

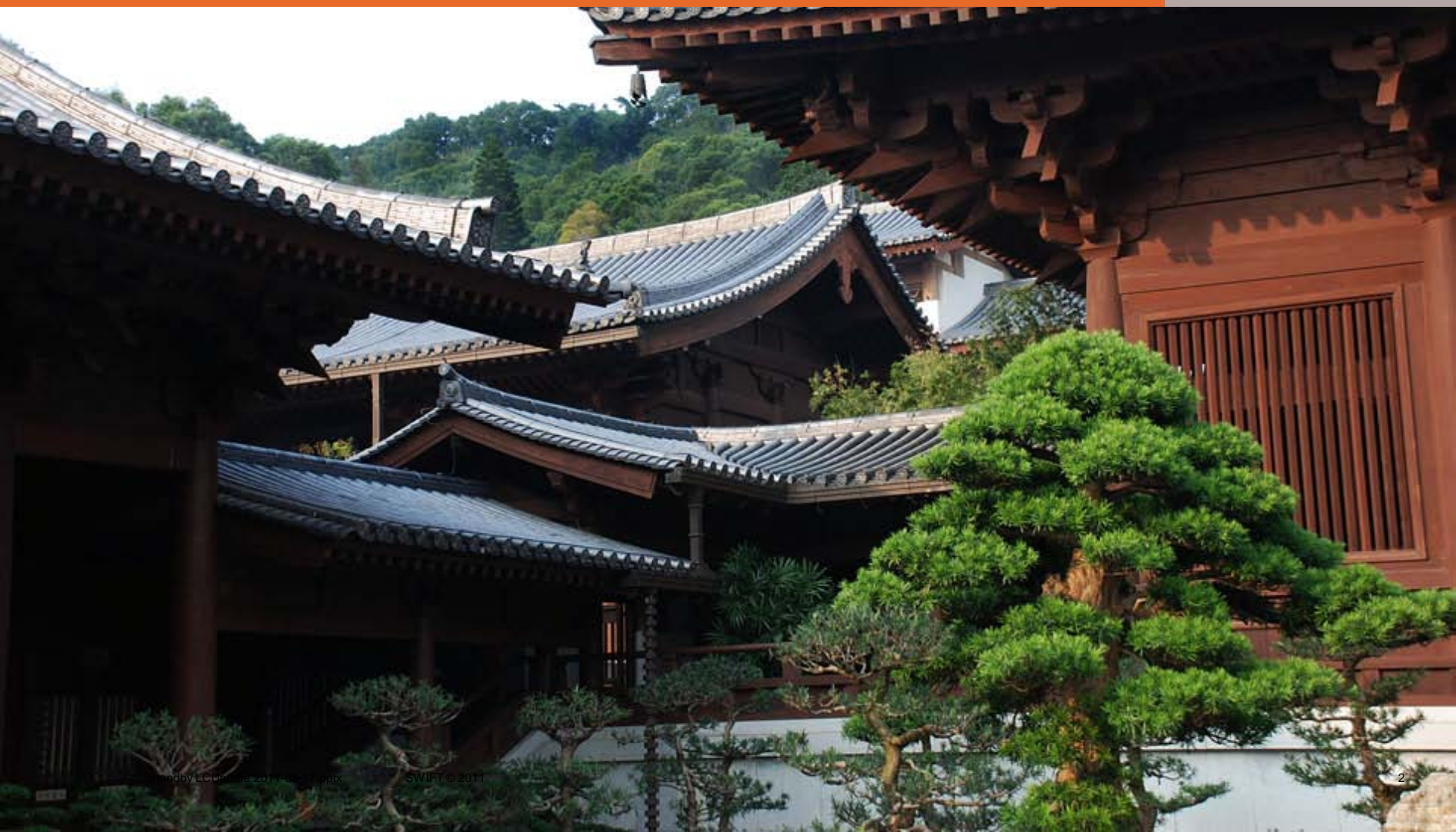


SWIFT ISO 20022 Project

*IIBLP - 2012 Guarantee & Standby
Forum*

David Dobbing – SWIFT Standards

ISO 20022 Demand Guarantees & Standbys



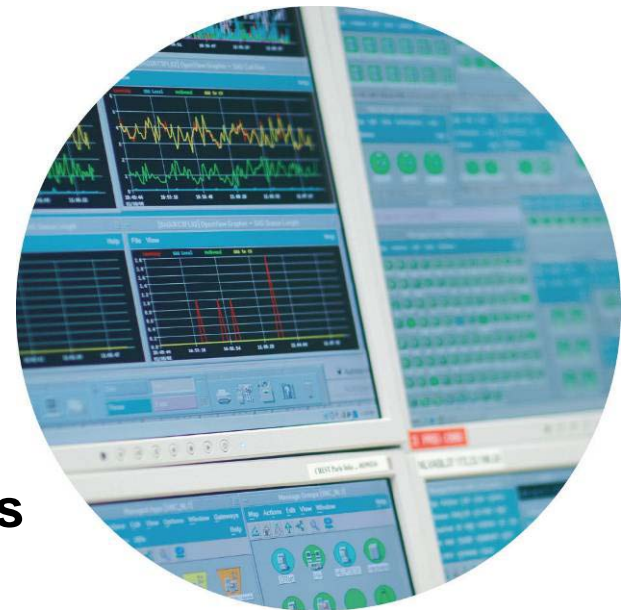
What are the existing Guarantee/Standby messages on SWIFT?

- **MT 760 Guarantee/Standby LC**
- **MT 767 Guarantee/Standby LC Amendment**
- **MT 768 Acknowledgement of a Guarantee/Standby LC Message**
- **MT 769 Advice of Reduction or Release**
- ***MT 798 Corporate-to-Bank, Bank-to-Corporate (Implementation Guide)***



Guarantee & Standby LC Redevelopment Group objectives

- **Demand Guarantees & Standby LCs**
- **Identify all end-to-end business flows**
 - Corporate to bank
 - Bank to bank
