



Standards

Category 3 – Treasury Markets

Message Usage Guidelines - NDF

These usage guidelines provide information about the category 3 message standards (MT 300 and MT 304) for Non Deliverable Forward (NDF) trades. The information given is based on that of the SWIFT User Handbook but in some cases includes usage for specific market infrastructures.

31 January 2011

Table of Contents

1	Introduction	4
2	Coverage	4
3	Message Types for NDF	5
3.1	MT 300 and MT 304	5
4	Message Type Formats	6
4.1	MT 300	6
4.2	MT 304	10
4.3	Transaction Information.....	14
5	Events/Flows.....	16
5.1	Opening Information	16
5.2	Closing Information	17
6	Settlement.....	20
6.1	Settlement through CLS	20
7	Settlement through an agent	39
7.1	Settlement Information	39
7.2	Examples.....	41
8	Legal Notices	43

Preface

Purpose of this document

This document contains guidelines for the use of MT 300 Foreign Exchange Confirmation and MT 304 Advice/Instruction of a Third Party Deal messages to confirm NDF trades.

Intended audience

This document is for the following audience:

- Back office users who send and receive treasury trade confirmations
- Application Developers
- Interface Developers

Related documentation

- *SWIFT UserHandbook - Category 3 - Volume 1*
- *Message Usage Guidelines – MT 304 Settlement Instructions*
- *CLS Documentation*

Version

SR10/11_01

1 Introduction

The treasury markets are subject to an ever-increasing pace of change. New participants are now exchanging treasury messages and this has led to the emergence of new flows.

SWIFT has analysed the potential effects of these changes and has collated usage guidelines resulting from these new trends.

2 Coverage

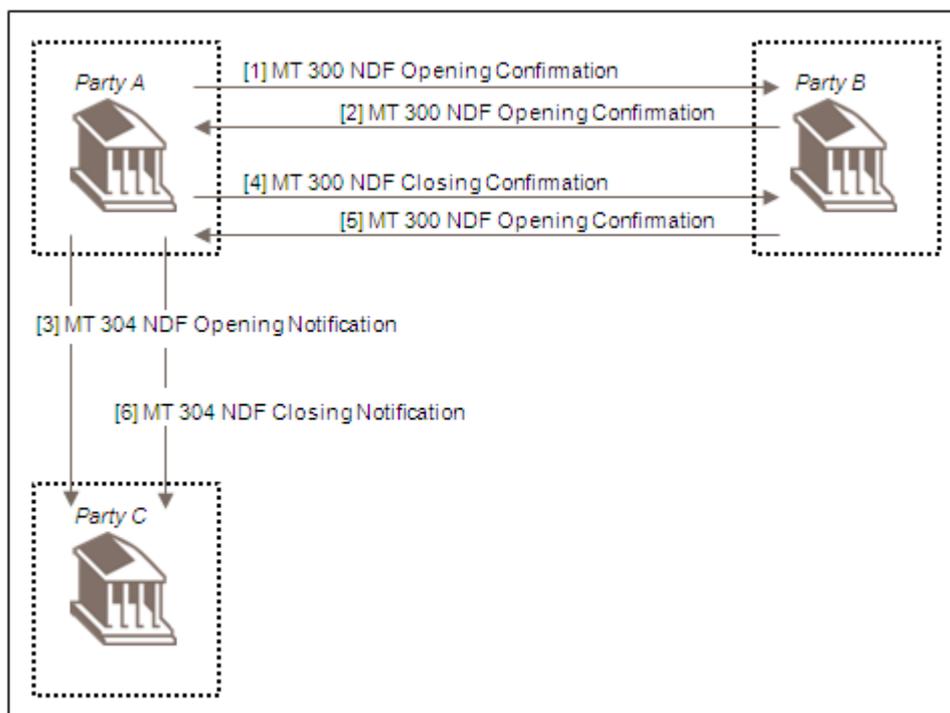
The usage guidelines which are included in the current User Handbook have been grouped and included in this document. They aim at clarifying the usage of current messages for NDF.

3 Message Types for NDF

3.1 MT 300 and MT 304

To confirm a Non Deliverable Forward Trade, both parties should exchange MT 300 confirmations at the opening and at the fixing of the trade.

To notify a Non Deliverable Forward Trade to a party such as a custodian or settlement system, MT 304 notifications have to be sent to this party at the opening and at the fixing (closing) of the trade.



4 Message Type Formats

4.1 MT 300

Only the fields relevant to an NDF are described below. For a complete description of the message, please refer to the SWIFT User Handbook.

Tag	Field Name	Content / Options	Definition	Comments and Notes
:15A:	New Sequence	<i>empty</i>	Sequence A General Information.	
:20:	Sender's Reference	16x	Unique reference number assigned to the confirmation by the Sender.	
:21:	Related Reference	16x	Reference number of the confirmation to which the current message is related.	Mandatory field if field 22 contains "AMND" or "CANC"; otherwise optional.
:22:	Type of Operation	AMND	Amendment.	Used to add optional sequences/fields to a previously sent confirmation message. Also used to confirm bilaterally agreed changes, in this case each party must send an AMND message.
		CANC	Cancellation.	Used to cancel a previously sent confirmation message.
		DUPL	Duplication.	Used to inform the custodian that an confirmation was already sent by telex, fax or SWIFT.
		NEWT	New.	Used to send a confirmation for the first time or to send a corrected MT 300 when the erroneous one was cancelled using an MT 300 with CANC.
:94A:	Scope of Operation	BILA	Type of foreign exchange confirmation = bilateral contract.	Indicates that the foreign exchange confirmations are exchanged between party A and party B.

Category 3 - Treasury Markets

		AGNT	Type of foreign exchange confirmation = agent confirmation.	Indicates that one or both foreign exchange confirmations are sent on behalf of party A by the Sender and/or received on behalf of party B by the Receiver.
:22C:	Common Reference		Reference common to both the Sender and the Receiver.	Reference must contain Sender Bank Code, Receiver Bank Code and Location Code in alphabetical order separated by the last 4 non-zero digits of the exchange rate.
:82a:	Party A	A	Identifies the trading party at the sending side – corporate, fund manager, executing broker or any other financial institution.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:87a:	Party B	A	Identifies the trading party at the receiving side – corporate, fund manager, executing broker or any other financial institution.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:83a:	Fund	A	Identifies the fund.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
:77D	Terms and Conditions		Specifies the underlying legal agreement and/or NDF parameters.	<p>When the trade is an NDF opening, this field specifies:</p> <ul style="list-style-type: none"> • the code VALD and the date on which the spot rate is to be applied. • the code SETC and the settlement currency of the NDF trade. <p>When the trade is an NDF fixing (valuation), the field specifies:</p> <ul style="list-style-type: none"> • the code FIX and the reference to the original NDF opening confirmation.
:15B:	New Sequence	<i>empty</i>	Sequence B Transaction Details.	

