



MT Category 7 Enhancements Overview



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2019 Webinars

Agenda

Overall Project Presentation

Time Line

Category 7 changes SR 2020

Feedback on SR 2018

MT 798



Overall Project

The Trade Finance Maintenance Working Group (TFMWG) 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 is 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 are in November 2018 for L/Cs and November 2020 for guarantees/standby L/Cs (initially 2019, then deferred to 2020).



The detailed implementation and documentation time line is as follows:





Standards releases

Gain a clear picture of upcoming releases and manage the impact on your business using our dedicated tools

Overview

MT Release 2018

MX Release 2018

MT Release 2019

MX Release 2019

Release highlights

Release highlights

Standards MT Release 2018 and 2020: prepare for major changes related to Category 7 messages

A significant upgrade to Documentary Credits messages was performed in November 2018 as part of the continuous improvement of our standards.

Another upgrade, to the Guarantees/Standby LCs message, is now planned for November 2020 (was deferred from 2019).

The latest documentation for the Category 7 Guarantees/Standby LCs messages can be found on the MT Release 2019 timeline [here](#).

In addition to the above changes, we have also published the new [MT 798 Trade Guidelines](#) for corporate-to-bank communication V5.1.1 (18 May 2018).

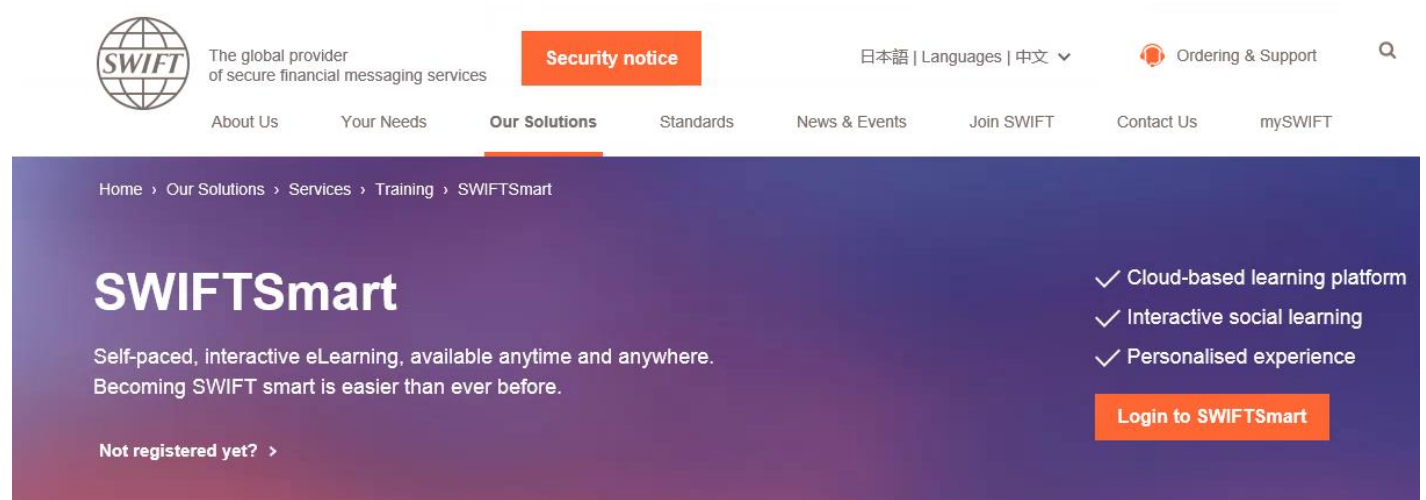
To ensure the community is aware of the upcoming changes in SR 2020 and MT 798, SWIFT Standards has organized webinar sessions in the course of June 2018. The collateral used, slides, FAQ document and recording of the webinars are available [here](#).



Training and Webinars

Worldwide webinars

SwiftSmart has specific modules and training on category 7, SR 2018 (as of January 2018) and SR 2020 (as of 2019).



