,	Yes	Yes	Yes	Yes	
<b>97a</b>	<b>Safekeeping Account</b>	:97A::SAFE//AY60	Yes	Yes	Yes	Yes	
<b>97a</b>	<b>Cash Account for payments</b>	:97A::CASH//CASHAY60	Optional	Optional	Optional	Optional	Cash account maintained at custodian for settlement
<b>16S</b>	<i>End of the Financial Instrument / Account Sequence</i>	:16S:FIAC					
<b>Sequence E - SETTLEMENT DETAILS</b>							
<b>16R</b>	<i>Start of the Settlement Details Sequence</i>	:16R:SETDET					
	<b>Indicator</b>	:22F::SETR//TRAD	Yes	Yes	Yes	Yes	
<b>22F</b>		:22F::RTGS//YRTG	Optional	Optional	Optional	Optional	Two indicators are allowed YRTG = settle in RTGS mode NRTG = settle in normal DVP mode (non RTGS)
<b>22F</b>		:22F::BENE//YBEN	Optional	Optional	Optional	Optional	Two indicators are allowed YBEN = change of beneficiary ownership NBEN = no change of beneficiary ownership
<b>22F</b>		:22F::STAM//CCAS//HASD	Optional	Optional	Optional	Optional	STAM//CCAS//FUSD - instructing party pays the stamp duty for both buyer and seller STAM//CCAS//HASD - instructing party (buyer/seller) pays its own stamp duty
<b>Sub-sequence E1 SETTLEMENT PARTIES</b>							
<b>16R</b>	<i>Start of the Settlement Parties Sequence</i>	:16R:SETPRTY					
<b>95a</b>	<b>Settlement Location</b>	:95P::PSET//XHKCHKH1	Yes	Yes	Yes	Yes	Country code (physical) or BIC code for relevant CSD is enough.
<b>16S</b>	<i>End of the Settlement Parties Sequence</i>	:16S:SETPRTY					
<b>16R</b>	<i>Start of the Settlement Parties Sequence</i>	:16R:SETPRTY					
<b>95a</b>	<b>Receiving Agent</b>	:95P::REAG//HSBCHKHH	Yes	Yes	Yes	Yes	BIC code is preferred CCASS code is also accepted. If used, it should be 6 numeric (6!n) for investor participants or 1 alpha character + 5 numeric for institutional participants (1!c5!n). The sample formats are - :95R::REAG//CCAS//cnnnnn or 95R::DEAG//CCAS//cnnnnn
<b>16S</b>	<i>End of the Settlement Parties Sequence</i>	:16S:SETPRTY					
<b>16R</b>	<i>Start of the Settlement Parties Sequence</i>	:16R:SETPRTY					
<b>95a</b>		:95P::RECU//JCAPGB2L	Optional	Optional	Optional	Optional	BIC code is preferred
<b>97a</b>		:97A::SAFE//DE40	Optional	Optional	Optional	Optional	Mandatory if more than 1 a/c with same BIC code
<b>16S</b>	<i>End of the Settlement Parties Sequence</i>	:16S:SETPRTY					

