MT 548 – 537
Usage and market practice rules.

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Scope:

This document describes the usage rules and best practices to be followed for the use of the MT 548-537 messages. The document is divided in 2 parts:

- MT 548
- MT 537

Table of Contents:

Changes to previous version (in dark blue)			
V5.1 April 2003	SR 2003	Explanation and incorporation of SR 2003 statement per transaction functionality.	Page 20 and 25-28
V5.2 June 2003	Addition	Addition of a recommendation in case of rejection of a message.	Page 6
V5.3 April 2004	Clarification	Clarification of the usage of the MT 548 message, statuses and reason codes.	Page 4
	Clarification	Clarification of the usage of the statuses and reason codes.	Page 4 and 7
	Clarification	Clarification on the use of linkages and transaction details.	Page 9
V5.4 January 2006	SR 2006	Addition of pending processing status usage.	Page 5 and 6
	SR 2006	Addition of cancellation reporting codes.	Page 17 and 18
V5.5 April 2006	SR 2006	Correction of pending processing status usage following Stockholm SMPG meeting.	Page 5 and 6
V5.6 April 2007	SR 2007	Inclusion of new status Inferred Matching Status in the MT 548 decision chart (+ cosmetic revamp of the chart to clarify MT 548 usage).	Page 1

MT 548

1. Definition:

This real-time message is sent by an account servicer (account servicing institution) to an account owner or its designated agent. The account servicer may be a local agent (sub-custodian) acting on behalf of their global custodian customer, or a custodian acting on behalf of an investment management institution or a broker/dealer.

- This message is used to advise the status of any settlement instruction, instructed by an account owner or a third party (CSD, vendor...), using an ISO 15022 messages or not. The function of the message is INST.
- The message may also be used to report on future settlement or forward transactions, e.g., free receipts for which no instruction is required, which have become binding on the account owner.
- The underlying instruction must be either a deliver or receive and be either free or against payment.
- It is also used to reply to a cancellation request previously sent by the account owner (the function of the message is CAST).

2. Business processes flows:

A. **Chart**

Based on the discussions at SMPG and SWIFT Maintenance Working Group Level, a global business processes flow chart has been built. It represents globally the processes in action in the status/reason reporting. It shows both parallel and linear settlement and matching processes. See next pages.

The sending of all or part of the statuses (IPRC, CPRC, MTCH and SETT) is driven by the local practices and/or a SLA.

The MT 548 is a real-time or near real-time message that should be sent at least each time the status and/or reason of the instruction change. However, there may be scenarios where a MT 548 will not be sent despite the change of status/reason because it does not bring any additional business value to the settlement process (ex: when the instruction settles immediately after the changing of the status/reason.).

There may also be additional SLA offerings, e.g. the sending of one unique end of day MT 548, or the sending of several intra-day MT 548 (following a pre-defined schedule) even if the status/reason has not changed.

Decision Chart: Instruction Status Reporting
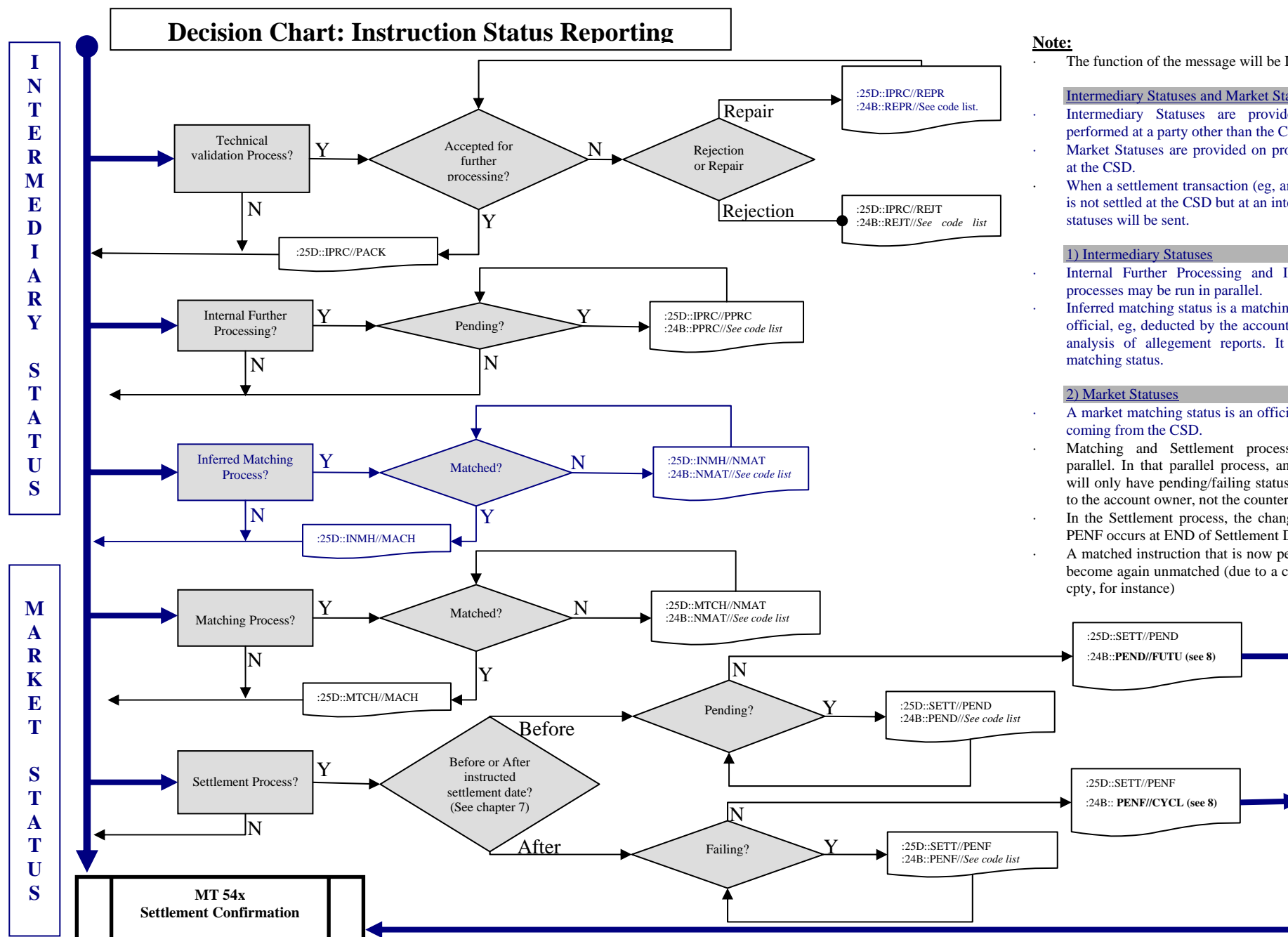
Note:

· The function of the message will be INST

Intermediary Statuses and Market Statuses

· Intermediary Statuses are provided on processes performed at a party other than the CSD.
· Market Statuses are provided on processed performed at the CSD.
· When a settlement transaction (eg, an internal transfer) is not settled at the CSD but at an intermediary, Market statuses will be sent.

