Offshore CNY Guidelines

for

SWIFT MT and ISO 15022 Messages
Legal Notices

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Translations
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# Revision Record

<table>
<thead>
<tr>
<th>Date</th>
<th>Author</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/02/2012</td>
<td>Offshore CNY Working Group</td>
<td>Clarification to section 3.2. The documents published by ISDA are called the “ISDA Additional Disruption Event Provisions for an Offshore Deliverable CNY Transaction” and “ISDA Offshore Deliverable CNY Transaction Disruption Fallback Matrix”. In addition the use of “side letter” is limited to the background information.</td>
</tr>
<tr>
<td>14/02/2012</td>
<td>Offshore CNY Working Group</td>
<td>Document title change request. Updates to the FX, MM and Derivatives Sections. Removed the reference to the securities statements since many ISINs in HK also starts with CN. Working group participant list updated.</td>
</tr>
<tr>
<td>16/03/2012</td>
<td>Offshore CNY Working Group</td>
<td>Add MT 203, MT 941. Add MT 535, MT 536, and MT 537 and illustrate who are the parties relevant to use. Update payment messages to have more granular payment categories for regulatory reporting and decouple offshore CNY indication with payment nature code. Add similar structure in MT 203.</td>
</tr>
<tr>
<td>06/06/2012</td>
<td>Offshore CNY Working Group</td>
<td>Added to page 10 under “payment nature codes” the following text: “This set of guidelines provides the recommended market practices as options to facilitate offshore CNY processing into Mainland China. However, there are still challenges that remain in the industry. An addendum will be included to this offshore CNY guidelines at a later stage to highlight further alignments that may be required as the market develops further in the next 24-36 months such as CNAPS II in the near term and the China International Payment System (CIPS) expected in two to three years’ time.”</td>
</tr>
<tr>
<td>04/07/2012</td>
<td>Offshore CNY Working Group</td>
<td>Added “Hang Seng Bank” to the working group participant list.</td>
</tr>
</tbody>
</table>
| 27/02/2015 | Error corrections             | 1. Remove the note of PVP indictor field from MT 305  
2. Add the note of PVP indicator field to MT 304  
3. Add ISDACN note in MT 304, MT 340, MT 341 |
| 22/05/2015 | ASIFMA                        | Added GMRACN in market-side securities trade confirmation (MT 518) to indicate the trade follows the latest version of GMRA and Inter-Dealer Offshore Renminbi Annex to GMRA. |
Offshore CNY Working Group Guidelines for SWIFT MT and ISO 15022 messages

Version 3.2

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Draft

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May 2015

Author
Offshore CNY Working Group

Note: Relevant regulations and legislation take precedence over the guidance issued by this Working Group. These Guidelines represent the industry’s best endeavor to assist peers in the interpretation and implementation of Offshore CNY guidelines for SWIFT FIN and ISO 15022 messages. The Offshore CNY Working Group - or any of its Members - cannot be held liable for any error in these Guidelines.

Contributing Institutions

ANZ Bank
Asia Securities Industry & Financial Markets Association (ASIFMA) (Observer)
Bank of America Merrill Lynch
Bank of China (Hong Kong) Limited
The Bank of East Asia Limited
BNP Paribas
Citibank, N.A.
Clearstream
CLS
Credit Suisse
DBS Bank Ltd.
Deutsche Bank AG
Euroclear Bank
Hang Seng Bank
Hong Kong Investment Funds Association (HKIFA) (Observer)
The Hongkong and Shanghai Banking Corporation Limited
Invesco Hong Kong Limited
ISDA (Observer)
Janus Capital Asia Limited
JP Morgan Chase Bank, N.A.
JP Morgan Asset Management Limited
Macquarie Capital Securities Limited
National Australia Bank Limited
Nomura Asset Management Hong Kong Limited
Royal Bank of Scotland plc
Standard Chartered Bank
State Street Bank and Trust Company
The Bank of New York Mellon
UBS Global Asset Management (Hong Kong) Ltd.
Wells Fargo Bank N.A.
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Wing Lung Bank
SWIFT
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1 Introduction

■ Terminology Background

The Chinese Yuan is called “Yuan” and by its ISO (International Organization for Standardization) currency code “CNY”. The currency is also called “Renminbi” and by the associated abbreviation “RMB”. For the purpose of these guidelines, “RMB” will be the commonly used abbreviation to mean “Yuan”, “CNY” and “Renminbi”.

When this document refers to “offshore RMB”, is RMB that is traded and cleared outside of The People’s Republic of China (PRC). The spot rate in the offshore market is referred to as “CNH”. “CNH” refers to the rate to which a corporate outside of the PRC can have access to the “onshore market” spot rate for merchandised settlement. The “onshore RMB”, is RMB that is traded and cleared inside of the PRC.

The SWIFT MT & ISO 15022 processing of “Offshore RMB” will be the primary focus of these guidelines.

■ Document Background

During the initial process of internationalisation of the Chinese currency (CNY) an offshore clearing market was created. There is limited convertibility between offshore CNY and onshore CNY, with regulatory reporting requirements guiding the process. Although not an official ISO currency code, CNH was created by the front office for dealers to indicate FX trades in offshore RMB because it has a different spot rate and yield curves from onshore CNY. This generated requests by financial institutions to support the use of CNH as a currency code in SWIFT messages. SWIFT messages use only the ISO 4217 currency codes.

Industry stakeholders approached SWIFT in early 2011 with their concerns about the lack of straight-through-processing (STP) for Offshore CNY products. Counterparties were processing these Offshore CNY products in a manual (non-STP) manner so market participants foresaw the possible need to reengineer business processes, invest in information technology system upgrades and hire staff to scale for the increased manual processing. SWIFT’s involvement was therefore requested to help industry participants define guidelines so that market participants could make use of the SWIFT MT and ISO 15022 messages to help facilitate the STP processing of offshore RMB products.

At a meeting convened by SWIFT on 1 April 2011 with 68 industry participants across 24 organisations, participants agreed to establish three market groups to propose recommendations for straight-through-processing for the offshore CNY market:

- **Cash & Trade**: addressing the issues specifically for trade finance, cash management and payment flow;
- **FX, MM, derivatives**: addressing the issues for foreign exchange, money market and OTC derivatives flows; and
- **Securities**: addressing the issues from the global custodians, local custodian, broker dealers and fund accountants.