 - Bank to corporate
- **Agree on business content**
 - Create new ISO 20022 XML messages
 - Define fields
- **Validate message design and functionality**



Who is participating?

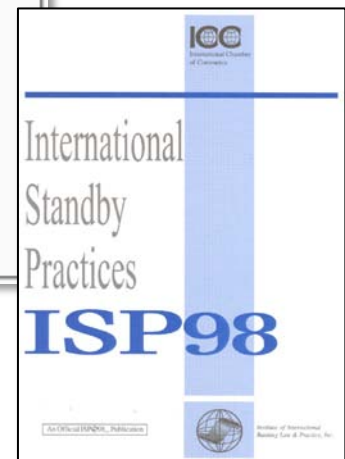
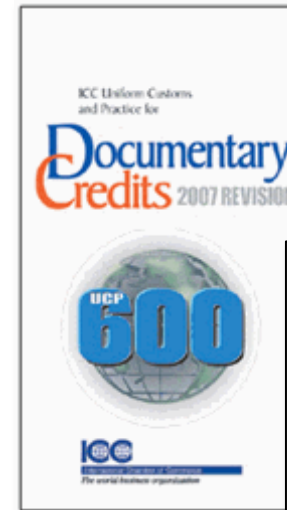
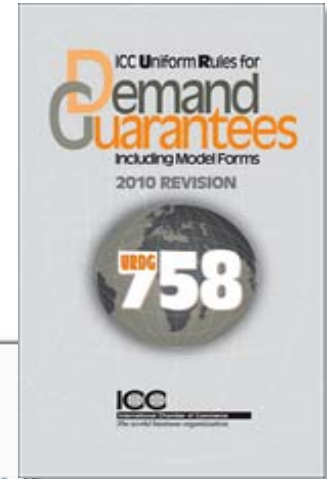


....and Others



Guarantee & Standby LC Messages ...

- **22 New ISO 20022 Messages**
- **Undertaking Types:**
 - Demand Guarantee
 - Standby Letter of Credit
- **Business Processes:**
 - Application / Issuance / Advising
 - Counter-Undertaking
 - Confirmation
 - Amendment
 - Termination / Non-extension
 - Demand Processing
 - Settlement of Charges
 - Status Reporting
 - Surety (application / amendment request)



