

Swift Update – 2024

IIBLP's Guarantee & Standby Forum
and
Annual LC Survey



Swift Standards

Confidentiality: Public

Agenda

- SR 2025 Update
- Corp-to-bank APIs
- Q&A

Background

The Trade Finance Standards Working Group launched a significant overhaul of the Category 7 MTs (Documentary letters of credit, guarantees and standby L/Cs).


There was a significant upgrade to the functionality and format of the 700 (L/C) series in November 2018 and 760 (guarantees/standby L/Cs) series of messages in November 2021, including addition of 9 new MTs.

Since 2021, we have had quite a few changes to Category 7 MTs based on the change requests submitted by different user groups across the globe.



Timeline

The timeline below describes the schedule for development and implementation of SR 2025



Saturday 01 June 2024	Deadline for MT change requests
Friday 19 July 2024	MT High-level Information published
1 st week Sept 2024	Standards WG meetings
Monday 16 September 2024	Standards WG recommendations to ExCo
23 Sept – 1 Nov 2024	Country voting for MT and Usage Guidelines
Friday 22 November 2024	Updated MT High-Level Information
Friday 13 December 2024	Standards Release Guide (SRG) and Message Format Validation Rules (MFVR) published
Friday 21 February 2025	Updates to SRG and MFVR published
Friday 2 May 2025	Vendor Test System and ITB activated
Friday 18 July 2025	MT Standards User Handbook published
Saturday 19 July 2025	MT Test & Training activated
Saturday 22 November 2025	MT Standards Release 2025 Live

SR 2025 - What is changing?



- Definitions updated
- Usage rules updated
- New fields added
- 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

Please note: There is no update to Trade Finance MTs in SR 2024. 5 Change Requests (CR) approved from previous year will be implemented in SR 2025 along with any newly approved CRs.

Revision of Party Fields in Trade Finance messages



April 2024

Challenges - Today

- Trade Finance users across the globe have expressed concerns about space issues they encounter with respect to party fields in the Trade Finance Message categories (Category 4, Category 7 and MT 798 for Corporate-to-bank). Current party field length is very short and does not provide structure and flexibility. The current format* of party fields in Trade Finance is –

4*35x

(Name and Address)

- There are known limitations of the X character set.
- Issues related to the length and structure results in –
 - Manual intervention resulting in increased chances of errors and operational risks.
 - Misuse of other fields not meant for the purpose.
 - Misunderstanding/misinterpretation of the information.
 - Compliance risks.
 - Increased chances of false positives resulting in manual efforts.
- Since there is no decision or planning yet for the migration of the Trade Finance messages to an ISO 20022 XML standard, the revision of the existing party fields must be made in the FIN syntax. Moreover, the payments industry is very soon going to allow only for structured or hybrid address. Therefore, an alignment with CBPR+ will help ease the transfer of information from trade finance systems into payments.

April 2024


Revision of Trade
Finance Party Fields

Status Quo of the party fields in Category 4 & 7 messages

April 2024

Revision of Trade
Finance Party Fields

- The following party fields are used to specify a **non-financial party** in Category 4 & 7 messages*:
 - :50: as 'Applicant/First Beneficiary/Non-Bank Issuer' in Category 7 or 'Principal' in Category 4 messages
 - :51: as 'Obligor/Instructing Party' in Category 7 messages
 - :59: as 'Beneficiary/Second Beneficiary' in Category 7 as well as 'Drawee' in Category 4 messages



Change will
impact only
'Non-FI' fields

- Several party fields in the Category 4 & 7 messages are used to specify **financial institutions (banks)**, such as:
 - :51a: 'Applicant Bank'
 - :52a: 'Issuing Bank/Issuer/Ordering Bank/Sender of a Cash Letter'
 - :53a: 'Reimbursing Bank/Sender's Correspondent'
 - :54a: 'Receiver's Correspondent'
 - :56a: 'Advising Bank/Intermediary'
 - :57a: "'Advise Through' Bank/Account with Bank/Account With Institution'
 - :58a: 'Requested Confirmation Party/Negotiating Bank/Beneficiary Bank'
- Some fields used in the cat 7 messages to specify a party, do not fit in the classic "party fields starting with 5":
 - :24G: 'Delivery to/Collection by' in the MT 760 for example with a format of 12*65z
 - :41a: 'Available with .. by ...' as for example in MT 700 (must be a bank)
 - :42a: 'Drawee' as for example in MT 700 (must be a bank)

The proposal for change focuses only on the highlighted box above.

Approach finalized by Payments industry for structuring postal address

With the decision to allow party fields in Payment messages in a 'fully structured' or a 'hybrid structure' only, a sophisticated option for a seamless data exchange needs to be found for Trade Finance messages.

April 2024

Revision of Trade Finance Party Fields

Preferred

Fully structured

- All available address data is mapped into one of the 14 ISO20022 fields
- No co-mingling of data
- No combination with "AdrLine" allowed

```
<Cdtr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <StrtNm>HOOGSTRAAT</StrtNm>
    <BldgNb>6</BldgNb>
    <Flr>18</Flr>
    <PstlCd>1000</PstlCd>
    <TwnNm>BRUSSELS</TwnNm>
    <Ctry>BE</Ctry>
  </PstlAdr>
</Cdtr>
```

Unstructured

- No combination with structured ISO20022 address elements allowed
- Difficulty to interpret data due to co-mingling of address elements

```
<Cdtr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
    <AdrLine>1000 BRUSSELS</AdrLine>
    <AdrLine>BE</AdrLine>
  </PstlAdr>
</Cdtr>
```

new

Hybrid *In scope of PMPG CR*

- Combination of structured ISO20022 address elements **and** up to 2 lines of 70 characters of unstructured "AdrLine" allowed
- Elements available in structured format must be mapped into the respective structured element (minimum: TownName & Country)
- Structured elements must not be repeated in the AdrLine element(s)

