



# MT Category 7 Enhancements Overview



**Robert Marchal**, SWIFT Standards  
2021 Webinars

## Agenda

**Overall Project Presentation**

**Time Line**

**Category 7 changes SR 2021, interbank  
and corporate (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:

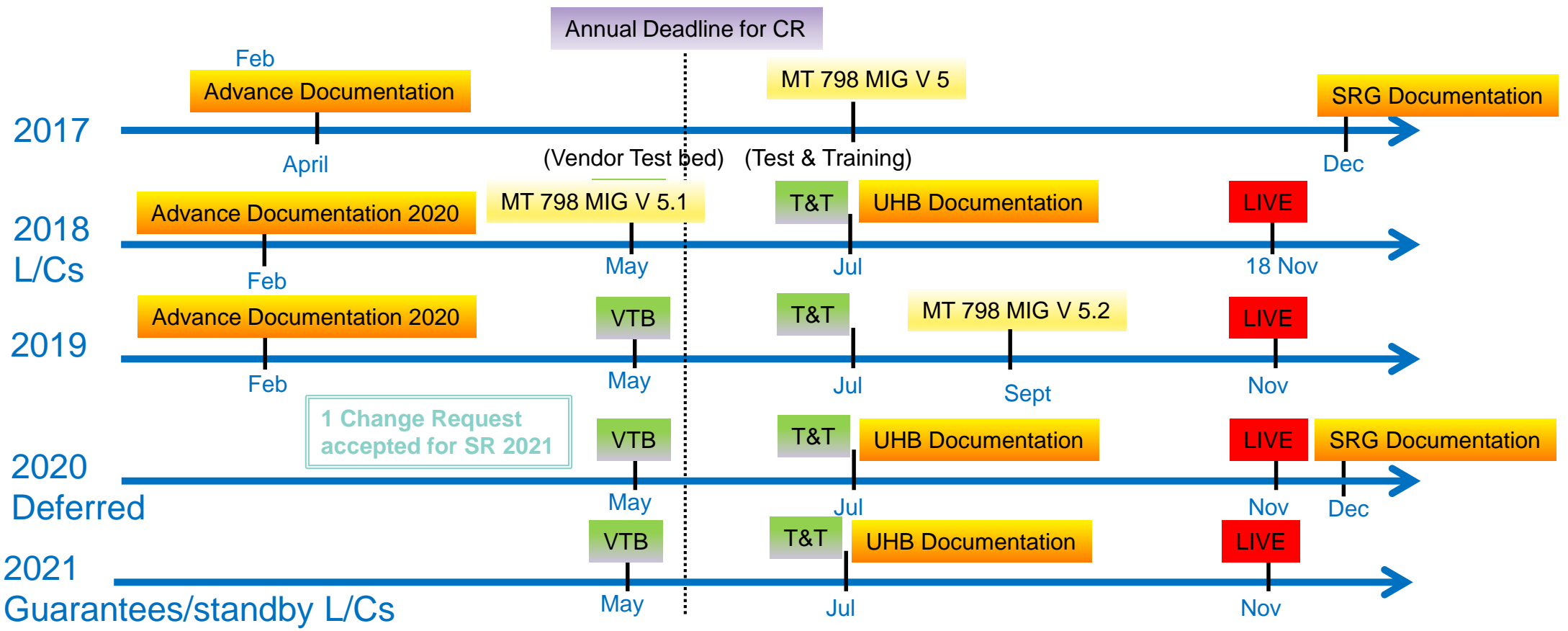
- requests from the community over the last 10 years
- straight-through-processing
- to fill some gaps in transaction flows

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 2021 for guarantees/standby L/Cs (initially 2019, then deferred to 2020 by fast track and deferred to 2021 by COVID).