The groups evaluated several solutions and decided on an available practical approach of proposed guidelines for both SWIFT MT and ISO 15022 messages. The three groups met several times during the May to June 2011 to agree consensus on these guidelines. Hereafter, for the purposes of this document, we will refer to these groups in their entirety as the Offshore CNY Working Group (OCWG).
Objective

The objective of Offshore CNY Working Group is to agree guidelines on the use of SWIFT MT and ISO 15022 messages to enhance straight-through-processing (STP) rates for Offshore RMB transactions. Purpose of this document

Summary of guidelines

This document provides guiding principles to help increase STP rates between counterparties by clearly identifying onshore versus offshore CNY transactions in SWIFT MT and ISO 15022 messages with the use of structured codes. The intention is to create a baseline to work towards in electronic counterparty communication. To facilitate the processing of the underlying transactions, counterparties will make a decision on whether to opt in to these published recommendations.

In all cases, it is suggested that the structured code appears as the last piece of information in the recommended field of the MT and ISO 15022 messages. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

OCWG agreed on a common structured code for all impacted messages. The ISO currency code in the MT and ISO 15022 messages that will be used for all offshore CNY transactions will be CNY. CNY will be validated as the currency code in all impacted messages. The consistent structured code suggested by the three working group is /PSET/ followed by the two characters ISO country code embedded by /. For example, /PSET/HK/ would indicate that the place of settlement is Hong Kong. Therefore, by adding /PSET/<country code>/ this would indicate the place of settlement for CNY is outside Mainland China and therefore an offshore CNY transaction. For the Cash & Trade Group, the structured code can have additional information to indicate the payment business type of the transaction. For the FX, MM and Derivatives Group, there is additional information to the structured code that indicates the settlement mechanism of payment versus payment in the Hong Kong RTGS and in respect of FX and Derivatives only, a structured code to turn on and incorporate certain additional disruption event provisions relating to offshore CNY transactions. For the Investor Group, the securities post-trade, settlement instruction, settlement instruction confirmation message formats all support the mandatory or optional use of the place of settlement (PSET) that will identify the transaction as offshore CNY. The group did some additional work on the securities messages and provides input into the Cash & Trade and FX, MM and Derivatives groups’ guidelines.

Messages that are impacted are as follows:

<table>
<thead>
<tr>
<th>Payments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MT 101</td>
<td>Request for Transfer</td>
</tr>
<tr>
<td>MT 103</td>
<td>Single Customer Credit Transfer</td>
</tr>
<tr>
<td>MT 202</td>
<td>General Financial Institution Transfer</td>
</tr>
<tr>
<td>MT 203</td>
<td>Multiple General Financial Institution Transfer</td>
</tr>
<tr>
<td>MT 210</td>
<td>Notice to Receive</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Treasury</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MT 300</td>
<td>Foreign Exchange Confirmation</td>
</tr>
<tr>
<td>MT 304</td>
<td>Advice/Instruction of a Third-Party Deal</td>
</tr>
<tr>
<td>MT 305</td>
<td>Foreign Currency Option Confirmation</td>
</tr>
<tr>
<td>MT 306</td>
<td>Foreign Currency Option Confirmation (for exotic options)</td>
</tr>
<tr>
<td>MT 320</td>
<td>Fixed Loan/Deposit Confirmation</td>
</tr>
<tr>
<td>MT 321</td>
<td>Instruction to Settle a Third-Party Loan/Deposit</td>
</tr>
<tr>
<td>MT 330</td>
<td>Call/Notice Loan/Deposit Confirmation</td>
</tr>
<tr>
<td>MT 340</td>
<td>Forward Rate Agreement confirmation</td>
</tr>
<tr>
<td>MT 341</td>
<td>Forward Rate Agreement settlement confirmation</td>
</tr>
<tr>
<td>MT 360</td>
<td>Single Currency Interest Rate Derivative Confirmation</td>
</tr>
<tr>
<td>MT 361</td>
<td>Cross Currency Interest Rate Swap Confirmation</td>
</tr>
<tr>
<td>MT 380</td>
<td>Foreign Exchange Order</td>
</tr>
</tbody>
</table>

---

1 Please refer to Hong Kong Monetary Authority’s webpage (http://www.info.gov.hk/hkma/eng/renminbi/index.htm) for the classification of various payment types.
### MT 381 Foreign Exchange Order Confirmation

### Securities
- MT 513 Client Advice Of Execution
- MT 514 Trade Allocation Instruction
- MT 515 Client Confirmation of Purchase or Sale
- MT 518 Market-Side Securities Trade Confirmation
- MT 535 Statement of Holdings
- MT 536 Statement of Transactions
- MT 537 Statement of Pending Transactions
- MT 540 Receive Free
- MT 541 Receive Against Payment
- MT 542 Deliver Free
- MT 543 Deliver Against Payment
- MT 544 Receive Free Confirmation
- MT 545 Receive Against Payment Confirmation
- MT 546 Deliver Free Confirmation
- MT 547 Deliver Against Payment Confirmation
- MT 564 Corporate Action Notification
- MT 565 Corporate Action Instruction
- MT 566 Corporate Action Confirmation

### Standing Settlement Instructions for Treasury and Payment
- MT 670 Standing Settlement Instruction Update Notification Request
- MT 671 Standing Settlement Instruction Update Notification

### Cash Reporting
- MT 900 Confirmation of Debit
- MT 910 Confirmation of Credit
- MT 940 Customer Statement Message
- MT 941 Balance Report
- MT 942 Interim Transaction Report
- MT 950 Statement Message

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- **Legends used for the guidelines**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>/</td>
<td>Delimiter that must be present at the beginning and ending of the structured code.</td>
</tr>
<tr>
<td>PSET</td>
<td>Indicates the place of settlement</td>
</tr>
<tr>
<td>&lt;</td>
<td>The beginning symbol of a dynamic field. The following text describes the nature of the data to be presented.</td>
</tr>
<tr>
<td>&gt;</td>
<td>The closing symbol of a dynamic field.</td>
</tr>
<tr>
<td>SPRO</td>
<td>Indicates the deal is to be settled with a specified method</td>
</tr>
<tr>
<td>PVP</td>
<td>Indicates the transaction is to be settled by 'Payment Versus Payment' method offered by the central bank of Hong Kong.</td>
</tr>
<tr>
<td>&lt;ISO country code&gt;</td>
<td>When this appears, it indicates that participants should use a two-letter ISO 3166 country code. For example, Hong Kong, the country code is 'HK'.</td>
</tr>
<tr>
<td>ISDACN</td>
<td>Indicates the ISDA Additional Disruption Event Provisions (as defined in [2.2.4] is applicable to the transaction.</td>
</tr>
<tr>
<td>GMRACN</td>
<td>Indicates transaction follows the Inter-Dealer Offshore Renminbi Annex to GMRA and latest version of GMRA</td>
</tr>
</tbody>
</table>
2 Guidelines to present offshore CNY transactions

2.1 Payments

Payments practice is in Discussion
Publication date is to be advised
2.2 **FX, MM, & Derivatives**

The guidelines for the following treasury messages were proposed by the industry to differentiate onshore versus offshore CNY transactions. The first phase of this work focused on the use of CNY as the currency code and the addition of place of settlement (PSET). If the PSET is a country code outside of Mainland China then the transaction is deemed to be offshore. The below examples use “HK” as the country code, this logic can be changed by applying any ISO country code that has a RMB clearing center. If the place of clearing is onshore (inside Mainland China) then the country code “CN” can be used.