1) Intermediary Statuses

· Internal Further Processing and Inferred Matching processes may be run in parallel.
· Inferred matching status is a matching status that is not official, eg, deducted by the account servicer from the analysis of allegement reports. It is not a market matching status.

2) Market Statuses

· A market matching status is an official matching status coming from the CSD.
· Matching and Settlement processes may run in parallel. In that parallel process, an unmatched trade will only have pending/failing status/reason pertaining to the account owner, not the counterparty.
· In the Settlement process, the change from PEND to PENF occurs at END of Settlement Date
· A matched instruction that is now pending/failing may become again unmatched (due to a cancellation from a cpty, for instance)

B. Explanations:

a) Technical validation process:

Instruction is sent to account servicer		
Instruction is accepted by account servicer	Instruction is rejected or put in repair by account servicer	
MT 548 IPRC//PACK is sent. Go either to: - internal further processing and/or inferred matching steps or - matching and/or settlement processes steps	MT 548 IPRC//REJT, REJT//*reason of the rejection* is sent	MT 548 IPRC//REPR, REPR//*reason of the repair* is sent
Additional remarks: • IPRC status are not set by all account servicers.	Additional remarks: • Some account servicers (SLA) will not reject any instruction from their clients but will manually repair them depending on the "rejection" reason why their system did not process the trade. • If the information needs to be provided by the client, account servicer should reject the transaction (MT 548 IPRC//REJT) with the reason why the trade is rejected. • Any other processes (repair based on amendment from client, phone calls…) is out of this market practice scope (SLA). • If an account servicer rejects a message, the account owner should not sent any cancellation request for the rejected message. If a cancellation request for the rejected trade is however released, the account servicer should provide a MT 548 CANC rejection status. • A reason for the rejection or repair should be provided to avoid unnecessary phone calls. • In case of repair, once the trade is repaired, IPRC//PACK should be sent.	

b) Internal further processing:

Following technical validation, instruction may be pending processing at account servicer.
MT 548 IPRC//PPRC, PPRC//*reason of the pending processing status* is sent.
Additional remarks: • Further processing reporting will not always be applicable. Eg. a global custodian, due to its omnibus account structure, may decide NOT to release a trade to the market due to a short position. Another custodian may decide to release the trade. This will be based on SLA. • The sending of a matching and/or settlement status will inform the account owner that the pending processing issue is no longer outstanding.

c) Inferred matching process:

Inferred matching process may take place at account servicer.	
Instruction is matched	Instruction is not matched according to account servicer

MT 548 INMH//MACH is sent. If not further processing issues, go to matching and/or settlement process steps	MT 548 INMH//NMAT, NMAT//*reason code for the unmatched status.*
Additional remarks: • Inferred matching status is a matching status that is not official, eg, deducted by the account servicer from the analysis of allegement reports. It is not a market matching status.	Additional remarks: • The sending of a matching and/or settlement status will inform the account owner that the inferred matching issue is no longer outstanding.

d) Matching:

Market has a matching process or/and account servicer provide a matching process service		
Matching is attempted		Matching is NOT attempted (for any reason)
Matching is successful	Matching is not successful	MT 548 MTCH//NMAT, NMAT//NMAS is sent
MT 548 MTCH//MACH is sent.	MT 548 MTCH//NMAT, NMAT//*reason code for the unmatched status.*	
Additional remarks: • If the trade is back to unmatched status (i.e. cpty cancelled instruction, in markets were it is possible), the process goes back to: "matching is attempted/matching is NOT attempted"	Additional remarks: • As soon as the trade is matched, a MT 548 MTCH//MACH should be sent to inform the matching problem(s) is/are solved. • A reason for the unmatched status should be provided to avoid unnecessary phone calls. There may however be scenarios where it is not possible to identify the reason why the transaction is unmatched.	Additional remarks: • When the matching process starts, see: "matching is attempted"

e) Settlement:

Instruction is matched or not (depending on whether or not a matching process exists and on whether matching and settlement process are run or not in parallel, by market and/or account servicer)		
Settlement problem		Settlement occurred
Before end of day on expected settlement date: Pending	After end of day on expected settlement date: Failing	Settlement confirmation is sent.
MT 548 SETT//PEND, PEND//*reason code for the pending status*.	MT 548 SETT//PENF, PENF//*reason code for the failing status*.	
Additional remarks: • If the trade is back to unmatched status (cpty cancelled instruction, in markets were it is possible) and/or if another settlement problem occurs, the process goes back to: "matching is attempted/matching is NOT attempted" and/or "Settlement problem" • When the settlement problem is solved, until settlement, the status is SETT//PEND, PEND//FUTU	Additional remarks: • If the trade is unmatched again (cpty cancelled instruction in markets were it is possible) and/or if another settlement problem occurs, the process goes back to: "matching is attempted/matching is NOT attempted" and/or "Settlement problem" • When the settlement problem is solved but the settlement does not occur immediately (i.e. problem is solved between two settlement cycles, too late for settlement on that day, etc.) the status is SETT//PENF, PENF//CYCL • A reason for the pending/failing status should be provided to avoid unnecessary phone calls. There may however be scenarios where it is not possible to identify the reason why the transaction is pending/failing.	

3. Linkages and transaction details.

- The MT 548 must be linked to the original instruction of the account owner using the linkage sequence A1 and field :20C::RELA.
  This field will identify the message reference of the original instruction. It can be an ISO 15022 message reference, a proprietary system instruction/message reference, a reference provided on a fax. If no reference is available, :20C::RELA//NONREF will be provided.
- When the MT 548 is on a settlement instruction that was NOT originally sent by the account owner but by a third-party, the reference of this third-party should be provided.
  Ex 1: the reference of a CSD would be provided in the Settlement Parties sequence – where the CSD is identified (:95P::PSET) – in field :20C::PROC.
  Ex 2: the common reference given by matching utility would be provided in linkage sequence :20C::COMM in Sequence A1.
- In order to ensure the message receiver will be able to match the MT 548 to the correct instruction, it is recommended to provide at least the mandatory details of the trade in the Settlement Transaction Details sequence.