Documentation
Milestone  
Testing facility
MT 798 MIG Documentation





# 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](#)

## Release highlights



## 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>

### MT 798 V5 Specification

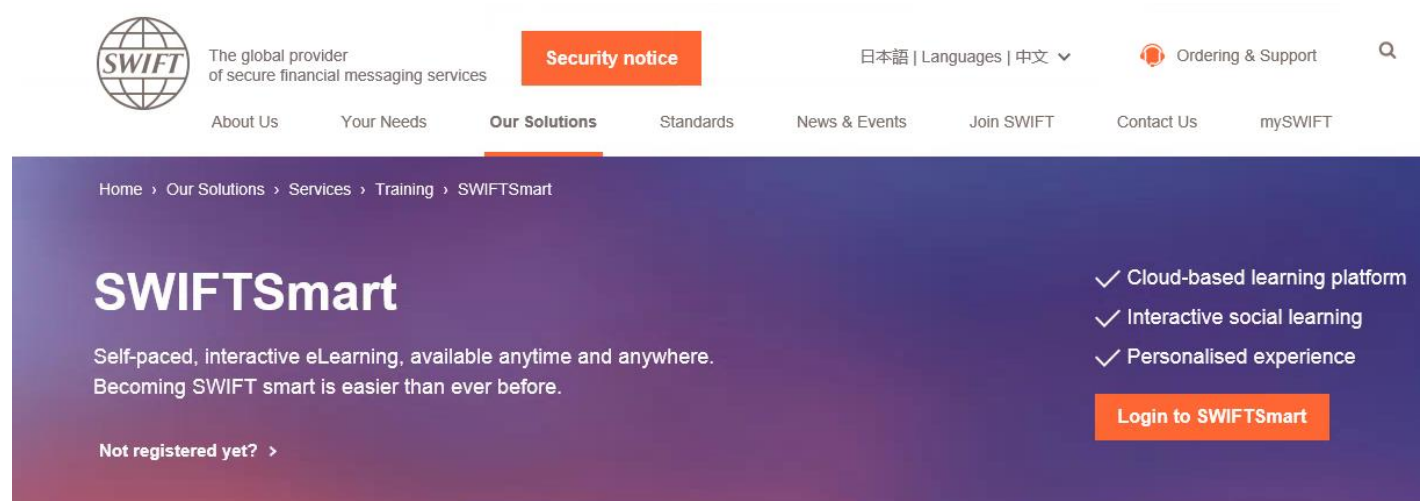
[https://www2.swift.com/uhbonline/books/public/en\\_uk/s\\_corp\\_stdsmt\\_msg\\_i\\_mpl\\_guid\\_vol\\_2\\_trd\\_fnc\\_std/index.htm](https://www2.swift.com/uhbonline/books/public/en_uk/s_corp_stdsmt_msg_i_mpl_guid_vol_2_trd_fnc_std/index.htm)



# Training and Webinars

## Worldwide webinars

SwiftSmart has specific modules and training on category 7, SR 2018 (as of January 2018) and SR 2021 (as of 2019).



The screenshot shows the SWIFT website's SWIFTSmart page. At the top left is the SWIFT logo with the tagline "The global provider of secure financial messaging services". To the right is a "Security notice" button. Further right are language options: "日本語 | Languages | 中文" with a dropdown arrow, and "Ordering & Support" with a person icon. A search icon is also present. Below the logo is a navigation menu with "About Us", "Your Needs", "Our Solutions" (highlighted with an orange underline), "Standards", "News & Events", "Join SWIFT", "Contact Us", and "mySWIFT". The main content area has a dark blue background with a breadcrumb trail: "Home > Our Solutions > Services > Training > SWIFTSmart". The title "SWIFTSmart" is prominently displayed. Below it, the text reads: "Self-paced, interactive eLearning, available anytime and anywhere. Becoming SWIFT smart is easier than ever before." To the right of this text are three bullet points, each with a checkmark: "Cloud-based learning platform", "Interactive social learning", and "Personalised experience". At the bottom left of the main area is a link: "Not registered yet? >". At the bottom right is an orange button that says "Login to SWIFTSmart".