Network validation rules

Textual rule

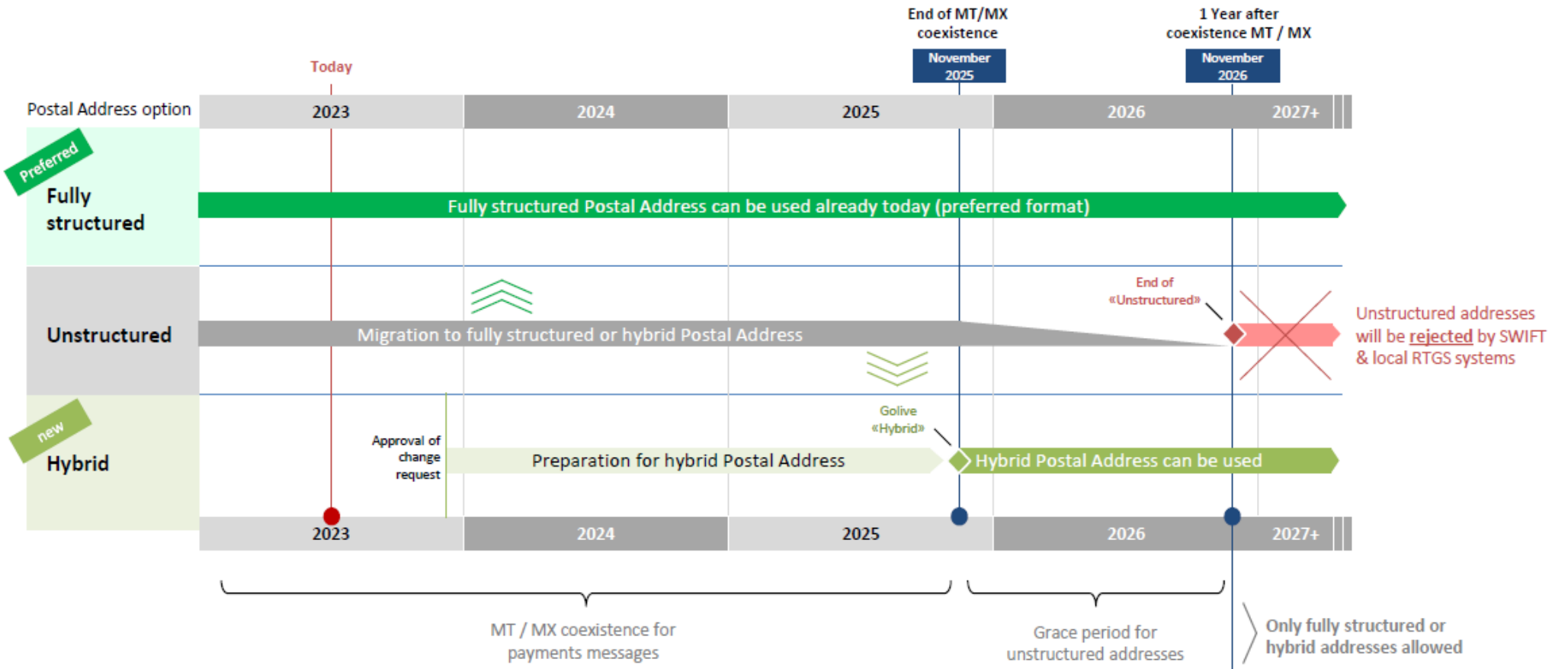
```
<Cdtr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <PstlCd>1000</PstlCd>
    <TwnNm>BRUSSELS</TwnNm>
    <Ctry>BE</Ctry>
    <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
  </PstlAdr>
</Cdtr>
```



Contd...

Approach finalized by Payments industry for structuring postal address (Contd..)

April 2024
Revision of Trade Finance Party Fields



Implementation Proposal

- The current format of party fields, i.e. 4*35x will now break into 5 individual fields instead of a single field.
- For example, field 50: 'Applicant' will be modified as below –

:50M:	'Applicant Name'	Format: 4*35z
:50N:	'Applicant Address'*	Format: 4*35z
:50R:	'Applicant Town/City Name'	Format: 35z
:50S:	'Applicant Post Code'	Format: 16z
:50P:	'Applicant Country'***	Format: 2!a

* Includes all address details in free text form, such as: Department, Street Name, Building Number, Building Name, etc. excluding Town Name and Postal Code.

** ISO 3166-1 country code

Please check the detailed fields proposal slide to understand all the impacted fields. Field options shown in the document can change during the actual implementation. This slide is only for visual understanding of the change (if approved).

Key Decisions

- These changes (if approved) will impact only Category 4, Category 7 and MT 798 messages and no other MTs.
- There will be no change made to fields representing financial institutions. These changes will only be impacting the non-FI Party fields.
- Z character set for text fields.
- New Network Validation Rules (NVRs) will be added. Necessary Usage Rules will be defined. Field Definitions to be clear and precise.
- Post Code will be an optional field but must be filled in when known.
- Option A from field 59a will be named as 'Beneficiary' and will have a tag option 'C'. The new field for Beneficiary with a BIC will be 59C.
- Year of implementation will be SR 2025.
- MT 798 Message Implementation Guide (MIG) will also undergo a change if this CR is approved.
- New fields in trade finance messages will map with the 'hybrid' postal address of CBPR+ messages.

Example (Mapping with CBPR+ Postal Address)

Trade Finance

:50M:SMITH JOHN TRANSPORT SERVICES PTE

<Dbtr>

:50N:The Capital, G Block, Bandra
Kurla Complex

<PstlAdr>

:50R:Mumbai

<PstCd>400051</PstCd>

<TwnNm>Mumbai</TwnNm>

<Ctry>IN</Ctry>

:50S:400051

<AdrLine>The Capital, G Block, Bandra</AdrLine>

<AdrLine>Kurla Complex</AdrLine>

:50P:IN

<PstlAdr>

<Dbtr>

Payments (Hybrid Address)

<Nm>SMITH JOHN TRANSPORT SERVICES PTE</Nm>

April 2024
Revision of Trade
Finance Party Fields

The above example shows ease of transmitting trade information into payments messages.