Category 3 - Treasury Markets – Message Usage Guidelines

:30T:	Trade Date	YYYYMMDD	Date the transaction was agreed between both trading parties.	No control on content, only on format.
:30V:	Value Date	YYYYMMDD	Value date of the transaction.	No control on content, only on format.
:36:	Exchange Rate	12d	Agreed exchange rate of the transaction.	
			Subsequence B1 Amount Bought.	
:32B:	Currency, Amount Bought	3!a15d	Specifies the currency and amount bought.	Currency must be a valid ISO 4217 currency code
:53a:	Delivery Agent	A	Identifies the financial institution from which the payer will transfer the amount bought.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in whichever order
:56a::	Intermediary	A	Identifies the intermediary for the transfer of the funds.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order
:57a:	Receiving Agent	A	Identifies the financial institution and account where the payee will receive the amount bought.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
			Subsequence B2 Amount Sold.	
:33B:	Currency, Amount Sold	3!a15d	Identifies the currency and amount sold.	Currency must be a valid ISO 4217 currency code.

Category 3 - Treasury Markets

:53a:	Delivery Agent	A	Identifies the financial institution from which the payer will transfer the amount sold.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:56a:	Intermediary	A	Identifies the intermediary for the transfer of the funds.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
:57a:	Receiving Agent	A	Identifies the financial institution and account where the payee will receive the amount sold.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
:58a:	Beneficiary Institution	A	Identifies the institution in favour of which the payment is done.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.

4.2 MT 304

Only the fields relevant to an NDF are described below. For a complete description of the message, please refer to the SWIFT User Handbook.

There is a second mechanism for specifying an NDF in the MT 304. As this is still at proposal stage, this is not included in this version of the document.

CLS has, for many of the fields, specific usage and CLS's own documentation should be consulted.

Tag	Field Name	Content / Options	Definition	Comments and Notes
:15A:	New Sequence	<i>empty</i>	Sequence A General Information.	
:20:	Sender's Reference	16x	Unique reference number assigned to the notification by the Sender.	
:21:	Related Reference	16x	Reference number of the confirmation to which the current message is related.	Mandatory field if field 22 contains "AMND" or "CANC"; otherwise optional.
:22:	Type of Operation	AMND	Amendment.	Used to add settlement agents to an MT304 previously sent or to correct error(s) in an MT 304 previously sent or to add optional sequences/fields to an MT 304 previously sent.
		CANC	Cancellation	Used to cancel an MT304 previously sent or to cancel an MT304 which contains erroneous information.
		DUPL	Duplication.	Used to inform the custodian that an advice / instruction was already sent by telex, fax or SWIFT.
		NEWT	New.	Used to send an advice / instruction for the first time or to send a corrected MT 304 when the erroneous one was cancelled using an MT 304 with function CANC.
:94A:	Scope of Operation	ASET	Type of foreign exchange contract = settlement contract.	Indicates that the foreign exchange is a physical settlement in which both the buy and sell currencies will move on the settlement (value) day. For an NDF opening and NDF valuation (fixing), the code ASET must

Category 3 - Treasury Markets

				be used.
:83a:	Fund	A	Identifies the fund.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line, that is, /Fund Id in first line followed by Fund Name in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
:82a:	Fund Manager	A	Identifies the fund manager.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:87a:	Executing Broker	A	Identifies the executing broker.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:15B:	New Sequence	<i>empty</i>	Sequence B Forex Transaction Details.	
:30T:	Trade Date	YYYYMMDD	Date the transaction was agreed between the fund manager and the executing broker.	No control on content, only on format.
:30V:	Value Date	YYYYMMDD	Value date of the transaction.	No control on content, only on format .
:36:	Exchange Rate	12d	Agreed exchange rate of the transaction.	
			Subsequence B1 Amount Bought.	

Category 3 - Treasury Markets – Message Usage Guidelines

:32B:	Currency, Amount Bought	3!a15d	Identifies the currency and amount bought.	Currency must be a valid ISO 4217 currency code.
:53a:	Delivery Agent	A	Identifies the financial institution from which the payer will transfer the amount bought.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:56a:	Intermediary	A	Identifies the intermediary for the transfer of the funds.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
:57a:	Receiving Agent	A	Identifies the financial institution and account where the payee will receive the amount bought.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
			Subsequence B2 Amount Sold.	
:33B:	Currency, Amount Sold	3!a15d	Identifies the currency and amount sold.	Currency must be a valid ISO 4217 currency code.
:53a:	Delivery Agent	A	Identifies the financial institution from which the payer will transfer the amount sold. Note: not used for CLS settlement.	With BIC in first line.
		D		With description in first line.
		J		With /ABIC/, /NAME/, etc. tags in any order.
:56a:	Intermediary	A	Identifies the intermediary for the	With account number in first line and BIC in second line.

Category 3 - Treasury Markets

		D	transfer of the funds.	With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in whichever order
:57a:	Receiving Agent	A	Identifies the financial institution and account where the payee will receive the amount sold.	With account number in first line and BIC in second line.
		D		With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
:58a:	Beneficiary Institution	A	Identifies the institution in favour of which the payment is done.	With account number in first line and BIC in second line.
		D	CLS Usage: not used for CLS settlement.	With account number in first line and description in second line.
		J		With /ABIC/, /ACCT/, /NAME/, etc. tags in any order.
			Sequence C General Information.	
72	Sender to Receiver Information		Specifies NDF parameters.	<p>When the trade is an NDF opening, this field specifies:</p> <ul style="list-style-type: none"> • the code VALD and the date on which the spot rate is to be applied. • the code SETC and the settlement currency of the NDF trade. <p>When the trade is an NDF fixing (valuation), the field specifies: the code FIX and the reference to the original NDF opening confirmation.</p>

4.3 Transaction Information

4.3.1 References – Field 20, Field 21 and Field 22C

Each confirmation and each notification must contain a unique identification in field 20. When an amendment or a cancellation has to be sent, field 21 must contain a reference (that is, the original field 20) of the message being cancelled/amended. It should be noted that in that case, field 20 of the cancellation/amendment message should contain a new identification.

In the MT 300, field 22C contains a reference common to both parties and it should be used as related reference in any subsequent payment or advice to receive message.

4.3.2 Scope of Operation – Field 92

4.3.2.1 MT 300

AGNT is used when the Sender and/or Receiver of the confirmation is not one of the trading parties (centralised back office, service bureau, etc).