# 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 2021

- MT 760-787
- 6 new messages



# MT Category 7 Update: New messages

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## Documentary Credits

MT 708 Amendment to a Documentary Credit  
MT 744 Notice of Non-Conforming Reimbursement Claim

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## 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

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## 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 2021: 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



SR 2021

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

Status	Tag	Field Name	Content/Options	No.	
<b>Mandatory Sequence A General Information</b>					
			O	56a	Advising Bank
M	15A	New Sequence	O	23	Advising Bank Reference
M	27	Sequence of Total	O	57a	'Advise Through' Bank
M	22A	Purpose of message	M	32B	Undertaking Amount
O	72Z	Sender to Receiver Information	O	39D	Additional Amount Information
O	23X	File Identification	O	41a	Available With...
<b>End of Mandatory Sequence A General Informa</b>					
<b>Mandatory Sequence B Undertaking Details</b>					
M	15B	New Sequence	O	71D	Charges
M	20	Undertaking Number	O	45C	Document and Presentation Instr
M	30	Date of Issue	M	77U	Undertaking Terms and Condition
M	22D	Form of Undertaking	O	49	Confirmation Instructions
M	40C	Applicable Rules	O	58a	Requested Confirmation Party
M	23B	Expiry Type	O	44H	Governing Law and/or Place of J
O	31E	Date of Expiry	O	23F	Automatic Extension Period
O	35G	Expiry Condition/Event	O	78	Automatic Extension Non-Extens
O	50	Applicant	O	26E	Automatic Extension Notification
O	51	Obligor/Instructing Party	O	31S	Automatic Extension Final Expiry
M	52a	Issuer	O	48B	Demand Indicator
M	59a	Beneficiary	O	48D	Transfer Indicator
O			O	39E	Transfer Conditions
O			O	45L	Underlying Transaction Details
O			O	24E	Delivery of Original Undertaking
O			O	24G	Delivery To/Collection By
<b>End of Mandatory Sequence B Undertaking Detai</b>					

Optional Sequence C Local Undertaking Details

M	15C	New Sequence	Empty field	40
O	31C	Requested Date of Issue	6In	41
M	22D	Form of Undertaking	4Ic	42
M	40C	Applicable Rules	4Ia[/35x]	43
O	22K	Type of Undertaking	4Ic[/35x]	44
M	23B	Expiry Type	4Ic	45
O	31E	Date of Expiry	6In	46
O	35G	Expiry Condition/Event	12*65x	47
M	50	Applicant	4*35x	48
O	51	Obligor/Instructing Party	4*35x	49
O	52a	Issuer	A, D	50
M	59	Beneficiary	[/34x] 4*35x	51
M	32B	Undertaking Amount	3Ia15d	52
O	39D	Additional Amount Information	12*65z	53
O	41a	Available With...	F, G	54
O	71D	Charges	6*35z	55
O	45C	Document and Presentation Instructions	100*65z	56
O	77L	Requested Local Undertaking Terms and Condi-tions	150*65z	57
O	22Y	Standard Wording Required	4Ic	58
O	40D	Standard Wording Requested Language	2Ia	59
O	44H	Governing Law and/or Place of Jurisdiction	2Ia[/65x]	60
O	23F	Automatic Extension Period	4Ia[/35x]	61
O	78	Automatic Extension Non-Extension Notification	12*65x	62
O	26E	Automatic Extension Notification Period	3n	63
O	31S	Automatic Extension Final Expiry Date	6In	64
O	48B	Demand Indicator	4Ic	65
O	48D	Transfer Indicator	4Ic	66
O	39E	Transfer Conditions	12*65z	67
M	45L	Underlying Transaction Details	50*65z	68
O	24E	Delivery of Local Undertaking	4Ic[/35x]	69
O	24G	Delivery To/Collection By	4Ic [6*35x]	70

Current

MT 760 Format Specifics

MT 760 Guarantee/Standby Letter of Credit

Status	Tag	Field Name
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

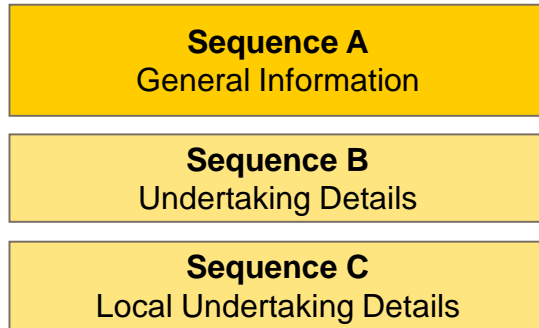
M = Mandatory, O = Optional

...

