Trade Traffic in Figures
MT Category 7
Enhancements Overview

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2015 messages traffic
2015 – Highlight

Key findings

• In 2015, SWIFT trade finance volumes have shown a decrease of 4.99% (more than last year’s decrease of 1.79%). This trend is underlined by the decrease in category 7 by 4.49% and by 6.79% in category 4.

• Asia-Pacific continues to register far greater volumes of MT 700 with a 72% share for imports and a 76% share for export of the world traffic in 2015.

• Countries that imported the most using SWIFT L/Cs are: South Korea, Bangladesh, China, India, and Hong Kong.
• Countries that exported the most using the SWIFT L/Cs are: China, Hong Kong, India, Japan, and Singapore.

• The region that shows the highest annual decrease in import & export is Africa with more than 15% and 13% respectively.

SWIFT Business Intelligence

SWIFT and its customers can monitor the SWIFT trade finance traffic with the SWIFT Business Intelligence portfolio. The SWIFT Business Intelligence (BI) portfolio continues to expand and now encompasses an entire suite of intuitive tools including analytics, insights and economic indicators designed to grow with customers’ business needs.

Global Trends

SWIFT Trade Traffic Worldwide in Number of Messages

SWIFT trade finance traffic worldwide

- Total growth: -4.99%
- Category 7 growth: -4.49%
- Category 4 growth: -6.79%

2015 growth compared to 2014
Import Traffic

- Asia Pacific: 72%
- Europe - Euro Zone: 7%
- Middle East: 7%
- Africa: 5%
- Central & Latin America: 2%
- North America: 2%
- Europe - Non Euro Zone: 4%
- North America: 2%

*International traffic, MT 700s sent*
Import Traffic

MT 700s Sent by Regions, 2011-2015

- Asia-Pacific (-1.08%)
- Europe - Euro Zone (-10.75%)
- Middle East (-5.23%)
- Africa (-15.25%)
- Europe - Non Euro Zone (-11.89%)
- North America (-7.76%)
- Central & Latin America (-7.50%)

*International traffic, MT 700s sent
Top 5 Importing Countries in 2015

South Korea: -2.19%
Bangladesh: +12.84%
China: -12.24%
India: -1.87%
Hong Kong: -8.55%

*Cross border traffic, excluding domestic flows
Growth: FY 2015 vs FY 2014
Importers with Highest Growth and Decrease in 2015

**Top 5 Importers with the Highest Growth**

- Cuba
- Sri Lanka
- Egypt
- Bangladesh
- Pakistan

**Top 5 Importers with the Highest Decrease**

- Algeria
- Libya
- Netherlands
- Canada
- Germany

*Cross border traffic, excluding domestic flows
*From countries with yearly volume of MT 700 greater than 10,000 in 2015
Export Traffic

- Asia Pacific: 76%
- Europe - Euro Zone: 9%
- Europe - Non-Euro Zone: 4%
- North America: 4%
- Middle East: 4%
- Africa: 1%
- Central & Latin America: 1%

*International traffic, MT 700s received
Export Traffic

MT 700s Received, 2011-2015

*International traffic, MT 700s received
Top 5 Exporting Countries in 2015

Growth: FY 2015 vs FY 2014

*Cross border traffic, excluding domestic flows
Exporters with Highest Growth and Decrease in 2015

Top 5 Exporters with the Highest Growth

- Indonesia: 4%
- Bangladesh: 2%
- U.A.E.: 1%
- India: 0%
- Japan: 0%

Top 5 Exporters with the Highest Decrease

- France: -20%
- United States: -15%
- Sweden: -10%
- Hong Kong: -5%
- South Africa: 0%

*Cross border traffic, excluding domestic flows
*From countries with yearly volume of MT 700 greater than 10,000 in 2015
Confirmation of L/Cs Received, 2015

Percent distribution of L/Cs received by confirmation per region, 2015

- Africa: 40% Confirm, 55% Without
- Asia-Pacific: 2% Confirm, 95% Without
- Central & Latin America: 5% Confirm, 19% Without
- Europe - Euro Zone: 7% Confirm, 29% Without
- Europe - Non Euro Zone: 10% Confirm, 27% Without
- Middle East: 11% Confirm, 17% Without
- North America: 5% Confirm, 13% Without
- All Countries: 4% Confirm, 8% Without

SWIFT Trade Traffic in Figures - 2015
Credit Availability of L/Cs Received in 2015

Percent distribution of L/Cs received by credit rule combination, 2015

- Africa
  - Negotiation: 3%
  - Payment: 46%
  - DEF Payment: 15%
  - Acceptance: 35%
  - MIX Payment: 0%

- Asia-Pacific
  - Negotiation: 0%
  - Payment: 8%
  - DEF Payment: 18%
  - Acceptance: 50%
  - MIX Payment: 0%

