



Revisiting MT 760

Report on recent Cat 7 WG Initiative

David Dobbing – SWIFT Standards

MT Category 7 Working Group

Purpose and Objectives

- Established under the auspices of the TFMWG (Trade Finance Maintenance Working Group)
- For Guarantees/Standbys, evaluate & reference ISO 20022 formats
- Formed in July-August 2013 to achieve the following objectives:
 - significantly enhance MTs of Category 7 that include interbank Documentary Credits and Guarantees / Standbys messages
 - enhance MT 798 guidelines for corporate-to-bank messages incorporating the Category 7 enhancements and earlier MT 798 deferred enhancements
 - prepare necessary Change Requests (CR) and submit them to SWIFT and TFMWG by 1st of June 2014



MT Category 7 Working Group

Members

- Corinne Babok (Société Générale)
- Patrick Boiteau (Crédit Agricole)
- Tommy Chong (Standard Chartered Bank)
- David Curling (Barclays)
- Francesco Cusenza (Associazione Bancaria Italiana)
- Ingrid De Trogoff (Crédit Agricole)
- Michael Fenyk (Deutsche Bank)
- Giovanni Forcati (Banca Popolare di Vicenza)
- Kate Han (HSBC)
- Roland Hasenaecker (Commerzbank)
- Egbert Jansen(ING)
- David Ondo (PNC Financial Services)
- Fiore Petrassi (JP Morgan Chase)
- Chakicherla Rao (State Bank of India)
- Guosheng Wang or Shen Ma (Bank of China)
- Janna Webskowski (U.S. Bank)
- Jim Byrne (IIBLP)
- Robert Marchal (SWIFT), Facilitator
- Angeline Tan (SWIFT)
- David Dobbing (SWIFT)

Application Vendors have
been consulted



MT Category 7 Working Group

General – L/C and Guarantees/Standbys

- Creation of a message MT 759 (Multi-purpose Trade Structured Message) similar to MT 799 using a limited number of coded and structured fields
- Further structuring of party fields (like 50 and 59)
- Addition of a field to refer to a document sent by another channel (eg FileAct)
- Adoption of extended “Z” character set for long fields (eg 45A, 46A, 47A)

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

General and overall issues and topics

Re-structuring of the party fields in Cat 7 messages

- Currently the actual fields for parties (e.g. Applicant, Beneficiary, etc.) are defined with 4 lines each 35 characters.
- Quite often this is not sufficient enough to specify the details of the parties and other fields are used instead of or in addition (e.g. 47A)
- Proposal to increase to 6 lines with structured address

```
:59?:  
1/Wong Wu Garments International Ltd  
1/Clothing Manufacture Department  
2/Unit 25 B, 10 Floor  
2/Tong Yong Factory Building, 705  
2/Castle Peak Road, Lai Chi Kok,  
3/HK/Kowloon
```

1 = Name

The number followed by a slash, '/' must be followed by the name of the party

2 = Address

The number followed by a slash, '/' must be followed by an Address Line (Address Line can be used to provide for example, street name and number, or building name).

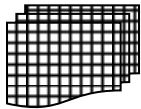
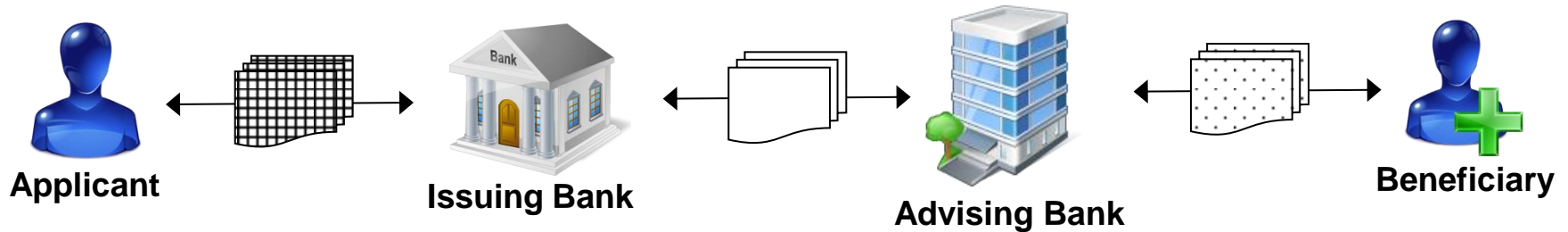
3 = Country/Town

The number followed by a slash, '/' must be followed by the ISO country code, a slash '/' and Town (Town can be complemented by postal code (for example zip), country subdivision (for example state, province, or county).

