Swift Update - 2023

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Swift Standards

MT Category 7 SR 2023 Overview

Swift

Background

- The Trade Finance Maintenance Working Group (renamed to Trade Finance Standards Working Group now) 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 was 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 were in November 2018 for L/Cs and November 2021 for guarantees/standby L/Cs.

Trade Finance

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Timeline

The timeline below describes the schedule for development and implementation of SR 2023

MT Category 7 SR 2023 Overview

Standards MT Release 2023 maintenance timeline

Date	Event
01 June 2022	Deadline for MT change requests
22 July 2022	High-level Information published
August 2022	Standards WG meetings
early September 2022	Standards WG recommendations to BSC
20 September 2022	BSC approves start country vote SR 2023
21 Sept – 2 November 2022	Country voting
18 November 2022	Updated High-Level Information published
16 December 2022	Standards Release Guide (SRG) and Message Format Validation Rules (MFVR) published
24 February 2023	SRG and MFVR Updates published
6 May 2023	Vendor Test System activated
20 July 2023	Standards User Handbook published
23 July 2023	Test & Training activated
19 November 2023	Standards MT Release 2023 Live

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SR schedule & Release Highlights

MT Category 7 SR 2023 Overview

Schedule for Standards MT Release 2023

This timeline gives a full development and implementation schedule for the FIN standards for 2023.

Please note that in the MT Payments domain, no change requests were received as traffic for cross-border and correspondent banking will move from Swift MTs to ISO 20022 starting March 2023 till November 2025, using usage guidelines provided by the Cross-border Payments and Reporting Plus (CBPR+) group of experts.

22 July 2022	**High-Level Information on Standards MT Release 2023** Summary of change requests received for SR 2023 – change requests are not yet approved and some may be declined *For resource and budget allocation purposes only –not to be used for implementation.*
18 November 2022	**Updated High-Level Information on Standards MT Release 2023** Summary of approved change requests received for SR 2023 *For resource and budget allocation purposes only –not to be used for implementation.*
16 December 2022	**Standards MT Release Guide 2023** (public) **Message Format Validation Rules 2023** (login required) Describes the changes to Standards messages effective as of 20 November 2023 Find advance information for Standards MT Release 2023 in **MyStandards**
24 February 2023	**Update to Standards MT Release Guide 2023** (public) **Update to Message Format Validation Rules 2023** (login required) Updates to documents published on 16 December 2022. These updates are also implemented in **MyStandards**.
6 May 2023	**Vendor Test System**
20 July 2023	**Standards User Handbook** Standards user handbook for Standards MT Release 2023 published online. If necessary, updates to Message Format Validation Rules 2023 also published.
23 July 2023	**Test & Training System**
19 November 2023	**Standards Release 2023 Li**

Go live

Release highlights

Stay up-to-date on the latest information relating to upcoming releases

Managing MT and MX releases

We continually work to keep our existing standards up to date, in order to bring standards in line with business changes and correct technical issues.

Read more

Standard MT Release 2023 - Business highlights

The annual MT Standards release ensures that the message types (MTs) exchanged by Swift users remain suitable for the business areas in which they are used, by enabling new business functionality and compliance with changing regulations.

Learn more about high level, business information related to the changes made to MT messages as part of Standards Release 2023 (SR 2023).

Important update to MT 798 Message Implementation Guide and FAQ

In alignment to SR 2023, changes have been made to the MT 798 Message Implementation Guide for corporate-to-bank communication V 5.3, effective November 19, 2023. The 'Track-change-on' version of the document can be found here.

A regular update has also been made to the FAQs for Category 7 and MT 798 messages.

Business highlights document

https://www.swift.com/standards/standards-releases
https://www.swift.com/standards/standards-releases/release-highlights

SR 2023 - What is changing?

– Definitions updated

– Usage rules updated

– Field names changed

– Changes to format of existing fields

– New network validation rule added

– no new MTs created

– no existing MTs deleted

– no change to MT number of an existing MT

Swift

Existing field name, format and definition updated

. Field 39F: Supplementary Information About Amount

FORMAT

Earlier named as
*39D: Additional Amount
Information* →

Option F	12*65z	(Narrative)

One or more of the following codes or any bilaterally agreed code may be used

Earlier allowed only "*Narrative*"
text with no codes →

Line 1	/4a/[additional information]	(Code)(Narrative)
Lines 2-6	[/4a/[additional information]] or [//continuation of additional information]	(Code)(Narrative) or (Narrative)

PRESENCE

Optional in mandatory sequence B

DEFINITION

This field contains supplementary information about amount related to the undertaking. The information can be optionally provided using codes.