4. Mixing of status and reason codes:

This chapter is more an ISO 15022 standards usage rule reminder than a best practice. It is to illustrate two standard violations.

A. Status codes and reason qualifiers

Status codes and reason qualifiers cannot be mixed.
It is to be noted that it is validated by the SWIFT network.

Violation example:
```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::PEND//BLOC
:16S:REAS
:16S:STAT
```

Reason field 24B qualifier PEND cannot be used with Status code NMAT. They must be in line:

Correct example:
```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//DSEC
:16S:REAS
:16S:STAT
```

B. Reason qualifiers and reason codes

Reason qualifiers and reason codes cannot be mixed.
It is to be noted that it is validated by the SWIFT network.

Violation example:
```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//BLOC*
:16S:REAS
:16S:STAT
```

BLOC is not part of the list of available codes for NMAT. Its is a pending/failing reason code (PEND/PENF)

Correct example:
:16R:STAT
:25D::SETT//PEND
:16R:REAS
:24B::**PEND**//**BLOC**
:16S:REAS
:16S:STAT

5. Repetition of the status sequence:

A. Business need:

Though the use of one status sequence (and one reason sequence) covers a large majority of the status reporting needs, there are situations where the use of multiple status sequences is needed. And this will be more and more the case in the future.

In some markets, both matching and settlement processes are run in parallel and therefore need to be reported at the same time. In addition, in a reduced settlement cycle environment, account servicers want to be able to provide as much relevant information as possible to their account owners.

The ISO 15022 standard has been developed to fulfill this business need as early as at its publication in 1998. Considering today's single-status reporting world, a transition period is to be expected. Some markets might never have the need for multiple-statuses reporting and will therefore continue reporting in a linear manner.

B. What statuses?

The below status combinations are possible. They will depend on the market (eg, matching process or not) and on the account servicer. The various combinations to be used must be agreed in a SLA between the account servicer and the account owner.

	IPRC// PACK	IPRC// PPRC	IPRC// REJT	IPRC// REPR	IPRC// CAND	IPRC// CPRC	IPRC// CANP	IPRC// CGEN	INMH// MACH NMAT	MTCH// MACH NMAT	SETT// PEND PENF
IPRC// PACK		YES	NO	NO	NO	NO	NO	NO	YES	YES	YES
IPRC// PPRC	YES		NO	NO	NO	NO	NO	NO	YES	YES	YES
IPRC// REJT	NO	NO		NO	NO	NO	NO	NO	NO	NO	NO
IPRC// REPR	YES	NO	NO		NO	NO	NO	NO	NO	NO	NO
IPRC// CAND	NO	NO	NO	NO		NO	NO	NO	NO	NO	NO
IPRC// CPRC	NO	NO	NO	NO	NO		NO	YES	NO	YES	YES
IPRC// CANP	NO	YES	NO	YES	NO	NO		YES	YES	YES	YES
IPRC// CGEN	NO	NO	NO	NO	NO	NO	YES		YES	YES	YES
INMH// MACH	YES	YES	NO	NO	NO	NO	YES	YES		NO	YES
INMH// NMAT	YES	YES	NO	NO	NO	NO	YES	YES		NO	YES
MTCH// MACH NMAT	YES	YES	NO	NO	NO	YES	YES	YES	NO		YES
SETT// PEND PENF	YES	YES	NO	NO	NO	YES	YES	YES	YES	YES	

6. Repetition of reason sequence:

A. <u>Business need:</u>

The business need for the repetition of the reason sequence is obvious. There are situations (though not a majority) where an instruction is rejected, unmatched or pending/failing for more than 1 reason. Again, a large majority of instruction status reporting will imply the sending of one status, one reason, but institutions should be able to handle the sending/receiving of multiple reasons.

As for the maximum number of reasons that should be reported, there is no other rule than common sense:

a) <u>Instruction/cancellation request processing rejection reasons:</u>

The rejection of a transaction by an account servicer and the sending to the account owner of a MT 548 advising of the rejection reasons will hardly be handled automatically (STP) by the account owner. When it happens, an operator needs to check why the transaction was rejected correct it and re-send it.

A reasonable number of rejection reasons is difficult to recommend. Considering the manual handling of those rejected messages, we will not propose any usage rule on this matter.

b) <u>Instruction pending processing reasons:</u>

The reporting of more than 3 reasons would be very exceptional.

c) <u>Matching and inferred matching process unmatched reasons:</u>

Is there a need to report more than 3 unmatched reasons? If there are many mismatches, is the counterparty's instruction, really the one that should be matched against?

We would suggest, as a usage rule that, if there are more than 3 unmatched reasons, the instruction be considered as unmatched, matching instruction not found (NMAT//CMIS)

d) <u>Settlement process pending/failing reasons:</u>

After analysis of the pending/failing available codes, it seems that more than 3 reasons reported to an account owner would be very exceptional.

7. PEND/PENF:

A. Definition:

When does a pending trade (status SETT//PEND) become a failing trade (status SETT//PENF)? Two valid options were envisaged:
1. On instructed settlement date, beginning of the day
2. On instructed settlement date, end of day.

Considering that in today's settlement world, a trade is not necessarily failing though not settled at the beginning of the day, the second concept was chosen.

Consequently, PEND and PENF have been defined as follows:
- PEND: deliver or receipt instruction is pending. Settlement at the instructed settlement date is still possible.
- PENF: deliver or receipt instruction is failing. Settlement at the instructed settlement date is no longer possible.

A usage rule further clarifies those definitions. It is stating that the end of day reporting, on instructed settlement date, is the time when PEND becomes PENF for the transactions concerned.

This means that on instructed settlement date, a settlement status MT 548 will always carry the SETT//PEND status (unless a change of matching or settlement status occurs on instructed settlement date but settlement is no longer possible; see chapter 7.B.c. for illustration). The status will become SETT//PENF in the MT 537 released end of day or in the first MT 548 sent after instructed settlement date.