Upon the completion of version 2 Offshore CNY Guidelines in 2011, market players anticipated there are more regulatory and compliance rules and regulations be implemented in financial industry and especially in FX and derivatives business areas. To maintain the flexibility of FIN message to support the anticipated changes, Offshore CNY market practice group understood that we have to spare enough narrative spaces in messages to support. The market group requested 2014 FIN standards changes, in order to remove some structured codes implemented in narrative fields in this guideline and spare the space for future use.

The update in 2014 FIN standards involved the creation of a new optional field 17I for payment versus payment settlement indicator and the two kinds of changes to support offshore deliverable CNY derivative transactions that are documented under the ISDA Master Agreement and the Additional Disruption Event Provisions. One was to add a new code word ISDACN in field 77H, The second kind for ISO 15022 formatted messages is to add ISCN code word to agreement indicator field, 22F.

Together with the standards update, in MT 380 and MT 381, the PSET structured code is recommended to move to the ‘Transaction Details Narrative’ field in ‘Underlying Transaction Details’ sequence, in order to present both the ISDA Master Agreement and the Additional Disruption Event Provisions information and the place of settlement together.

The impacted messages for payment verse payment are:

- MT 300 – Foreign Exchange Confirmation
- MT 304 – Advice/Instruction of a Third Party Deal

The impacted messages for 77H are:

- MT 300 – Foreign Exchange Confirmation
- MT 304 – Advice/Instruction of a Third Party Deal
- MT 305 – Foreign Currency Option Confirmation
- MT 306 – Foreign Currency Option Confirmation
- MT 340 – Forward Rate Agreement Confirmation
- MT 341 – Forward Rate Agreement Settlement Confirmation
- MT 360 – Single Currency Interest Rate Derivative Confirmation
- MT 361 – Cross Currency Interest Rate Swap Confirmation

The impacted messages for 22F are:

- MT 380 – Foreign Exchange Order
- MT 381 – Foreign Exchange Order Confirmation

Note: The changes of messages listed above are effective on November 16th, 2014. The current practice to quote structured information in narrative field is valid until then.

2.2.1 **MT 320 - Fixed Loan/Deposit Confirmation**

- The field used is field 72 in sequence H (Optional Additional Information). Field 72 allows a maximum of 6 lines and each line can have 35 characters (6 x 35x).
- The structured code is:

  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.

1. This is an example of an offshore CNY transaction where the place of settlement is in Hong Kong. First three lines already filled with other information and therefore the offshore information is specified on the fourth line in field 72 in sequence H.

<table>
<thead>
<tr>
<th>Message type</th>
<th>320</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional Sequence H Additional Information</td>
<td></td>
</tr>
<tr>
<td>Sender to Receiver Information</td>
<td>:72:&lt;narrative text&gt; //&lt;narrative text&gt; //&lt;narrative text&gt; /PSET/HK/</td>
</tr>
</tbody>
</table>

2. In this offshore CNY transaction the place of settlement is Hong Kong. The first four lines are filled with other information however there is space for the structured code on the fourth line in field 72 in sequence H.

   | Sender to Receiver Information | :72:<narrative text> //<narrative text> //<narrative text>/PSET/HK/ |

3. This is an example of an error in the format. The structured code is not on a single line in field 72 in sequence H. Although the SWIFT network will not reject the message, the OCWG does not agree with this presentation.

   | Sender to Receiver Information | :72:<narrative text> //<narrative text> //<narrative text>/PSET/HK/ |

2.2.2 **MT 321 - Instruction to Settle a Third-Party Loan/Deposit**

- In Subsequence C1 Settlement Parties block with Party field – 95a, the qualifier is ACCW to indicate the Account with Institution, the structured code is to put in Party Contact Narrative field - 70C with PACO qualifier, a maximum 4 lines and each line can go up to 35 characters field (4 x 35x), excluding the qualifier and '//'
- The structured code is:
- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.

1. This example is for an offshore transaction where the place of settlement is in Hong Kong. The first three lines are already filled with other information and therefore structured code is in the fourth line in field 70C in sequence C1.

<table>
<thead>
<tr>
<th>Message type</th>
<th>321</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
   Mandatory Repetitive Subsequence C1 Settlement Parties
   |
   Party | :95P::ACCW//<BIC code> |
   |
   Party Contact Narrative | :70C::PACO//<narrative text> <narrative text> <narrative text> /PSET/HK/ |
   |
   Mandatory Repetitive Subsequence C1 Settlement Parties

2. In this example, the offshore CNY transaction has the place of settlement in Hong Kong. The structured code appears alone because there is no additional information in field 70C in sequence C1.

   | Party Contact Narrative | :70C::PACO//PSET/HK/ |
   |
3. This is an example of an error in the format. The structured code is not the last piece of information in field 70C in sequence C1. Although the SWIFT network will not reject the message, the OCWG does not agree with this presentation.

   | Party Contact Narrative | :70C::PACO//<narrative text> <narrative text> <narrative text> /PSET/HK/ <narrative text> |
   |
4. This is an example of an error in the format. The structured code is on two lines instead of one in field 70C in sequence C1. Although the SWIFT network will not reject the message, the OCWG does not agree with this presentation.
2.2.3 MT 330 - Call/Notice Loan/Deposit Confirmation

- The structured code should be used in field 72 in Optional sequence H (Optional Additional Information). This field allows a maximum of 6 lines and each line can have 35 characters field (6 x 35x).
- The structured code is:
  o /PSET/<ISO country code>/
- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.

1. This is an example of an offshore CNY transaction where the place of settlement is in Hong Kong. The first three lines are already filled with other information. As a result, the structured code is to put in the fourth line in field 72 in sequence H.

2. This is an example of an offshore CNY transaction where the place of settlement is in Hong Kong. The first four lines filled with other information however there is enough space for the structured code in the fourth line in field 72 in sequence H.