... Guarantee & Standby LC Messages

- **Functionality:**

- **International and Local Rules**

- URDG 758
- ISP98
- UCP 600

- **Model forms**

- Linked to rules
- Proprietary

- **Local language / character sets**

- **Counter-Undertaking**

- **Enclosed documents/files**

- **End-to-End flows**

- Corporate-to-Bank, Bank-to-Bank, Bank-to-Corporate

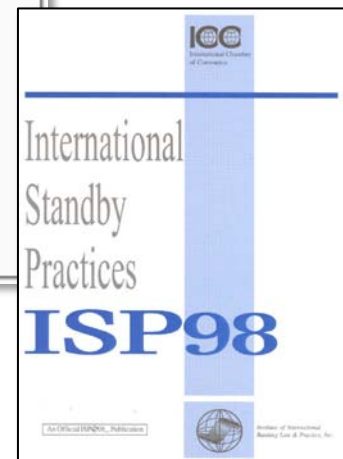
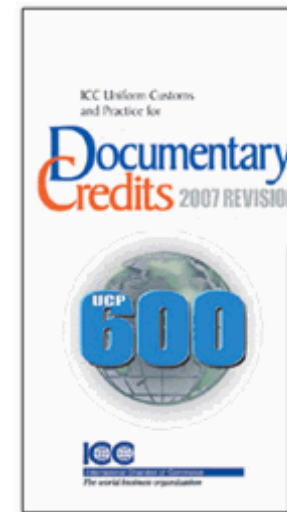
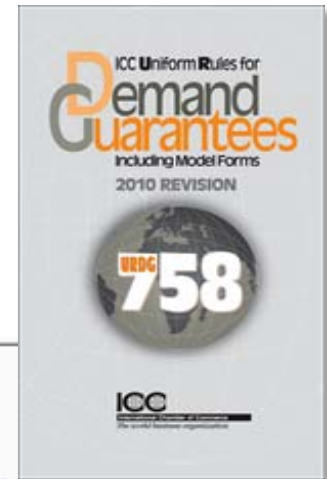
- **Automatic amount variation scheduling**

