MT Category 7 Enhancements Overview

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Webinars in 2019

Agenda

Overall Project Presentation

Time Line

Category 7 changes SR 2020

Feedback on SR 2018

MT 798

Overall Project

The Trade Finance Maintenance Working Group
(TFMWG) launched a significant overhaul of the cat 7
MTs (Letters of credit, guarantees and standby L/Cs) in
2013, taking into account change requests from previous
years, and other drivers:

- requests from the community over the last 10 years
- straight-through-processing
- to fill some gaps in transaction flows

It is a significant upgrade to the functionality and format
of the 700 (L/C) series and 760 (guarantees/standby
L/Cs) series of messages, including 9 new MTs

The go-live dates are in November 2018 for L/Cs and
November 2020 for guarantees/standby L/Cs (initially
2019, then deferred to 2020).

The detailed implementation and documentation time line is as follows:

	Q1			Q2			Q3			Q4		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2016		● Advance Documentation				● Annual Deadline for CR				Readiness Portal My Standards ●		
2017				● Advance Documentation		● Annual Deadline for CR					● LIVE	SRG Documentation ●
2018 L/Cs		● Advance Documentation 2020		Vendor Test Bed (VTB) ●		● Annual Deadline for CR	● UHB Documentation ● Test & Training (T&T)				● LIVE	
2019		● Advance Documentation 2020		Vendor Test Bed (VTB) ●		● Annual Deadline for CR	● Test & Training (T&T)				● LIVE	SRG Documentation ●
2020 Guarantees / standby L/Cs				Vendor Test Bed (VTB) ●		● Annual Deadline for CR	● UHB Documentation ● Test & Training (T&T)				● LIVE	

Home › Standards › Standards releases

Standards releases

Gain a clear picture of upcoming releases and manage the impact on your business using our dedicated tools

Overview   MT Release 2018   MX Release 2018   MT Release 2019   MX Release 2019   **Release highlights**   **Release highlights**

Standards MT Release 2018 and 2020: prepare for major changes related to Category 7 messages

A significant upgrade to Documentary Credits messages was performed in November 2018 as part of the continuous improvement of our standards.

Another upgrade, to the Guarantees/Standby LCs message, is now planned for November 2020 (was deferred from 2019).

The latest documentation for the Category 7 Guarantees/Standby LCs messages can be found on the MT Release 2019 timeline here.

In addition to the above changes, we have also published the new MT 798 Trade Guidelines for corporate-to-bank communication V5.1.1 (18 May 2018).
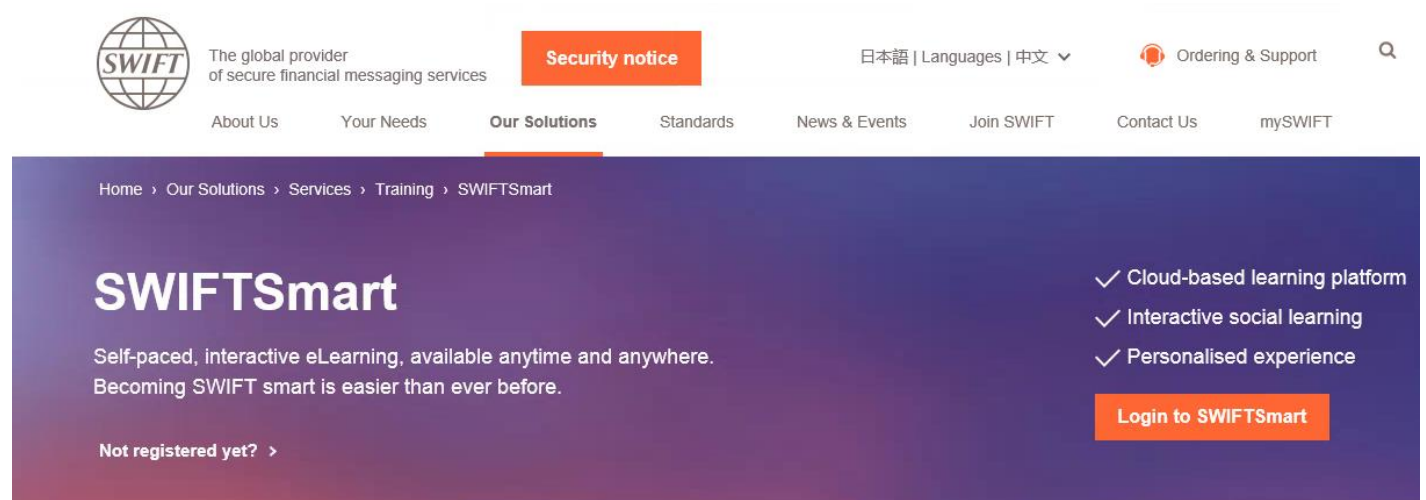
To ensure the community is aware of the upcoming changes in SR 2020 and MT 798, SWIFT Standards has organized webinar sessions in the course of June 2018. The collateral used, slides, FAQ document and recording of the webinars are available here.