B. Illustration:

The above will be illustrated in two situations:
a) A settlement instruction is pending settlement on instructed SD–1 due to a lack of securities. On instructed SD, the lack of security issue is still not solved. On instructed SD +1, the problem still exists. It is only on instructed SD+2 that the trade settles.
b) In a real time environment, a settlement instruction is pending settlement on instructed SD–1 due to a lack of securities. On instructed SD, the lack of security issue is still not solved in the morning. It is solved in the afternoon.

a) Scenario 1:

SD-1 MT 548	SD-1 end of day MT 537	SD MT 548 or MT 537 beginning of SD	SD end of day MT 537	SD+1 MT 548 or MT 537 beginning of SD+1	SD+1 end of day MT 537	SD+2 MT 548 or MT 537 beginning of SD+1
:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	Same as MT 548	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//**PENF** :16R:REAS :24B::**PENF**//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16S:STAT	Same as MT 548	Same as previous day. When solved during the day, a settlement confirmation will be sent or a status PENF//CYCL (see chapter 8)

b) Scenario 2:

SD-1 MT 548	SD-1 end of day MT 537	SD MT 548 or MT 537 beginning of SD	SD MT 548 when solved
:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT
			OR Sending of the settlement confirmation if settlement is immediate.

8. Closing of reporting:

When reporting one or several statuses/reasons, there is a need for the message receiver to be able to identify when there is no further issues with its instruction. The below rules were discussed and decided on. Note that they are not applicable to instruction processing status rejection codes as a new transaction would have to be sent if the original message was rejected.

A. **Preliminary note:**

The below rules are not intended to force the sending of messages nor the frequency those messages should be sent at (every day versus when the status change, for instance). It just provides rules for the content of the message if they are sent. The only obvious minimum recommendation about when to send an MT 548 is of when the status changes (see also page 4).

In addition, the market infrastructures and account servicers work differently. For instance, some CSDs have a matching process, others not. Some CSDs start their settlement process status reporting as soon as they get the instruction, others wait for settlement date. Therefore, some of the below rules may not be applicable for all users.

B. **Rules:**

In the below status reporting, the closing code to be sent is:

- If unmatched reason codes are solved:
  - Before, on or after the instructed settlement date, **25D::MTCH//MACH.**
  - The messages following the Matched status could be:
    ⇒ If before settlement date, a settlement pending status reason (if settlement pending problems), <u>or</u> 25D::SETT//PEND 24B::PEND//FUTU.
    ⇒ If on instructed settlement date (settlement still possible), the settlement confirmation if settlement occurs directly after solving of the mismatch. If no direct settlement, 25D::SETT//PEND 24B::PEND//FUTU.
    ⇒ If on instructed settlement date (settlement no longer possible because end of day), a settlement failing status reason 25D::SETT//PENF 24B::PENF//CYCL.
    ⇒ If after instructed settlement date, the settlement confirmation if settlement occurs directly after solving of the mismatch. If no direct settlement, 25D::SETT//PENF 24B::PENF//CYCL.

- If Pending/failing reason codes are solved:
  - If before instructed settlement date, 25D::SETT//PEND 24B::PEND//FUTU
  - If on instructed settlement date (still possible to settle), the settlement confirmation if settlement directly occurs at solving of the settlement problem. If no direct settlement, 25D::SETT//PEND 24B::PEND//FUTU.
  - If on instructed settlement date (no longer possible to settle), 25D::SETT//PENF 24B::PENF//CYCL
  - If after instructed settlement date, the settlement confirmation if settlement occurs directly at solving of the settlement problem. If no direct settlement, 25D::SETT//PENF 24B::PENF//CYCL

C. Illustrations:

We illustrated a situation where an account servicer is sending a MT 548 at each change of status and if no change, each day until settlement. In the examples, the settlement never occurs at solving of the matching or settlement problems.

a) Before settlement date:

Situation	1st MT 548	2nd MT 548	3rd MT 548	4th MT 548
A trade has an unmatched reason on day 1 (1st MT 548) and the same unmatched reason on day 2 (2nd MT 548). On day 3 (3rd MT 548), the problem is solved. (an IPRC//PACK status may be sent as a first message to inform the user of the processing of its trade).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU[1] :16S:REAS :16S:STAT
A trade has an unmatched reason on day 1 (1st MT 548). Cpty has amended his trade and corrected the issue but has created a new unmatched reason (2nd MT 548). On day 3 (3rd MT 548), the problem is solved. (an IPRC//PACK status may be sent as a first message to inform the user of the processing of its trade).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU[1] :16S:REAS :16S:STAT
A trade has 1 unmatched reasons on day 1 (1st MT 548), as second problem is identified during the same day (2nd MT 548), both issues solved on day 2 (3rd MT 548). (an IPRC//PACK status may be sent as a first message to inform the user of the processing of its trade).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DTRD :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU[2] :16S:REAS :16S:STAT
A trade has 1 unmatched reason on day 1 (1st MT 548) that is solved on day 1 (2nd MT 548) but a settlement problem occurs on day 2 (3rd MT 548) and is solved on day 2 (4th MT 548). (an IPRC//PACK status may be sent as a first message to inform the user of the processing of its trade).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU[2] :16S:REAS :16S:STAT
A trade has 1 matching and 1 settlement problem on day 1 (1st MT 548). The matching problem is solved on day 2 (2nd MT 548). The settlement issue is solved on day 3 (3rd MT 548). (an IPRC//PACK status may be sent as a first message to inform the user of the processing of its trade).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT
A trade has no matching status (matching process not started or delay between processing of the instruction and matching process) and no settlement status (1st MT 548). Same on the second day (2nd MT 548). On the 3rd day, the trade is matched.	:16R:STAT :25D::IPRC//PACK :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//NMAS :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU[2] :16S:REAS :16S:STAT

b) On settlement date (settlement still possible)

Situation	1st MT 548	2nd MT 548	3rd MT 548	4th MT 548
A trade has an unmatched reason on instructed settlement date (1st MT 548). The problem is solved after some hours (2nd MT 548). Settlement is pending (3rd MT 548) for 1 hour before settlement confirmation is sent.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT	None. Settlement confirmation is sent.