BILA is used when both Sender and Receiver are trading parties.

BROK is used when a money broker is notifying a trading party of a trade agreed on its behalf.

The majority of systems (matching, back office, etc) ignore field 92.

4.3.2.2 MT 304

ASET is used to notify the receiver of the opening or of the fixing (valuation) of an NDF.

AFWD is currently not used for NDFs.

4.3.3 Parties Roles – Field 82 and Field 87

In many cases, the Sender and/or the Receiver are confirming trades on behalf of another party. For instance, a centralised back-office will confirm trades on behalf of several local branches.

Field 82 must contain the party that has executed the trade with the counterparty.

Field 87 contains the counterparty of the FX trade.

Field 82 and Field 87 must contain the parties whose accounts are used for the settlement of the trade. The only exception to this rule is related to the use of field 83.

4.3.3.1 MT 304

For notifications from Fund Manager to Custodian:

Field 82 contains the Fund Manager.

Field 87 contains the Executing Broker.

For notifications from CLS Settlement Member to CLS:

Field 82 contains the Settlement Member (or a Third Party is settling through the Settlement Member).

Field 87 contains the Counterparty.

For notifications from Third Party to CLS Settlement Member:

Field 82 contains the Third Party (settling through the Settlement Member).

Field 87 contains the Counterparty

4.3.4 Reference to a Master Agreement – Field 77D of MT 300

This field may refer to master agreements which have been put in place on a bilateral basis. This field may also refer to local regulations or to specific conditions applicable to the trade.

If this field is not present, the deal conforms either to bilateral agreements or to usual banking practice.

When one party has indicated a reference to the usual Master Agreement and the other party has not specified that information in field 77D, it is normally understood that the usual Master Agreement applies.

In the case of a deviation to the master agreement or to the usual banking practices agreed, it is best practice that both parties specify it.

5 Events/Flows

5.1 Opening Information

- The Opening Confirmation contains:
- the amount in non-deliverable currency
- the amount in settlement currency
- the agreed exchange rate
- the trade date
- the settlement date
- the settlement parties
- the valuation date (/VALD/)
- the settlement currency (/SETC/)
- the settlement rate source (/SRCE/ *(optional as not all markets can provide)*)

5.1.1 Amounts - Field 32B and Field 33B

The amounts are always confirmed from Party A's point of view (notification sending side).

Field 32B in subsequence B1 contains the amount bought.

Field 33B in subsequence B2 contains the amount sold.

	Message sent
	Trading Party (Party A) receives the Non Deliverable Notional Amount
Sequence B	
36:Exchange Rate	Forward Rate
Subsequence B1	
32B:Amount Bought	Non Deliverable Notional Amount
Subsequence B2	
33B: Amount Sold	Deliverable Amount

	Message sent
	Trading Party (Party A) pays the Non Deliverable Notional Amount
Sequence B	

36:Exchange Rate	Forward Rate
Subsequence B1	
32B:Amount Bought	Deliverable Amount
Subsequence B2	
33B: Amount Sold	Non Deliverable Notional Amount

5.1.2 NDF Specific Information – Field 72 and Field 77D

Field 77D of an MT 300 and field 72 of an MT 304 specify information that indicates that the message is for the opening of an NDF:

- /VALD/ followed by the valuation date on the first line
- /SETC/ followed by the settlement currency on the second line
- Optionally /SRCE/ followed by the settlement rate source on the third line (*optional as not all markets can provide*)

Note:

For a cross-currency NDF (non-deliverable currency against a deliverable currency other than USD), the Settlement Rate Source can be specified in the third line, followed by the fixing time and the time zone in which the fixing time is expressed (identified by means of the offset against the UTC).

Example:

```
:77D:/VALD/20090525
/SETC/EUR
/SRCE/ECB37/0915+0200
```

5.2 Closing Information

The closing message contains:

- the amount in non-deliverable currency
- the updated amount in deliverable currency (recalculated on the basis of the fixing rate)
- the trade date for the fixing instruction
- the fixing exchange rate
- the settlement date
- the settlement parties
- the net amount is not specified in the valuation message, it is the difference between the deliverable currency amounts of the opening and of the closing messages.

5.2.1 Amounts - Field 32B and Field 33B

The amounts are always confirmed from Party A's point of view (sending side).
 Field 32B in subsequence B1 contains the amount bought.
 Field 33B in Subsequence B2 contains the amount sold.

The closing message contains the amounts in the opposite direction of the opening message. (Currency Bought becomes Currency Sold, Currency Sold becomes Currency Bought.)

5.2.2 NDF Specific Information - Field 72 and Field 77D

In the MT 300, field 77D is used to indicate that the message is the valuation (closing) of an NDF trade. Field 77D will contain /FIX/ followed by the reference (field 20) of the opening MT 300.

In the MT 304, field 72 is used to indicate that the message is the valuation (closing) of an NDF trade. Field 72 will contain /FIX/ followed by the reference (field 20) of the opening MT 300.

MT 300

#	Fields	Event
1	:20:123 :22:NEWT	Create Opening
2	:20:125 :22:NEWT :77D:/FIX/123	Create Closing

MT 304

#	Fields	Event
1	:20:123 :22:NEWT	Create Opening
2	:20:125 :22:NEWT :72D:/FIX/123	Create Closing

5.2.3 References - Field 20, Field 21 and Field 72 /FIX/

Normally, the messages are sent in sequence and linked through the indication of the reference of the opening message in the valuation one (/FIX/ + reference).

Field 21 (Related Reference) should be specified only in an amendment or a cancellation message and is used to link an updated message to the original one.

MT 300 – with amendment

#	Fields	Event
1	:20:123 :22:NEWT	Create Opening

Category 3 - Treasury Markets

2	:20:124 :21:123 :22:AMND	Amend Opening
3	:20:125 :22:NEWT :77D:/FIX/124	Create Closing

When the opening is amended, the closing message will reference the amendment

If an amendment or a cancellation of the opening message is required, it should be sent whenever possible before the valuation message is sent.

If an amendment or a cancellation occurs out of sequence, care should be taken that both messages can still be linked.

#	Fields	Event
1	:20:123 :22:NEWT	Create Opening
2	:20:124 :21:123 :22:AMND	Amend Opening
3	:20:125 :22:NEWT /FIX/124	Create Closing
4	:20:126 :21:125 :22:AMND /FIX/124	Amend Closing
5	:20:127 :21:124 :22:CANC	Cancel Opening
6	:20:128 :21:126 :22:CANC /FIX/124	Cancel Closing

5.2.4 Difference between Beneficiary Customer and Beneficiary Institution

When one of the trading parties (specified in field 82 or in field 87) is acting on behalf of a fund or of a beneficiary customer, this party is considered as an intermediary and the party specified in field 83 is therefore one of the parties of the trade. This is the party with whom the deal is actually made.