MT 798 Trade Guidelines

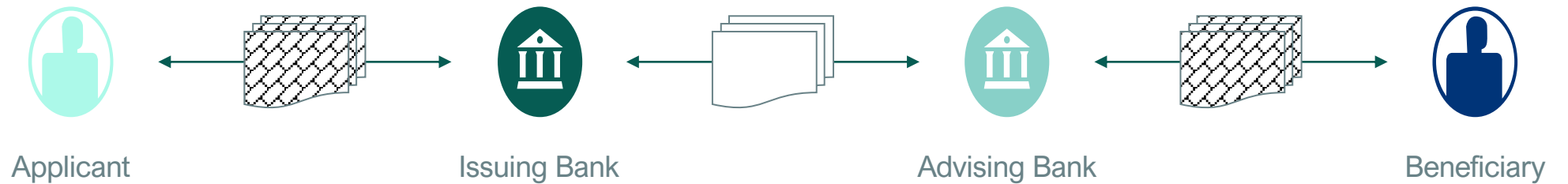
Category 7 MTs are bank-to-bank messages.

The MT 798 Guideline specification (currently implemented is V5.3) will be upgraded to take into account the category 7 changes in SR 2025. It will also include various enhancements.

MT 798 MIG V5.3 is already published on [swift.com](https://www.swift.com)

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

These changes will “go live” at the same time as interbank Category 7 MTs (i.e. Nov 2025).



Useful links

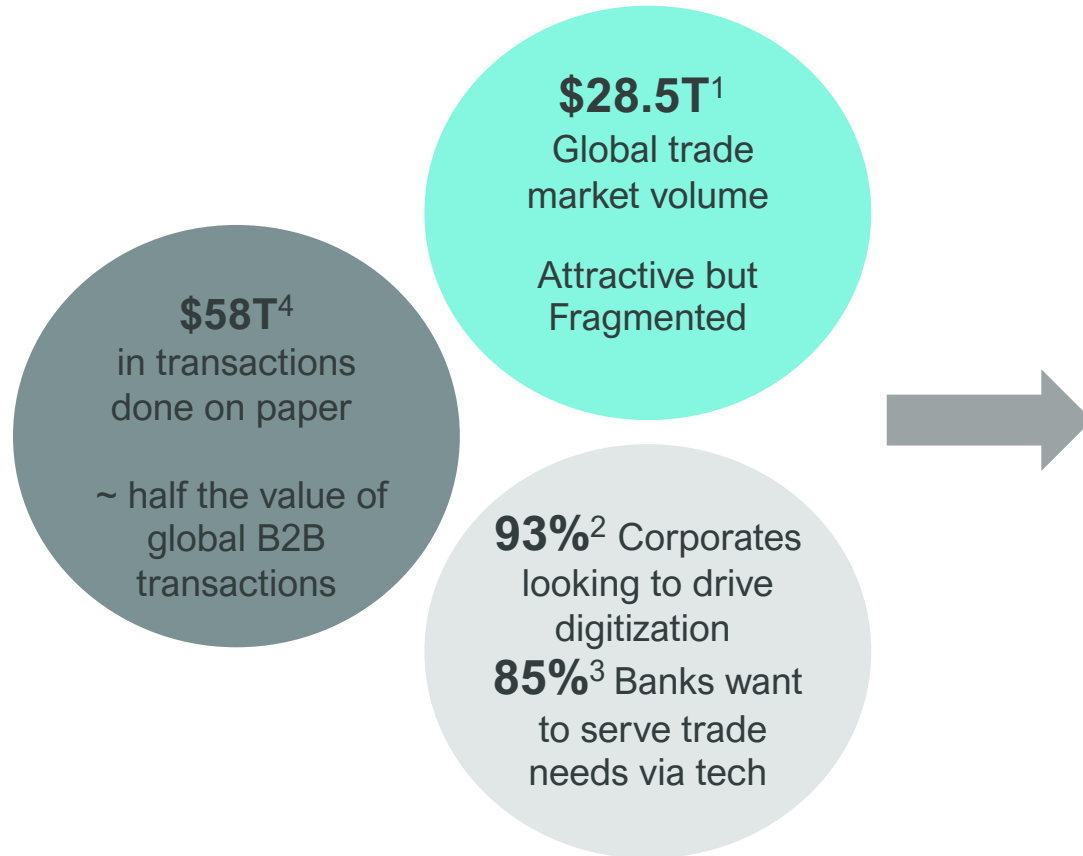
- In general, go to [swift.com](https://www.swift.com) -> Standards -> Standards releases for all information regarding Standards Release
- Go to <https://www.swift.com/standards/standards-releases/release-highlights> to download the latest MT 798 Message Implementation Guide (MIG)

Corporate to Bank Guarantee API



Market Background

C2B Guarantees
API



73% of Banks and firms recognize that efficiency and productivity will be achieved by standardization and digitization of documents³.

Digitization will help in :

- **USD 6 billion** reduction in trade cost*.
- **10% boost in trade revenues** generating a **40%** increase in global trade**.

Standardization, interoperability and Digitization is key for efficient collaboration, security and efficiency in cross border trade.