2.2.4 FX and Derivatives - General

In respect of MT 300, MT304, MT 380, MT 381, MT 305 and MT306, the ISDA 1998 FX and Currency Option Definitions, as amended by the 2005 Barrier Option Supplement, are incorporated into each confirmation of a transaction between counterparties. These two documents can be downloaded from the ISDA website using this link:
ISDA has also published the Additional Disruption Event Provisions for an Offshore Deliverable CNY Transaction and the Offshore Deliverable CNY Transaction Disruption Fallback Matrix as amended and supplemented through the date on which parties enter into the relevant transaction (together, the “ISDA Additional Disruption Event Provisions”) that provides for certain offshore CNY disruption events including CNY Illiquidity, CNY Inconvertibility or CNY Non-Transferability, and the consequences upon the occurrence of such events.

ISDA also published a side letter on 27 February 2012 for parties to turn “on” the ISDA Additional Disruption Event Provisions for legacy transactions.

Market participants believe that the majority of confirmations would be “vanilla” and therefore will be processed using electronic confirmations. As a result, the solution should be that the electronic confirmations indicate that the ISDA Additional Disruption Event Provisions is turned “on” for the applicable transactions; hence eliminating the need for the side letter for new transactions. This solution was deemed by the working group to be more effective for implementation than adopting a side letter for ongoing transactions.

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions. For institutions who cannot implement this new code in Field 77H structured code, the structured code ‘ISDACN‘ can be quoted in narrative field 72 and delimited before and after by /.

The guidelines recommend using ISO currency code CNY with /PSET/<country code>/ to indicate that this is an offshore CNY transaction. The working group added the optional usage of Field 17I Payment versus Payment Settlement Indicator should be used to show the method of payment versus payment. For institutions who cannot implement this new Field 17I, the structured code /SPRO/PVP can be quoted in narrative field 72 and delimited before and after by /.

For example, “/PSET/HK/SPRO/PVP/ISDACN/” would be the structured code used with all its components. The working group recommend using the standing field 77H and 17I as far as possible.

The ISDA Additional Disruption Event Provisions requires certain details to be provided in a confirmation. For the purpose of the ISDA Additional Disruption Event Provisions, “Offshore CNY Centre” is the place of settlement or in the absence of any specific statement, Hong Kong. “Calculation Agent” referred to in the ISDA Additional Disruption Event Provisions is, unless otherwise specified in the applicable confirmation or in any separate written agreement between the parties, the Calculation Agent specified in the ISDA Master Agreement executed between the parties. In the absence of specific terms in the confirmation, any separate written agreement or the ISDA Master Agreement, (a) where each party in a transaction is a direct participant (or an affiliate of a direct participant), or neither party is a direct participant (or an affiliate of a direct participant), to the clearing system for offshore CNY at the place of settlement, both parties shall be Calculation Agents; or (b) in all other circumstances, only the party that is a direct participant (or an affiliate of a direct participant) to the clearing system for offshore CNY at the place of settlement shall be the Calculation Agent. If both parties are Calculation Agents and they are unable to agree on a determination, each party agrees to be bound by the determination of an independent leading dealer in the relevant type of transaction mutually selected by the parties, who shall act as the substitute Calculation Agent, with the fees and expenses of such substitute Calculation Agent (if any) to be met equally by the two parties. If the two parties are unable to agree on an independent leading dealer to act as substitute Calculation Agent, each party shall select an independent leading dealer, and such independent leading dealers shall agree on an independent third party who shall be deemed to be the substitute Calculation Agent.

2.2.5 MT 300 - Foreign Exchange Confirmation
- The structured codes use field 72 of sequence C (Optional General Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. The example shows an offshore CNY transaction with the place of settlement in Hong Kong. The first four lines already filled with other information but the fourth line has enough space to hold the structured code in field 72 in sequence C.

   Sender to Receiver Information: 72:<narrative text> //<narrative text> //<narrative text> //<narrative text>/PSET/HK/

2. In this example, the offshore CNY transaction has a place of settlement in Hong Kong. There is no addition information in field 72 in sequence C as a result the structured code is shown alone.

   Sender to Receiver Information: 72:/PSET/HK/

3. This is an example of an error in the format. The structured code is not the last piece of information in field 72 in sequence C. Although the SWIFT network will not reject the message, the OCGWG does not agree with this presentation.

   Sender to Receiver Information: 72:<narrative text> <narrative text> <narrative text>/PSET/HK/<narrative text>

4. This is an example of an error in the format. The structured code does not appear in the same line in field 72 in sequence C. Although the SWIFT network will not reject the message, the OCGWG does not agree with this presentation.

   Sender to Receiver Information: 72:<narrative text>/PSET/HK/

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

Field 17I Payment versus Payment Settlement Indicator should be used to show the method of payment versus payment.

2.2.6 MT 304 - Advice/Instruction of a Third-Party Deal

- The structured codes use field 72 of sequence C (Optional General Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. In this offshore CNY example, the place of settlement is in Hong Kong. The first three lines are already filled with other information and therefore the structured code is on the fourth line in field 72 in sequence C.

<table>
<thead>
<tr>
<th>Message type</th>
<th>304</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Optional Sequence C Optional General Information

Sender to Receiver Information
:72:<narrative text>
//<narrative text>
//<narrative text>
/PSET/HK/

Optional Sequence D Accounting Information

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

Field 17I Payment versus Payment Settlement Indicator should be used to show the method of payment versus payment.

2.2.7 MT 305 - Foreign Currency Option Confirmation

- The structured codes use field 72. This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
  - /PSET/<ISO country code>/

- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.
1. This is an example of an offshore CNY transaction with the place of settlement in Hong Kong. The first three lines are already filled with other information and the third line has enough space for the structured code in field 72.

| Sender to Receiver Information | :72:<narrative text>
//<narrative text>
//<narrative text > /PSET/HK/ |

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

2.2.8 MT 306 (exotic options) - Foreign Currency Option Confirmation

- The structured codes use field 72 of sequence I (Optional Additional Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x).
- The structured code is:
  - o /PSET/<ISO country code>/
- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.

1. This is an example of an offshore CNY transaction with the place of settlement in Hong Kong. The first three lines are already filled with other information and therefore the structured code is on the fourth line in field 72 in sequence I.

<table>
<thead>
<tr>
<th>Message type</th>
<th>306</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional Sequence I Additional Information</td>
<td></td>
</tr>
</tbody>
</table>
| Sender to Receiver Information | :72:<narrative text>
//<narrative text>
//<narrative text > /PSET/HK/ |
| Optional Sequence J Additional Amounts |

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

2.2.9 MT 340 – Forward Rate Agreement Confirmation
- The structured codes use field 72 of optional sequence E (Additional Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
  - /PSET/<ISO country code>/

- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. This example is for an offshore CNY transaction with the place of settlement in Hong Kong. Transaction is . The first three lines are already filled with other information but the third line has enough space for the structured code in field 72 in sequence C.