When the party in field 87a needs to be paid as a result of the deal, but has instructed that the funds be paid to another party, this other party is specified in the Beneficiary Institution (field 58).

6 Settlement

6.1 Settlement through CLS

This document only contains the information related to MT 300 and MT 304. There are other ways to notify CLS of a trade to be settled through CLS Bank, which are not covered here.

The table below describes different combinations of flows from the sender's point of view.

Note:

In some cases, both an MT 300 and an MT 304 will be sent.

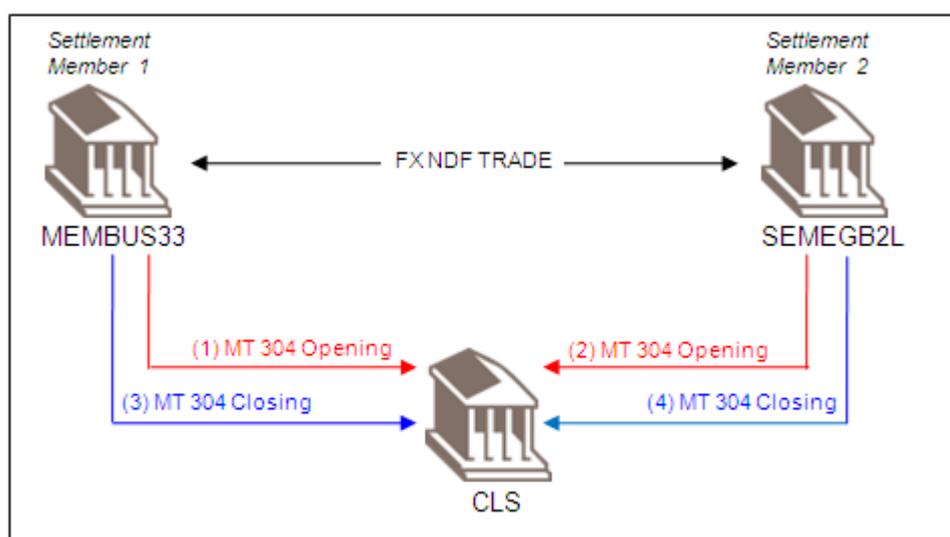
Sender	MT 300		MT 304	
	Sent to Counterparty	Copied to CLS	Sent to CLS	Sent to Settlement Member
CLS Member (own trade)	N	na	Y	na
CLS Member (own trade)	Y	N	Y	na
CLS Member (own trade)	Y	Y	N	na
Third Party	N	na	na	Y
Third Party	Y	na	na	Y
CLS Member on behalf of Third Party	na	na	Y	na

6.1.1 Trade executed between 2 Settlement Members

The FX trade is executed between 2 CLS Settlement Members. There are different possibilities:

- The MT 300 confirmation sent by a Settlement Member is copied from the SWIFT network to CLS.
- or
- The Settlement Member directly notifies CLS through an MT 304
- or
- The Settlement Member directly notifies CLS through GDI (Gross Direct Input) – not covered in this document.

Sample Flow



Settlement Instructions

The table illustrates the settlement parties for the MT 304s in the above diagram.

TABLE 1	MT 304 (1) & (3)		MT 304 (2 & (4)	
Sender	Settlement Member 1	MEMBUS33	Settlement Member 2	SEMEGB2L
Receiver	Settlement Member 2	SEMEGB2L	Settlement Member 1	MEMBUS33
:82A:Party A	Settlement Member 1	MEMBUS33	Settlement Member 2	SEMEGB2L
:87A:Party B	Settlement Member 2	SEMEGB2L	Settlement Member 1	MEMBUS33
:83D:Fund or NA	NA	NA	NA	NA
Subsequence B1 Amount Bought				

Category 3 - Treasury Markets – Message Usage Guidelines

:53A:Delivery Agent	Settlement Member 2	SEMEGB2L	Settlement Member 1	MEMBUS33
:57A:Account With Bank	CLS	CLSBUS33	CLS	CLSBUS33
Subsequence B2 Amount Sold				
:57A:Account With Bank	CLS	CLSBUS33	CLS	CLSBUS33

Illustration

SEMEGB2L, a CLS Settlement Member, agrees with MEMBUS33, another CLS Settlement Member that SEMEGB2L buys an NDF of 100,000,000 PHP against USD.

The counterparties directly notify CLS via an MT 304.

Message Examples Extracts

The following are message extracts of the MT 304 opening and closing from the above diagram.

Message 1: MT 304 Opening

Opening	MT 304
Sender	MEMBUS33
Receiver	CLSBUS33
Sender's Reference	:20:SM1-O-000001
Scope	:94A:ASET
Party A	:82A:MEMBUS33
Party B	:87A:SEMEGB2L
Fund	:83D:NA
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,021
Subsequence B1 Amount Bought	
Counter value in USD	:32B:USD2100000,
Delivery Agent	:53A:SEMEGB2L
Account With Bank	:57A:CLSBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	:33B:PHP100000000,
Account With Bank	:57A:CLSBUS33

Category 3 - Treasury Markets

NDF Information	: 72 : /VALD/20101213 /SETC/USD
-----------------	------------------------------------

Message 2: MT 304 Opening

Opening	MT 304
Sender	SEMEGB2L
Receiver	CLSBUS33
Sender's Reference	: 20 : SM2-O-000001
Scope	: 94A : ASET
Party A	: 82A : SEMEGB2L
Party B	: 87A : MEMBUS33
Fund	: 83D : NA
Trade Date	: 30T : 20101015
Value Date	: 30V : 20101215
Forward Rate	: 36 : 0, 021
Subsequence B1 Amount Bought	
Non Deliverable Notional	: 32B : PHP100000000,
Delivery Agent	: 53A : MEMBUS33
Account With Bank	: 57A : CLSBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B : USD2100000,
Account With Bank	: 57A : CLSBUS33
NDF Information	: 72 : /VALD/20101213 /SETC/USD

Message 3: MT 304 Closing

Opening	MT 304
Sender	MEMBUS33
Receiver	CLSBUS33
Sender's Reference	: 20 : SM1-O-000002
Scope	: 94A : ASET
Party A	: 82A : MEMBUS33
Party B	: 87A : SEMEGB2L
Fund	: 83D : NA
Trade Date	: 30T : 20101015
Value Date	: 30V : 20101215
Forward Rate	: 36 : 0, 022