The screenshot shows the SWIFT website's SWIFTSmart page. At the top left is the SWIFT logo with the tagline "The global provider of secure financial messaging services". To the right is a "Security notice" button. Further right are language options: "日本語 | Languages | 中文" with a dropdown arrow, and "Ordering & Support" with a person icon. A search icon is also present. Below the logo is a navigation menu with "About Us", "Your Needs", "Our Solutions" (highlighted with an orange underline), "Standards", "News & Events", "Join SWIFT", "Contact Us", and "mySWIFT". The main content area has a dark blue background with a breadcrumb trail: "Home > Our Solutions > Services > Training > SWIFTSmart". The title "SWIFTSmart" is prominently displayed. Below it, the text reads: "Self-paced, interactive eLearning, available anytime and anywhere. Becoming SWIFT smart is easier than ever before." To the right, three bullet points with checkmarks list features: "Cloud-based learning platform", "Interactive social learning", and "Personalised experience". At the bottom left, there is a link "Not registered yet? >". At the bottom right, there is an orange button labeled "Login to SWIFTSmart".



Summary – Evolution in Category 7

Limited functionality



Large portions of free text

Limited character set

Few coded fields

Major revamp



New fields added

Z-character set in long text fields

Codes introduced

More validation

Staggered Release



Published advance documentation

SR 2018

- MT 700-759
- 3 new messages

SR 2020

- MT 760-787
- 6 new messages

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 (cont.)
MT 765 Guarantee/Standby Letter of Credit Demand
MT 775 Amendment to a Demand Guarantee/Standby Letter of Credit (cont.)
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



MT Category 7 Updates

General – L/Cs and Guarantees/Standby L/Cs

Creation of a message MT 759 (Ancillary Trade Structured Message) similar to MT 799 but using a number of coded and structured fields

Adoption of extended “Z” character set for long fields (e.g. 45A, 46A, 47A, 71, 72, 73, 77)

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

Changes for SR 2020: Guarantees and Standby Letters of Credit

MT 760 & MT 767 are significantly enhanced

- Previously had few structured fields and one large free-format field
- New versions are highly detailed and structured
- Sequences introduced to cater for undertaking details as well as local undertaking details

MT 768 & MT 769

- Field 71B change to 71D with z-character set
- Field 72 change to 72Z with z-character set
- New field 23X with codes to identify the delivery channel



MT 760 Issue of a Demand Guarantee/Standby Letter of Credit

SR 2020

Current

MT 760 Format Specifications

MT 760 Guarantee/Standby Letter of Credit

Status	Tag	Field Name
M	27	Sequence of Total
M	20	Transaction Reference Number
M	23	Further Identification
O	30	Date
M	40C	Applicable Rules
M	77C	Details of Guarantee
O	72	Sender to Receiver Information

