

Presentation will begin at 12:03GMT

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Global Webinar for Third-Party Providers / Complementors



September 2023
Complementors Team &
Securities Product
Management

Agenda

1. Admin notices
2. Swift Securities Focus from Simon Daniel and Didier Hermans
 - Unique Transaction Identifier (UTI) - Implementation & Market practice
 - Swift Securities View
3. Platform Partnership Programme from James Moore
4. Questions

Admin notices

- This presentation is being recorded
- The content will be published on SWIFT.com (<https://www.swift.com/standards/iso-20022/iso-20022-past-webinars>)
- Global webinar for third-party providers occur the last Thursday of every month and you can register 2 weeks before each event here: [Transaction Management Global Webinar for 3rd Party Providers](#)
- To ensure you receive communications from us while we remain GDPR compliant please [update your preferences here](#) (you will need to login to / create your free SWIFT account) to include the interests 'Payments' and/or 'Standards' and we will ensure we keep you informed about:
 - Global webinar for third-party providers Invitations
 - Relevant developments on ISO 20022 and Transaction Management
 - Updates from SWIFT's Market Practice team
 - The latest info on adoption enabling tools and support
- Support requests / queries should be raised via the [Support](#) page
- Queries regarding gpi portfolio certification/ self-attestation processes should be directed to new e-mail address: provider.readiness@swift.com

Swift Securities Focus



September 2023

Confidentiality: **Restricted**

An industry focus on settlement efficiency: frictionless and faster

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Observations on CSDR post-implementation

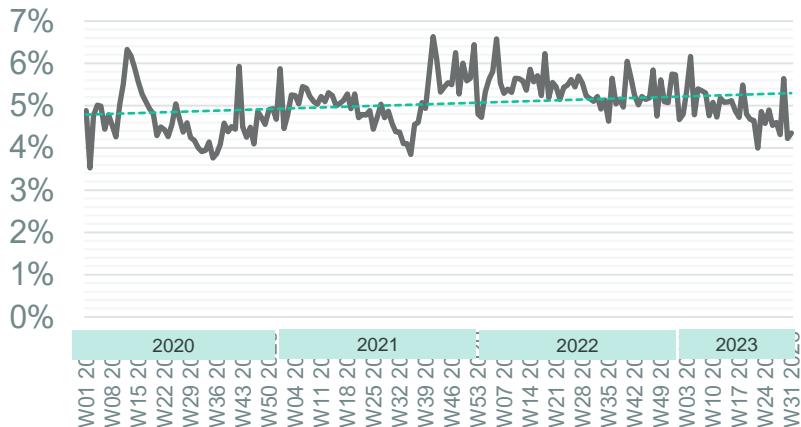
Over 1m

Penalties/month (2022)

~ 1.55 Bn

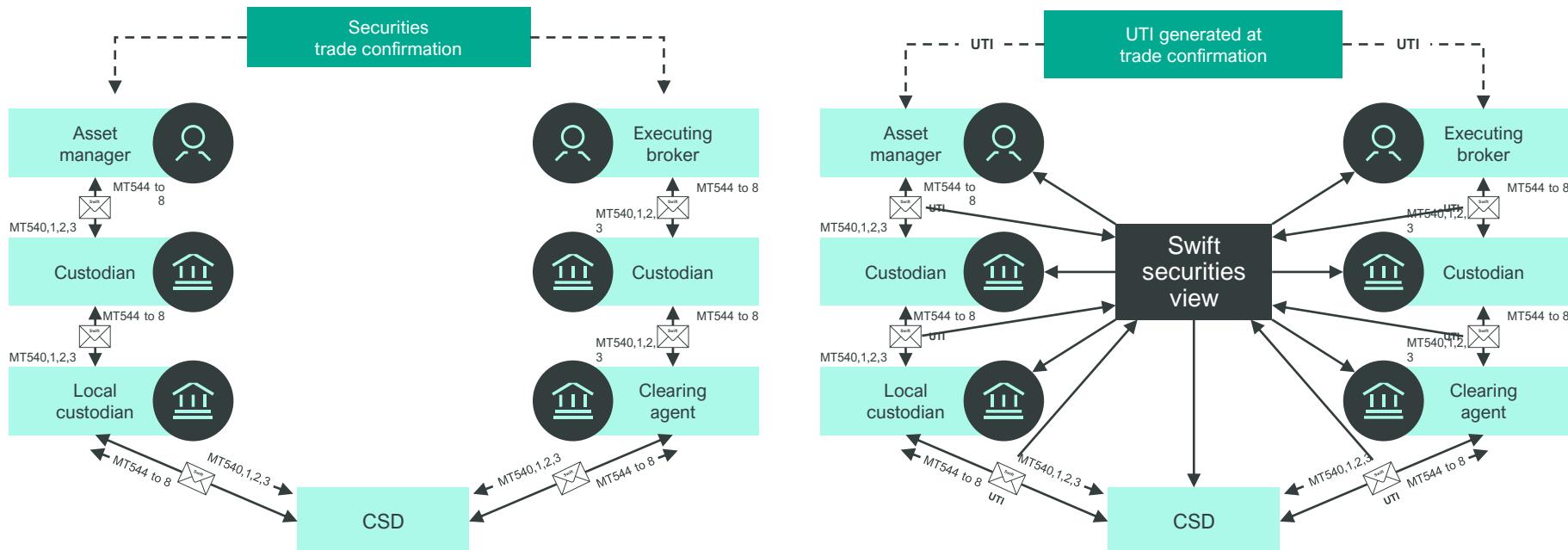
EUR (Feb – Dec 2022)