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[1] If no settlement problem

[2] If no settlement problem

Situation	1st MT 548	2nd MT 548	3rd MT 548	4th MT 548
A trade has an unmatched reason on instructed settlement date (1st MT 548). Cpty has amended his trade and corrected the issue but has created a new unmatched reason (2nd MT 548). Later on during the day (3rd MT 548), the problem is solved. Settlement is pending (4th message) for 1 hour before settlement confirmation is sent.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT
A trade has 2 unmatched reasons on settlement date (1st MT 548), one of the problem is solved during the same day (2nd MT 548). The last issue is solved later on (3rd MT 548). Settlement is pending (4th message) for 1 hour before settlement confirmation is sent.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DTRD :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT
A trade has 1 unmatched reason on settlement date (1st MT 548) that is solved in the morning (2nd MT 548) but a settlement problem is then identified (3rd MT 548) and is solved later in the afternoon (4th MT 548). Settlement is pending for 1 hour before settlement confirmation is sent.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT
A trade has 1 matching and 1 settlement problem on settlement date (1st MT 548). The matching problem is solved (2nd MT 548). The settlement issue is solved later on (3rd MT 548) but the settlement can only occurs some time later (at the next batch on settlement date)	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT	None. Settlement confirmation is sent.

c) **On settlement date (settlement no longer possible)**

Situation	1st MT 548	2nd MT 548	3rd MT 548	4th MT 548
A trade has an unmatched reason on instructed settlement date (1st MT 548). The problem is solved after last settlement process (2nd MT 548). The settlement transaction is failing (3rd MT 548) until the next settlement process.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT	None. Settlement confirmation is sent.
A trade has an unmatched reason on instructed settlement date (1st MT 548). Cpty has amended his trade and corrected the issue but has created a new unmatched reason (2nd MT 548). Later on during the day (3rd MT 548), after the last settlement process, the problem is solved. Settlement is failing (4th message) until the next settlement process.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT
A trade has 2 unmatched reasons on settlement date (1st MT 548), one of the problem is solved during the same day (2nd MT 548). The last issue is solved after the last settlement process on that day (3rd MT 548). Settlement is failing (4th message) till the next settlement process.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DTRD :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT
A trade has 1 unmatched reason on settlement date (1st MT 548) that is solved in the morning (2nd MT 548) but a settlement problem is then identified (3rd MT 548) and is solved too late for settlement on that day (4th MT 548).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT

Situation	1st MT 548	2nd MT 548	3rd MT 548	4th MT 548
A trade has 1 matching and 1 settlement problem on settlement date (1st MT 548). The matching problem is solved (2nd MT 548). The settlement issue is solved later on (3rd MT 548) but after the last settlement process on that day.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT	None. Settlement confirmation is sent.

d) After settlement date

Situation	1st MT 548	2nd MT 548	3rd MT 548	4th MT 548
A trade has an unmatched reason on instructed settlement date (1st MT 548). The problem is solved on SD + 1 (2nd MT 548). The settlement status is failing until next settlement cycle (3rd MT 548).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT	None. Settlement confirmation is sent.
A trade has an unmatched reason on instructed settlement date (1st MT 548). Cpty has amended his trade and corrected the issue but has created a new unmatched reason (2nd MT 548). The problem is solved on SD + 1 (3rd MT 548). The settlement status is failing until next settlement cycle (4th MT 548).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT
A trade has 2 unmatched reasons on settlement date (1st MT 548), one of the problem is solved during the same day (2nd MT 548). The problem is solved on SD + 1 (3rd MT 548). The settlement status is failing until next settlement cycle (4th MT 548).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DTRD :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT
A trade has 1 unmatched reason on settlement date (1st MT 548) that is solved on SD+1 (2nd MT 548) but a settlement problem is then identified (3rd MT 548) The problem is solved on SD+2 (4th MT 548). The settlement status is failing until next settlement cycle.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT
A trade has 1 matching and 1 settlement problem on SD-1 (1st MT 548). The matching problem is solved on SD-1 (2nd MT 548). The last settlement problem is solved on SD + 1 (3rd MT 548). The settlement status is failing until next settlement cycle.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::MTCH//MACH :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT	None Settlement confirmation will be sent when settlement occurs.

9. Cancellation status reporting:

A usage rule was proposed concerning the use of code INST and CAST in field 23G (function of the message) for cancellation statuses. The objective was to avoid having two different ways of reporting the same status.

A. Usage rule:

1. Account servicers will use MT 548 Field 23G:CAST to report a cancellation status when the account owner has sent a cancellation request (MT 541-3 field 23G:CANC).
2. Account servicers will use MT 548 Field 23G:INST to report a cancellation status:
   * When reporting a cancellation process that is not linked to the sending of cancellation request (MT 541-3 field 23G:CANC) by the account owner.
   * When answering to a MT 549 IPRC status request on a transaction on which a cancellation status is to be provided (cancellation request sent or not by the account owner)

B. Codes combinations:

Taken the above into account, the possible status/reason codes logical combination are the following:

a) **Cancellation reporting linked to a cancellation request sent by the account owner[3].**

MT 548 field 23G:	MT 548 status 25D	MT 548 reason 24B	RELA link ref	Description
CAST	CPRC//PACK			The cancellation request you have sent us is acknowledged for further processing.
CAST	CPRC//CAND	CAND//CANI		The cancellation request you have sent us is executed as you requested
CAST	CPRC//CANP			The cancellation request you have sent us has not been executed yet. It is pending.
CAST	CPRC//CANP	CANP//CONF		The cancellation request you have sent us has not been executed yet. It is pending. Your cpty must also cancel their trade and we are waiting for the confirmation it is done.
CAST	CPRC//CANP	CANP//ADEA		Cancellation request was received after the account servicer's deadline. Processed on best effort basis.
CAST	CPRC//DEND	DEND//ADEA	Reference of the cancellation request	Cancellation request was received after the account servicer's deadline.
CAST	CPRC//DEND	DEND//DCAN		The cancellation request you have sent us will not be executed because the instruction to be cancelled is already cancelled.
CAST	CPRC//DEND	DEND//DPRG		The cancellation request you have sent us will not be executed because the instruction to be cancelled is in the process of being settled. No longer possible to be cancelled.
CAST	CPRC//DEND	DEND//DREP		The cancellation request you have sent us will not be executed because the repo linked to it is ended.
CAST	CPRC//DEND	DEND//DSET		The cancellation request you have sent us will not be executed because the instruction to be cancelled is already settled.
CAST	CPRC//REJT	REJT//NRGM		The cancellation request you have sent us is rejected because more than 1 instruction corresponds to the PREV reference in the linkage sequence
CAST	CPRC//REJT	REJT//NRGN		The cancellation request you have sent us is rejected because the instruction to be cancelled cannot be found (the PREV reference in the linkage sequence does not match with any open transaction in our system)

b) **Cancellation reporting not linked to a cancellation request sent by the account owner:**

MT 548 field 23G:	MT 548 status 25D	MT 548 reason 24B	RELA link ref	Description
INST	IPRC//CAND	CAND//CANS	Reference of the Instruction on which the	Your instruction has been cancelled by the system (i.e. pending too long…)
INST	IPRC//CAND	CAND//CSUB		Our agent (or the agent of our global custodian) has canceled your instruction.