- By date and/or event

- **Digital signature**

- **Flexible field/message size**

- **Structured messages with discrete field definitions**

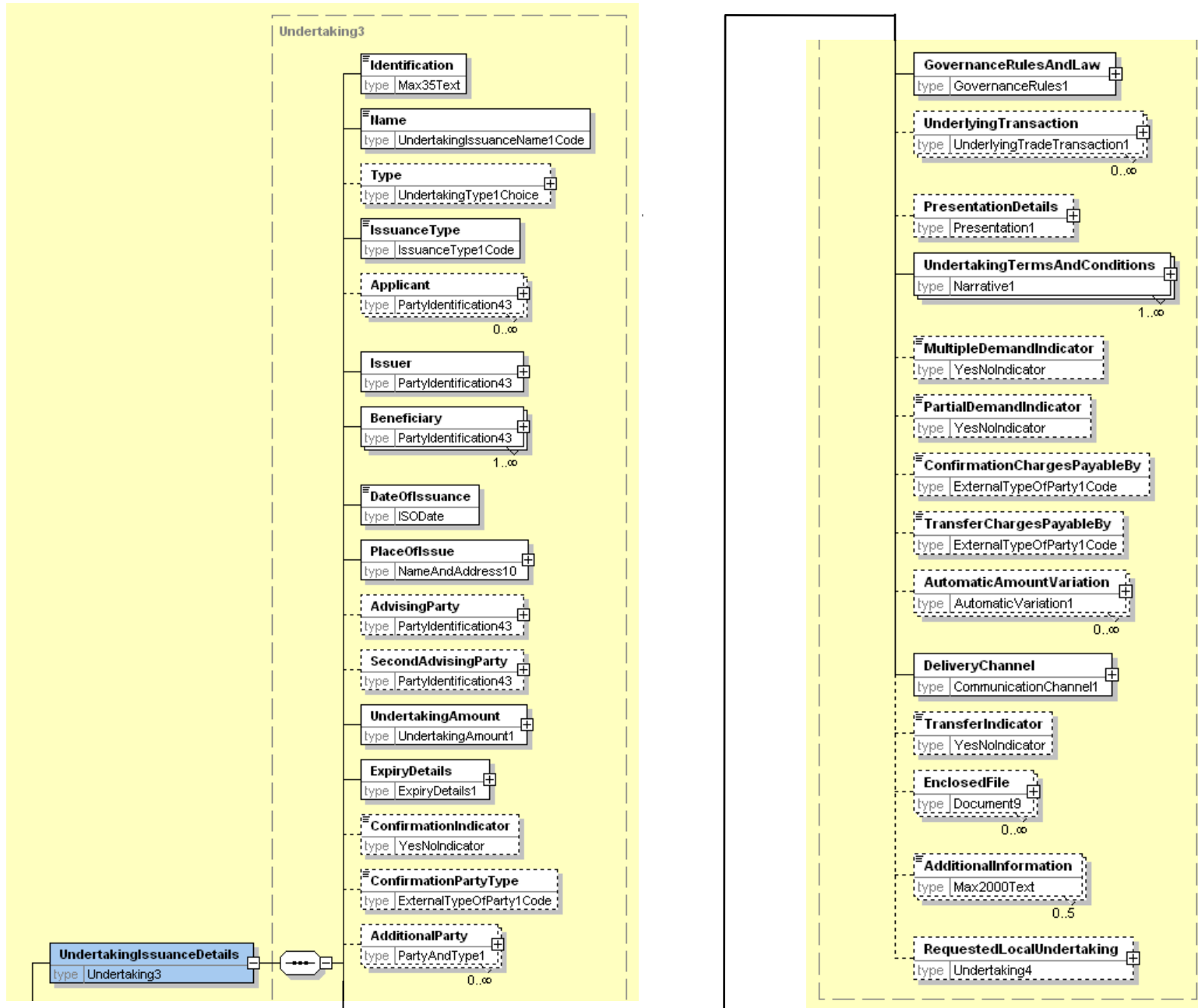


The Messages Types

Name	Message
Application	
Undertaking Application	tsin.005.001.01
Issuance	
Undertaking Issuance	tsrv.001.001.01
Undertaking Issuance Advice	tsrv.002.001.01
Undertaking Issuance Notification	tsrv.003.001.01
Amendment	
Undertaking Amendment Request	tsrv.005.001.01
Undertaking Amendment	tsrv.007.001.01
Undertaking Amendment Advice	tsrv.008.001.01
Undertaking Amendment Notification	tsrv.009.001.01
Undertaking Amendment Response	tsrv.011.001.01
Undertaking Amendment Response Notification	tsrv.012.001.01
Non-Extension	
Undertaking Non-Extension Request	tsrv.014.001.01
Undertaking Non-Extension Notification	tsrv.015.001.01
Termination	
Undertaking Termination Notification	tsrv.016.001.01
Demand	
Undertaking Demand	tsrv.017.001.01
Extend Or Pay Query	tsrv.018.001.01
Extend Or Pay Response	tsrv.019.001.01
Demand Refusal Notification	tsrv.020.001.01
Demand Withdrawal Notification	tsrv.021.001.01
Settlement	
Settlement Report	tsrv.022.001.01
Charges Settlement Request	tsrv.023.001.01
General	
Trade Status Report	tsrv.024.001.01
Undertaking Status Report	tsrv.025.001.01



Undertaking Issuance Message ...