<table>
<thead>
<tr>
<th>Message type</th>
<th>340</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Optional Sequence E Additional Information

<table>
<thead>
<tr>
<th>Sender to Receiver Information</th>
<th>:72:&lt;narrative text&gt; //&lt;narrative text&gt; //&lt;narrative text&gt;/PSET/HK/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. In this example, the offshore CNY transaction has a place of settlement in Hong Kong . There is no addition information in field 72 in sequence C as a result the structured code is shown alone.

<table>
<thead>
<tr>
<th>Sender to Receiver Information</th>
<th>:72:/PSET/HK/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

2.2.10 MT 341 – Forward Rate Agreement Settlement Confirmation

- The structured codes use field 72 of sequence A (General Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
  - /PSET/<ISO country code>/

- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.
1. This example is for an offshore CNY transaction with the place of settlement in Hong Kong. The first three lines are already filled with other information but the third line has enough space for the structured code in field 72 in sequence C.

<table>
<thead>
<tr>
<th>Message type</th>
<th>341</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory Sequence A General Information</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Sender to Receiver Information</td>
<td>:72:&lt;narrative text&gt; //&lt;narrative text&gt; //&lt;narr txt&gt;/PSET/HK/</td>
</tr>
</tbody>
</table>

2. In this example, the offshore CNY transaction has a place of settlement in Hong Kong. There is no additional information in field 72 in sequence C as a result the structured code is shown alone.

| Sender to Receiver Information | :72:/PSET/HK/ |

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

### 2.2.11 MT 360 – Single Currency Interest Rate Derivative Confirmation

- The structured codes use field 72 of sequence A (General Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
  - /PSET/<ISO country code>/ISDACN/
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. This example is for an offshore CNY transaction with the place of settlement in Hong Kong. The first three lines are already filled with other information but the third line has enough space for the structured code in field 72 in sequence C.

<table>
<thead>
<tr>
<th>Message type</th>
<th>360</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory Sequence A General Information</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Sender to Receiver Information</td>
<td>:72:&lt;narrative text&gt; //&lt;narrative text&gt; //&lt;narr txt&gt;/PSET/HK/</td>
</tr>
</tbody>
</table>

2. In this example, the offshore CNY transaction has a place of settlement in Hong Kong. There is no additional information in field 72 in sequence C as a result the structured code is shown alone.
The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

2.2.12 MT 361 – Cross Currency Interest Rate Swap Confirmation

- The structured codes use field 72 of sequence A (General Information). This field allows a maximum of 6 lines and each line can have 35 characters (6 x 35x)
- The structured code is:
  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. This example is for an offshore CNY transaction with the place of settlement in Hong Kong. The first three lines are already filled with other information but the third line has enough space for the structured code in field 72 in sequence C.

<table>
<thead>
<tr>
<th>Message type</th>
<th>361</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory Sequence A General Information</td>
<td></td>
</tr>
<tr>
<td>Sender to Receiver Information</td>
<td>:72::&lt;narrative text&gt; //&lt;narrative text&gt; //&lt;narr txt&gt;/PSET/HK/</td>
</tr>
</tbody>
</table>

The code ISDACN should be quoted in the Field 77H to represent switching on the ISDA Additional Disruption Event Provisions.

2.2.13 MT 380 - Foreign Exchange Order

- In Optional Sequence C Underlying Transaction Details block, the structured code is to put in Transaction Details Narrative field – 70E with TRDE qualifier, a maximum 6 lines and each line can go up to 35 characters field (6 x 35x), excluding the qualifier and ‘///’
- The structured code is:
  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. The transaction is offshore CNY and there is no other narrative text in the field.

```
<table>
<thead>
<tr>
<th>Message type</th>
<th>380</th>
</tr>
</thead>
</table>

Optional Sequence C Underlying Transaction Details

Transaction Details Narrative:70E::TRDE//PSET/HK/
```

2. The transaction is offshore CNY with narratives for reasons

```
<table>
<thead>
<tr>
<th>Message type</th>
<th>380</th>
</tr>
</thead>
</table>

Optional Sequence C Underlying Transaction Details

Transaction Details Narrative:70E::TRDE//<narrative text>/PSET/HK/
```

The code ISCN should be quoted in the Field 22F (Indicator: Agreement Indicator) with Qualifier AGRE in Optional Sequence C Underlying Transaction Details to represent switching on the ISDA Additional Disruption Event Provisions.

### 2.2.14 MT 381 - Foreign Exchange Order Confirmation

- In Optional Subsequence B2 Reason block, the structured code is to put in Reason Narrative field – 70D with REAS qualifier, a maximum 6 lines and each line can go up to 35 characters field (6 x 35x), excluding the qualifier and ‘//’
- The structured code is:
  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters ‘/’.
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. The transaction is offshore CNY and there is no other narrative text in the field.
2. The transaction is offshore CNY with narratives for reasons

<table>
<thead>
<tr>
<th>Message type</th>
<th>381</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional Sequence C Underlying Transaction Details</td>
<td></td>
</tr>
<tr>
<td>Transaction Details Narrative</td>
<td>:70E::TRDE//&lt;narrative text&gt;/PSET/HK/</td>
</tr>
</tbody>
</table>

The code ISCN should be quoted in the Field 22F (Indicator: Agreement Indicator) with Qualifier AGRE in Optional Sequence C Underlying Transaction Details to represent switching on the ISDA Additional Disruption Event Provisions.
2.3 Securities

The securities post-trade, settlement instruction, settlement instruction confirmation message formats all support the mandatory or optional use of the place of settlement (PSET) that will identify the transaction as offshore CNY. The place for PSET is in field 95P of the repetitive settlement party sequence.

In securities settlement instructions (MT540, MT 541, MT 542, MT 543) and confirmations (MT 544, MT 545, MT 546, MT 547) the message layout is identical. PSET is specified in the Mandatory Repetitive Subsequence E1 Settlement Parties block.

Listed securities use the country code (e.g. CN, HK, GB, etc.) of where they are incorporated not where they are traded. Therefore the country prefix in the ISIN code together with CNY as the statement currency cannot be used to differentiate the securities in the statement messages. As a result, the MT 535, MT 536, and MT 537 messages were added.

The securities holdings statement (MT 535) is used by sub-custodians and global custodians to report their clients' position and they provide different description for their counter parties. Sub-custodians based on their location know if the statement provided is on-shore or off-shore CNY. The MT 535 guidelines is not applicable for the sub-custodians unless the sub-custodian is handling stock positions of both on-shore and off-shore CNY securities for their clients. If this is the case, the sub-custodian should refer to MT 535 practice. The same logic would apply for sub-custodians in case they have to report client positions for both onshore and offshore CNY in corporate actions messages (MT 564, MT 565, and MT 566).