---

[3] This combination of codes is also the one to be used as an answer to an MT 549 CPRC status request.

INST	IPRC//CAND	CAND//CANT	reporting is done	Your original instruction has been cancelled and replaced due to a Corporate Action.
INST	IPRC//CAND	CAND//CANZ		Your original instruction has been cancelled and replaced to allow a partial or split settlement.
INST	IPRC//CPRC			A cancellation request from your counterparty for this instruction is pending waiting for your cancellation request.

c) Answer to a MT 549 requesting a IPRC status on a transaction on which a cancellation status is to be reported:

MT 548 field 23G:	MT 548 status 25D	MT 548 reason 24B	RELA link ref	Description
INST	IPRC//CAND	CAND//CANI		The instruction you are requesting a processing status on has been cancelled at your request. You have sent us a cancellation request for this instruction
INST	IPRC//CAND	CAND//CANS		The instruction you are requesting a processing status on has been cancelled by our system.
INST	IPRC//CAND	CAND//CSUB		Our agent or the agent of our global custodian has canceled the instruction you are requesting a processing status on.
INST	IPRC//CAND	CAND//CANT	Reference of the Instruction on which the reporting is done	Your original instruction has been cancelled and replaced due to a Corporate Action.
INST	IPRC//CAND	CAND//CANZ		Your original instruction has been cancelled and replaced to allow a partial or split settlement.
INST	IPRC//CANP			The instruction you are requesting a processing status on is pending cancellation following cancellation request received from you.
INST	IPRC//CANP	CANP//CONF		The instruction you are requesting a processing status on is pending cancellation following the cancellation request you have sent us. Your cpty must also cancel their trade and we are waiting for the confirmation it is done.
INST	IPRC//CANP	CANP//ADEA		Instruction was received after the account servicer's deadline. Processed on best effort basis.
INST	IPRC//CPRC			A cancellation request from your counterparty is pending for the instruction your are requesting a status on, waiting for your cancellation request.

10. Using reason subsequence narrative field:

Narrative field 70D::REAS// should only be used when <u>important</u> <u>additional</u> information is to be conveyed to the account owner.

- This field should NOT contain, for instance, the translation of what the status/reason code means or pieces of information that the account owner already knows (such as a trade detail or a settlement detail originally instructed by the client).

```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//DSEC
:70D::REAS//DIFFERENT SECURITIES ID.
:16S:REAS
:16S:STAT
```

This information is NOT IMPORTANT and NOT ADDITIONAL.

- It should NOT be used to inform the account owner of another reason why the trade is failing, unmatched… In such a case, the status and or reason subsequence should be repeated.

```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//DSEC
:70D::REAS//DTRA
:16S:REAS
:16S:STAT
```

```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//DSEC
:16S:REAS
:16R:REAS
:24B::NMAT//DTRA
:16S:REAS
:16S:STAT
```

- The only acceptable use is, for instance, in case of an unmatched trade where the account servicer wants to inform the account owner of what the counterparty has instructed.

Example: Trade is unmatched because the cpty has a different security ID in its instruction:

```
:16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//DSEC
:70D::REAS//CPTY HAS ISIN XX1234567890
:16S:REAS
:16S:STAT
```

This information is IMPORTANT and ADDITIONAL.

MT 537

1. Definition:

This message is sent by an account servicer (account servicing institution) to an account owner or its designated agent. The account servicer may be a local agent (sub custodian) acting on behalf of their global custodian customer, or a custodian acting on behalf of an investment management institution or a broker/dealer.

- This message is used to provide, as at a specified time, the details of pending increases and decreases of holdings, for all or selected securities in a specified safekeeping account, for all or selected reasons why the transaction is pending.
- The statement may also include future settlement or forward transactions that have become binding on the account owner.
- This message may also be used to respond to a request for statement/status advice, i.e., the MT 549 Request for Statement/Status Advice and to report that there are no pending transactions.

The MT 537 may be built in two different ways:
- per status
- per transaction

The choice between the two is depending on the sender's service offering and **must be agreed between sender and receiver.** The structure used must be indicated in the message using Sequence A field :22F::STST//STAT (per status) or :22F::STST//TRAN (per transaction).

2. MT 537 per status (:22F::STST//STAT)

A. Mixing of status and reason codes:

Same as for the MT 548

B. Repetition of the status sequence:

a) Business need:

Though the use of one status sequence (and one reason sequence) covers a large majority of the status reporting needs, there are situations where the use of multiple status sequences is needed. As explained for the MT 548, the standard has been developed to cover all needs including this one.

b) MT 537 per status structure:

The MT 537 per status statement is structured in a way that in order to send 2 statuses for a same transaction, the sender will need to repeat the transaction twice in the statement. Even though it does not seem logic from a business point of view, the repetition of the reference should not cause any problem from a IT point of view. As for the identification of potential duplicates in that type of message structure, there are at least two ways:
- One of the references should carry the Matching status 25D::MTCH//NMAT 24B::NMAT//PODU
- If an account servicer cannot identify possible duplicates from his client, his account servicer reference (Linkage field 20C:ASRF) will always be different though the client reference was sent twice.

This means that the users who wish to handle the MT 537 only as a reconciliation message (disregarding codes, for instance) will need to take this repetition into account when building their system.

The MT 537 per transactions has been partially developed to provide, per transaction, all statuses needed.

c) What statuses?

Same as for the MT 548 (for common statuses)

C. Repetition of reason sequence:

Same as for MT 548

D. <u>PEND/PENF:</u>

a) <u>Definition:</u>

Same as for the MT 548

As said, the MT 537 released end of day on instructed settlement date will be carrying for the first time a PENF code.

b) <u>Illustration:</u>

The illustrations provided in the MT 548 chapter also include the MT 537 reporting.