16R	Start of the Settlement Parties Sequence	:16R:SETPRTY					
95a	Buyer	:95P::BUYR//JCALHKHH	Yes	Yes	Yes	Yes	BIC code is preferred
97a	Safekeeping Account	:97A::SAFE//BC20	Optional	Yes*	Yes*	Yes*	* Details refer to section 2.2
16S	End of the Settlement Parties Sequence	:16S:SETPRTY					
<b>Sub-sequence E3 - AMT</b>							
16R	Start of the Amounts Sequence	:16R:AMT					
19a	Specifies Currency Amounts - Trade Amount	:19A::DEAL//HKD3654740,	Optional	Optional	Optional	Yes	
16S	End of the Amounts Sequence	:16S:AMT					
16R	Start of the Amounts Sequence	:16R:AMT					
19a	Specifies Currency Amounts - Broker Commission	:19A::LOCO//HKD18273,70	Optional	Optional	Optional	Optional	
16S	End of the Amounts Sequence	:16S:AMT					
16R	Start of the Amounts Sequence	:16R:AMT					
19a	Specifies Currency Amounts - Stamp Duty	:19A::STAM//HKD5482,50	Optional	Optional	Optional	Optional	0.1% stamp duty HKD 1 FOR EVERY HKD 1000
16S	End of the Amounts Sequence	:16S:AMT					
16R	Start of the Amounts Sequence	:16R:AMT					
19a	Specifies Currency Amounts - Levy	:19A::LEVY//HKD255,83	Optional	Optional	Optional	Optional	0.007% for levy
16S	End of the Amounts Sequence	:16S:AMT					
16R	Start of the Amounts Sequence	:16R:AMT					
19a	Specifies Currency Amounts - Charges/fees	:19A::CHAR//HKD219,29	Optional	Optional	Optional	Optional	0.005% for trading fee
16S	End of the Amounts Sequence	:16S:AMT					
16R	Start of the Amounts Sequence	:16R:AMT					
19a	Specifies Currency Amounts - Settlement Amount	:19A::SETT//HKD3630508,68	Yes	Yes	Yes	Yes	
16S	End of the Amounts Sequence	:16S:AMT					
16S	End of the Settlement Details Sequence	:16S:SETDET					
Note: various sub-amounts only necessary for 'fund accounting' clients, not required for 'custody only' clients							

## 2.1 Special arrangements

- The HK SMP group reached the conclusion that in order to settle securities in the HK market a standing arrangements must be in place to determine which settlement **mode** to use: RTGS (**RDP – real time DVP**) or non-RTGS (**ordinary DVP**) or physical.
- When the account holder intends to override such standing arrangements, specific instructions are required for the settlement to be executed.

The settlement system to be used is either in a) RTGS or b) non-RTGS or c) physical. Multiple choices are also acceptable.

1. When standing arrangement is a) or b) and client wants to settle physical, description in the MT54x should be:  
Sequence E, Tag 22F :22F::STCO//PHYS
2. When standing arrangement is a) or c) and client wants to settle through non-RTGS, description in the MT54x should be:  
Sequence E, Tag 22F :22F::RTGS//NRTG
3. When standing arrangement is b) or c) and client wants to settle RTGS, description in the MT54x should be:  
Sequence E, Tag 22F :22F::RTGS//YRTG

## 2.2 Client's Safekeeping Account Number with Delivering/Receiving Agent

In Hong Kong, it is the normal practice for Custodian Banks to match their direct client information for stock movement between custodian banks in order to ensure the settlement done on their correct client. To enable the automation of pre-matching process, it is recommended to standardize the settlement parties quoted in MT54X as described below.

When the counterparty is custodian bank, **safekeeping account no.** with the Delivering/Receiving Agent (DEAG/REAG) in Hong Kong should be quoted in sub-sequence E1 Settlement Parties in MT54x as follows for pre-matching:

Option 1 :

Receiving/Delivering Agent in Hong Kong  
95P::REAG or DEAG with BIC code (where 95R CCASS code is also accepted)

Client of the Receiving/Delivering Agent  
95P::BUYR or SELL with BIC code  
**97A::SAFE//account number with REAG/DEAG**

Option 2 :

Receiving /Delivering Agent in Hong Kong

95P::REAG or DEAG with BIC code (where 95R CCASS code is also accepted)

Client of the Receiving/Delivering agent is Global Custodian

95P::RECU or DECU with BIC code

**97A::SAFE//account number with REAG/DEAG**

Underlying client with the Receiving/Delivering Global Custodian - Buyer/Seller

95a::BUYR or SELL with BIC code or name description

## 2.3 Stamp duty information.

### Background

In Hong Kong, usually, for exchanged trades executed via brokers (i.e. the settlement counterparty is not a custodian bank), stamp duty shall be already included in the settlement amount and broker will pay stamp duty on behalf of their clients on T+2 when settlement takes places. Therefore there is no need to quote any stamp duty payment instruction in Tag 22F.