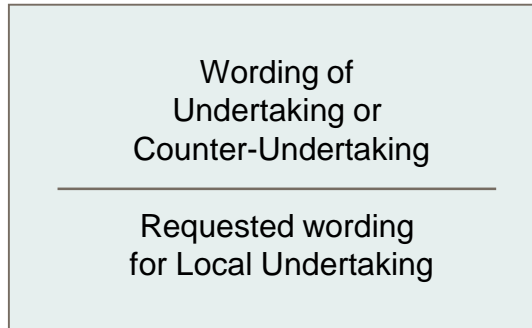
# Guarantees and Standby Letters of Credit

## General overview message structure of new MT 760

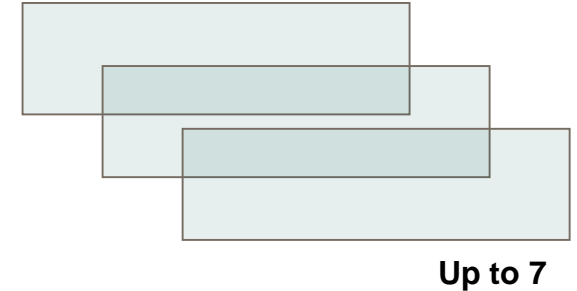
### MT 760



### MT 761



### MT 761



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

# Other Changes for SR 2021

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 2021, 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.



## MT 759 in the context of guarantees

- **MT 759 is a new message that went live in November 2018**
- **MT 759 is a multi-purpose message, more structured than MT 799 and should be used rather than MT 799**
- **In the context of guarantees, it can be used for issuance and amendment of DEPENDENT guarantees**
- **For independent guarantees, 760 and 767 must be used.**

# 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 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	23	Undertaking Number	16x	5
O	52a	Issuer	A or D	6
M	23H	Function of Message	8!c	7
M	45D	Narrative	150*65z	8
O	23X	File Identification	4!c/65x	9

M = Mandatory, O = Optional - Network Validated Rules may apply





# Field 23H: Function

## CODES

Function must contain one of the following codes (Error code(s): T48):

CLSVCLCLOS	Closing of <del>client</del> service call by Trade Operations
CLSVOPEN	Opening of <del>client</del> 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 guarant
ISSUANCE	Issue of a free-form undertaking such as a dependent guarantee

OTHERFNC	Other request
<a href="#">PREDENOT</a>	<a href="#">Pre-debit notification</a>
REIMBURS	Request related to a reimbursement
REQAMEND	Request to amend an undertaking
REQFINAN	Financing request
REISSUE	Request to issue an undertaking
<a href="#">REXTMATU</a>	<a href="#">Request to extend the maturity date</a>
TRANSFER	Transfer of a undertaking



# MT 798 Trade Guidelines

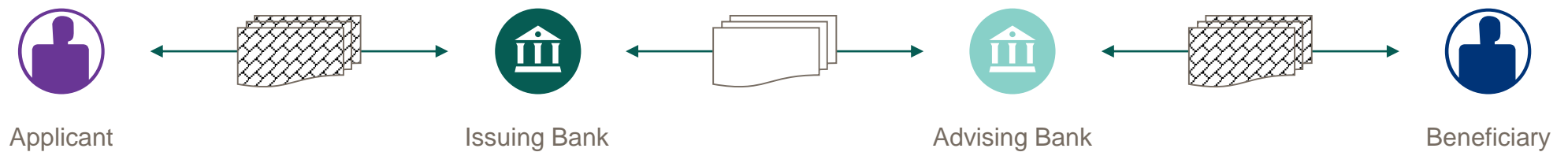
The category 7 MTs are bank-to-bank messages.