CODES

One or more of the following codes or any bilaterally agreed code may be used in Code:

Codes are optional and if used,
must follow the format →

ADAM	Additional Amount	Specifies additional amount not included in field 32B amount .
INFO	Specific Information	Specific information about the undertaking amount specified in field 32B.
INTR	Interest	A value (amount or percentage rate) in addition to the undertaking amount specified in field 32B.
MUCU	Multi-Currency	In case of multi-currency undertakings, specifies an amount in a different currency. It must be stated how this amount is to be interpreted against field 32B. The value(s) coded with 'MULT' and accompanying narrative are left to user discretion, taking note that it must be stated in the narrative how the 'MULT' amount is to be interpreted against field 32B.
TOLR	Plus/Minus Tolerance	Specified as 2n/2n.

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New field introduced to take care of requested new date of expiry for local undertaking

MT Category 7 SR
2023 Overview

13. Field 31R: Requested New Date of Expiry of Local Undertaking

FORMAT

Option R	6!n	(Date)

PRESENCE

Conditional (see rule C2)

DEFINITION

This field specifies (if applicable) the requested new expiry date of the local undertaking as an alternative to payment of the demand.

NETWORK VALIDATED RULES

Date must contain a valid date expressed as YYMMDD (Error code(s): T50).

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Change in length of fields 44A, 44E, 44F, 44B in multiple MTs

21. Field 44A: Place of Taking in Charge/Dispatch from .../Place of Receipt

FORMAT

Option A   140z~~65x~~   (Narrative)

PRESENCE

Optional

DEFINITION

This field specifies the place of taking in charge (in case of a multimodal transport document), the place of receipt (in case of a road, rail or inland waterway transport document or a courier or expedited delivery service document), the place of dispatch or the place of shipment to be indicated on the transport document.

Applicable to MTs –
MT 700, MT 705, MT 707, MT 710, MT 720

Swift

MT 798 Trade Guidelines

The category 7 MTs are bank-to-bank messages.
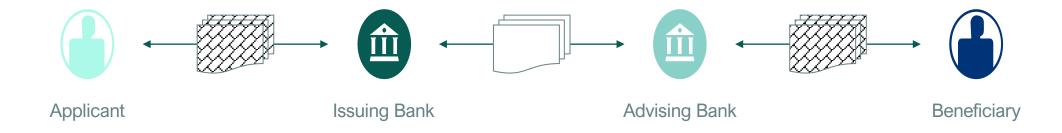
In the corporate-to-bank space, an MT 798 is used as an envelope message, with specific fields, or entire bank-to-bank MTs included in field 77E

The MT 798 Guideline specification (currently implemented is V5.3) was upgraded to take into account the category 7 changes. It also includes various enhancements.

These changes will "go live" at the same time as interbank category 7 MTs (i.e. Nov 2023).

MT 798 MIG V5.3.1 is already published on swift.com

Applicant → Issuing Bank → Advising Bank → Beneficiary

Swift

Use of MT 798 messages for Trade Finance using SWIFTNet FIN in SCORE (Standardised Corporate Environment).

As part of Standards Release 2023, length of four (port/location related) fields in five Category 7 MTs will change to 140z characters from 65x characters. MTs impacted are MT 700, MT 705, MT 707, MT 710, MT 720.

44A	Place of Taking in Charge/Dispatch from .../Place of Receipt	140z
44E	Port of Loading/Airport of Departure	140z
44F	Port of Discharge/Airport of Destination	140z
44B	Place of Final Destination/For Transportation to .../Place of Delivery	140z

Critical Change

For the corporate-to-bank (and vice-versa) flows, the contents of these messages are put in field 77E of an MT 798. Maximum length of field 77E is 78z characters.

In order to avoid validation issues on the FIN network, the length of the field 77E in MT 798 has been extended to 145z characters for SR 2023.

