SECURITIES MARKET PRACTICE GROUP

SMPG

SETTLEMENT AND ISO 15022 STANDARDS:

SWITZERLAND

MARKET PRACTICE

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Swiss 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 (in dark blue)	
Addition	SCOM local code format Scheme.	Page 1, 2 and 4.

2 The Needed Elements

CH Business element name	Data Content Format
Sender's Message Reference	16x
Settlement Date	8!n
Trade Date	8!n
Identification of Financial Instrument	ISIN1!e12!c
Quantity of Financial Instrument to be settled	4!c/15d with 4!c = UNIT for equities 4!c = FAMT for fixed income
Safekeeping account to be credited or debited	35x
Delivering or Receiving agent	/SCOM/ (SIS BP-ID)
Client of Delivering or Receiving agent	BIC
Place of settlement	BIC
Settlement Amount (including currency)	3!a15d

2.1   Specifics

To settle equities or fixed income securities in the CH market the Common List of Data Elements needs to be used, with:

1. The delivering or receiving agent is to be specified with its local clearing identification number (SIS SegaIntersettle Business Partner Identification) . The data source scheme to use is /SCOM/ and the code format scheme is 2!a6!n (example: 95R::DEAG/SCOM/CH100164)
   A Bank Identifier Code (BIC) can also be accepted.

Illustration of the common elements used :
- Securities used: CH0123456789
- Parties and safekeeping accounts relationships as follows :

fund manager	FMXXCC22	fictional Bank Identifier Code (BIC)
	ABCD	fictional account with its global custodian
broker	BRYYCC22	fictional Bank Identifier Code (BIC)
	99857	fictional account with its local agent
global custodian	GCXXDD22	fictional Bank Identifier Code (BIC)
	A1B2	fictional account with its subcustodian/local agent
subcustodian/local agent of the global custodian (1)	SCXXCH22	fictional Bank Identifier Code (BIC)
	CH213540	fictional participant identifier with the central securities depository
local agent of the broker (2)	SCYYCH22	fictional Bank Identifier Code (BIC)
	CH888888	fictional participant identifier with the central securities depository
Example of PSET	INSECHZZ	

- Trade Date is: 01 March 2005
- Settlement Date is: 04 March 2005
- Settlement amount is: CHF300000,
- Sender's Reference is: 21324

Detailed Field Name	Data Field Content	Example
Start of block	GENL	:16R:GENL
Sender's Reference	16x	:20C::SEME//21324
Function of the message	4!c	:23G:NEWM
End of block	GENL	:16S:GENL
Start of block	TRADDET	:16R:TRADDET
Settlement Date	8!n	:98A::SETT//20050304
Trade Date	8!n	:98A::TRAD//20050301
Identification of the Financial Instruments	ISIN1!e12!c	:35B:ISIN CH0123456789
End of block	TRADDET	:16S:TRADDET
Start of block	FIAC	:16R:FIAC
Quantity of Financial Instrument	4!c/15d	:36B::SETT//xxxx/15000,
Safekeeping Account	35x	:97A::SAFE//xxxxxxxxx
End of block	FIAC	:16S:FIAC
Start of block	SETDET	:16R:SETDET
Settlement Transaction Type Indicator	1!a	:22F::SETR//TRAD
IDENTIFICATION OF PARTIES OF ACCOUNTS	WILL VARY	ACCORDING TO THE SETTLEMENT CHAIN
Start of block	AMT	:16R:AMT
Settlement amount	3!c15d	:19A::SETT//CHF300000,
End of block	AMT	:16S:AMT
End of block	SETDET	:16S:SETDET

Settlement Chain should at least contain:

Delivering or Receiving agent	Participant Identifier with CSD
Client of Delivering or Receiving agent	BIC
Place of Settlement	BIC

Example :

Start of block	SETPRTY	:16S:SETPRTY
Party (Delivering agent)	SIS Code	:95R::DEAG/SCOM/CH888888
End of block	SETPRTY	:16S:SETPRTY
Start of block	SETPRTY	:16R:SETPRTY
Party (Seller)	BIC	:95P::SELL//BRYYCC22
End of block	SETPRTY	:16S:SETPRTY
Start of block	SETPRTY	:16R:SETPRTY
Party (place of settlement)	BIC	:95P::PSET//INSECHZZ
End of block	SETPRTY	:16S:SETPRTY

3 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:

3.1   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.

3.2   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.