M = Mandatory, O = Optional

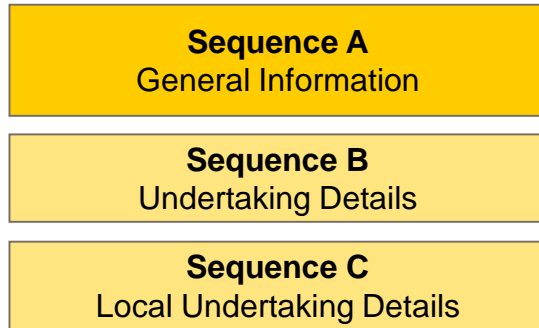
Status	Tag	Field Name	Content/Options	No.
Mandatory Sequence A General Information				
M	15A	New Sequence	O 56a Advising Bank	A, D 17
M	27	Sequence of Total	O 21A Advising Bank Reference	16x 18
M	22A	Purpose of Message	O 57a Second Advising Bank	A, D 19
O	72Z	Sender to Receiver Information	M 32B Undertaking Amount	3!a15d 20
End of Mandatory Sequence A General Information				
Mandatory Sequence B Undertaking Details				
M	15B	New Sequence	O 39D Additional Amount Information	12*65z 21
M	20	Undertaking Number	O 71D Charges	6*35z 22
M	30	Date of Issue	O 45C Presentation Instructions	100*65z 23
M	22D	Form of Undertaking	M 77U Undertaking Terms and Conditions	150*65z 24
M	40C	Applicable Rules	O 49 Confirmation Instructions	7!c 25
M	23B	Expiry Type	O 49a Requested Confirmation Party	A, D 26
O	31E	Date of Expiry	O 44H Governing Law	/2!a/!65x! 27
O	35G	Expiry Condition	Optional Sequence C Local Undertaking Details	
O	50	Applicant	M 15C New Sequence	Empty field 38
O	51	Obligor/Instructing Party	O 31C Requested Date of Issue	6!n 39
M	52a	Issuer	M 22D Form of Undertaking	4!c 40
M	59	Beneficiary	M 40C Applicable Rules	/4!a/[35x] 41
End of Mandatory Sequence B Undertaking Details				
O	72	Sender to Receiver Information	O 22K Type of Undertaking	/4!c/[35x] 42
Optional Sequence C Local Undertaking Details				
M	23B	Expiry Type	M 23B Expiry Type	4!c 43
O	31B	Date of Expiry	O 31B Date of Expiry	6!n 44
O	35G	Expiry Condition	O 35G Expiry Condition	12*65x 45
M	50	Applicant	M 50 Applicant	4*35x 46
O	51	Obligor/Instructing Party	O 51 Obligor/Instructing Party	4*35x 47
O	52a	Issuer	O 52a Issuer	A, D 48
M	59	Beneficiary	M 59 Beneficiary	[/34x] 4*35x 49

...

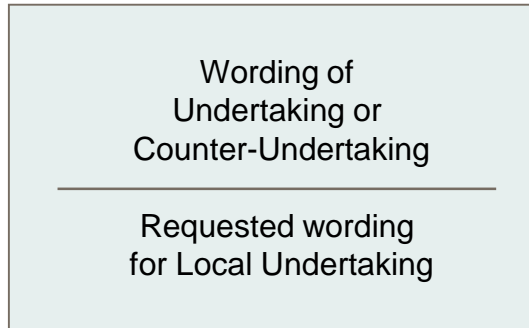
Guarantees and Standby Letters of Credit

General overview message structure of new MT 760

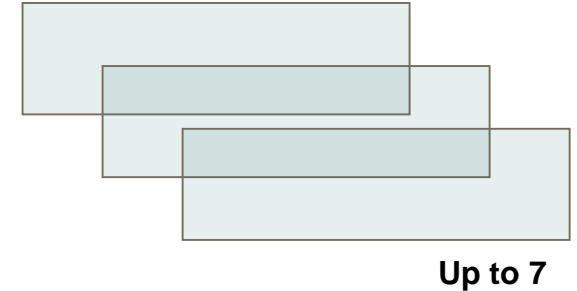
MT 760



MT 761



MT 761



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

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

Up to a maximum of 7 MT 761 messages can follow the MT 760 message

MT 765 Scope

This message is sent by a party (as the beneficiary or on behalf of the beneficiary) to a party which has issued an undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking), either directly or via a third party.

It is used to demand payment under an undertaking and may include a request to extend the expiry date.

The demand itself must be specified as narrative text within the message. It may indicate availability of supporting documentation in addition to the demand.

MT 765 Format Specifications

MT 765 Guarantee/Standby Letter of Credit Demand

<u>Status</u>	<u>Tag</u>	<u>Field Name</u>	<u>Content/Options</u>	<u>No.</u>
M	20	Transaction Reference Number	16x	1
M	21	Related Reference	16x	2
Q	23	Beneficiary Reference Number	16x	3
M	52a	Issuer	A or D	4
Q	59a	Beneficiary	A or D	5
Q	31L	Date of Demand	6!n	6
M	22G	Demand Type	4!c	7
M	32B	Demand Amount	3!a15d	8
Q	78	Additional Amount Information	12*65x	9
Q	49A	Demand Statement	4!c [50*65z]	10
Q	7Z	Presentation Completion Details	20*35z	11
Q	31E	Requested New Date of Expiry	6!n	12
Q	56a	Intermediary	A, B, or D	13
Q	57a	Account With Institution	A, B, or D	14
Q	72Z	Sender to Receiver Information	6*35z	15
Q	23X	File Identification	4!c/65x	16
<u>M = Mandatory, O = Optional - Network Validated Rules may apply</u>				