For non-exchanged trades (i.e. off-market trades), if clients wish to instruct their broker/custodian to pay stamp duty on their behalf, it is required to quote stamp duty payment instruction in Tag 22F as described as follows.

### **Condition 1 – Instruct servicing agent (Broker/Custodian) to pay stamp duty**

STAM indicator must be specified in message, if clients wish to instruct broker/custodian to pay stamp duty on their behalf.

E.g.

Subsequence E

:16R::SETDET

:22F::SETR//TRAD

:22F::STAM/CCAS/FUSD

FUSD – full-pay, HASD – half-pay

Definition



FUSD – the instructing party (sender of the message) bears the stamp duty for both parties (i.e. buyer and seller)

HASD – the instructing party (sender of the message) bears its own portion of stamp duty (either buyer or seller)

The following three scenarios can only be applied when ‘STAM’ indicator (field 22F in subsequence E) is specified in the message. They determine how much the stamp duty to be paid. They are checked in the following order:

1. stamp duty is specified in subsequence E3, AMT block, 19A, servicing agent (i.e. Broker/Custodian) will act on the amount specified

e.g. :19A::STAM//HKD99,

2. no stamp duty amount specified in block E3, deal amount is specified in sequence B, TRADDET , 90B, unit price

the calculation of stamp duty amount follows the standard formula

(unit price \* quantity \* stamp duty rate) – stamp duty rate will be adjusted according to the given stamp duty payment indicator in message (Sequence E, 22F)

e.g. :90B::DEAL//ACTU/HKD20,5

stamp duty = 20.5 \* quantity to be settled (Sequence C, 36B) \* total stamp duty rate (pay full);

or

stamp duty = 20.5 \* quantity to be settled (Sequence C, 36B) \* total stamp duty rate \* ½ (pay half)

Remark: At present, the total stamp duty rate is 0.2 per cent, with this amount usually (but not always) split equally between buyer and seller. The stamp duty rate will be subject to revise periodically by the Hong Kong SAR.

3. when both stamp duty amount and deal price are missing, use the trade day closing price and apply the standard formula and apply the rate governed by the stamp duty payment indicator

### **Condition 2 – no action to be taken by the servicing agent**

No stamp duty payment indicator appears in subsequence E. Even when stamp duty amount appears in subsequence E3, 19A. The stamp duty is for reference or for other purpose(s).

Both rules are applied for against payment and free of payment instructions.