Source:

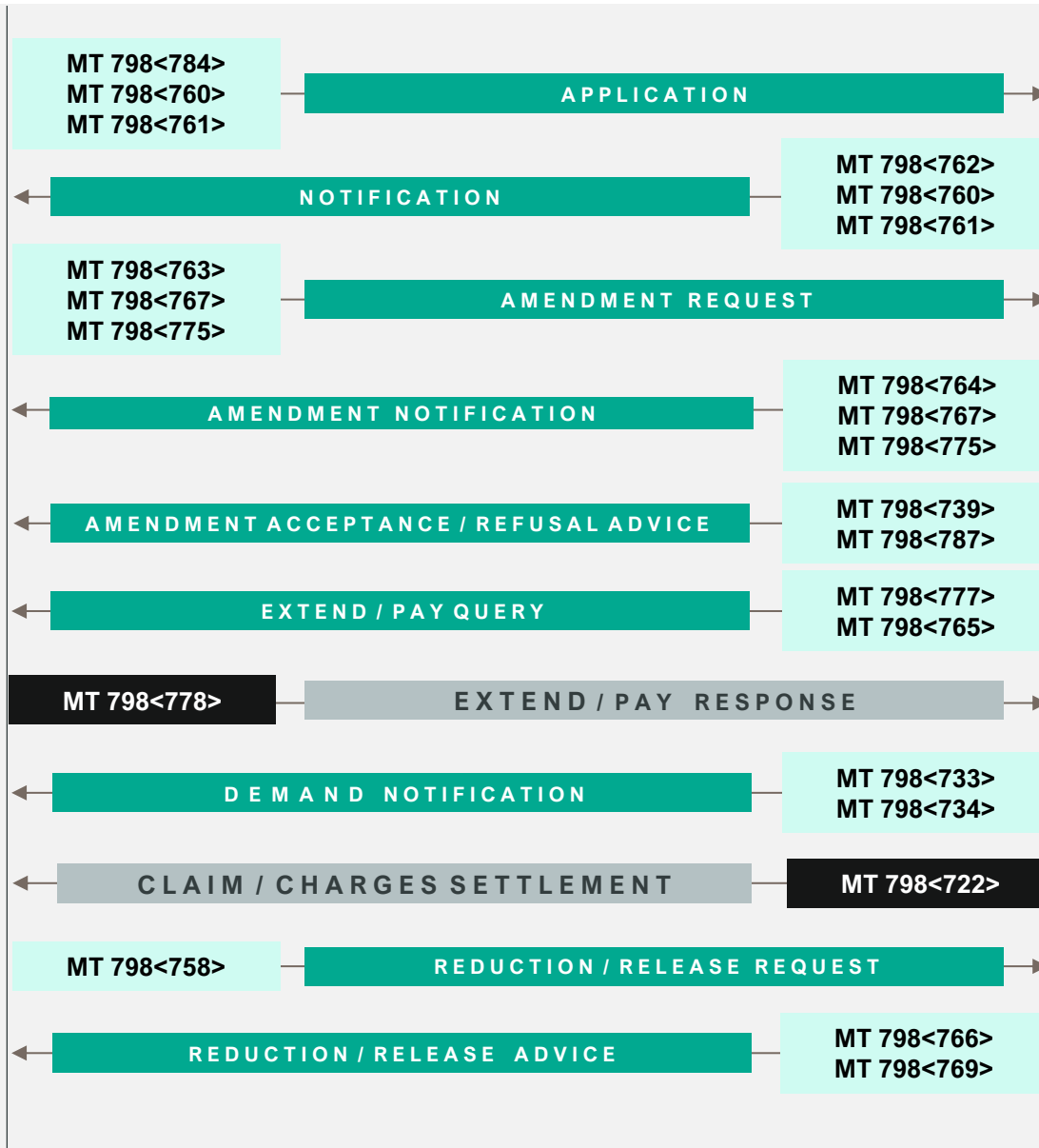
¹ Gartner, ² McKinsey, ³ ADB, ⁴ Microsoft

* ICC global trade securing future growth tenth annual edition 2019, Boston Consultancy Group.

** ICC UK, Dr Rebecca Harding CEO Coriolis. Business case commissioned by ICC UK 2021

There is a dedicated message type for each event within the life cycle of a demand guarantee