Late Settlement Rate reported by trade confirmations on Swift network



Yesterday versus Today

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From isolated messaging

To transaction visibility

Tracking and transparency in securities settlement

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Functional benefits



Data

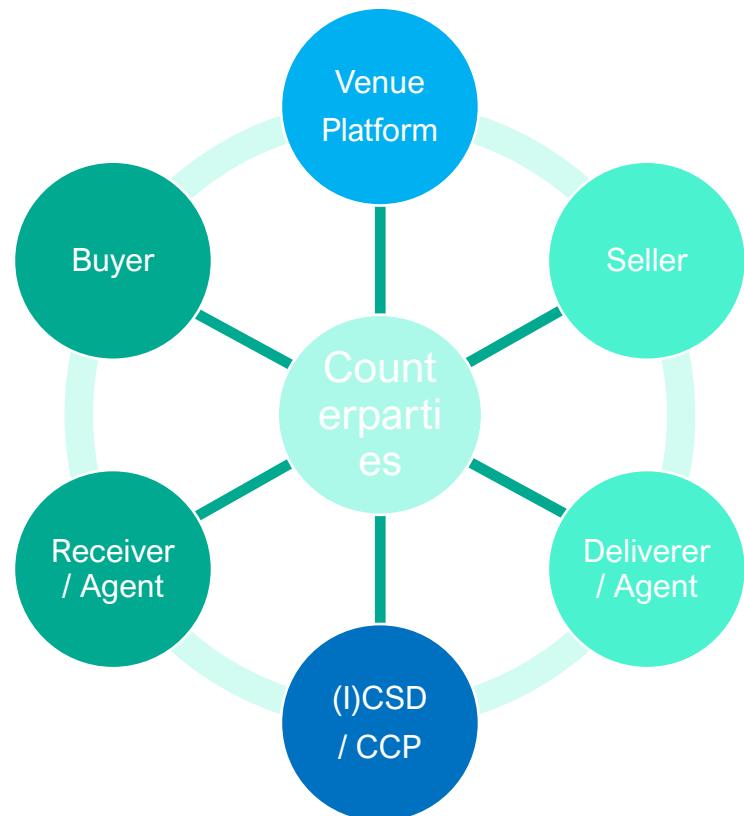
Provides more settlement information **reciprocally between counterparties**

Speed

Enables parties with **settlement data** and status information earlier

Certainty

Improves **consensus** and precision of **settlement likelihood**



Securities View and the case for the UTI

80+

Firms subscribed
and using
Securities View
since 30 January 2023

150+

Representing more
than 150 BICs

50+

BIC's sending Swift
messages
with UTI through
Securities View

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Discussion paper on the case of the UTI
published with the support of DTCC, AFME, ISSA,
ISDA, SIFMA, ISITC and the SMPG

Published the **UTI market guidelines**
and implementation Summary to generate
and communicate the UTI for securities trades
(next iteration will include collateral, lending
and borrowing transactions)

Major vendors are getting ready for the UTI.

DTCC ITP & Swift are collaborating to support
industry goals and are aligned with the usage and
generation of the UTI

Unique Transaction Identifier (UTI)

Implementation & Market practice

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The Unique Transaction Identifier (UTI)

ISO 23897:2020 definition

Up to 52 alphanumeric characters, (A to Z and 0 to 9 only).

First **20 characters** (18!c and 2!n:fixed length)

the legal entity identifier of the generating entity, as represented in ISO 17442 – aka LEI

Subsequent **up to 32 characters** (32c:maximum length)

a unique identifier assigned to the transaction by the generating entity without separators.