### 3 Bonds, CD, Exchange fund bills, and Treasury Notes

MT541 Receive Against Payment			Domestic		Client Group		Comment
Field	Definition		Broker	Custodian	Global	Fund accounting	
<b>Sequence A – GENERAL</b>							
16R	Start of General Information Sequence	:16R:GENL					
20C	Sender's Reference Number	:20C::SEME//123456	Yes	Yes	Yes	Yes	
23G	Function of the Message	:23G:NEWM	Yes	Yes	Yes	Yes	
16S	End of General Information Sequence	:16S:GENL					
<b>Sequence B – TRADE</b>							
16R	Start of the Transaction Details Sequence	:16R:TRADEDET					
94B	Place of Trade	:94B::TRAD//OTCO	Optional	Optional	Optional	Optional	Able to accept option to indicate where to trade TRAD//EXCH/XHKG (stock exchange of HK)... should be equivalent to HK Exchange and Clearing This example is an OTC trade
98a	Settlement Date	:98A::SETT//19980402	Yes	Yes	Yes	Yes	
98a	Trade Date	:98A::TRAD//19980330	Yes	Yes	Yes	Yes	
90a	Deal Price	:90A::DEAL//PRCT/101.280000	Optional	Optional	Optional	Yes	
	Number of Days Accrued	:99A::DAAC//999	Optional	Optional	Optional	Yes	
35B	Identification of the Financial Instrument	:35B: /HK/HSBCFC97030 //HSBC CD //9.900PCT 29 DEC 1998	Yes	Yes	Yes	Yes	If no ISIN, use local code. FIA block gives basic attributes (security type, maturity date, interest rate).
<b>Sequence b1 - FIA</b>							
16R	Start of the Financial Instrument Attributes	:16R:FIA					
12a	Type of Financial Instrument	:12C:CLAS//DMNUFB	Optional	Optional	Optional	Optional	Check CFI classification. Debt, money market, fixed interest, unsecured?, fixed maturity, bearer
98a	Maturity Date	:98A::MATU//19981229	Optional	Optional	Optional	Optional	
92a	Interest Rate	:92A::INTR//9,9	Optional	Optional	Optional	Optional	
16S	End of the Financial Instrument Attributes	:16S:FIA					
16S	End of the Transaction Details Sequence	:16S:TRADEDET					
<b>Sequence C - FIAC</b>							
16R	Start of the Financial Instrument / Account Sequence	:16R:FIAC					
36B	Quantity of the Financial Instrument	:36B::SETT//FAMT/20,000,000	Yes	Yes	Yes	Yes	
97a	Safekeeping Account	:97A::SAFE//ABC1	Yes	Yes	Yes	Yes	to indicate account maintained at the receiving institution
97a	Cash settlement Account	:97A::CASH//123456	Optional	Optional	Optional	Optional	
16S	End of the Financial Instrument / Account Sequence	:16S:FIAC					
<b>Sequence E - SETTLEMENT DETAILS</b>							

16R	<i>Start of the Settlement Details Sequence</i>	:16R:SETDET					
22F	Indicator	:22F:SETR//TRAD	Yes	Yes	Yes	Yes	
22F		:22F::RTGS/YRTG	Optional	Optional	Optional	Optional	Two indicators are allowed YRTG = settle in RTGS mode NRTG = settle in normal DVP mode (non RTGS)
17B	Accrued Interest Flag	:17B::ACRU//Y	Optional	Optional	Optional	Optional	net proceeds include interest accrued on security
<b>Sub-sequence E1 - SETTLEMENT PARTIES</b>							
16R	<i>Start of the Settlement Parties Sequence</i>	:16R:SETPRTY					
95a	Settlement Location	:95P::PSET//HKMAHKHC	Yes	Yes	Yes	Yes	HKMA runs CMU
16S	<i>End of the Settlement Parties Sequence</i>	:16S:SETPRTY					
16R	<i>Start of the Settlement Parties Sequence</i>	:16R:SETPRTY					
95a	Delivery Agent's Name	:95P::DEAG//DEUTHKHH	Yes	Yes	Yes	Yes	
97a	Delivery Agent's account number	:97A::SAFE//DBAN001	Yes	Yes	Yes	Yes	A/c at the CMU
16S	<i>End of the Settlement Parties Sequence</i>	:16S:SETPRTY					
16R	<i>Start of the Settlement Parties Sequence</i>	:16R:SETPRTY					
95a	Seller	:95P::SELL//DEUTHKHH	Yes	Yes	Yes	Yes	Same as the delivery agent align with Global SMP 10 elements
		:97A::SAFE//BC20	Optional	Optional	Optional	Optional	Mandatory if more than 1 a/c with same BIC code
16S	<i>End of the Settlement Parties Sequence</i>	:16S:SETPRTY					
<b>Sequence E3 - AMT</b>							
16R	<i>Start of the Amounts Sequence</i>	:16R:AMT					
19a	Specifies Currency Amounts - Trade Amount	:19A::DEAL//HKD20,256,000.00	Optional	Optional	Optional	Yes	
16S	<i>End of the Amounts Sequence</i>	:16S:AMT					
16R	<i>Start of the Amounts Sequence</i>	:16R:AMT					
19a	Specifies Currency Amounts - ACCRUED INTEREST	:19A::ACRU//HKD/16,273.97	Optional	Optional	Optional	Optional	
16S	<i>End of the Amounts Sequence</i>	:16S:AMT					
16R	<i>Start of the Amounts Sequence</i>	:16R:AMT					
19a	Specifies Currency Amounts - Settlement Amount	:19A::SETT//HKD20,239,729.03	Yes	Yes	Yes	Yes	
16S	<i>End of the Amounts Sequence</i>	:16S:AMT					
16S	<i>End of the Settlement Details Sequence</i>	:16S:SETDET					