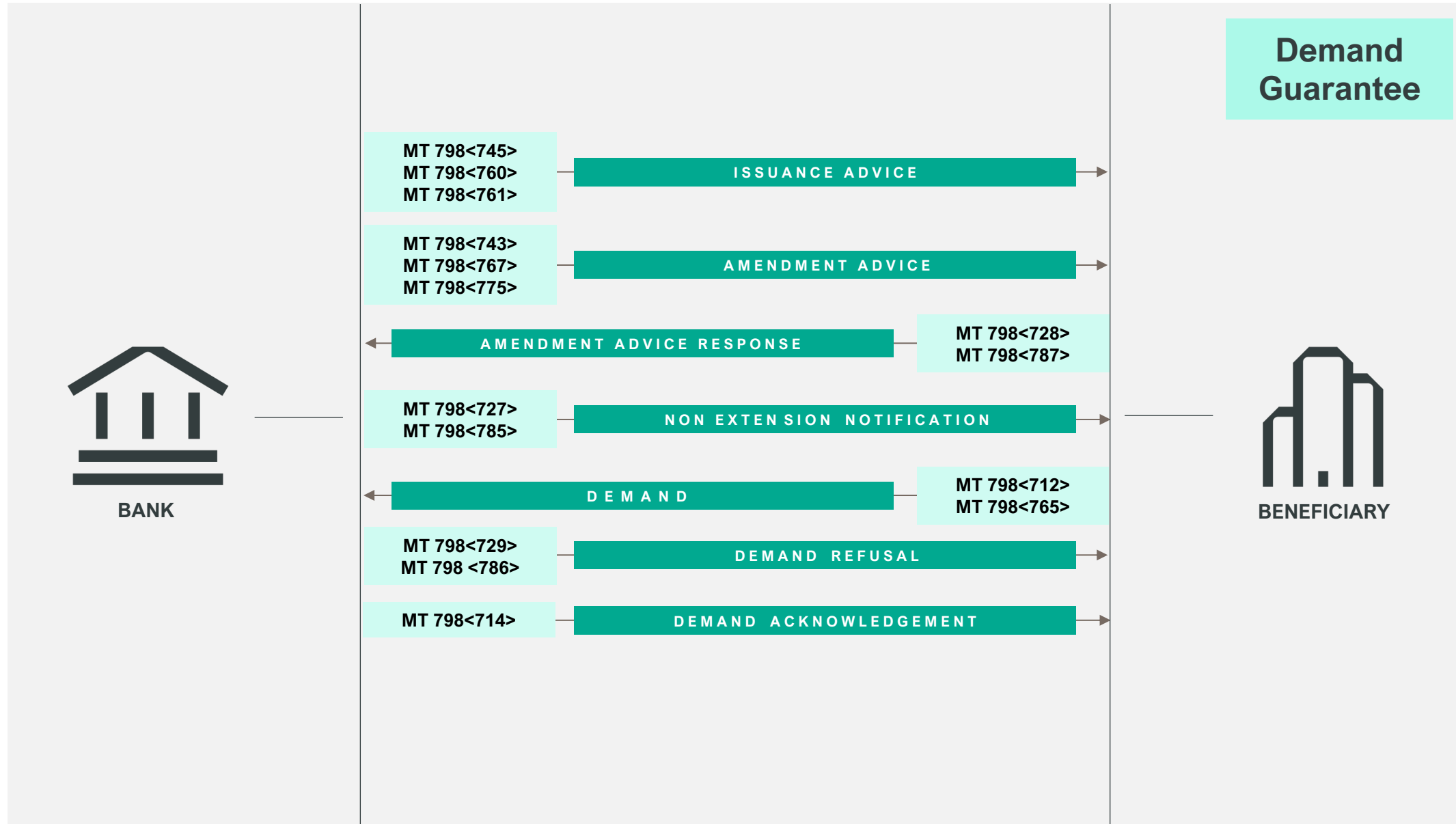
C2B Guarantees API



Demand Guarantee

There is a dedicated message type for each event within the life cycle of a demand guarantee

C2B Guarantees API



Difference between MT798 and API for Guarantees

MT 798

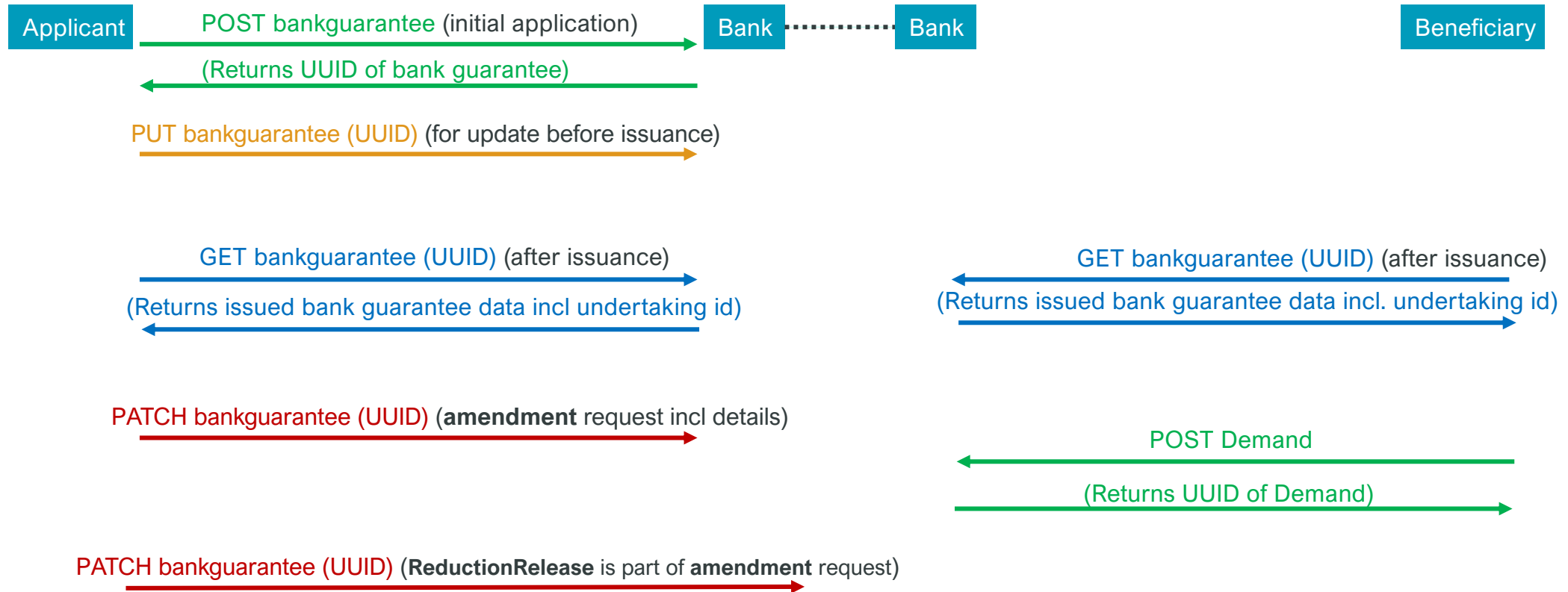
- A so-called envelope message which incorporates multiple sub-messages for a transaction event (e.g. application)
- The envelope message has a free format structure by default. The standardization is based on a guideline that provides room for different interpretations
- No validation
- Restricted text length and field limitation
- Swift centric development

Guarantee API

- Full life cycle Guarantee API Standard
- Designed using Open API specification (OAS), ISO 20022 information model and taxonomy for interoperability and evolvability
- Validation (when used via Swift)
- Extended text length and flexible field usage
- Compatible with other ISO initiatives (e.g. payments) and trade API ones (e.g. eBL)
- Co-created with ICC and community