Subsequence B1 Amount Bought	
Non Deliverable Notional	: 32B: PHP100000000,
Delivery Agent	: 53A: SEMEGB2L
Account With Bank	: 57A: CLSBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B: USD2200000,
Account With Bank	: 57A: CLSBUS33
NDF Information	: 72: /FIX/SM2-O-000001

Message 4: MT 304 Closing

Opening	MT 304
Sender	SEMEGB2L
Receiver	CLSBUS33
Sender's Reference	: 20: SM2-O-000002
Scope	: 94A: ASET
Party A	: 82A: SEMEGB2L
Party B	: 87A: MEMBUS33
Fund	: 83D: NA
Trade Date	: 30T: 20101015
Value Date	: 30V: 20101215
Forward Rate	: 36: 0, 022
Subsequence B1 Amount Bought	
Counter value in USD	: 32B: USD2200000,
Delivery Agent	: 53A: MEMBUS33
Account With Bank	: 57A: CLSBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	: 33B: PHP100000000,
Account With Bank	: 57A: CLSBUS33
NDF Information	: 72: /FIX/SM2-O-000001

CLS will calculate and settle the net amount - 100,000 USD from MEMBUS33 to SEMEGB2L.

6.1.2 Trade executed between one Settlement Member and one Third Party

The FX trade is executed between a CLS Settlement Member and a Third Party which is settling through another Settlement Member. There are different possibilities:

- The MT 300 confirmation sent by the Settlement Member is copied from the SWIFT network to CLS

Category 3 - Treasury Markets

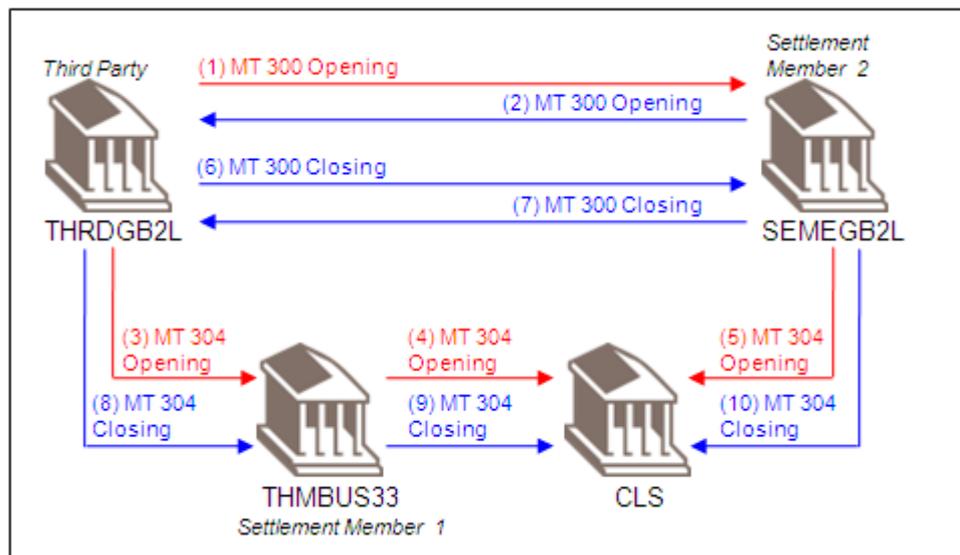
or

- The Settlement Member directly notifies CLS through an MT 304 (or through GDI).
- The MT 300 sent by the Third Party is copied from the SWIFT network to the Third Party Settlement Member.

or

- The Third Party sends an MT 304 to its Settlement Member
- The Third Party Settlement Member notifies CLS through an MT 304 (or through GDI).

Sample Flow



Settlement Instructions

Table 1 illustrates the settlement parties for the MT 300s in the above diagram.

TABLE 1	MT 300 (1) & (6)		MT 300 (2) & (7)	
Sender	Third Party	THRDGB2L	Settlement Member 2	SEMEGB2L
Receiver	Settlement Member 2	SEMEGB2L	Third Party	THRDGB2L
:82A:Party A	Third Party	THRDGB2L	Settlement Member 2	SEMEGB2L
:87A:Party B	Settlement Member 2	SEMEGB2L	Third Party	THRDGB2L
Subsequence B1 Amount Bought				
:56A:Intermediary	CLS	CLSBUS33	CLS	CLSBUS33
:57A:Account With Bank	Settlement Member 1 (3 rd party's settlement member)	THMBUS33	CLS	CLSBUS33
Subsequence B2 Amount Sold				
:56A:Intermediary			CLS	CLSBUS33
:57A:Account With Bank	CLS	CLSBUS33	Settlement Member 1 (3 rd party's settlement member)	THMBUS33

Tables 2 & 3 illustrate the settlement parties for the MT 304s in the above diagram.

TABLE 2	MT 304 (3) & (8)		MT 304 (4 & (9)	
Sender	Third Party	THRDGB2L	Settlement Member 1 (3 rd party's settlement member)	THMBUS33
Receiver	Settlement Member 1 (3 rd party's settlement member)	THMBUS33	CLS	CLSBUS33
:82A:Party A	Third Party	THRDGB2L	Third Party	THRDGB2L