Training and Webinars

Worldwide webinars

SwiftSmart will have specific modules and training on category 7, SR 2018 (as of January 2018) and SR 2020 (in 2019).

Summary – Evolution in Category 7

Limited functionality

Large portions of free text

Limited character set

Few coded fields

Major revamp

New fields added

Z-character set in long text fields

Codes introduced

More validation

Staggered Release

Published advance documentation

SR 2018
- MT 700-759
- 3 new messages

SR 2020
- MT 760-787
- 6 new messages

MT Category 7 Update: New messages

Documentary Credits

MT 708 Amendment to a Documentary Credit

MT 744 Notice of Non-Conforming Reimbursement Claim

Guarantees/Standbys

MT 761 Issue of a Demand Guarantee/Standby Letter of Credit (cont.)

MT 765 Guarantee/Standby Letter of Credit Demand

MT 775 Amendment to a Demand Guarantee/Standby Letter of Credit (cont.)

MT 785 Guarantee/Standby Letter of Credit Non Extension Notification

MT 786 Guarantee/Standby Letter of Credit Demand Refusal

MT 787 Guarantee/Standby Letter of Credit Amendment Response

All Cat 7

MT 759 Ancillary Trade Structured Message

MT Category 7 Updates
General – L/Cs and Guarantees/Standby L/Cs

Creation of a message MT 759 (Ancillary Trade Structured Message) similar to MT 799 but using a number of coded and structured fields

Adoption of extended "Z" character set for long fields (e.g. 45A, 46A, 47A, 71, 72, 73, 77)

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
0123456789
/-?:().,'+
CR LF Space

X

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
0123456789
.,-()/='+:?!"%&*<>;{
@#_
CrLf Space

Z

Changes for SR 2020: Guarantees and Standby Letters of Credit

MT 760 & MT 767 are significantly enhanced

- Previously had few structured fields and one large free-format field
- New versions are highly detailed and structured
- Sequences introduced to cater for undertaking details as well as local undertaking details

MT 768 & MT 769

- Field 71B change to 71D with z-character set
- Field 72 change to 72Z with z-character set
- New field 23X with codes to identify the delivery channel

SWIFT

MT 760 Issue of a Demand Guarantee/Standby Letter of Credit

SR 2020

Status	Tag	Field Name	Content/Options	No.
Mandatory Sequence A General Info				
M	15A	New Sequence		
M	27	Sequence of Total		
M	22A	Purpose of Messag		
O	72Z	Sender to Receive		
End of Mandatory Sequence A Gen				
Mandatory Sequence B Undertaking				
M	15B	New Sequence		
M	20	Undertaking Numb		
M	30	Date of Issue		
M	22D	Form of Undertaki		
M	40C	Applicable Rules		
M	23B	Expiry Type		
O	31E	Date of Expiry		
O	35G	Expiry Condition		
O	50	Applicant		
O	51	Obligor/Instructing		
M	52a	Issuer		
M	59	Beneficiary		

Status	Tag	Field Name	Content/Options	No.
O	56a	Advising Bank	A, D	17
O	21A	Advising Bank Reference	16x	18
O	57a	Second Advising Bank	A, D	19
M	32B	Undertaking Amount	3!a15d	20
O	39D	Additional Amount Information	12*65z	21
O	71D	Charges	6*35z	22
O	45C	Presentation Instructions	100*65z	23
M	77U	Undertaking Terms and Conditions	150*65z	24
O	49	Confirmation Instructions	7!c	25
O	49a	Requested Confirmation Party	A, D	26
O	44H	Governing Law	/2!a/[65x]	27
O	23F	Autor		
O	78	Autor		
O	23H	Autor		
O	31S	Autor		
O	48B	Dema		
O	48D	Trans		
O	45L	Unde		
O	24E	Deliv		
O	24G	Deliv		
O	23X	File I		
End of Mandatory Sequ				