Refer to KB tip #5026164 for more details.

Swift

MT 798 Message Implementation Guide

Important update to MT 798 Message Implementation Guide and FAQ

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A regular update has also been made to the FAQs for Category 7 and MT 798 messages.

MT 798 Message
Implementation Guide (MIG)

FAQ

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https://www.swift.com/standards/standards-releases/release-highlights

Useful links

- Standards Release Page
  https://www.swift.com/standards/standards-releases

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

- MT 798 V5.3.1 Specification
  https://www2.swift.com/uhbonline/books/public/en_uk/s_corp_stdsmt_msg_impl_guid_vol_2_trd_fnc_std/index.htm

- For more information, go to swift.com -> Standards -> Standards releases

Swift

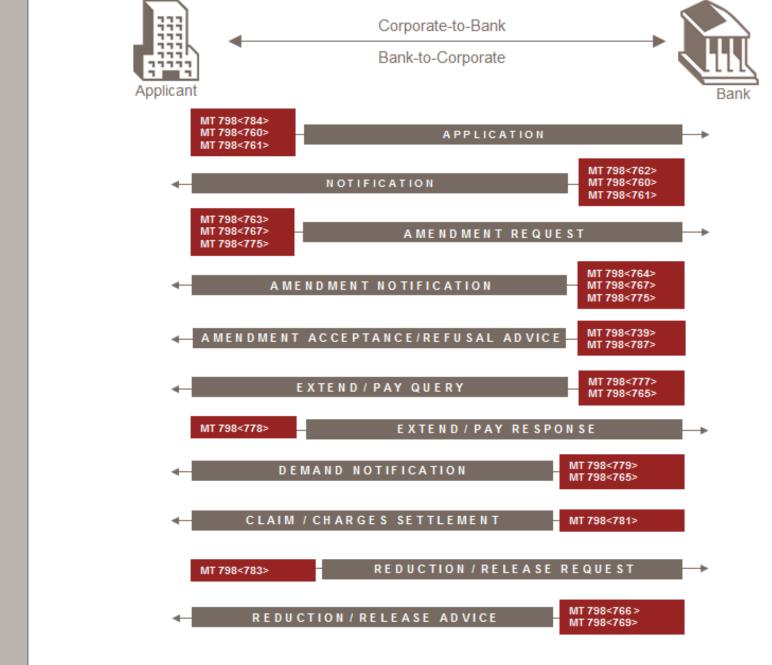# Corporate-to-bank Bank Guarantees/SBLCs API Specifications - update

Update on C2B Bank
Guarantee APIs
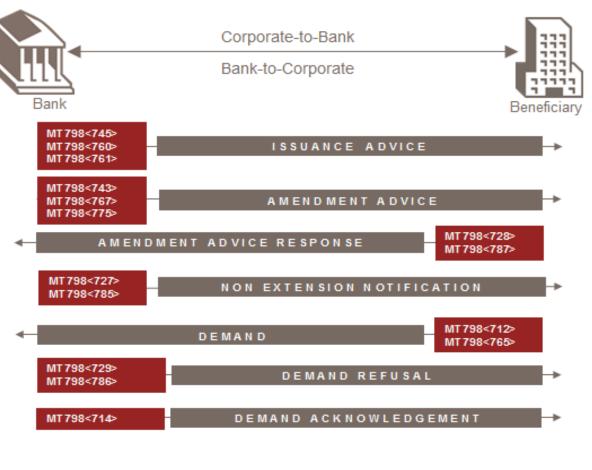
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Update on C2B Bank
Guarantee APIs

For reference
– we kept
same data
and
functionality as
MT 798 but in
API method

1/2

GUARANTEES / STANDBY LETTERS OF CREDIT

Corporate-to-Bank

Bank-to-Corporate

Applicant — Bank

Message	Flow
MT 798<784> MT 798<760> MT 798<761>	APPLICATION
NOTIFICATION	MT 798<762> MT 798<760> MT 798<761>
MT 798<763> MT 798<767> MT 798<775>	AMENDMENT REQUEST
AMENDMENT NOTIFICATION	MT 798<764> MT 798<767> MT 798<775>
AMENDMENT ACCEPTANCE/REFUSAL ADVICE	MT 798<739> MT 798<787>
EXTEND / PAY QUERY	MT 798<777> MT 798<765>
MT 798<778>	EXTEND / PAY RESPONSE
DEMAND NOTIFICATION	MT 798<779> MT 798<765>
CLAIM / CHARGES SETTLEMENT	MT 798<781>
MT 798<783>	REDUCTION / RELEASE REQUEST
REDUCTION / RELEASE ADVICE	MT 798<766 > MT 798<769>