MT543 Delivery Against Payment			Domestic		Client Group		Comment
Field	Definition		broker	custodian	global	fund accounting	
<b>Sequence A - GENERAL</b>							
16R	Start of General Information Sequence	:16R:GENL					
20C	Sender's Reference Number	:20C::SEME//123456	Yes	Yes	Yes	Yes	
23G	Function of the Message	:23G:NEWM	Yes	Yes	Yes	Yes	
16S	End of General Information Sequence	:16S:GENL					
<b>Sequence B - TRADE</b>							
16R	Start of the Transaction Details Sequence	:16R:TRADEDET					
94B	Place of Trade	:94B::TRAD//OTCO	Optional	Optional	Optional	Optional	able to accept option to indicate where to trade TRAD//EXCH/XHKG (stock exchange of HK)... should be equivalent to HK Exchange and Clearing this example is an OTC trade
98a	Settlement Date	:98A::SETT//19980925	Yes	Yes	Yes	Yes	
98a	Trade Date	:98A::TRAD//19980922	Yes	Yes	Yes	Yes	
90a	Deal Price	:90B::DEAL//PRCT/100.210000	Optional	Optional	Optional	Yes	
99a	Number of Days Accrued	:99A::DAAC//088	Optional	Optional	Optional	Yes	
35B	Identification of the Financial Instrument	:35B://HK/HSBCFC97030 //HSBC CD //9.900PCT 29 DEC 1998	Yes	Yes	Yes	Yes	If no ISIN, use local code. FIA block gives basic attributes (security type, maturity date, interest rate).
<b>Sequence B1 - FIA</b>							
16R	Start of the Financial Instrument Attributes	:16R:FIA					
12a	Type of Financial Instrument	:12C:CLAS//DMNUFB	Optional	Optional	Optional	Optional	Check CFI classification. Debt, money market, fixed interest, unsecured?, fixed maturity, bearer
98a	Maturity Date	:98A::MATU//19981229	Optional	Optional	Optional	Optional	
92a	Interest Rate	:92A::INTR//9,9	Optional	Optional	Optional	Optional	
16S	End of the Financial Instrument Attributes	:16S:FIA					
16S	End of the Transaction Details Sequence	:16S:TRADEDET					
<b>Sequence C - FIAC</b>							
16R	Start of the Financial Instrument / Account Sequence	:16R:FIAC					
36B	Quantity of the Financial Instrument	:36B::SETT//FAMT/20,000,000	Yes	Yes	Yes	Yes	
97a	Safekeeping Account	:97A::SAFE//ABC1	Yes	Yes	Yes	Yes	To indicate account maintained at the delivery institution
97a	Cash settlement Account	:97A::CASH//123456	Optional	Optional	Optional	Optional	
16S	End of the Financial Instrument / Account Sequence	:16S:FIAC					
<b>Sequence E - SETTLEMENT DETAILS</b>							
16R	Start of the Settlement Details Sequence	:16R:SETDET					
22F	Indicator	:22F:SETR//TRAD	Yes	Yes	Yes	Yes	