MT 785 Scope

This message is sent in one of two ways:

- By the party that issued the undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking) to the beneficiary (that is, only in case of beneficiary being a financial institution) or to a nominated advising party that advised the undertaking to the beneficiary or to another advising party
- By the party that issued the counter-undertaking (counter-guarantee or counter-standby) to the beneficiary of the counter-undertaking (financial institution)

It is used to notify the beneficiary, if applicable, via one or more advising parties of the non-extension of the referenced undertaking beyond the current expiry date.

MT 785 Format Specifications

MT 785 Guarantee/Standby Letter of Credit Non Extension Notification

<u>Status</u>	<u>Tag</u>	<u>Field Name</u>	<u>Content/Options</u>	<u>No.</u>
<u>M</u>	<u>20</u>	<u>Undertaking Number</u>	<u>16x</u>	<u>1</u>
<u>O</u>	<u>21</u>	<u>Related Reference</u>	<u>16x</u>	<u>2</u>
<u>M</u>	<u>52a</u>	<u>Issuer</u>	<u>A or D</u>	<u>3</u>
<u>M</u>	<u>31C</u>	<u>Date of Issue</u>	<u>6!n</u>	<u>4</u>
<u>M</u>	<u>59a</u>	<u>Beneficiary</u>	<u>A or D</u>	<u>5</u>
<u>O</u>	<u>56a</u>	<u>Advising Bank</u>	<u>A or D</u>	<u>6</u>
<u>O</u>	<u>57a</u>	<u>'Advise Through' Bank</u>	<u>A or D</u>	<u>7</u>
<u>O</u>	<u>31E</u>	<u>Final Date of Expiry</u>	<u>6!n</u>	<u>8</u>
<u>O</u>	<u>72Z</u>	<u>Sender to Receiver Information</u>	<u>6*35z</u>	<u>9</u>
<u>O</u>	<u>23X</u>	<u>File Identification</u>	<u>4!c/65x</u>	<u>10</u>
<u>M = Mandatory, O = Optional - Network Validated Rules may apply</u>				



MT 786 Scope

This message is sent by the party that issued the undertaking (guarantee, demand guarantee, standby letter of credit or dependent undertaking) to a bank as the beneficiary or to the presenter of the demand, either directly or via a third party.

It is used by the party obligated on the undertaking and to whom a demand for payment has been made, to notify the beneficiary that the demand has been refused.

The reason(s) giving cause for refusal must be specified as narrative text within the message.

MT 786 Format Specifications

MT 786 Guarantee/Standby Letter of Credit Demand Refusal

<u>Status</u>	<u>Tag</u>	<u>Field Name</u>	<u>Content/Options</u>	<u>No.</u>
<u>M</u>	<u>20</u>	<u>Undertaking Number</u>	<u>16x</u>	<u>1</u>
<u>O</u>	<u>21</u>	<u>Beneficiary Reference Number</u>	<u>16x</u>	<u>2</u>
<u>M</u>	<u>52a</u>	<u>Issuer</u>	<u>A or D</u>	<u>3</u>
<u>M</u>	<u>30</u>	<u>Demand Submission Date</u>	<u>6!n</u>	<u>4</u>
<u>M</u>	<u>32B</u>	<u>Demand Amount</u>	<u>3!a15d</u>	<u>5</u>
<u>M</u>	<u>77J</u>	<u>Reason for Refusal</u>	<u>70*50z</u>	<u>6</u>
<u>O</u>	<u>77B</u>	<u>Disposal of Documents</u>	<u>3*35x</u>	<u>7</u>
<u>O</u>	<u>72Z</u>	<u>Sender to Receiver Information</u>	<u>6*35z</u>	<u>8</u>
<u>O</u>	<u>23X</u>	<u>File Identification</u>	<u>4!c/65x</u>	<u>9</u>

M = Mandatory, O = Optional - Network Validated Rules may apply



MT 787 Scope

This message is sent in one of two ways:

- By the beneficiary when the beneficiary is a financial institution
- By a nominated advising party that advised the undertaking amendment to the beneficiary or advised the undertaking amendment to another advising party

It is sent to the bank that issued the undertaking amendment (guarantee, demand guarantee, standby letter of credit or dependent undertaking), either directly or via one or more advising parties, to indicate acceptance or rejection by the beneficiary of the amendment.