Swift

Update on C2B Bank
Guarantee APIs

For reference – we kept same data and functionality as MT 798 but in API method
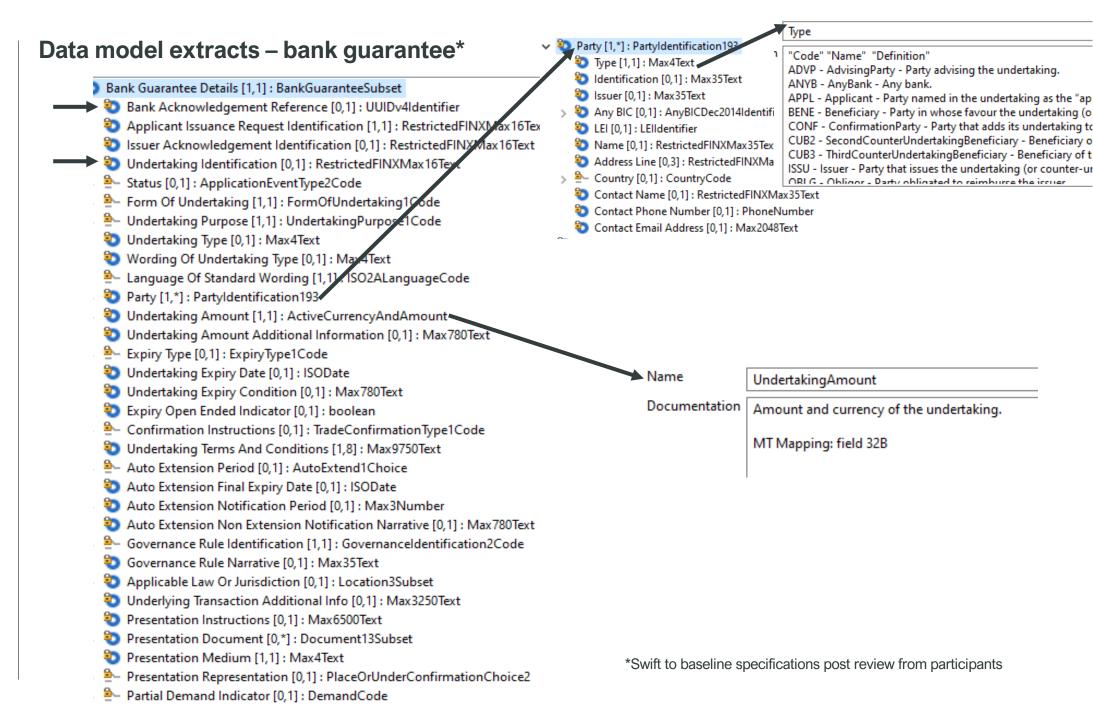
2/2

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API Flows – 3 resources BankGuarantee, Demand, Events

Update on C2B Bank
Guarantee APIs

Applicant — POST TradeFinanceUndertaking (initial application) → **Bank** ········· **Bank**   **Beneficiary**

← (Returns UUID of bank guarantee)

PUT TradeFinanceUndertaking (UUID) (for update before issuance) →

GET TradeFinanceUndertaking (UUID) (after issuance) →   GET TradeFinanceUndertaking (UUID) (after issuance) →

← (Returns issued bank guarantee data incl undertaking id)   ← (Returns issued bank guarantee data incl. undertaking id)

PATCH TradeFinanceUndertaking (UUID) (**amendment** request incl details) →

POST Demand ←

(Returns UUID of Demand) →

PATCH TradeFinanceUndertaking (UUID) (**ReductionRelease** is part of **amendment** request) →

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Data model extracts – bank guarantee*