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

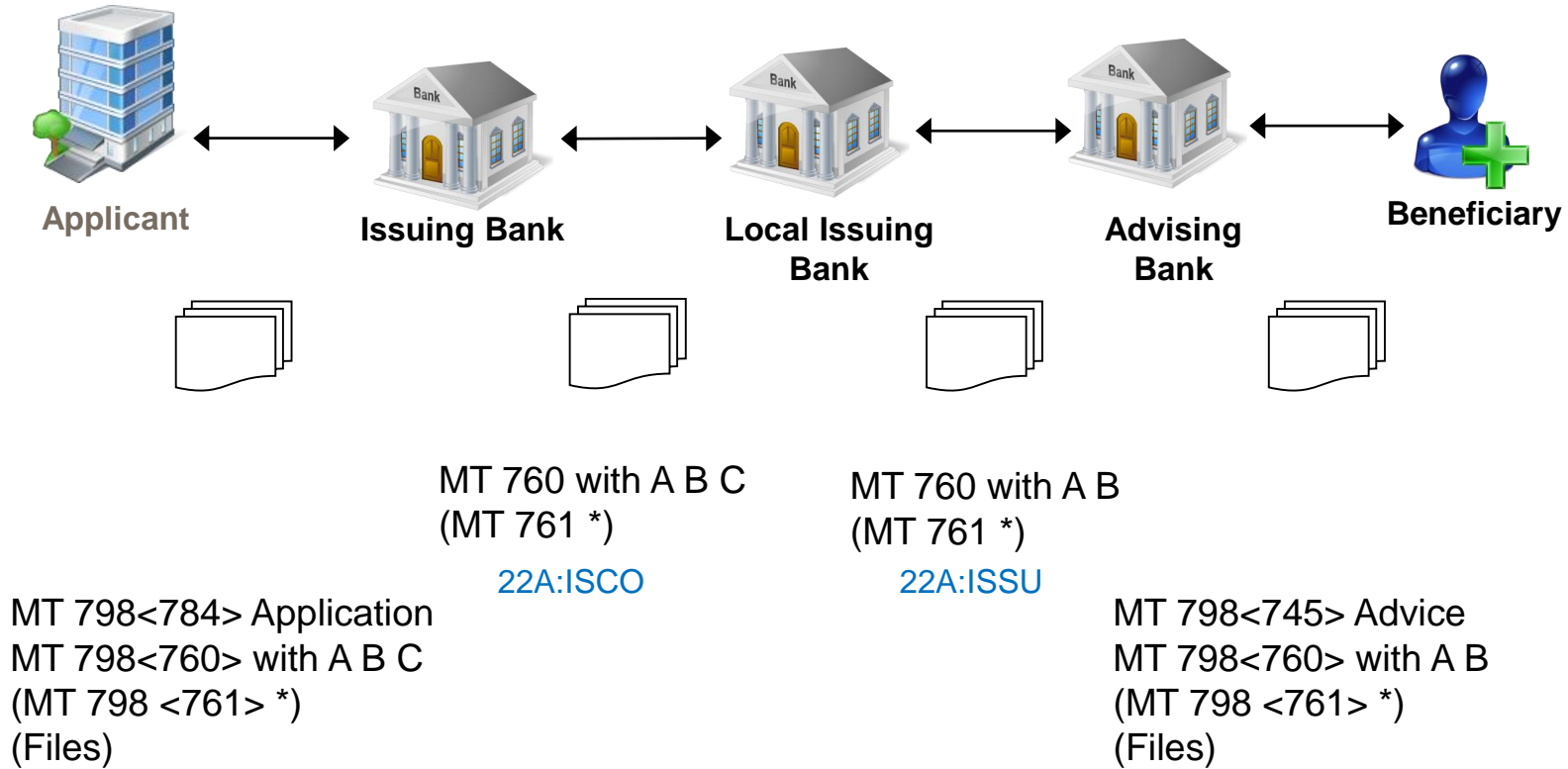
The MT 798 Guideline specification (currently implemented is V5) was upgraded to take into account the category 7 changes. It also includes various enhancements.

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

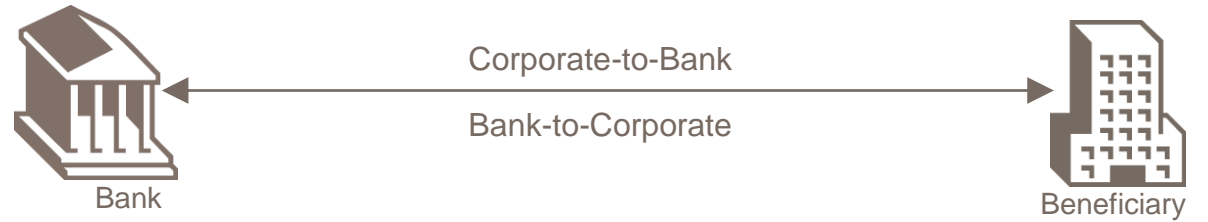
MT 798 MIG V5 was firstly published in July 2017. Updated in 2018 and 2019