API Flows – 3 resources BankGuarantee, Demand, Events

C2B Guarantees API



Data model extracts – bank guarantee*

- Undertaking Details [1,1] : UndertakingSubset
 - Bank Acknowledgement Reference [0,1] : UUIDv4Identifier
 - Applicant Issuance Request Identification [1,1] : RestrictedFINXMax16Text
 - Issuer Acknowledgement Identification [0,1] : RestrictedFINXMax16Text
 - Undertaking Identification [0,1] : RestrictedFINXMax16Text
 - Third Party Issuance Request Identification [0,1] : RestrictedFINXMax16Text
 - Status [0,1] : ApplicationEventType2Code
 - Undertaking Form [0,1] : UndertakingForm1Code
 - Undertaking Application Date [1,1] : ISODate
 - Undertaking Issuance Date [0,1] : ISODate
 - Issuance Type [0,1] : Max4Text
 - Undertaking Type [0,1] : Max4Text
 - Undertaking Text Purpose [0,1] : UndertakingPurpose1Code
 - Undertaking Wording Type [0,1] : Max4Text
 - Undertaking Wording Narrative [0,1] : RestrictedFINMax35Text
 - Standard Wording Language [0,1] : ISO2ALanguageCode
 - Party [1,*] : PartyIdentification281
 - 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
 - Confirmation Instructions [0,1] : UndertakingConfirmationType1Code
 - 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] : UndertakingGovernanceIdentification1Code
 - 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 [0,1] : Demand1Code
 - Transfer Indicator [0,1] : YesNoIndicator

- Party [1,*] : PartyIdentification281
 - Type [1,1] : Max4Text
 - Identification [0,1] : Max35Text
 - Issuer [0,1] : Max35Text
 - Any BIC [0,1] : AnyBICDec2014Identifier
 - LEI [0,1] : LEIIdentifier
 - Name [0,1] : RestrictedFINXMax35Text
 - Address Line [0,3] : RestrictedFINXMax35Text
 - Country [0,1] : CountryCode
 - Contact Name [0,1] : RestrictedFINXMax35Text
 - Contact Phone Number [0,1] : PhoneNumber
 - Contact Email Address [0,1] : Max2048Text
 - Additional Details [0,1] : RestrictedFINMax35Text

Code	Name	Definition
ADVP	AdvisingParty	Party advising the undertaking.
ANYB	AnyBank	Any bank.
APPL	Applicant	Party named in the undertaking as the "applicant".
BENE	Beneficiary	Party in whose favour the undertaking is issued.
CONF	ConfirmationParty	Party that adds its undertaking to the original undertaking.
CUB2	SecondCounterUndertakingBeneficiary	Beneficiary of the second counterparty undertaking.
CUB3	ThirdCounterUndertakingBeneficiary	Beneficiary of the third counterparty undertaking.
ISSU	Issuer	Party that issues the undertaking (or counterparty undertaking).
ORIG	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

Data model extracts – bank guarantee – document delivery details

C2B Guarantees API

- 🔒 Delivery Channel Method [0,1] : Max4Text
- 🔒 Deliver To Party Type [0,1] : Max4Text
- 🔒 Deliver To Name [0,1] : RestrictedFINXMax35Text
- 🔒 Deliver To Address [0,3] : RestrictedFINXMax35Text
- 🔒 Deliver To Tracking Reference [0,1] : Max35Text
- 🔒 Deliver To Electronic Details [0,*] : Presentation5
 - 🔒 Format [0,1] : Max4Text
 - 🔒 Channel [0,1] : Max4Text
 - 🔒 Address [0,1] : Max256Text
 - 🔒 Additional Details [0,1] : RestrictedFINMax35Text
- 🔒 Additional Deliver To Details [0,1] : RestrictedFINMax35Text
- 🔒 Supporting Document [0,*] : Document18
 - 🔒 Undertaking Document Type [1,1] : Max4Text
 - 🔒 Undertaking Document Identification [1,1] : Max35Text
 - 🔒 Undertaking Document Format [0,1] : Max4Text
 - 🔒 File Name [0,1] : Max140Text
 - 🔒 Issue Date [0,1] : ISODate
 - 🔒 Linked URL Address [0,1] : Max256Text
 - > 🔒 Digital Signature [0,1] : PartyAndSignature6
 - 🔒 Additional Details [0,1] : RestrictedFINMax35Text

DeliveryChannelMethod
ⁿ Method by which the original undertaking is to be made available.
"Code" "Name"
COUR - Courier
EMAL - Email
FAXI - Fax
MESS - Messenger
POST - Post
REGM - RegisteredMail
SEMA - SecureEmail

DigitalSignature
¹ Digital signature of the linked binary file.

LinkedURLAddress
ⁿ Address for the Universal Resource Locator (URL), eg, used over the www (HTTP) service.

Data model extracts – amendment, reduction, release requests are done through PATCH operation of the bank guarantee resource