- Central & Latin America
  - Negotiation: 1%
  - Payment: 26%
  - DEF Payment: 19%
  - Acceptance: 54%
  - MIX Payment: 0%

- Europe - Euro Zone
  - Negotiation: 1%
  - Payment: 28%
  - DEF Payment: 20%
  - Acceptance: 48%
  - MIX Payment: 0%

- Europe - Non Euro Zone
  - Negotiation: 9%
  - Payment: 17%
  - DEF Payment: 13%
  - Acceptance: 56%
  - MIX Payment: 0%

- Middle East
  - Negotiation: 0%
  - Payment: 16%
  - DEF Payment: 12%
  - Acceptance: 78%
  - MIX Payment: 0%

- North America
  - Negotiation: 4%
  - Payment: 78%
  - DEF Payment: 13%
  - Acceptance: 0%
  - MIX Payment: 0%

- All Countries
  - Negotiation: 0%
  - Payment: 73%
  - DEF Payment: 12%
  - Acceptance: 4%
  - MIX Payment: 0%
Credit Length of L/Cs Received in 2015

- 0-30 days: 13%
- 31-60 days: 40%
- 61-90 days: 32%
- 91-180 days: 13%
- >180 days: 2%

North America:
- 0-30 days: 11%
- 31-60 days: 31%
- 61-90 days: 26%
- 91-180 days: 23%
- >180 days: 9%

Middle East:
- 0-30 days: 4%
- 31-60 days: 25%
- 61-90 days: 40%
- 91-180 days: 26%
- >180 days: 4%

Europe - Non Euro Zone:
- 0-30 days: 10%
- 31-60 days: 42%
- 61-90 days: 27%
- 91-180 days: 17%
- >180 days: 4%

Europe - Euro Zone:
- 0-30 days: 11%
- 31-60 days: 39%
- 61-90 days: 29%
- 91-180 days: 20%
- >180 days: 2%

Central & Latin America:
- 0-30 days: 4%
- 31-60 days: 24%
- 61-90 days: 37%
- 91-180 days: 29%
- >180 days: 5%

Asia-Pacific:
- 0-30 days: 14%
- 31-60 days: 43%
- 61-90 days: 31%
- 91-180 days: 10%
- >180 days: 2%

Africa:
- 0-30 days: 6%
- 31-60 days: 27%
- 61-90 days: 43%
- 91-180 days: 21%
- >180 days: 3%
Global Trends

MT 700: Issue of a documentary credit

Volume of MT 700s, 2009-2015

- MT 700s growth 2015 vs 2013 -6.22%
- 2009: 4.70
- 2010: 4.75
- 2011: 4.65
- 2012: 4.50
- 2013: 4.55
- 2014: 4.40
- 2015: 4.25

MT 103: Single customer credit transfer

Volume of MT 103s, 2009-2015

- MT 103s growth 2015 vs 2013 +5.32%
- 2009: 400
- 2010: 450
- 2011: 550
- 2012: 650
- 2013: 700
- 2014: 750
- 2015: 800
MT Category 7 Enhancements Overview
Overall Project

• The Trade Finance Maintenance Working Group (TFMWG) launched a significant revamp of the cat 7 MTs (Letters of credit, guarantees and standbys) in 2013, taking into account change requests from previous years.
• The work resulted in 34 Change Requests (CRs) submitted by end of May 2014.
• It is a significant upgrade to the functionality and format of the 700 (L/C) series and 760 (guarantees/standbys) series of messages, including 9 new MTs.
• The go-live dates are in November 2018 for L/C and November 2019 for guarantees/standbys.
• 4 CRs (party fields extension) were rejected by Board Payment Committee decision in September 2015.
• Advance User Hand-Book (UHB) documentation available in Q1 2016.
• The detailed implementation time line is as follows:
Country vote result

BPC Approved 30 CRs

Annual Deadline for CR

BPC Rejected 4 CRs

Advance Documentation

L/C

2015

Feb

Mar

2016

Feb

2017

2018

VTB

T&T

UHB Documentation

LIVE

SRG Documentation

Feb

May

Jul

Nov

Dec

2019

Guarantees

standbys

Feb

May

Jul

Nov

Dec
Category 7 - Documentary Credits and Guarantees - Message Reference Guide - ADVANCE INFORMATION (26 February 2016)

Description: Standards - Standards MT November 2018 - Category 7 - Documentary Credits and Guarantees - Message Reference Guide - ADVANCE INFORMATION

Publisher: S.W.I.F.T. SCRL

Subject: This publication contains advance information on the Category 7 Documentary Credits and Guarantees messages, which are due for release in SR 2018 and SR 2019. Both a clean PDF, with no highlighted changes, and a compare version, with highlighted changes, are available. Additional information is available in the Notice - Read me first document.