Please note that securities messages can use PSET//XHKCHKH1 or /PSET/HK/ for physical script settlement in Hong Kong. In the below examples, the "XHKCHKH1" and "HK" do not limit the use of this for Hong Kong only. In the event that the BIC of the CSD is not "XHKCHKH1", market participants should indicate the BIC of the CSD or International CSD. For OTC derivatives, market participants should use the BIC of the clearing institution.

With the creation of Inter-Dealer Offshore Renminbi Annex to GMRA by Asia Securities Industry & Financial Market Association (ASIFMA) working in conjunction with the latest version of Global Master Repurchase Agreement (GMRA), market players requested to supplement this piece of information in market-side securities confirmation message (MT 518). The annex is used to mitigate and protect issues encountered when there are failures of CNY payment settled outside China that relate to securities repo transactions*; and similar to the ISDA Additional Disruption Event Provisions for an Offshore Deliverable CNY Transaction, this Annex provides alternative settlement solutions in the event of offshore RMB illiquidity, inconvertibility, as well as non-transferability.

*The Annex covers the following repo transactions:
   a) Transactions where the Purchased Securities are Offshore RMB-denominated bonds issued in HK or another Centre and the Purchase Price & Repurchase Price is denominated in Offshore RMB.
   b) Transactions where the Purchased Securities are bonds other than Offshore RMB Bonds and the Purchase Price & Repurchase Price are denominated in Offshore RMB.

2.3.1 MT 513 - Client Advice Of Execution

1. In this example, the offshore CNY transaction lists the currency of the transaction as CNY and then includes the place of settlement (PSET) in the client advice of execution with the BIC code is XHKCHKH1 (indicating Hong Kong Stock Exchange).
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

<table>
<thead>
<tr>
<th>Message type</th>
<th>513</th>
</tr>
</thead>
</table>

Offshore CNY guidelines v 3.2 May 2015
2.3.2 MT 514 - Trade Allocation Instruction

1. This Example makes use of field 95p in sequence C1 to show an offshore CNY transaction. PSET appears with the place of settlement as Hong Kong Stock Exchange (XHKCHKH1).
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

<table>
<thead>
<tr>
<th>Message type</th>
<th>514</th>
</tr>
</thead>
</table>

2.3.3 MT 515 - Client Confirmation of Purchase or Sale

| Party | :95P::PSET//XHKCHKH1 |
1. This is an example of an offshore CNY transaction where PSET appears in field 95P in sequence D1 with the place of settlement as Hong Kong Stock Exchange (XHKCHKH1).
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

<table>
<thead>
<tr>
<th>Message type</th>
<th>515</th>
</tr>
</thead>
</table>

**Mandatory Sequence C Confirmation Details**

<table>
<thead>
<tr>
<th>Price</th>
<th>:90B::DEAL//ACTU/CNY30,</th>
</tr>
</thead>
</table>

**Optional Repetitive Subsequence D1 Settlement Parties**

<table>
<thead>
<tr>
<th>Party</th>
<th>:95P::PSET//XHKCHKH1</th>
</tr>
</thead>
</table>

2.3.4 MT 518 – Market-Side Securities Trade Confirmation

1. This is an example of an offshore CNY transaction follows Global Master Repurchase Agreement (GMRA) and Inter-Dealer Offshore Renminbi Annex in sequence B, together with PSET appears in field 95P in sequence C1 with the place of settlement as Hong Kong Stock Exchange (XHKCHKH1).
   a. In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   b. For OTC derivatives, use the clearing institution.

<table>
<thead>
<tr>
<th>Message type</th>
<th>518</th>
</tr>
</thead>
</table>

**Mandatory Sequence B Confirmation Details**

<table>
<thead>
<tr>
<th>Price</th>
<th>:90B::DEAL//ACTU/CNY30,</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Narrative</th>
<th>70E::TPRO//AGRE/GMRACN/</th>
</tr>
</thead>
</table>

**Optional Repetitive Subsequence C1 Settlement Parties**

| Party | :95P::PSET//XHKCHKH1 |
Optional Sequence E Two Leg Transaction Details

NB. To quote the transaction follows ‘GMRACN’, the string of codes must appear in the first line of field 70E (this is not the field in block B1 neither the one in B2) with ‘TPRO’ qualifier, ‘AGRE’ sub-qualifier, and ‘GMRACN’ separated with slashes.

2.3.5 MT 543 - Deliver Against Payment

1. This is an example of a deliver against payment settlement instruction for offshore CNY transaction where the settlement is at Hong Kong Stock Exchange (XHKCHKH1).
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

```
Message type  543

Mandatory Repetitive Subsequence E1 Settlement Parties

Party  :95P::PSET//XHKCHKH1

Mandatory Repetitive Subsequence E3 Amount

Amount  :19A::SETT//CNY300000,
```

2.3.6 MT 547 - Deliver Against Payment Confirmation

1. This is an example of a deliver against payment settlement confirmation for offshore CNY transaction where the settlement is at Hong Kong Stock Exchange (XHKCHKH1).
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

```
Message type  547

Mandatory Repetitive Subsequence E1 Settlement Parties

Party  :95P::PSET//XHKCHKH1
```
### 2.3.7 MT 564 - Corporate Action Notification

It is recommended by OCWG that the sub custodian should start to add the structured code. The ‘plus’ sign in the diagram below indicates the message type and the market participant who should add the structured code.

- The structured code in repetitive Narrative field 70E Optional Sequence F Additional Information block will use the ADTX qualifier. The field size is maximum with 10 lines and each line can go up to 35 characters, excluding the ADTX qualifier and delimiters (/).  
- The structured code must appear as an individual occurrence and as the last piece of information of 70E.
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. This is an example of a corporate action notification for an offshore CNY event. The structured code appears before another occurrence of field 70E in sequence F.
2. This is an example of a corporate action notification is for an offshore CNY event. The structured code appears after another occurrence of field 70E in sequence F.

<table>
<thead>
<tr>
<th>Narrative</th>
<th>:70E::ADTX//&lt;narrative text&gt; &lt;narrative text&gt;</th>
</tr>
</thead>
</table>

3. This is an example of an error in the format because there is additional narrative text in field 70E in sequence F. Although the SWIFT network will not reject the message, the OCWG does not agree with this presentation.