Optional Sequence C Local Undertaking Details

Status	Tag	Field Name	Content/Options	No.
M	15C	New Sequence	Empty field	38
O	31C	Requested Date of Issue	6!n	39
M	22D	Form of Undertaking	4!c	40
M	40C	Applicable Rules	/4!a/[35x]	41
O	22K	Type of Undertaking	/4!c/[35x]	42
M	23B	Expiry Type	4!c	43
O	31B	Date of Expiry	6!n	44
O	35G	Expiry Condition	12*65x	45
M	50	Applicant	4*35x	46
O	51	Obligor/Instructing Party	4*35x	47
O	52a	Issuer	A, D	48
M	59	Beneficiary	[/34x] 4*35x	49

Current

MT 760 Format Specifications

MT 760 Guarantee/Standby Letter of Credit

Status	Tag		
M	27	Sequence of Total	
M	20	Transaction Reference Number	
M	23	Further Identification	
O	30	Date	
M	40C	Applicable Rules	
M	77C	Details of Guarantee	
O	72	Sender to Receiver Information	

M = Mandatory, O = Optional

. . .

Guarantees and Standby Letters of Credit
General overview message structure of new MT 760

MT 760

Sequence A
General Information

Sequence B
Undertaking Details

Sequence C
Local Undertaking Details

+

MT 761

Wording of
Undertaking or
Counter-Undertaking

Requested wording
for Local Undertaking

+

MT 761

Up to 7
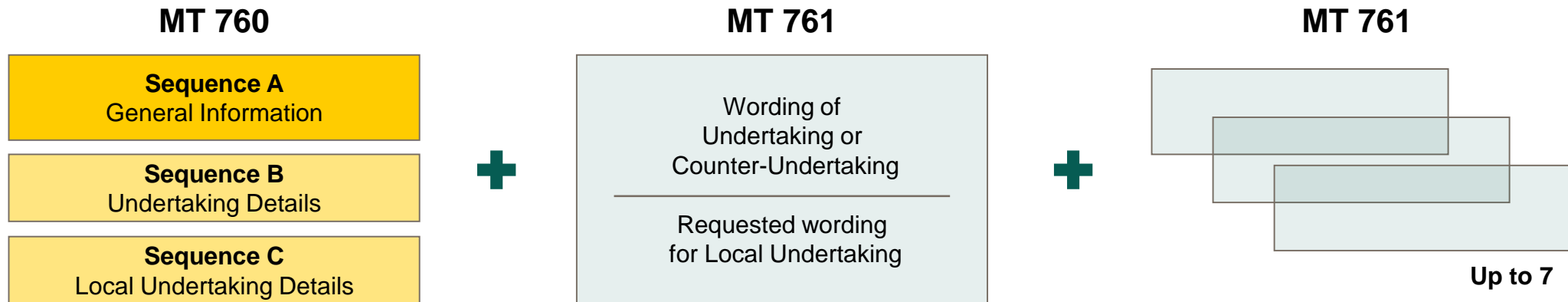
The revised MT 760 message consists primarily of structured fields and fields with coded options (e.g. amount, parties, expiry details, etc.) The message has been designed with three blocks:

– Sequence A: General information
– Sequence B: indicates the details of the undertaking or counter-undertaking
– Sequence C: (optional) indicates the details of the requested local undertaking

The extension message MT 761 message consists primarily of a big free text block in order to specify the wording of the undertaking/counter-undertaking as well as the requested wording for the local undertaking – if applicable

Up to a maximum of 7 MT 761 messages can follow the MT 760 message

MT 765 Scope

This message is sent by a party (as the beneficiary or on behalf of the beneficiary) to a party which has issued an undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking), either directly or via a third party.

It is used to demand payment under an undertaking and may include a request to extend the expiry date.

The demand itself must be specified as narrative text within the message. It may indicate availability of supporting documentation in addition to the demand.

MT 765 Format Specifications

MT 765 Guarantee/Standby Letter of Credit Demand

Status	Tag	Field Name	Content/Options	No.
M	20	Transaction Reference Number	16x	1
M	21	Related Reference	16x	2
O	23	Beneficiary Reference Number	16x	3
M	52a	Issuer	A or D	4
O	59a	Beneficiary	A or D	5
O	31L	Date of Demand	6!n	6
M	22G	Demand Type	4!c	7
M	32B	Demand Amount	3!a15d	8
O	78	Additional Amount Information	12*65x	9
O	49A	Demand Statement	4!c [50*65z]	10
O	77	Presentation Completion Details	20*35z	11
O	31E	Requested New Date of Expiry	6!n	12
O	56a	Intermediary	A, B, or D	13
O	57a	Account With Institution	A, B, or D	14
O	72Z	Sender to Receiver Information	6*35z	15
O	23X	File Identification	4!c/65x	16
M = Mandatory, O = Optional - Network Validated Rules may apply				