MT 787 Format Specifications

MT 787 Guarantee/Standby Letter of Credit Amendment Response

<u>Status</u>	<u>Tag</u>	<u>Field Name</u>	<u>Content/Options</u>	<u>No.</u>
<u>M</u>	<u>20</u>	<u>Transaction Reference Number</u>	<u>16x</u>	<u>1</u>
<u>M</u>	<u>21</u>	<u>Related Reference</u>	<u>16x</u>	<u>2</u>
<u>M</u>	<u>52a</u>	<u>Issuer</u>	<u>A or D</u>	<u>3</u>
<u>M</u>	<u>26E</u>	<u>Number of Amendment</u>	<u>3n</u>	<u>4</u>
<u>M</u>	<u>23R</u>	<u>Amendment Status</u>	<u>4lc</u> <u>[6*35x]</u>	<u>5</u>
<u>O</u>	<u>72Z</u>	<u>Sender to Receiver Information</u>	<u>6*35z</u>	<u>6</u>
<u>O</u>	<u>23X</u>	<u>File Identification</u>	<u>4lc/65x</u>	<u>7</u>

M = Mandatory, O = Optional - Network Validated Rules may apply

Other Changes for SR 2020

Addition of field 23X File Identification in all messages

MT 768, 769: character set Z allowed in “Details of Charges” and “Sender to Receiver Information”

After SR 2020, guarantees and standby L/Cs may not be issued using the MT 700 anymore. The related codes will be removed from MT 700. MT 760 must be used.



Agenda

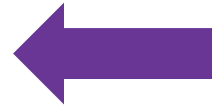
Overall Project Presentation

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Category 7 changes SR 2020

Feedback on SR 2018

MT 798



Good usage of codes in new MT 707/708 (SR 2018)

- ADD/DELETE/REPALL codes introduced for fields 45B, 46B, 47B, 49M, 49N.
- These codes are for straight-through processing and must be used without any instructions in natural language, like “please add or replace this”
- ADD adds texts at the end of the current text (before this amendment)
- DELETE followed by ADD acts as a “replace”
- ADD or DELETE acts once, not multiple times
- FAQ document and Webinars for more details and training

CODES

One or more of the following codes must be used in Code (Error code(s): T67):

ADD	Add	Must be followed by the text to be added (a sentence, paragraph or line item)
DELETE	Delete	Must be followed by the text to be deleted (a sentence, paragraph or line item)
REPALL	Replace all	Must be followed by the text that replaces all text in same field. No other code may be used.

MT 798 Trade Guidelines

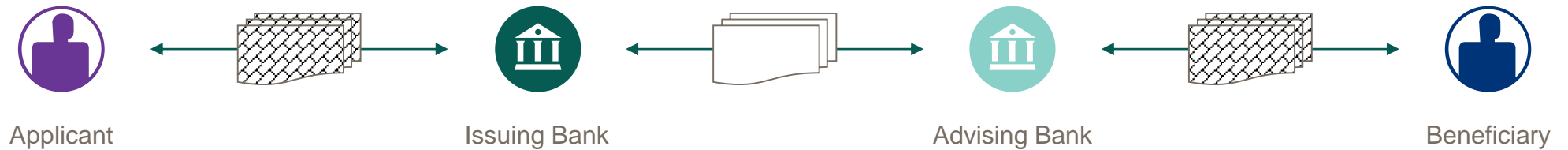
The category 7 MTs are bank-to-bank messages.