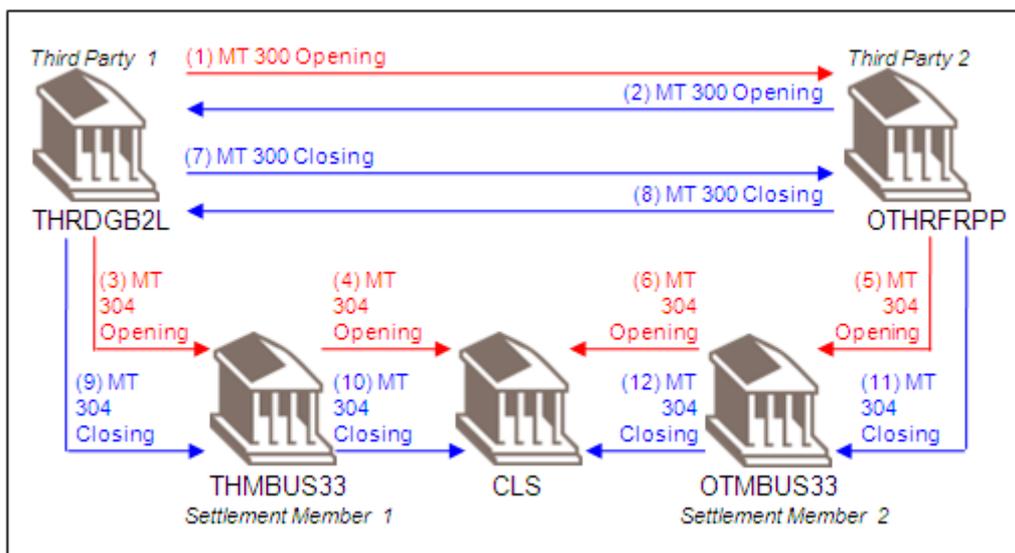
Category 3 - Treasury Markets

:87A:Party B	Settlement Member 2	SEMEGL2L	Settlement Member 2	SEMEGL2L
:83D:Fund or NA	NA	NA	NA	NA
Subsequence B1 Amount Bought				
:53A:Delivery Agent	Settlement Member 2	SEMEGL2L	Settlement Member 2	SEMEGL2L
:56A:Intermediary	CLS	CLSBUS33		
:57A:Account With Bank	Settlement Member 1 (3 rd party's settlement member)	THMBUS33	CLS	CLSBUS33
Subsequence B2 Amount Sold				
:57A:Account With Bank	CLS	CLSBUS33	CLS	CLSBUS33

TABLE 3	MT 304 (5) & (10)	
Sender	Settlement Member 2	SEMEGB2L
Receiver	CLS	CLSBUS33
:82A:Party A	Settlement Member 2	SEMEGB2L
:87A:Party B	Third Party	THRDGB2L
:83D:Fund or NA	NA	NA
Subsequence B1 Amount Bought		
:53A:Delivery Agent	Settlement Member 1 (3 rd party's settlement member)	THMBUS33
:56A:Intermediary		
:57A:Account With Bank	CLS	CLSBUS33
Subsequence B2 Amount Sold		
:57A:Account With Bank	CLS	CLSBUS33

6.1.3 Trade executed between two Third Parties

Sample Flow



Settlement Instructions

Table 1 illustrates the settlement parties for the MT 300s in the above diagram.

TABLE 1	MT 300 (1) & (7)		MT 300 (2) & (8)	
Sender	Third Party 1	THRDGB2L	Third Party 2	OTHRFRPP
Receiver	Third Party 2	OTHRFRPP	Third Party 1	THRDGB2L
:82A:Party A	Third Party 1	THRDGB2L	Third Party 2	OTHRFRPP
:87A:Party B	Third Party 2	OTHRFRPP	Third Party 1	THRDGB2L
Subsequence B1 Amount Bought				
:56A:Intermediary	CLS	CLSBUS33	CLS	CLSBUS33
:57A:Account With Bank	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33	Settlement Member 2 (3 rd Party 2's settlement member)	OTMBUS33
Subsequence B2 Amount Sold				
:56A:Intermediary	CLS	CLSBUS33	CLS	CLSBUS33
:57A:Account With Bank	Settlement Member 2 (3 rd Party 2's settlement)	OTMBUS33	Settlement Member 1 (3 rd Party 1's settlement)	THMBUS33

Category 3 - Treasury Markets

	member)		member)	
--	---------	--	---------	--

Tables 2 & 3 illustrate the settlement parties of the MT 304s in the above diagram.

TABLE 2	MT 304 (3) & (9)		MT 304 (4) & (10)	
Sender	Third Party 1	THRDGB2L	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33
Receiver	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33	CLS	CLSBUS33
:82A:Party A	Third Party 1	THRDGB2L	Third Party 1	THRDGB2L
:87A:Party B	Third Party 2	OTHRFRPP	Third Party 2	OTHRFRPP
:83D:Fund or NA	NA	NA		
Subsequence B1 Amount Bought				
:53A:Delivery Agent	Settlement Member 2 (3 rd Party 2's settlement member)	OTMBUS33	Settlement Member 2 (3 rd Party 2's settlement member)	OTMBUS33
:56A:Intermediary	CLS	CLSBUS33		
:57A:Account With Bank	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33	CLS	CLSBUS33
Subsequence B2 Amount Sold				
:56A:Intermediary	CLS	CLSBUS33		
:57A:Account With Bank	Settlement Member 2 (3 rd Party 2's settlement member)	OTMBUS33	CLS	CLSBUS33

TABLE 3	MT 304 (5) & (11)		MT 304 (6) & (12)	
Sender	Third Party 2	OTHRFRPP	Settlement Member 2 (3 rd Party 2's)	OTMBUS33

Category 3 - Treasury Markets – Message Usage Guidelines

			settlement member)	
Receiver	Settlement Member 2 (3 rd Party 2's settlement member)	OTMBUS33	CLS	CLSBUS33
:82A:Party A	Third Party 2	OTHRFRPP	Third Party 2	OTHRFRPP
:87A:Party B	Third Party 1	THRDGB2L	Third Party 1	THRDGB2L
:83D:Fund or NA	NA	NA	NA	NA
Subsequence B1 Amount Bought				
:53A:Delivery Agent	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33
:56A:Intermediary	CLS	CLSBUS33		
:57A:Account With Bank	Settlement Member 2 (3 rd Party 2's settlement member)	OTMBUS33	CLS	CLSUS33
Subsequence B2 Amount Sold				
:56A:Intermediary	CLS	CLSBUS33		
:57A:Account With Bank	Settlement Member 1 (3 rd Party 1's settlement member)	THMBUS33	CLS	CLSUS33

Illustration

OTHRFRPP, a CLS Third Party, agrees with THRDGB2L, another CLS Third Party that OTHRFRPP buys an NDF of 100,000,000 PHP against USD.

OTHRFRPP settles through Settlement Member OTMBUS33.

THRDGB2L settlements through Settlement Member THMBUS33.

Message Example Extracts

The following are message extracts of the MT 300 and MT 304 opening and closing from the above diagram.