- Amendment Request Supporting Information [0,1] : BankGuaranteeAmendment2Subset
 - Amendment Request Identification [1,1] : RestrictedFINXMax16Text
 - Amendment Sequence Number [1,1] : Max3NumericText
 - Amendment Request Date [0,1] : ISODate
 - Amendment Date [0,1] : ISODate
 - Undertaking Amendment Instruction Purpose [0,1] : AmendmentPurpose1Code
 - Amendment Impact [0,*] : AmendmentImpact1Code
 - Undertaking Termination Request [0,1] : YesNoIndicator
 - Undertaking Increase Decrease Amount [0,1] : Amount1Choice
 - New Undertaking Terms And Conditions [0,8] : Max9750Text
 - Counter Undertaking Increase Decrease Amount [0,1] : Amount1Choice
 - New Counter Undertaking Terms And Condition [0,1] : Max9750Text
 - Delivery Channel Method [0,1] : Max4Text
 - Deliver To Party Type [0,1] : Max4Text
 - Deliver To Name [0,1] : RestrictedFINXMax140Text
 - Deliver To Address [0,3] : RestrictedFINXMax35Text
 - Deliver To Tracking Reference [0,1] : Max35Text
 - Additional Deliver To Details [0,1] : RestrictedFINMax35Text
 - Reduction Release [0,1] : ReductionReleaseNotice4Subset
 - Undertaking Release Reduction Date [0,1] : ISODate
 - Undertaking Release Reduction Reason [0,1] : Max4Text
 - Reduced Or Released Amount [0,1] : ActiveCurrencyAndAmount
 - Outstanding Amount [0,1] : ActiveCurrencyAndAmount
 - Amount Additional Information [0,1] : Max140Text
 - Account With Bank [0,1] : PartyIdentification282
 - Supporting Document [0,*] : Document18
 - Additional Information [0,1] : Max210Text

Data model extracts – Demand resource (also for Extend or Pay request)

- 🔑 Demand [1,1] : Demand7Subset
 - 🔑 Bank Acknowledgement Reference [1,1] : UIDv4Identifier
 - 🔑 Undertaking Identification [0,1] : RestrictedFINXMax16Text
 - 🔑 Demand Identification [1,1] : RestrictedFINXMax16Text
 - 🔑 Advising Party Reference Number [0,1] : RestrictedFINXMax16Text
 - 🔑 Beneficiary Reference Number [0,1] : RestrictedFINXMax16Text
 - > 📄 Demand Type [1,1] : DemandType1Code
 - 🔑 Demand Submission Date [1,1] : ISODate
 - > 📄 Demand Amount [1,1] : ActiveCurrencyAndAmount
 - 🔑 Demand Amount Additional Information [0,1] : Max780Text
 - > 📄 Party [1,*] : PartyIdentification281
 - 🔑 Requested Expiry Date [0,1] : ISODate
 - 🔑 Complete Demand [1,1] : YesNoIndicator
 - 🔑 Completion Information [0,1] : Max3250Text
 - 🔑 Presentation Completion Details [0,1] : Max700Text
 - > 📄 Settlement Account [0,*] : CashAccount208
 - 🔑 Extend Or Pay Text [0,1] : Max3250Text
 - 🔑 Instructions From Bank [0,1] : Max210Text
 - > 📄 Documentation [0,*] : Document18

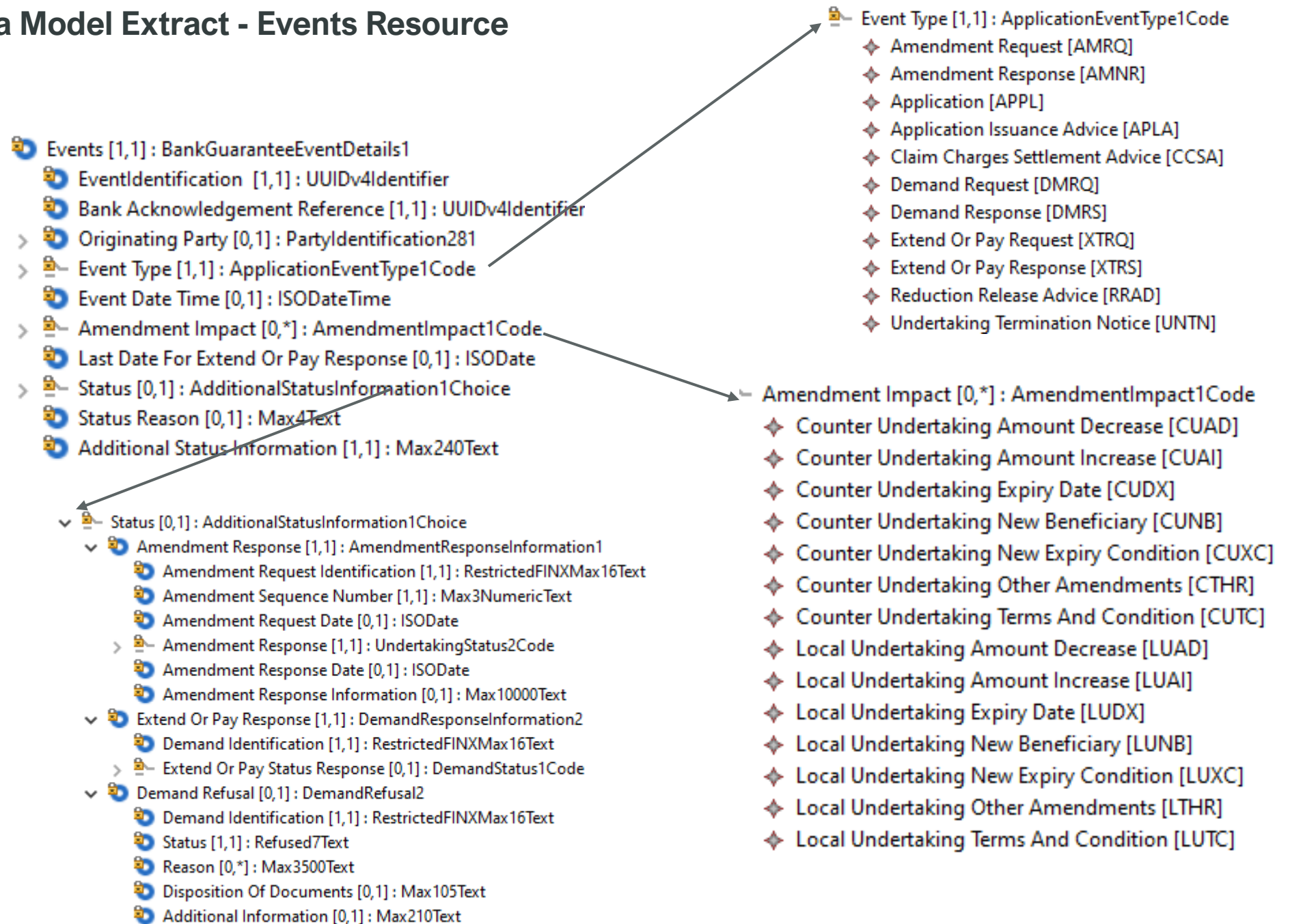
(response as part of Events resource – see later)