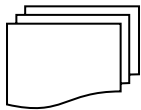


Guarantees and Standby Letters of Credit

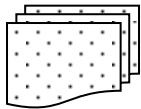
Status quo in electronic communication standards



well structured Customer-to-Bank messages (SCORE MT 798)



unstructured Bank-to-Bank messages (MT 760, MT 767, etc.)



less structured Bank-to-Customer messages (SCORE MT 798)

Guarantees and Standby Letters of Credit

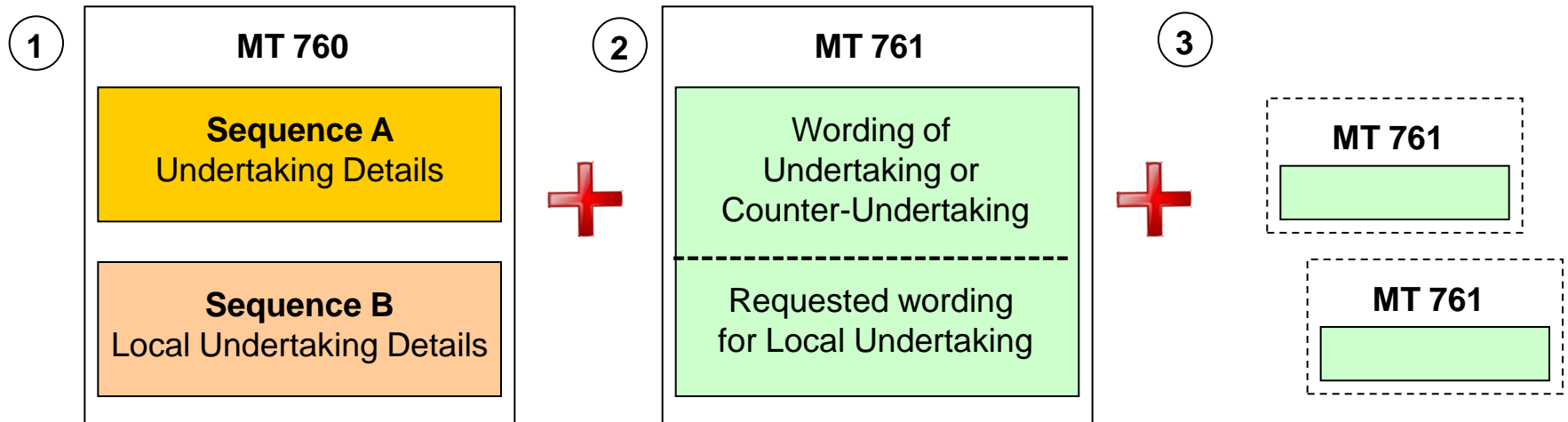
Overview of work items and topics

- Enforcement of use of MT 760 (and MT 767) for Demand Guarantees / Standby Letters of Credit
- Significant re-design of MT 760 + continuation message (MT 761)
- Significant re-design of MT 767 + continuation message (MT 775)
- NEW MT: Guarantee/SBLC Guarantee Demand (incorporating Extend or Pay) (MT 765)
- NEW MT: Guarantee/SBLC Demand Refusal (MT 786)
- NEW MT: Guarantee/SBLC Undertaking Amendment Response (MT 787)
- NEW MT: Guarantee/SBLC Non-extension Notification (MT 785)



Guarantees and Standby Letters of Credit

General overview revised message structure of MT760



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 two blocks:

- 1** Sequence A: indicates the details of the undertaking or counter-undertaking
- Sequence B: (optional) indicates the details of the requested local undertaking

- 2** 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

- 3** Up to a maximum of 8 MT 761 messages could accompany the MT 760 message



MT Category 7 Working Group Plan

- Some 25 Change Requests (CRs) approved July 2014 by TFMWG (Trade Finance Maintenance Working Group) to go forward for Country Vote (Sept – Oct)
- Logically considered as a single CR
- Standards Release timetable vote :
 - Standards Release 2016 for L/C and 2017 for Guarantees/SBLC
OR
 - Standards Release 2017 for L/C and 2018 for Guarantees/SBLC
- Implementation of a new MT requires two years minimum
- TFMWG Members:
 - David Curling (GB)c
 - Ingrid de Trogoff (FR)
 - Giovanni Forcati (IT)
 - Wang Guosheng (CN)
 - Kate Han (HK)
 - Roland Hasenaecker (GE)
 - Egbert Janssens (NL)
 - David Ondo (US)
 - Chakicherla Rao (IN)