MT 785 Scope

This message is sent in one of two ways:

- By the party that issued the undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking) to the beneficiary (that is, only in case of beneficiary being a financial institution) or to a nominated advising party that advised the undertaking to the beneficiary or to another advising party
- By the party that issued the counter-undertaking (counter-guarantee or counter-standby) to the beneficiary of the counter-undertaking (financial institution)

It is used to notify the beneficiary, if applicable, via one or more advising parties of the non-extension of the referenced undertaking beyond the current expiry date.

MT 785 Format Specifications

MT 785 Guarantee/Standby Letter of Credit Non Extension Notification

Status	Tag	Field Name	Content/Options	No.
M	20	Undertaking Number	16x	1
O	21	Related Reference	16x	2
M	52a	Issuer	A or D	3
M	31C	Date of Issue	6!n	4
M	59a	Beneficiary	A or D	5
O	56a	Advising Bank	A or D	6
O	57a	'Advise Through' Bank	A or D	7
O	31E	Final Date of Expiry	6!n	8
O	72Z	Sender to Receiver Information	6*35z	9
O	23X	File Identification	4!c/65x	10
M = Mandatory, O = Optional - Network Validated Rules may apply				

MT 786 Scope

This message is sent by the party that issued the undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking) to a bank as the beneficiary or to the presenter of the demand, either directly or via a third party.

It is used by the party obligated on the undertaking and to whom a demand for payment has been made, to notify the beneficiary that the demand has been refused.

The reason(s) giving cause for refusal must be specified as narrative text within the message.

MT 786 Format Specifications

MT 786 Guarantee/Standby Letter of Credit Demand Refusal

Status	Tag	Field Name	Content/Options	No.
M	20	Undertaking Number	16x	1
O	21	Beneficiary Reference Number	16x	2
M	52a	Issuer	A or D	3
M	30	Demand Submission Date	6!n	4
M	32B	Demand Amount	3!a15d	5
M	77J	Reason for Refusal	70*50z	6
O	77B	Disposal of Documents	3*35x	7
O	72Z	Sender to Receiver Information	6*35z	8
O	23X	File Identification	4!c/65x	9
M = Mandatory, O = Optional - Network Validated Rules may apply				

MT 787 Scope

This message is sent in one of two ways:

– By the beneficiary when the beneficiary is a financial institution
– By a nominated advising party that advised the undertaking amendment to the beneficiary or advised the undertaking amendment to another advising party

It is sent to the bank that issued the undertaking amendment (guarantee, demand guarantee, standby letter of credit or dependent undertaking), either directly or via one or more advising parties, to indicate acceptance or rejection by the beneficiary of the amendment.

MT 787 Format Specifications

MT 787 Guarantee/Standby Letter of Credit Amendment Response

Status	Tag	Field Name	Content/Options	No.
M	20	Transaction Reference Number	16x	1
M	21	Related Reference	16x	2
M	52a	Issuer	A or D	3
M	26E	Number of Amendment	3n	4
M	23R	Amendment Status	4!c [6*35x]	5
O	72Z	Sender to Receiver Information	6*35z	6
O	23X	File Identification	4!c/65x	7
M = Mandatory, O = Optional - Network Validated Rules may apply				

Other Changes for SR 2020

Addition of field 23X File Identification in all messages

MT 768, 769: character set Z allowed in "Details of Charges" and "Sender to Receiver Information"

After SR 2020, guarantees and standby L/Cs may not be issued using the MT 700 anymore. The related codes will be removed from MT 700. MT 760 must be used.
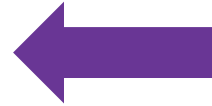
Overall Project Presentation

Time Line

Category 7 changes SR 2020

Feedback on SR 2018   ⬅

MT 798

Good usage of codes in new MT 707/708 (SR 2018)

- ADD/DELETE/REPALL codes introduced for fields 45B, 46B, 47B, 49M, 49N.