- 🔑 Extend Or Pay Response [1,1] : DemandResponseInformation1
 - 🔑 Demand Identification [1,1] : RestrictedFINXMax16Text
 - > 📄 Extend Or Pay Status Response [0,1] : DemandStatus1Code

(refusal response as part of Events resource – see later)

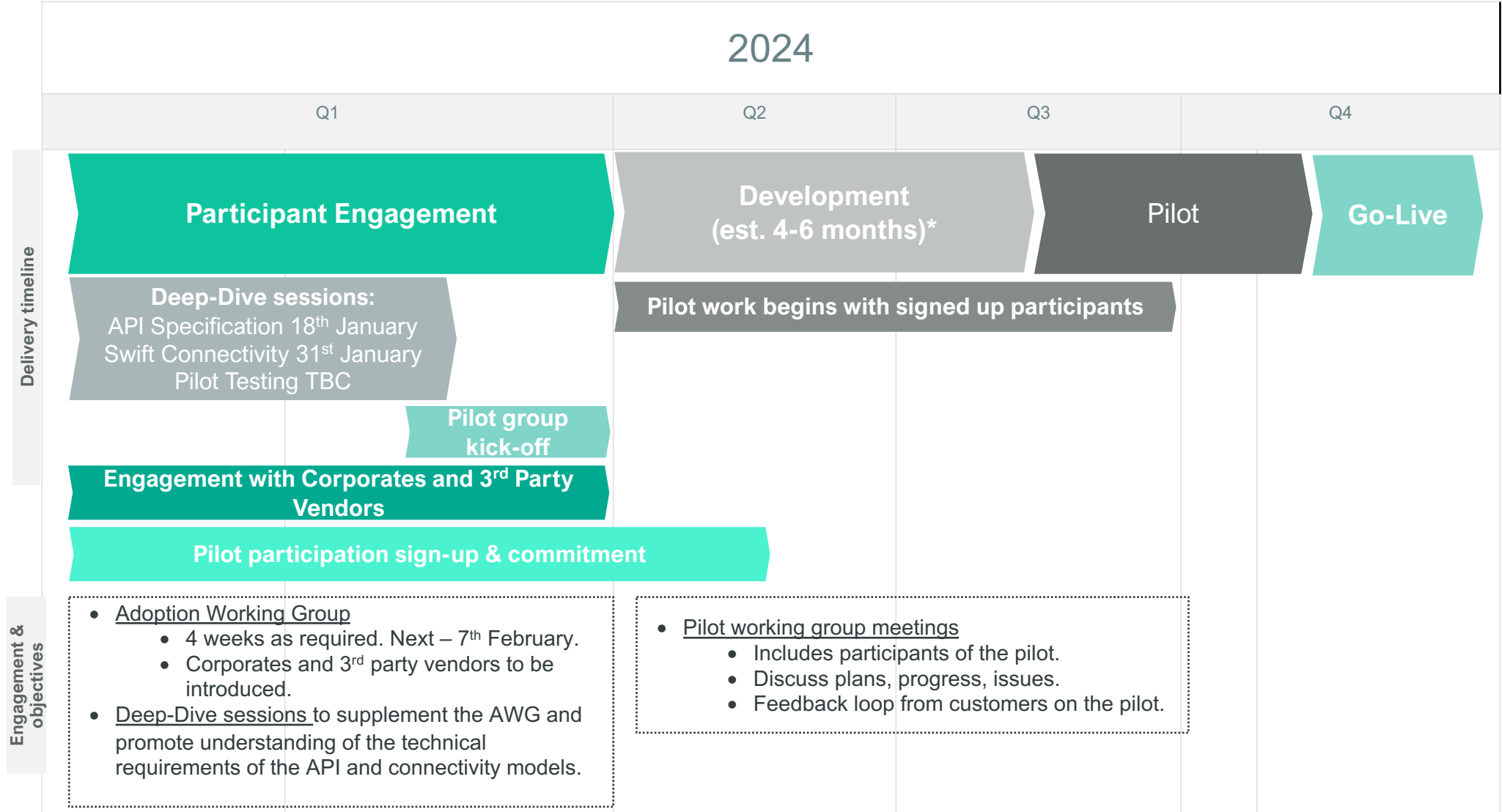
- 🔑 Demand Refusal [0,1] : DemandRefusal2
 - 🔑 Demand Identification [1,1] : RestrictedFINXMax16Text
 - 🔑 Status [1,1] : Refused7Text
 - 🔑 Reason [0,*] : Max3500Text
 - 🔑 Disposition Of Documents [0,1] : Max105Text
 - 🔑 Additional Information [0,1] : Max210Text

Data Model Extract - Events Resource



Trade Guarantees API Roadmap – High Level Q1 2024

C2B Guarantees API



**high-level indication only – development timelines to be confirmed by participants once technical requirements are clarified*



ISO submission versus pilot resources

C2B Guarantees API

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 are using 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.

Thank you

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Q&A

Swift is a global member-owned cooperative and the world's leading provider of secure financial messaging services.

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.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories. Whilst Swift does not hold funds or manage accounts on behalf of customers, we enable our global community of users to communicate securely, exchanging standardised financial messages in a reliable way, thereby facilitating global and local financial flows, and supporting trade and commerce all around the world.

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