Message 1: MT 300 Opening

Opening	MT 300
Sender	THRDGB2L
Receiver	OTHRFRPP
Sender's Reference	:20:TP1-O-000001
Party A	:82A:THRDGB2L
Party B	:87A:OTHRFRPP
Fund	
NDF Information	:77D:/VALD/20101213 /SETC/USD
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,021
Subsequence B1 Amount Bought	
Counter value in USD	:32B:USD2100000,
Delivery Agent	
Intermediary	:56A:CLSBUS33
Account With Bank	:57A:THMBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	:33B:PHP100000000,
Intermediary	:56A:CLSBUS33
Account With Bank	:57A:OTMBUS33

Message 2: MT 300 Opening

Opening	MT 300
Sender	OTHRFRPP
Receiver	THRDGB2L
Sender's Reference	:20:TP2-O-000001
Party A	:82A:OTHRFRPP
Party B	:87A:THRDGB2L
Fund	
NDF Information	:77D:/VALD/20101213 /SETC/USD
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,021
Subsequence B1 Amount Bought	

Category 3 - Treasury Markets – Message Usage Guidelines

Non Deliverable Notional	: 32B:PHP100000000,
Delivery Agent	
Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:OTMBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B:USD2100000,
Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:THMBUS33

Message 3: MT 304 Opening

Opening	MT 304
Sender	THRDGB2L
Receiver	THMBUS33
Sender's Reference	: 20:TP1-O-000002
Scope	: 94A:ASET
Party A	: 82A:THRDGB2L
Party B	: 87A:OTHRFRPP
Fund	: 83D:NA
Trade Date	: 30T:20101015
Value Date	: 30V:20101215
Forward Rate	: 36:0,021
Subsequence B1 Amount Bought	
Counter value in USD	: 32B:USD2100000,
Delivery Agent	: 53A:OTMBUS33
Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:THMBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	: 33B:PHP100000000,
Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:OTMBUS33
NDF Information	: 72:/VALD/20101213 /SETC/USD

Message 4: MT 304 Opening

Opening	MT 304
Sender	THMBUS33

Category 3 - Treasury Markets

Receiver	CLSBUS33
Sender's Reference	:20:SM1-O-000001
Scope	:94A:ASET
Party A	:82A:THRDGB2L
Party B	:87A:OTHRFRPP
Fund	:83D:NA
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,021
Subsequence B1 Amount Bought	
Counter value in USD	:32B:USD2100000,
Delivery Agent	:53A:OTMBUS33
Intermediary	
Account With Bank	:57A:CLSBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	:33B:PHP100000000,
Intermediary	
Account With Bank	:57A:CLSBUS33
NDF Information	:72:/VALD/20101213 /SETC/USD

Message 5 : MT 304 Opening

Opening	MT 304
Sender	OTHRFRPP
Receiver	OTMBUS33
Sender's Reference	:20:TP2-O-000002
Scope	:94A:ASET
Party A	:82A:OTHRFRPP
Party B	:87A:THRDGB2L
Fund	:83D:NA
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,021
Subsequence B1 Amount Bought	
Non Deliverable Notional	:32B:PHP100000000,
Delivery Agent	:53A:THMBUS33

Category 3 - Treasury Markets – Message Usage Guidelines

Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:OTMBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B:USD2100000,
Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:THMBUS33
NDF Information	: 72:/VALD/20101213 /SETC/USD

Message 6 : MT 304 Opening

Opening	MT 304
Sender	OTMBUS33
Receiver	CLSBUS33
Scope	: 94A:ASET
Sender's Reference	: 20:SM2-O-000001
Party A	: 82A:OTMBUS33
Party B	: 87A:THRDGB2L
Fund	: 83D:NA
Trade Date	: 30T:20101015
Value Date	: 30V:20101215
Forward Rate	: 36:0,021
Subsequence B1 Amount Bought	
Non Deliverable Notional	: 32B:PHP100000000,
Delivery Agent	: 53A:THMBUS33
Intermediary	
Account With Bank	: 57A:CLSBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B:USD2100000,
Intermediary	
Account With Bank	: 57A:CLSBUS33
NDF Information	: 72:/VALD/20101213 /SETC/USD

Message 7: MT 300 Closing

Opening	MT 300
Sender	THRDGB2L
Receiver	OTHRFRPP

Category 3 - Treasury Markets

Sender's Reference	:20:TP1-C-000003
Scope	:94A:BILA
Party A	:82A:THRDGB2L
Party B	:87A:OTHRFRPP
Fund	
NDF Information	:77D:/FIX/TP1-O-000001
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,022
Subsequence B1 Amount Bought	
Non Deliverable Notional	:32B:PHP100000000,
Delivery Agent	
Intermediary	:56A:CLSBUS33
Account With Bank	:57A:THMBUS33
Subsequence B2 Amount Sold	
Counter value in USD	:33B:USD2200000,
Intermediary	:56A:CLSBUS33
Account With Bank	:57A:OTMBUS33

Message 8: MT 300 Closing

Opening	MT 300
Sender	OTHRFRPP
Receiver	THRDGB2L
Sender's Reference	:20:TP2-C-000003
Scope	:94A:BILA
Party A	:82A:OTHRFRPP
Party B	:87A:THRDGB2L
Fund	
NDF Information	:77D:/FIX/TP2-O-000001
Trade Date	:30T:20101015
Value Date	:30V:20101215
Forward Rate	:36:0,022
Subsequence B1 Amount Bought	
Counter value in USD	:32B:USD2200000,
Delivery Agent	
Intermediary	:56A:CLSBUS33
Account With Bank	:57A:OTMBUS33

Category 3 - Treasury Markets – Message Usage Guidelines

Subsequence B2 Amount Sold	
Non Deliverable Notional	: 33B: PHP100000000,
Intermediary	: 56A: CLSBUS33
Account With Bank	: 57A: THMBUS33

Message 9: MT 304 Closing

Opening	MT 304
Sender	THRDGB2L
Receiver	THMBUS33
Sender's Reference	: 20: TP1-C-000004
Scope	: 94A: ASET
Party A	: 82A: THRDGB2L
Party B	: 87A: OTHRFRPP
Fund	: 83D: NA
Trade Date	: 30T: 20101015
Value Date	: 30V: 20101215
Forward Rate	: 36: 0, 022
Subsequence B1 Amount Bought	
Non Deliverable Notional	: 32B: PHP100000000,
Delivery Agent	: 53A: OTMBUS33
Intermediary	: 56A: CLSBUS33
Account With Bank	: 57A: THMBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B: USD2200000,
Intermediary	: 56A: CLSBUS33
Account With Bank	: 57A: OTMBUS33
NDF Information	: 72: /FIX/TP1-O-000002

Message 10: MT 304 Closing

Opening	MT 304
Sender	THMBUS33
Receiver	CLSBUS33
Sender's Reference	: 20: SM1-C-000002
Scope	: 94A: ASET
Party A	: 82A: THRDGB2L
Party B	: 87A: OTHRFRPP

Category 3 - Treasury Markets

Fund	: 83D:NA
Trade Date	: 30T:20101015
Value Date	: 30V:20101215
Forward Rate	: 36:0,022
Subsequence B1 Amount Bought	
Non Deliverable Notional	: 32B:PHP100000000,
Delivery Agent	: 53A:OTMBUS33
Intermediary	
Account With Bank	: 57A:CLSBUS33
Subsequence B2 Amount Sold	
Counter value in USD	: 33B:USD2200000,
Intermediary	
Account With Bank	: 57A:CLSBUS33
NDF Information	: 72:/FIX/SM1-O-000001