Message Flow Summary - Guarantee / Standby - 1/3

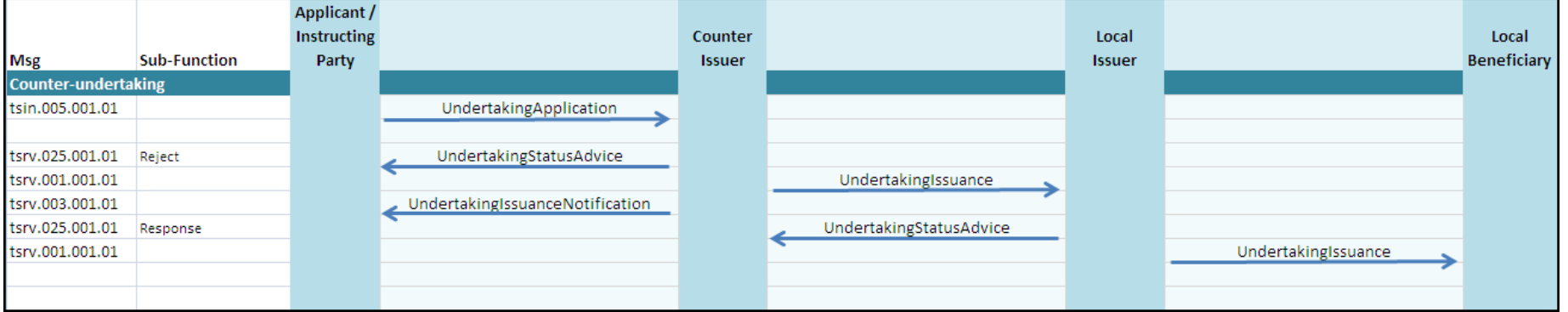


Message Flow Summary - Guarantee / Standby - 2/3

New Msg	Sub-Function	Applicant / Instructing Party	Issuer	Advising Party	Local Beneficiary
Demand					
tsrv.017.001.01					← UndertakingDemand
tsrv.017.001.01			← UndertakingDemand		
tsrv.024.001.01	Receipt		TradeStatusReport →		
tsrv.024.001.01				TradeStatusReport →	
tsrv.018.001.01		← ExtendOrPayQuery			
tsrv.019.001.01	Extend or Pay	ExtendOrPayResponse →			
tsrv.020.001.01	Refusal		DemandRefusalNotice →		
tsrv.020.001.01	Refusal			DemandRefusalNotice →	
tsrv.022.001.01		← SettlementAdvice			
tsrv.022.001.01			SettlementAdvice →		
tsrv.022.001.01				SettlementAdvice →	
tsrv.021.001.01				← DemandWithdrawalNotice	
tsrv.021.001.01			← DemandWithdrawalNotice		
tsrv.025.001.01		← UndertakingStatusAdvice			
tsrv.025.001.01	Withdrawn		UndertakingStatusAdvice →		
tsrv.025.001.01	Withdrawn			UndertakingStatusAdvice →	
Settlement of Charges					
tsrv.023.001.01			← ChargesSettlementRequest		
tsrv.022.001.01		← SettlementAdvice	SettlementAdvice →		
Status Reporting					
tsrv.024.001.01		TradeStatusReport →			
tsrv.024.001.01			TradeStatusReport →		
tsrv.024.001.01				TradeStatusReport →	



Message Flow Summary - Guarantee / Standby - 3/3



Project timeline

Q3 2010

- Initial community consultation (BE, US & HK)
- Define potential scope

Q3 2012

- Submit for ISO approval

2013

- ISO Publication

2014

- Software vendor readiness

2015

- Projected bank readiness

Recommendations

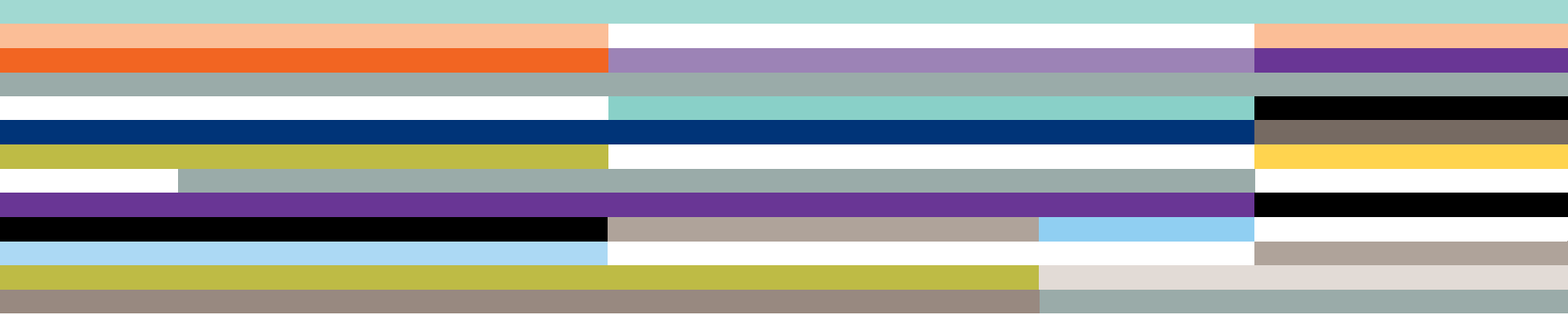
Use industry-wide accepted standards

Get started with MT 798 for Standby LC's & Guarantees

If building application internally, use ISO data structures for database design

If buying application, choose SWIFT software vendor partner committed to ISO upgrades:
<http://www.swift.com/partners>





Thank you