<table>
<thead>
<tr>
<th>Narrative</th>
<th>:70E::ADTX//PSET/HK/ &lt;narrative text&gt;</th>
</tr>
</thead>
</table>

### 2.3.8 MT 565 - Corporate Action Instruction

- The structured code will be put in Optional Sequence F Additional Information block, in repetitive Narrative field 70E with the ADTX qualifier. The field size is maximum with 10 lines and each line can go up to 35 characters, excluding the qualifier and //.
- The structured code must appear in an individual occurrence of 70E. Additional information has to put in another repeated field 70E with ADTX qualifier.
- The structured code is:
  
  - /PSET/<ISO country code>/

- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.

1. In this example, the corporate action instruction is for an offshore CNY event. The structured code appears before another occurrence of field 70E in sequence F.
2. In this example, the corporate action instruction is for an offshore CNY event. The structured code appears after another occurrence of field 70E in sequence E.

| Narrative | :70E::ADTX//<narrative text> <narrative text> |

2.3.9 MT 566 - Corporate Action Confirmation

- The structured code is used in Optional Sequence F Additional Information block, in repetitive Narrative field 70E with ADTX qualifier. The field size is maximum with 10 lines and each line can go up to 35 characters, excluding the qualifier and //.
- The structured code must appear in an individual occurrence of 70E. Additional information has to put in another repeated field 70E with ADTX qualifier.
- The structured code is:
  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

The use of the structured code is optional.

1. In this example, the corporate action confirmation is for an offshore CNY event. The structured code appears before another occurrence of field 70E in sequence E.

| Message type | 566 |

| Optional Sequence E Additional Information | |
| Narrative | :70E::ADTX//PSET/HK/ |
| Narrative | :70E::ADTX//<narrative text> <narrative text> |
2. In this example, the corporate action confirmation is for an offshore CNY event. The structured code appears after another occurrence of field 70E in sequence E.

| Narrative | :70E::ADTX//<narrative text>  
|           | <narrative text>  
| Narrative | :70E::ADTX//PSET/HK/ |

2.3.10 MT 535 – Statement of Holdings

- The structured code will be put in Optional Repetitive Sequence B1 Financial Instrument block, in repetitive Narrative field 70E with the HOLD qualifier. The field size is maximum with 10 lines and each line can go up to 35 characters, excluding the qualifier and //.
- The structured code is:
  - /PSET/<ISO country code>/
- The use of the structured code is optional.
- When using the structured code it must appear with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. In this example, the holding statement part of the holdings is belonging to offshore CNY. The structured code appears in the relevant repetitive financial instrument block (B1) in field 70E, where there is some narrative text presented in the same field.

<table>
<thead>
<tr>
<th>Message type</th>
<th>535</th>
</tr>
</thead>
</table>

Optional Repetitive Sequence B1 Financial Instrument

<table>
<thead>
<tr>
<th>Start of financial instrument block (with offshore CNY indication)</th>
<th>:16R:FIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>:19A::HOLD//CNY50000,</td>
</tr>
</tbody>
</table>
| Narrative                                                         | :70E::HOLD//=<narrative text>  
|                                                                  | /PSET/HK/ |
| End of financial instrument block                                 | :16S:FIN |
| Start of financial instrument block                               | :16R:FIN |
| Narrative                                                         | :70E::HOLD//=<narrative text>  
|                                                                  | < narrative text> |
| End of financial instrument block                                 | :16S:FIN |
### 2.3.11 MT 536 – Statement of Transactions

Transaction statement has to present individual entry in the report and each of the entry has option to present the PSET information. Market group agreed to present the PSET in party field to differentiate the transaction when necessary. The block to present is Optional Repetitive Subsequence B1a2A Settlement Parties and have the same structure as settlement instructions (MT540, MT 541, MT 542, MT 543) and confirmations (MT 544, MT 545, MT 546, MT 547).

1. This is an example of a statement of transaction that contains a transaction of offshore CNY where the settlement is at Hong Kong Stock Exchange (XHKCHKH1).
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

<table>
<thead>
<tr>
<th>Message type</th>
<th>536</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of transaction details block</td>
<td>:16R:TRANSDET</td>
</tr>
<tr>
<td>Optional Repetitive Sub-sequence B1a2A Settlement Parties</td>
<td></td>
</tr>
<tr>
<td>Start of settlement parties block</td>
<td>:16R:SETPRTY</td>
</tr>
<tr>
<td>Party</td>
<td>:95P::PSET//XHKCHKH1</td>
</tr>
<tr>
<td>End of settlement parties block</td>
<td>:16S:SETPRTY</td>
</tr>
<tr>
<td>End of transaction details block</td>
<td>:16S:TRANSDET</td>
</tr>
</tbody>
</table>

### 2.3.12 MT 537 – Statement of Pending Transactions

Pending transaction statement has to present individual entry in the report and each of the entry has option to present the PSET information. Market group agreed to present the PSET in party field to differentiate the transaction when necessary. The block to present is Optional Repetitive Subsequence B2b1 or C2a Settlement Parties; depending on how to group the status of individual transaction, and have the same structure as settlement instructions (MT540, MT 541, MT 542, MT 543) and confirmations (MT 544, MT 545, MT 546, MT 547).

1. This is an example of a pending transaction statement that contains a transaction of offshore CNY where the settlement is at Hong Kong Stock Exchange (XHKCHKH1) and report at message level.
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.

| Message type | 537 |
2. This is an example of a pending transaction statement that contains a transaction of offshore CNY where the settlement is at Hong Kong Stock Exchange (XHKCHKH1) and individual transaction has individual status.
   - In the event that the CSD is not CCASS, market participants should indicate the BIC of the clearing system at the CSD.
   - For OTC derivatives, use the clearing institution.
<table>
<thead>
<tr>
<th>End of transaction details block</th>
<th>:16S:TRANSDET</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of transaction block</td>
<td>:16S:TRAN</td>
</tr>
</tbody>
</table>
2.4 Standing Settlement Instruction

**MT 670 Standing Settlement Instruction Update Notification Request.** This MT is sent by a user to SWIFT.

In response to the MT 670, SWIFT generates **MT 671 Standing Settlement instruction Update Notification** MTs (by copying data from the MT 670) and sends them to users according to parameters defined in the MT 670.

### 2.4.1 MT 670 - Standing Settlement Instruction Update Notification Request

- The structured code in Optional Subsequence B2 Other Details block, in repetitive Narrative field 70E with ADTX qualifier. The field size is maximum with 10 lines and each line can go up to 35 characters, excluding the qualifier and ‘//’
- The structured code must appear in an individual occurrence of 70E. Any additional information has to put in another repeated field 70E ADTX
- The structured code is:
  - `/PSET/<ISO country code>/`

- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (`/`).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

It is optional to specify the structured code.

1. In this example, the standing settlement instruction notification is for offshore CNY. The structured code appears before another occurrence of field 70E in sequence B2.