Message 11: MT 304 Closing

Opening	MT 304
Sender	OTHRFRPP
Receiver	OTMBUS33
Sender's Reference	: 20:TP2-C-000004
Scope	: 94A:ASET
Party A	: 82A:OTHRFRPP
Party B	: 87A:THRDGB2L
Fund	: 83D:NA
Trade Date	: 30T:20101015
Value Date	: 30V:20101215
Forward Rate	: 36:0,021
Subsequence B1 Amount Bought	
Counter value in USD	: 32B:USD2200000,
Delivery Agent	: 53A:THMBUS33
Intermediary	: 56A:CLSBUS33
Account With Bank	: 57A:OTMBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	: 33B:PHP100000000,
Intermediary	: 56A:CLSBUS33

Category 3 - Treasury Markets – Message Usage Guidelines

Account With Bank	: 57A: THMBUS33
NDF Information	: 72: /FIX/TP2-O-000002

Message 12: MT 304 Closing

Opening	MT 304
Sender	OTMBUS33
Receiver	CLSBUS33
Sender's Reference	: 20: SM2-C-000002
Scope	: 94A: ASET
Party A	: 82A: OTHRFRPP
Party B	: 87A: THRDGB2L
Fund	: 83D: NA
Trade Date	: 30T: 20101015
Value Date	: 30V: 20101215
Forward Rate	: 36: 0, 021
Subsequence B1 Amount Bought	
Counter value in USD	: 32B: USD2200000,
Delivery Agent	: 53A: THMBUS33
Intermediary	
Account With Bank	: 57A: CLSBUS33
Subsequence B2 Amount Sold	
Non Deliverable Notional	: 33B: PHP100000000,
Intermediary	
Account With Bank	: 57A: CLSBUS33
NDF Information	: 72: /FIX/SM2-O-000001

6.1.3.1 Summary for MT 300

SM1 = Settlement Member 1

SM2 = Settlement Member 2

TP1 = Third Party 1

TP2 = Third Party 2

TPMember1 = Settlement Member of Third Party 1

TPMember2 = Settlement Member of Third Party 2

Sender	SM1	SM1	TP1
Receiver	SM2	TP2	TP2

Subsequence B1 - Amount Bought			
:56A:	-		CLSBUS33
:57A:	CLSBUS33	CLSBUS33	TPMember1
Subsequence B2 - Amount Sold			
:56A:	-	CLSBUS33	CLSBUS33
:57A:	CLSBUS33	TPMember2	TPMember2

7 Settlement through an agent

7.1 Settlement Information

Opening Confirmations		
Sender	Party A	Party B
Receiver	Party B	Party A
Subsequence B1 Amount Bought		
:32B:Amount Bought	Non Deliverable	Deliverable
:57a:Account With Bank	NET	Party B's Agent
Subsequence B2 Amount Sold		
:33B:Amount Sold	Deliverable	Non Deliverable
:57a:Account With Bank	Party B's Agent	NET
Closing Confirmations		
Sender	Party A	Party B
Receiver	Party B	Party A
Subsequence B1 Amount Bought		
:32B:Amount Bought	Deliverable	Non Deliverable
:57a:Account With Bank	Party A's Agent	NET
Subsequence B2 Amount		

Category 3 - Treasury Markets – Message Usage Guidelines

Sold		
:33B:Amount Sold	Non Deliverable	Deliverable
:57a:Account With Bank	NET	Party A's Agent

From Party A's point of view, if Party A has to receive the net amount in deliverable currency, its settlement information is specified in field 57 of Subsequence B1 of the closing confirmation.

If Party A has to pay the net amount in deliverable currency, the settlement information of Party B is specified in field 57 of Subsequence B2 of the opening confirmation.

7.2 Examples

7.2.1 Confirmation of the opening of a Non Deliverable Trade

Sender	BANAFRPP
Receiver	BANBITRR
MT	300
General Information	:15A:
Sender's Reference	:20:93170-1466
Type of Operation	:22A:NEWT
Common Reference	:22C:BANAPP6283BANBRR
Party A	:82A:BANAFRPP
Party B	:87A:BANBITRR
Terms and Conditions	:77D:/VALD/20090525 /SETC/EUR /SRCE/ECB37/0915+0200
Transaction Details	:15B:
Trade Date	:30T:20090408
Value Date	:30V:20090527
Exchange Rate	:36:14316,6283
Amount Bought	
Currency, Amount	:32B:IDR143166283,
Receiving Agent	:57D:NET
Amount Sold	
Currency, Amount	:33B:EUR10000,00
Receiving Agent	:57A:BANBDEFF

7.2.2 Confirmation of the fixing of a Non Deliverable Trade

Sender	BANAFRPP
Receiver	BANBITRR
MT	300
General Information	:15A:
Sender's Reference	:20:93170-1468
Type of Operation	:22A:NEWT
Common Reference	:22C:BANAPP7599BANBRR
Party A	:82A:BANAFRPP
Party B	:87A:BANBITRR
Terms and Conditions	:77D:/FIX/93170-1466
Transaction Details	:15B:
Trade Date	:30T:20090525
Value Date	:30V:20090527
Exchange Rate	:36:14527,7599
Amount Bought	
Currency, Amount	:32B:EUR9854,67
Receiving Agent	:57A:BANAFRPP
Amount Sold	
Currency, Amount	:33B: IDR143166283,
Receiving Agent	:57D:NET

Bank A will deliver the net amount to Bank B's branch in Frankfurt as defined in the opening message.

8 Legal Notices

Copyright

SWIFT © 2011. All rights reserved.

You may copy this publication within your organisation. Any such copy must include these legal notices.

Confidentiality

This publication contains SWIFT or third-party confidential information. Do not disclose this publication outside your organisation without the prior written consent of SWIFT.

Disclaimer

The information in this publication may change from time to time. You must always refer to the latest available version.

SWIFTStandards Intellectual Property Rights (IPR) Policy - End-User License Agreement

SWIFTStandards are licensed subject to the terms and conditions of the SWIFTStandards IPR Policy - End-User License Agreement, available at www.swift.com > Standards > More information

Translations

The English version of SWIFT documentation is the only official and binding version.

Trademarks

SWIFT is the trade name of S.W.I.F.T. SCRL. The following are registered trademarks of SWIFT: SWIFT, the SWIFT logo, Sibos, SWIFTNet, SWIFTReady, and Accord. Other product, service, or company names in this publication are trade names, trademarks, or registered trademarks of their respective owners.