22F		:22F::RTGS/YRTG	Optional	Optional	Optional	Optional	Two indicators are allowed YRTG = settle in RTGS mode NRTG = settle in normal DVP mode (non RTGS)
17B	Accrued Interest Flag	:17B::ACRU//Y	Optional	Optional	Optional	Optional	net proceeds include interest accrued on security
<b>Sub-sequence E1 - SETTLEMENT PARTIES</b>							
16R	<i>Start of the Settlement Parties Sequence</i>	:16R::SETPRTY					
95a	Settlement Location	:95P::PSET//HKMAHKHC	Yes	Yes	Yes	Yes	HKMA runs CMU.
16S	<i>End of the Settlement Parties Sequence</i>	:16S::SETPRTY					
16R	<i>Start of the Settlement Parties Sequence</i>	:16R::SETPRTY					
95a	Receiving Agent's Name	:95P::REAG//DEUTHKHH	Yes	Yes	Yes	Yes	
97a	Receiving Agent's account number	:97A::SAFE//DBAN001	Yes	Yes	Yes	Yes	CMU account number
16S	<i>End of the Settlement Parties Sequence</i>	:16S::SETPRTY					
16R	<i>Start of the Settlement Parties Sequence</i>	:16R::SETPRTY					
95a	Buyer	:95P::BUYR//DEUTHKHH	Yes	Yes	Yes	Yes	Same as the receiving agent align with Global SMP 10 elements
		:97A::SAFE//DE20	Optional	Optional	Optional	Optional	Mandatory if more than 1 a/c with same BIC code
16S	<i>End of the Settlement Parties Sequence</i>	:16S::SETPRTY					
<b>Sequence E3 - AMT</b>							
16R	<i>Start of the Amounts Sequence</i>	:16R::AMT					
19a	Specifies Currency Amounts - Trade Amount	:19A::DEAL//HKD20,042,000.00	Yes	Yes	Yes	Yes	
16S	<i>End of the Amounts Sequence</i>	:16S::AMT					
16R	<i>Start of the Amounts Sequence</i>	:16R::AMT					
19A	Specifies Currency Amounts - Accrued Interest	:19A::ACRU//HKD477,370.00	Optional	Optional	Optional	Optional	
16S	<i>End of the Amounts Sequence</i>	:16S::AMT					
16R	<i>Start of the Amounts Sequence</i>	:16R::AMT					
19a	Specifies Currency Amounts - Settlement Amount	:19A::SETT//HKD20,519,370.00	Yes	Yes	Yes	Yes	
16S	<i>End of the Amounts Sequence</i>	:16S::AMT					
16S	<i>End of the Settlement Details Sequence</i>	:16R::SETDET					

### **3.1 Extension to Settlement Confirmation and Free of Payment**

The set of common elements can also be used for settlement confirmation and free of payment transaction with the following differences:

#### **3.2 free of payments**

Free of payment instruction contains the same elements as for the against payment transaction except for the elements pertaining to the settlement amounts. The settlement amount(s) is not required.

#### **3.3 confirms**

The Settlement confirmation – whether it is a free of payment or an against payment transaction – should contain the same elements as the original instruction

#### **PLUS:**

- The reference to the original settlement instruction that was received. This is done using the Linkage Block and the qualifier 20C::RELA//16x

#### **EXCEPT:**

- The settlement date given in the confirmation is the effective settlement date (which might differ from the instructed settlement date as stated in the instruction). This translates in ISO 15022 messages by using the qualifier ESET rather than SETT as qualifier for the date field 98a.
- The quantity of financial instrument in the confirmation is the effective settled quantity. This translates in ISO 15022 messages by using the qualifier ESTT rather than SETT as qualifier for the quantity of financial instrument field 36B.
- The settlement amount given in the confirmation is the effective settlement amount. This translates in ISO 15022 messages by using the qualifier ESTT rather than SETT as qualifier for the amount field 19A.