<table>
<thead>
<tr>
<th>Message type</th>
<th>670</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Optional Subsequence B2 Other Details</td>
<td></td>
</tr>
<tr>
<td>Narrative</td>
<td>:70E::ADTX/PSET/HK/</td>
</tr>
</tbody>
</table>
2. In this example, the standing settlement instruction notification is for offshore CNY. The structured code appears after another occurrence of field 70E in sequence B2.

| Narrative | :70E::ADTX//<narrative text> | <narrative text> |

| Narrative | :70E::ADTX//PSET/HK/ |

3. This is an error in the format because there is additional narrative text in field 70E in sequence B2. Although the SWIFT network will not reject the message, the OCWG does not agree with this presentation.

| Narrative | :70E::ADTX//PSET/HK/<narrative text> |

2.4.2 MT 671 - Standing Settlement Instruction Update Notification

This is a message generated by the SWIFT network from the fields of the MT 670. If the original MT 670 has the offshore CNY structured field, it will automatically appear in the same block of information in the MT 671. However, if the original MT 670 doesn't follow the OCWG guidelines then the MT 671 will also not follow the OCWG guidelines.
2.5 Cash Reporting (to be updated according to coming payment messages changes)

2.5.1 MT 900 - Confirmation of Debit

- Use field 72 which allows for a maximum 6 lines and each line can have 35 characters (6 x 35x).
- Examples of the structured code use in the field are using the 3 possible layouts as mentioned in 3.1.
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. The advice is for offshore CNY. The place of settlement is Hong Kong and the transaction is related to physical goods trade. First four lines already filled with other information and there is insufficient space to hold the full piece of information in the fourth line in field 72.

<table>
<thead>
<tr>
<th>Message type</th>
<th>900</th>
</tr>
</thead>
</table>
| Sender to Receiver Information | :72:<narrative text>
  //<narrative text>
  //<narrative text>
  //<narrative text>
  /PSET/HK/PYTR/GDS/ |

2. The advice is for offshore CNY. The place of settlement is Hong Kong and this transaction is service trade. First four lines filled with other information and the fourth line has sufficient space to hold the full piece of information in field 72.

| Sender to Receiver Information | :72:<narrative text>
  //<narrative text>
  //<narrative text>
  //<narrative text>/PSET/HK/PYTR/SRV/ |

3. The advice is for offshore CNY. The place of settlement is Hong Kong and this transaction is related to physical goods trade. There is no information needed to put in field 72.

| Sender to Receiver Information | :72:/PSET/HK/PYTR/GDS/ |

4. Error format, structured code is not the very last piece of information in the field. Although the SWIFT network will not reject the message, the OCWG does not agree with this presentation.

| Sender to Receiver Information | :72:<narrative text>
  <narrative text>
  <narrative text>/PSET/HK/PYTR/GDS/<narr text> |

2.5.2 MT 910 - Confirmation of Credit
- Use field 72 which allows for a maximum 6 lines and each line can have 35 characters (6 x 35x).
- Examples of the structured code use in the field are using the 3 possible layouts as mentioned in 3.1.
- The use of the structured code is optional.
- When the structured code is used, it must appear in its entirety together with delimiters (/).
- The structured code must appear in a single line as opposed to be spread across two lines of the field.
- The structured code appears as the last piece of information in the field. This will help Information Technology professionals apply programming logic with a goal of systematic automation.

1. The advice is for offshore CNY. The place of settlement is Hong Kong and this transaction is related to physical goods trade. First four lines filled with other information and the fourth line has sufficient space to hold the full piece of information in field 72.

<table>
<thead>
<tr>
<th>Message type</th>
<th>910</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Sender to Receiver Information | :72:<narrative text>  
//<narrative text>  
//<narrative text>  
//<narrative text>/PSET/HK/PYTR/GDS/ |

### 2.5.3 MT 940 - Customer Statement Message

While most banks practice will be to separate the offshore versus onshore CNY accounts, when neither message context nor destination of the message is able to indicate the transaction is related to offshore CNY:

- Use account identification – field 25. This field is a maximum of 35 characters.
- After presenting the account number, it is recommend to use '/PSET/< ISO country code>/' to follow the account number to help to distinguish an offshore CNY statement. If there is insufficient space to fill in, put agreed remarks to differentiate with counter party.

1. The report is for offshore CNY.

<table>
<thead>
<tr>
<th>Message type</th>
<th>940</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Identification</td>
<td>:25:&lt;account number&gt;/PSET/&lt;ISO country code&gt;/</td>
</tr>
</tbody>
</table>

### 2.5.4 MT 941 – Balance Report
While most banks practice will be to separate the offshore versus onshore CNY accounts, when neither message context nor destination of the message is able to indicate the transaction is related to offshore CNY:

- Use account identification – field 25. This field is a maximum of 35 characters.
- After presenting the account number, it is recommend to use '/PSET/< ISO country code>/' to follow the account number to help to distinguish an offshore CNY statement. If there is insufficient space to fill in, put agreed remarks to differentiate with counter party.

2. The report is for offshore CNY.

<table>
<thead>
<tr>
<th>Message type</th>
<th>941</th>
</tr>
</thead>
</table>

| Account Identification | 25:<account number>/PSET/<ISO country code>/ |

2.5.5 MT 942 - Interim Transaction Report

While most banks practice will be to separate the offshore versus onshore CNY accounts, when neither message context nor destination of the message is able to indicate the transaction is related to offshore CNY:

- Use account identification – field 25. This field contains a maximum of 35 characters.
- After presenting the account number, it is recommend to use '/PSET/< ISO country code>/' to follow the account number to help to distinguish an offshore CNY statement. If there is insufficient space to fill in, put agreed remarks to differentiate with counter party.

1. The report is for offshore CNY.

<table>
<thead>
<tr>
<th>Message type</th>
<th>942</th>
</tr>
</thead>
</table>

| Account Identification | 25:<account number>/PSET/<ISO country code>/ |

2.5.6 MT 950 - Statement Message

While most banks practice will be to separate the offshore versus onshore CNY accounts, when neither message context nor destination of the message is able to indicate the transaction is related to offshore CNY:

- Use account identification – field 25. This field contains a maximum of 35 characters.
- After presenting the account number, it is recommend to use '/PSET/< ISO country code>/' to follow the account number to help to distinguish an offshore CNY statement. If there is insufficient space to fill in, put agreed remarks to differentiate with counter party.
1. The report is for offshore CNY.

<table>
<thead>
<tr>
<th>Message type</th>
<th>950</th>
</tr>
</thead>
</table>

| Account Identification | :25:<account number>/PSET/<ISO country code>/ |

<END OF DOCUMENT>