E. <u>Closing of reporting:</u>

The MT 548 is the message that will close the status problem reporting (see rules). The MT 537 will carry the closing or the following status:

a) <u>Rules:</u>

The MT 537 will carry:

- <u>If unmatched reason codes are solved</u>:
  - Before the instructed settlement date, 25D::SETT//PEND 24B::PEND//FUTU. Indeed, the MT 548 sent after solving of the matching problem was carrying the closing status 25D::MTCH//MACH. The MT 537 should carry the last status.
  - If on instructed settlement date (settlement still possible and the **MT 537 is intra-day**) and if no settlement occurred. 25D::SETT//PEND 24B::PEND//FUTU. The end of day MT 537 will not mention the transaction, as it will be settled. The transaction will be in the MT 536.
  - If on instructed settlement date (settlement no longer possible), a settlement failing status reason 25D::SETT//PENF 24B::PENF//CYCL. (Your instruction was ready too late for settlement today (received too late, matching or settlement problems solved too late)). If after instructed settlement date (problem solved on SD+1), but too late for settlement on that day (s+1) 25D::SETT//PENF 24B::PENF//CYCL.
- <u>If Pending/failing reason codes are solved</u>:
  - If before instructed settlement date, 25D::SETT//PEND 24B::PEND//FUTU
  - If on instructed settlement date (settlement still possible and the **MT 537 is intra-day**) and if no settlement occurred. 25D::SETT//PEND 24B::PEND//FUTU. The end of day MT 537 will not mention the transaction, as it will be settled. The transaction will be in the MT 536.
  - If on instructed settlement date (settlement no longer possible), a settlement failing status reason 25D::SETT//PENF 24B::PENF//CYCL.
  - If after instructed settlement date (problem solved on SD+1), but too late for settlement on that day (s+1) 25D::SETT//PENF 24B::PENF//CYCL.

b) Illustrations:

We illustrated a situation where an account servicer is sending a MT 537 <u>end of</u> each day until settlement. In the examples, the settlement never occurs at solving of the matching or settlement problems.

Before settlement date:

Situation	1st MT 537	2nd MT 537	3rd MT 537
A trade has an unmatched reason on day 1 (1st MT 537) and the same unmatched reason on day 2 (2nd MT 537). On day 3 (3rd MT 537), the problem is solved.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT
A trade has an unmatched reason on day 1 (1st MT 537). Cpty has amended his trade and corrected the issue but has created a new unmatched reason (2nd MT 537). On day 3 (3rd MT 537), the problem is solved.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT
A trade has 1 unmatched reasons on day 1 (1st MT 537), as second problem is identified during the day2 (2nd MT 537), both issues solved on day 3 (3rd MT 537).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DTRD :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT
A trade has 1 unmatched reason on day 1 (1st MT 537) that is solved on day 2 but a settlement problem occurs on same day (2nd MT 537) and is solved on day 3 (3rd MT 537).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT

| A trade has 1 matching and 1 settlement problem on day 1 (1ˢᵗ MT 537). The matching problem is solved on day 2 (2ⁿᵈ MT 537). The settlement issue is solved on day 3 (3ʳᵈ MT 537). | :16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//DSEC
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT
:16R:STAT
:25D::SETT//PEND
:16R:REAS
:24B::PEND//LACK
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT | :16R:STAT
:25D::SETT//PEND
:16R:REAS
:24B::PEND//LACK
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT | :16R:STAT
:25D::SETT//PEND
:16R:REAS
:24B::PEND//FUTU
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT |
| A trade has no matching status (matching process not started or delay between processing of the instruction and matching process) and no settlement status (1ˢᵗ MT 537). Same on the second day (2ⁿᵈ MT 537). On the 3ʳᵈ day, the trade is matched. | :16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//NMAS
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT | :16R:STAT
:25D::MTCH//NMAT
:16R:REAS
:24B::NMAT//NMAS
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT | :16R:STAT
:25D::SETT//PEND
:16R:REAS
:24B::PEND//FUTU
:16S:REAS
:16R:TRAN
:16R:LINK
:13A::LINK//54X
:20C::RELA//CLIENREF
:16S:LINK
:16R:LINK
:20C::ASRF//ACCSERVREF
:16S:LINK
:16S:TRAN
:16S:STAT |

On or after settlement date (settlement no longer possible)

Situation	1ˢᵗ MT 537	2ⁿᵈ MT 537	3ʳᵈ MT 537
A trade has an unmatched reason on instructed on SD-1 (1ˢᵗ MT 537). The problem is solved on SD after last settlement process (2ⁿᵈ MT 537).	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	N/A
A trade has 2 unmatched reasons on SD-1 (1ˢᵗ MT 537), one of the problem is solved on SD (2ⁿᵈ MT 537). The last issue is solved on SD+1 (3ʳᵈ MT 537) but after the last settlement cycle on SD+1.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DDAT :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK

	:16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16S:TRAN :16S:STAT	:16S:TRAN :16S:STAT
A trade has 1 unmatched reason on SD-1 (1st MT 537) that is solved on SD but a settlement problem is then identified (2nd MT 537) It is solved on SD+1 and settles on that day.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	Not in the MT 537 as settled.
A trade has 1 matching and 1 settlement problem on SD-1 (1st MT 537). The matching problem is solved on SD (2nd MT 537). The settlement issue is solved On SD+1 (3rd MT 537) but after the last settlement process on that day.	:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT

F. Cancellation status reporting:

The MT 537 is a statement of pending transactions, not of cancellation requests. The CPRC status is therefore not available for the MT 537.

An IPRC//CAND transaction status should only be present, if present, in the MT 537 following the cancellation of the transaction. Some may argue that the transaction is no longer pending and should not be in the MT 537, but the MT 537 "is used to provide, as at a specified time, the details of pending increases and decreases of holdings". The cancellation of a transaction certainly affect the pending increase and decrease of the holding it concerns. The MT 537 used with IPRC//CAND is therefore the most appropriate statement to report such an activity.

G. Using reason subsequence narrative field:

Same as for MT 548.

3. <u>MT 537 per transactions :22F::STST//TRAN</u>

This additional functionality was build in the MT 537 to ease multiple status reporting per transaction and to allow the reporting of pending transactions without having to provide a specific status (optional status sequence C3). The sending of this statement structure is dependent on the service offering of the sender and **must be agreed between sender and receiver.**

A. <u>Mixing of status and reason codes:</u>

Same as for the MT 548

B. <u>Repetition of the status sequence:</u>

a) <u>Business need:</u>

Though the use of one status sequence (and one reason sequence) covers a large majority of the status reporting needs, there are situations where the use of multiple status sequences is needed. As explained for the MT 548, the standard has been developed to cover all needs including this one.

b) <u>MT 537 per transaction structure:</u>

The MT 537 per transaction statement is structured in the same way than the MT 548. It is possible to provide multiple statuses for the same transaction. Contrary to the MT 537 statement structured per status, there is no need to provide the transaction reference twice to do so.

c) <u>What statuses?</u>

Same as for the MT 548 (for common statuses).