Date issued: 2016-February-26

Downloads & links:
- Download Notice - Read me first (notice_read_me_first.pdf: 113 KB)
- Download Clean PDF (category_7_advance_info_sr_2018_and_sr_2019_clean.pdf: 857 KB)
- Download PDF with changes tracked (category_7_advance_info_sr_2018_and_sr_2019_changes_tracked.pdf: 845 KB)
MT Category 7 Update

Changed messages

**Documentary Credits**
- MT 700 Issue of a Documentary Credit
- MT 701 Issue of a Documentary Credit
- MT 705 Pre-Advice of a Documentary Credit
- MT 707 Amendment to a Documentary Credit
- MT 710 Advice of a Third Bank's or a Non-Bank's Documentary Credit
- MT 711 Advice of a Third Bank's or a Non-Bank's Documentary Credit
- MT 720 Transfer of a Documentary Credit
- MT 721 Transfer of a Documentary Credit
- MT 730 Acknowledgement
- MT 732 Advice of Discharge
- MT 734 Advice of Refusal
- MT 740 Authorisation to Reimburse
- MT 742 Reimbursement Claim
- MT 747 Amendment to an Authorisation to Reimburse
- MT 750 Advice of Discrepancy
- MT 752 Authorisation to Pay, Accept or Negotiate
- MT 754 Advice of Payment/Acceptance/Negotiation
- MT 756 Advice of Reimbursement or Payment

**Guarantees Standbys**
- MT 760 Issue of a Demand Guarantee/Standby Letter of Credit
- MT 767 Amendment to a Demand Guarantee/Standby Letter of Credit Amendment
- MT 768 Acknowledgement of a Guarantee/Standby Message
- MT 769 Advice of Reduction or Release
MT Category 7 Update

New messages

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

## Guarantees Standbys
- MT 761 Issue of a Demand Guarantee/Standby Letter of Credit
- MT 765 Guarantee/Standby Letter of Credit Demand
- MT 775 Amendment to a Demand Guarantee/Standby Letter of Credit
- 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

## All Cat 7
- MT 759 Ancillary Trade Structured Message
• Creation of a message MT 759 (Ancillary Trade Structured Message) similar to MT 799 using a limited number of coded and structured fields
• Addition of a field to refer to a document sent by another channel (e.g. FileAct)
• Adoption of extended “Z” character set for long fields (e.g. 45A, 46A, 47A, 71, 72, 73, 77)
Documentary Credits

Overview of work items and topics - 1

• Re-design of MT 707
  – Structured fields for any modification
  – Use of codes ADD, DELETE, REPLACE ALL for the long narrative fields
  – Specific tag for amendment charges

• Addition of 2 fields to indicate the Special Instructions for Payment (to be conveyed to the Beneficiary or for the Advising Bank only)

• Addition of the Bank that is requested to add confirmation or may add its confirmation

• NEW MSG: Continuation message for wording changes (MT 708)
  - 45B Description of Goods and/or Services
  - 46B Documents Required
  - 47B Additional Conditions

• NEW MSG: Advice of non-conforming claim (MT 744)
  Message sent by the reimbursing bank to the bank claiming reimbursement as notification that the claim, on the face of it, as not to be in accordance with the instruction in the Reimbursement Authorisation for the reason(s) as stated in this message.
Documentary Credits

Overview of work items and topics - 2

- Addition of additional narrative field 79Z to MT 730 and MT 752
- Renamed field 42P (Deferred Payment Details to Negotiation/Deferred Payment Details)
- Deletion of some codes from 40A (Form of Documentary Credit)
  - Deleted ‘revocable’ codes
  - In SR2019, the ‘standby’ codes will be removed
- Change field 43P (Partial Shipment) and 43T (Transshipment) to code
  - ALLOWED
  - CONDITIONAL
  - NOT ALLOWED
- Renamed and structured field 48 (Period for Presentation to Period for Presentation in days)
  - 3n[/35x] - (Days)(Narrative)
- Changed field 49 (Confirmation Instructions) definition
- Changed usage rules for fields 45, 46 and 47 to support more extension, from 3 to 8 extension messages, for MT 701, MT 711 and MT 721
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 + new continuation message (MT 761)
• Significant re-design of MT 767 + new continuation message (MT 775)
• NEW MT: Guarantee/SBLC Demand (incorporating Extend or Pay) (MT 765)
• NEW MT: Guarantee/SBLC Non-Extension Notification (MT 785)
• NEW MT: Guarantee/SBLC Demand Refusal (MT 786)
• NEW MT: Guarantee/SBLC Amendment Response (MT 787)
• Addition of new field 23X (File Identification) to all messages
Guarantees and Standby Letters of Credit

General overview revised message structure of MT760

1. 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

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
QUESTIONS