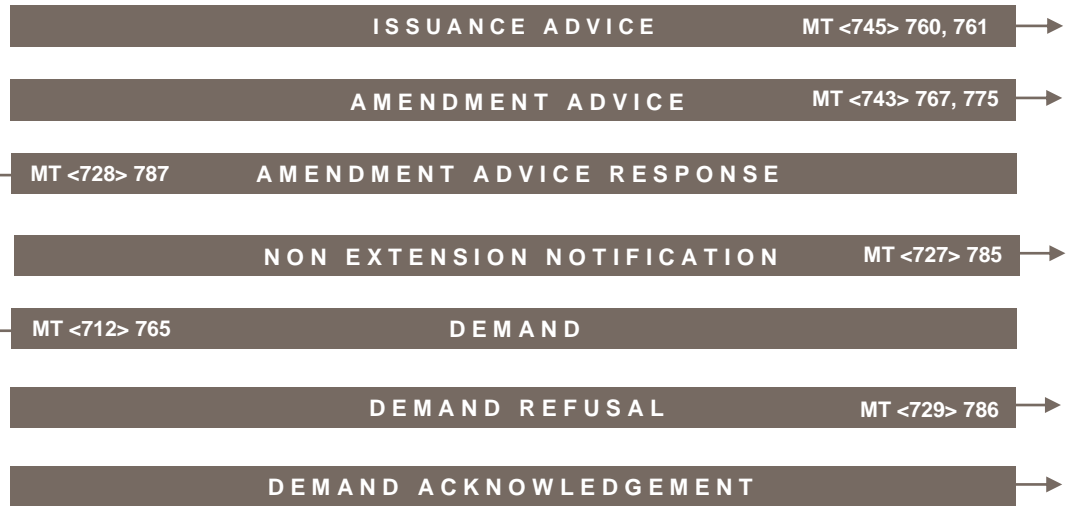
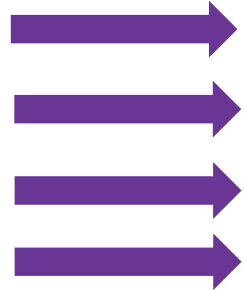
# Guarantees and Standby Letters of Credit Counter and Local Scenario



# New Flows MT 798 guarantees/standby LC



Based on new MT 787  
Based on new MT 785  
Based on new MT 765  
Based on new MT 786



## 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
Q	23	Beneficiary Reference Number	16x	3
M	52a	Issuer	A or D	4
Q	59a	Beneficiary	A or D	5
Q	31L	Date of Demand	6!n	6
M	22G	Demand Type	4!c	7
M	32B	Demand Amount	3!a15d	8
Q	78	Additional Amount Information	12*65x	9
Q	49A	Demand Statement	4!c [50*65z]	10
Q	7Z	Presentation Completion Details	20*35z	11
Q	31E	Requested New Date of Expiry	6!n	12
Q	56a	Intermediary	A, B, or D	13
Q	57a	Account With Institution	A, B, or D	14
Q	72Z	Sender to Receiver Information	6*35z	15
Q	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

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



## 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

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

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

<u>Status</u>	<u>Tag</u>	<u>Field Name</u>	<u>Content/Options</u>	<u>No.</u>
<u>M</u>	<u>20</u>	<u>Transaction Reference Number</u>	<u>16x</u>	<u>1</u>
<u>M</u>	<u>21</u>	<u>Related Reference</u>	<u>16x</u>	<u>2</u>
<u>M</u>	<u>52a</u>	<u>Issuer</u>	<u>A or D</u>	<u>3</u>
<u>M</u>	<u>26E</u>	<u>Number of Amendment</u>	<u>3n</u>	<u>4</u>
<u>M</u>	<u>23R</u>	<u>Amendment Status</u>	<u>4lc</u> <u>[6*35x]</u>	<u>5</u>
<u>O</u>	<u>72Z</u>	<u>Sender to Receiver Information</u>	<u>6*35z</u>	<u>6</u>
<u>O</u>	<u>23X</u>	<u>File Identification</u>	<u>4lc/65x</u>	<u>7</u>

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## Agenda

**Overall Project Presentation**

**Time Line**

**Category 7 changes SR 2021**



# Thank you

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