Operations supported by the SWIFT Messages Processing System

The sections below present the scope of supported Settlement & Reconciliation ISO15022 SWIFT message operations.

1. Operations supported without limitation

   - Accepting and matching settlement instructions including:
     - preliminary and final instructions;
     - instructions without cash settlement: MT540 and MT542 (e.g., account credit, portfolio transfer, error adjustment, transborder transfer);
     - instructions with cash settlement: MT541 and MT543 (transactions, post-transaction transfers).
   - Transmission of confirmation of the settlement of operations under submitted settlement instructions: MT544 to MT 547. For messages concerning instructions from the Exchange, the RELA type reference is the reference assigned by the Exchange.
   - Approving instructions.

2. Operations supported with limitation

   - Accepting settlement instructions with compound transactions declared unilaterally with WITH type relations (in the meaning of kdpw_stream). POOL type links are required in ISO15022 messages.
   - Transmission of confirmation of the settlement of operations under submitted settlement instructions: MT544 to MT 547. For messages concerning instructions from the Exchange, the RELA type reference is the reference assigned by the Exchange.
   - Transmission of instructions status (MT548) for instructions with a certain identifier or for all instructions in an entity account with a certain identifier.
   - Transmission of balances in registration accounts for an entity account with a certain identifier.
   - Transmission of operation statements – MT536 for an entity account with a certain identifier. In this message, the mode of reporting for single-status accounts is the same as for multiple-status accounts – list of sub-accounts.
   - In messages MT535 and MT536, a subaccount in SWIFT terminology is the counterpart of the registration account balance (identified with an entity account identifier and asset status).
   - Accepting queries about statements or lists of holding balances is only available at the entity account level (registration account level is not available in queries).
   - Deleting settlement instructions – no error flag for technical instructions.

3. Limitations in ISO15022 messages – scope of information or SMPG practice

- No list of open loans.
- List of holding balances only in COMP type (complete list instead of incremental).
- MT536 statements report all movements in accounts under SETT code.
- No MT538 processing, which should be available in correspondence with MT524; all records in MT536.
- Repo transaction reference (RpDtls/RpRef) communicated in ISO15022 messages in the field Deal Reference.
- No processing of repo collateral (R3 repo type).
- MT548 (instruction status) uses only one qualifier value:
  - SETT for status of substantive check, matching and settlement process; one qualifier value for reason.
  - PEND for Reason Code.

4. Operations using KDPW DSS (Data Source Schema) codes

- Accepting asset status change instructions (DSS: asset status code) – asset status change instructions can be used among others for pledge operations, exercise of warrants and certificates, making securities available for lending, contributing margins to the Guarantee Fund, processing some corporate actions. The designed solution is planned to preserve asset status codes used by kdpw_stream.
- Example: the target asset status 'BLOK' is specified in asset status change instruction MT524 as follows: :93A::TOBA/KDPW/BLOK.
- Providing settlement instruction status information (DSS: instruction status and reason code). The designed solution is planned to preserve status codes and reason codes used by kdpw_stream.
- Example: Information on an error due to unknown currency code:
  :16R:STAT
  :25D::SETT/KDPW/PENE
  :16R:REAS
  :24B::PEND/KDPW/R005
  :16S:STAT
- Instructions approval mechanism
  Settlement instructions are approved by means of technical instructions; the ISO15022 counterpart is MT530. Approval process operations are assigned the following codes:
  - YACP – instructions approved

- o DACP – approval refused
- o CACP – request to delete previous message

Example: Information on approval of settlement instructions in MT530 is as follows:

- o :22F::PROC/KDPW/YACP

- Processing non-typical market codes, including acceptance of post-transaction transfers for market code XP (market affiliated with a regulated market).

  In typical cases, the market code can be specified using a standard MIC, e.g., for instructions related to a WSE transaction, the field is: :94B::TRAD//XWAR. In non-typical cases, like the above-mentioned market code XP, the KDPW code is used, e.g.,: :94B::TRAD/KDPW/XPXX (the characters XX must be added to double-digit KDPW codes in order to match the four-digit field length required by SWIFT).

- Non-typical trading modes (DSS: trading mode code).

  The trading mode is an optional field and need not be completed in most cases. In special cases, the trading mode is specified in the field: :22F::TTCO.

  Example: In instructions concerning the allotment of new issue securities (trading mode: PS), the field is: :22F::TTCO/KDPW/PSXX (the characters XX must be added to double-digit KDPW codes in order to match the four-digit field length required by SWIFT)

- Non-typical operations codes (DSS: settlement operation code)

  Typical settlement operation codes are standard SWIFT identifiers, e.g., a transaction code: :22F::SETR/TRAD. Operations without SWIFT counterparts are specified with a KDPW code, e.g., settlement of the exercise of warrants is specified as :22F::SETR/KDPW/WWXX. (the characters XX must be added to double-digit KDPW codes in order to match the four-digit field length required by SWIFT).