- These codes are for straight-through processing and must be used without any instructions in natural language, like "please add or replace this"

- ADD adds texts at the end of the current text (before this amendment)

- DELETE followed by ADD acts as a "replace"

- ADD or DELETE acts once, not multiple times

- FAQ document and Webinars for more details and training

CODES

One or more of the following codes must be used in Code (Error code(s): T67):

|		
ADD	Add	Must be followed by the text to be added (a sentence, paragraph or line item)
DELETE	Delete	Must be followed by the text to be deleted (a sentence, paragraph or line item)
REPALL	Replace all	Must be followed by the text that replaces all text in same field. No other code may be used.

MT 798 Trade Guidelines

The category 7 MTs are bank-to-bank messages.

In the corporate-to-bank space, MT 798 guidelines have been developed. The MT 798 is used as an envelope message, with specific fields, or entire bank-to-bank MTs included in field 77E

The MT 798 Guideline specification (currently implemented is V5) was upgraded to take into account the category 7 changes. It also includes various enhancements.

These changes will "go live" at the same time than the corresponding MTs.

MT 798 MIG V5 was firstly published in July 2017. Updated in 2018

Applicant   Issuing Bank   Advising Bank   Beneficiary
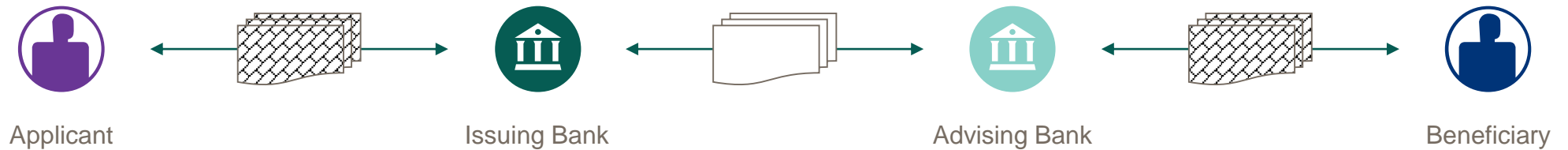
Major Work Items for MT 798 V5

– Alignment of MT 798 guidelines to
  updated interbank MT SR 2018-2020

– New and consistent references in all
  flows (21A and P, 21S and T)

– Index message is now the same for
  guarantee or standby LC (was different
  in V4)

– New flows

– Drafting process

Thank you

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Questions

Useful links

Standards Release Page

https://www.swift.com/standards/standards-releases/release-highlights?tl=en

Release Highlights Page

https://www.swift.com/standards/standards-releases/release-highlights?tl=en#topic-tabs-menu

SR 2018 documentation

https://www2.swift.com/uhbonline/books/public/en_uk/srg_20171222/index.htm

Advance documentation for SR 2020

https://www.swift.com/resource/category-7-advance-information-0

MT 798 V5 Specification

https://www2.swift.com/uhbonline/books/public/en_uk/s_corp_stdsmt_msg_impl_guid_vol_2_trd_fnc_std/index.htm

MT 759

MT 759 Ancillary Trade Structured Message

MT 759 Scope

This message is sent to request or to provide information, such as a fraud alert or a financing request, concerning an existing trade transaction such as a documentary credit, demand guarantee, standby letter of credit or an undertaking (for example, a guarantee, surety, etc.).

This message must not be used where an existing MT message is available, and it should be used rather than the MT 799.

MT 759 Format Specifications

MT 759 Ancillary Trade Structured Message

Status	Tag	Field Name	Content/Options	No.
M	27	Sequence of Total	1!n/1!n	1
M	20	Transaction Reference Number	16x	2
O	21	Related Reference Number	16x	3
M	22D	Form of Undertaking	4!c	4
O	22N	Undertaking Number	32x	5
O	52a	Issuer	A or D	6
M	23H	Function	8c	7
M	45B	Narrative	150*65z	8
O	23X	File Identification	/4!c/65x	9
M = Mandatory, O = Optional				

Field 23H: Function

CODES

Function must contain one of the following codes:

Code	Description
CLSVOPEN	Opening of client service call by Trade Operations
CLSVCLOS	Closing of client service call by Trade Operations
FRAUDMSG	Advice of a fraud attempt
GENINFAD	General information advice
ISSAMEND	Amendment of a free-form undertaking such as a dependent guarantee
ISSUANCE	Issue of a free-form undertaking such as a dependent guarantee
OTHERFNC	Other request
REIMBURSE	Request related to a reimbursement
REQAMEND	Request to amend an undertaking
REQFINAN	Financing request
REQISSUE	Request to issue an undertaking
TRANSFER	Transfer of a undertaking

USAGE RULES

The function may not be used if there is a specific MT (for example, MT 700, 707, 760, 767) that covers the same function.