Bank Guarantee Details [1,1] : BankGuaranteeSubset
→ Bank Acknowledgement Reference [0,1] : UUIDv4Identifier
Applicant Issuance Request Identification [1,1] : RestrictedFINXMax16Tex
Issuer Acknowledgement Identification [0,1] : RestrictedFINXMax16Text
→ Undertaking Identification [0,1] : RestrictedFINXMax16Text
Status [0,1] : ApplicationEventType2Code
Form Of Undertaking [1,1] : FormOfUndertaking1Code
Undertaking Purpose [1,1] : UndertakingPurpose1Code
Undertaking Type [0,1] : Max4Text
Wording Of Undertaking Type [0,1] : Max4Text
Language Of Standard Wording [1,1] : ISO2ALanguageCode
Party [1,*] : PartyIdentification193
Undertaking Amount [1,1] : ActiveCurrencyAndAmount
Undertaking Amount Additional Information [0,1] : Max780Text
Expiry Type [0,1] : ExpiryType1Code
Undertaking Expiry Date [0,1] : ISODate
Undertaking Expiry Condition [0,1] : Max780Text
Expiry Open Ended Indicator [0,1] : boolean
Confirmation Instructions [0,1] : TradeConfirmationType1Code
Undertaking Terms And Conditions [1,8] : Max9750Text
Auto Extension Period [0,1] : AutoExtend1Choice
Auto Extension Final Expiry Date [0,1] : ISODate
Auto Extension Notification Period [0,1] : Max3Number
Auto Extension Non Extension Notification Narrative [0,1] : Max780Text
Governance Rule Identification [1,1] : GovernanceIdentification2Code
Governance Rule Narrative [0,1] : Max35Text
Applicable Law Or Jurisdiction [0,1] : Location3Subset
Underlying Transaction Additional Info [0,1] : Max3250Text
Presentation Instructions [0,1] : Max6500Text
Presentation Document [0,*] : Document13Subset
Presentation Medium [1,1] : Max4Text
Presentation Representation [0,1] : PlaceOrUnderConfirmationChoice2
Partial Demand Indicator [0,1] : DemandCode

Party [1,*] : PartyIdentification193
Type [1,1] : Max4Text
Identification [0,1] : Max35Text
Issuer [0,1] : Max35Text
Any BIC [0,1] : AnyBICDec2014Identifi
LEI [0,1] : LEIIdentifier
Name [0,1] : RestrictedFINXMax35Tex
Address Line [0,3] : RestrictedFINXMa
Country [0,1] : CountryCode
Contact Name [0,1] : RestrictedFINXMax35Text
Contact Phone Number [0,1] : PhoneNumber
Contact Email Address [0,1] : Max2048Text

Type

"Code" "Name" "Definition"
ADVP - AdvisingParty - Party advising the undertaking.
ANYB - AnyBank - Any bank.
APPL - Applicant - Party named in the undertaking as the "ap
BENE - Beneficiary - Party in whose favour the undertaking (o
CONF - ConfirmationParty - Party that adds its undertaking to
CUB2 - SecondCounterUndertakingBeneficiary - Beneficiary o
CUB3 - ThirdCounterUndertakingBeneficiary - Beneficiary of t
ISSU - Issuer - Party that issues the undertaking (or counter-u
ORLG - Obligor - Party obligated to reimburse the issuer

Name | UndertakingAmount

Documentation | Amount and currency of the undertaking.

MT Mapping: field 32B

*Swift to baseline specifications post review from participants

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ISO submission versus pilot resources

Update on C2B Bank Guarantee APIs

ISO 20022 submission
- Business Justification has been submitted and is getting positive reactions
- Resources review comes next, may result in a few changes (esp. additions)
- Will result in the truly global gold standard

For the pilot (and ICC community) we will use MT798 data-aligned resources for a smooth, easy integration onto the back-office database. Same field lengths, same functionality as MT798, easily mappable.

**ISO 20022 submitted resource is aligned with ISO 20022, hence has longer reference fields, can handle more character sets and has a few additional elements.
It is the long-term way forward and will not be used in the Pilot.**

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Q&A

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Legal notices

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We provide our community with a platform for messaging, standards for communicating and we offer products and services to facilitate access and integration; identification, analysis and regulatory compliance.

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