In the corporate-to-bank space, MT 798 guidelines have been developed. The 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) was upgraded to take into account the category 7 changes. It also includes various enhancements.

These changes will “go live” at the same time than the corresponding MTs.

MT 798 MIG V5 was firstly published in July 2017. Updated in 2018



Major Work Items for MT 798 V5

- Alignment of MT 798 guidelines to updated interbank MT SR 2018-2020
- New and consistent references in all flows (21A and P, 21S and T)
- Index message is now the same for guarantee or standby LC (was different in V4)
- New flows
- Drafting process



Thank you

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Questions

Standards MT maintenance release 2020

This timeline gives a full development and implementation schedule for the
FIN standards for 2020.

19 July 2019	<p>High-Level Information on Standards MT Release 2020</p> <p>Summary of change requests received for SR 2020 – change requests are not yet approved and some may be declined</p> <p><i>For resource and budget allocation purposes only –not to be used for implementation.</i></p> <p>The information in this publication is the latest available at the date of its production, and may change.</p>
15 November 2019	<p>Updated High-Level Information on Standards MT Release 2020</p> <p>Summary of approved change requests received for SR 2020</p> <p><i>For resource and budget allocation purposes only –not to be used for implementation.</i></p> <p>The information in this publication is the latest available at the date of its production, and may change.</p>
20 December 2019	<p>Standards MT Release Guide 2020 (public) Message Format Validation Rules 2020 (login required)</p> <p>Describes the changes to Standards messages effective as of 22 November 2020</p> <p>Find advance information for Standards MT Release 2020 in MyStandards</p>
21 February 2020	<p>Update to Standards MT Release Guide 2020 (public) Update to Message Format Validation Rules 2020 (login required)</p> <p>Updates to documents published on 20 December 2019.</p>



Useful links

Standards Release Page

<https://www.swift.com/standards/standards-releases/release-highlights?tl=en>

Release Highlights Page

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

SR 2018 documentation

https://www2.swift.com/uhbonline/books/public/en_uk/srg_20171222/index.htm

Advance documentation for SR 2020

<https://www.swift.com/resource/category-7-advance-information-0>

MT 798 V5 Specification

https://www2.swift.com/uhbonline/books/public/en_uk/s_corp_stdsmt_msg_impl_guid_vol_2_trd_fnc_std/index.htm



MT 759



MT 759 Ancillary Trade Structured Message

MT 759 Scope

This message is sent to request or to provide information, such as a fraud alert or a financing request, concerning an existing trade transaction such as a documentary credit, demand guarantee, standby letter of credit or an undertaking (for example, a guarantee, surety, etc.).

This message must not be used where an existing MT message is available, and it should be used rather than the MT 799.

MT 759 Format Specifications

MT 759 Ancillary Trade Structured Message

Status	Tag	Field Name	Content/Options	No.
M	27	Sequence of Total	1!n/1!n	1
M	20	Transaction Reference Number	16x	2
O	21	Related Reference Number	16x	3
M	22D	Form of Undertaking	4!c	4
O	22N	Undertaking Number	32x	5
O	52a	Issuer	A or D	6
M	23H	Function	8c	7
M	45B	Narrative	150*65z	8
O	23X	File Identification	/4!c/65x	9
M = Mandatory, O = Optional				



Field 23H: Function

CODES

Function must contain one of the following codes:

CLSVOPEN	Opening of client service call by Trade Operations
CLSVCLOS	Closing of client service call by Trade Operations
FRAUDMSG	Advice of a fraud attempt
GENINFAD	General information advice
ISSAMEND	Amendment of a free-form undertaking such as a dependent guarantee
ISSUANCE	Issue of a free-form undertaking such as a dependent guarantee
OTHERFNC	Other request
REIMBURSE	Request related to a reimbursement
REQAMEND	Request to amend an undertaking
REQFINAN	Financing request
REQUIRE	Request to issue an undertaking
TRANSFER	Transfer of a undertaking

USAGE RULES

The function may not be used if there is a specific MT (for example, MT 700, 707, 760, 767) that covers the same function.