C. <u>Repetition of reason sequence:</u>

Same as for MT 548

D. <u>PEND/PENF:</u>

a) <u>Definition:</u>

Same as for the MT 548
As said, the MT 537 released end of day on instructed settlement date will be carrying for the first time a PENF code.

b) <u>Illustration:</u>

The illustrations provided in the MT 548 chapter also include the MT 537 reporting.

E. <u>Closing of reporting:</u>

The MT 548 is the message that will close the status problem reporting (see rules). The MT 537 will carry the closing or the following status:

a) <u>Rules:</u>

The MT 537 will carry:

- If unmatched reason codes are solved:
  - Before the instructed settlement date, 25D::SETT//PEND 24B::PEND//FUTU. Indeed, the MT 548 sent after solving of the matching problem was carrying the closing status 25D::MTCH//MACH. The MT 537 should carry the last status.
  - If on instructed settlement date (settlement still possible and the **MT 537 is intra-day**) and if no settlement occurred. 25D::SETT//PEND 24B::PEND//FUTU. The end of day MT 537 will not mention the transaction, as it will be settled. The transaction will be in the MT 536.
  - If on instructed settlement date (settlement no longer possible), a settlement failing status reason 25D::SETT//PENF 24B::PENF//CYCL. (Your instruction was ready too late for settlement today (received too late, matching or settlement problems solved too late)). If after instructed settlement

date (problem solved on SD+1), but too late for settlement on that day (s+1) 25D::SETT//PENF 24B::PENF//CYCL.

- If Pending/failing reason codes are solved:
  - If before instructed settlement date, 25D::SETT//PEND 24B::PEND//FUTU
  - If on instructed settlement date (settlement still possible and the **MT 537 is intra-day**) and if no settlement occurred. 25D::SETT//PEND 24B::PEND//FUTU. The end of day MT 537 will not mention the transaction, as it will be settled. The transaction will be in the MT 536.
  - If on instructed settlement date (settlement no longer possible), a settlement failing status reason 25D::SETT//PENF 24B::PENF//CYCL.
  - If after instructed settlement date (problem solved on SD+1), but too late for settlement on that day (s+1) 25D::SETT//PENF 24B::PENF//CYCL.

b) **Illustrations:**

We illustrated a situation where an account servicer is sending a MT 537 <u>end of</u> each day until settlement. In the examples, the settlement never occurs at solving of the matching or settlement problems.

In order to simply the reading of the illustrations, the Transaction Details sequence C2 is not provided.

Before settlement date:

Situation	1st MT 537	2nd MT 537	3rd MT 537
A trade has an unmatched reason on day 1 (1st MT 537) and the same unmatched reason on day 2 (2nd MT 537). On day 3 (3rd MT 537), the problem is solved.	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT :16S:TRANS
A trade has an unmatched reason on day 1 (1st MT 537). Cpty has amended his trade and corrected the issue but has created a new unmatched reason (2nd MT 537). On day 3 (3rd MT 537), the problem is solved.	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT :16S:TRANS
A trade has 1 unmatched reasons on day 1 (1st MT 537), as second problem is identified during the day2 (2nd MT 537), both issues solved on day 3 (3rd MT 537).	:16R:TRANS :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT :16S:TRANS	:16R:TRANS :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DTRD :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT :16S:TRANS	:16R:TRANS :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT :16S:TRANS

Situation	1st MT 537	2nd MT 537	3rd MT 537
A trade has 1 unmatched reason on day 1 (1st MT 537) that is solved on day 2 but a settlement problem occurs on same day (2nd MT 537) and is solved on day 3 (3rd MT 537).	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT :16S:TRANS
A trade has 1 matching and 1 settlement problem on day 1 (1st MT 537). The matching problem is solved on day 2 (2nd MT 537). The settlement issue is solved on day 3 (3rd MT 537).	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT :16S:TRANS
A trade has no matching status (matching process not started or delay between processing of the instruction and matching process) and no settlement status (1st MT 537). Same on the second day (2nd MT 537). On the 3rd day, the trade is matched.	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//NMAS :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//NMAS :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//FUTU :16S:REAS :16S:STAT :16S:TRANS

On or after settlement date (settlement no longer possible)

Situation	1st MT 537	2nd MT 537	3rd MT 537
A trade has an unmatched reason on instructed on SD-1 (1st MT 537). The problem is solved on SD after last settlement process (2nd MT 537).	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16R:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT :16S:TRANS	N/A

A trade has 2 unmatched reasons on SD-1 (1st MT 537), one of the problem is solved on SD (2nd MT 537). The last issue is solved on SD+1 (3rd MT 537) but after the last settlement cycle on SD+1.	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DDAT :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT :16S:TRANS
A trade has 1 unmatched reason on SD-1 (1st MT 537) that is solved on SD but a settlement problem is then identified (2nd MT 537) It is solved on SD+1 and settles on that day.	:16R:TRANS :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT :16S:TRANS	:16R:TRANS :16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16R:TRAN :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16S:TRAN :16S:STAT :16S:TRANS	Not in the MT 537 as settled.
A trade has 1 matching and 1 settlement problem on SD-1 (1st MT 537). The matching problem is solved on SD (2nd MT 537). The settlement issue is solved On SD+1 (3rd MT 537) but after the last settlement process on that day.	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//DSEC :16S:REAS :16S:STAT :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16S:STAT :16S:TRANS	:16R:TRANS :16R:LINK :13A::LINK//54X :20C::RELA//CLIENREF :16S:LINK :16R:LINK :20C::ASRF//ACCSERVREF :16S:LINK :16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT :16S:TRANS

F. Cancellation status reporting:

The MT 537 is a statement of pending transactions, not of cancellation requests. The CPRC status is therefore not available for the MT 537.

An IPRC//CAND transaction status should only be present, if present, in the MT 537 following the cancellation of the transaction. Some may argue that the transaction is no longer pending and should not be in the MT 537, but the MT 537 "is used to provide, as at a specified time, the details of pending increases and decreases of holdings". The cancellation of a transaction certainly affect the pending increase and decrease of the holding it concerns. The MT 537 used with IPRC//CAND is therefore the most appropriate statement to report such an activity.

G. Using reason subsequence narrative field:

Same as for MT 548.