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Unique

52 characters,
with first 20 to be the
LEI of the generating
body (FI / platform /
service provider)



Standard

Standardised and
structured ISO-
registered format
(ISO 23897:2020)



Trusted

Already used today for
reporting of financial
transactions to any
authority in any
jurisdiction



Persistent

Can be carried as
a reference across
disparate systems
and processes



Unambiguous

Can be referenced
unambiguously by
all parties involved
or interested in that
transaction



Applied to a securities post trade settlement workflow,
a UTI identifies a securities transaction obligation:

- Between a buyer and seller
- For an agreed instrument and quantities
- Allocated to settlement accounts and parties

Industry standards and best practice on
UTI generation and communication:

- [IOSCO](#)
- [ESMA](#)
- [ISDA](#)
- [GFMA](#)

UTI flow through the settlement lifecycle for securities trades

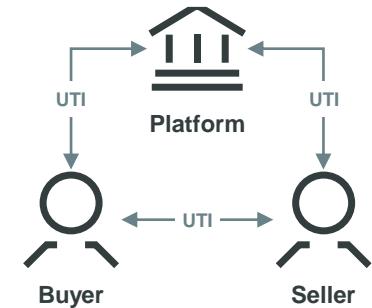
Generation, exchange and communication

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Generation and exchange

Between **buyers** and **sellers** occurs as part of post-trade allocation / confirmation process via:

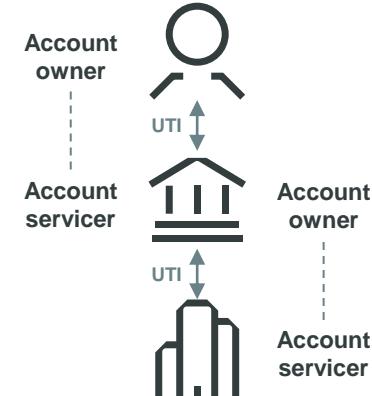
- Central generation by trade venues / matching platforms
 - Bi-lateral generation by instructing / executing party or their service provider



Communication

Between account owners and account servicers

- **Persist** UTI from received instructions / confirmation process down settlement chain
 - **Echo** UTI on settlement ‘status and confirmation’ response messages to account owners



UTI generation and communication guidelines: Summary

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In case of a trade with allocation:

	Via a UTI-ready central platform	Via a non UTI-ready central platform	Bilaterally
The UTI generator & communicator is...	<ul style="list-style-type: none"> The central platform* 	<ul style="list-style-type: none"> The instructing party or their service provider 	<ul style="list-style-type: none"> The instructing party or the service provider

In case of a trade without allocation:

	Via a UTI-ready venue	Via a non UTI-ready venue	Bilaterally
The UTI generator & communicator is...	<ul style="list-style-type: none"> The venue 	<ul style="list-style-type: none"> The executing party or their service provider 	<ul style="list-style-type: none"> The executing party or their service provider

Exceptional cases (*):

- If trades are executed and allocated over a central platform but instructing parties or their service providers wish to generate the UTI in all their trades, then the central platform should (only) be used to communicate the UTI to the executing party.
- If a central platform/venue is not supporting UTI-generation yet but it does generate a shared common reference, then the instructing and executing party can derive a same UTI from this reference.

UTI generation and exchange for Institutional Flow

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UTI exchange via allocation

	Via a UTI-ready central platform	Via a non UTI-ready central platform	Bilaterally
The UTI generator & communicator is...	<ul style="list-style-type: none"> The central platform* 	<ul style="list-style-type: none"> The instructing party or their service provider 	<ul style="list-style-type: none"> The instructing party or the service provider  

Supported allocation messages

Format	Message Name	Field Name	Link
FIX	[AllocationInstruction]	Tag1903	more info
SWIFT	MT 514	Field 20a (Option U)	more info
XML (CTM)	Trade Detail	<AllocationUTI>	more info

UTI continuance across settlement transactions life cycle events

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- ❑ **The UTI remains the same**
across its whole settlement life cycle
e.g.: status updates, cancellation, replacement, partial settlement...

- ❑ **Exception:**
Some activities may require the initiation of a new transaction with a new UTI
e.g. bilateral netting
 - Recommendation :
Use the UTI of the last confirmed instruction that was part of the net - where the last instruction can be identified by sorting the UTI values alphanumerically.

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Leveraging a common trade reference

The unique transaction identifier or UTI

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UTI: Unique Transaction Identifier



ISO: Unique number/reference of a financial transaction to be allocated as agreed among the parties and/or within the initiative or regulatory system under which it is formed

```
:16R:GENL
:20C:SEME//MESSAGEREFERENCE
:23G:NEWM
:16R:LINK
:20C:TRRF//1256356365
:16S:LINK
:16R:LINK
:20U::TRRF//1256356365ABCDEFJKJEKJKJEKJKJEKE
J
:16S:LINK
:16S:GENL
```

Example

Where to find an UTI in the MT54X?

541 Receive Against Payment (SR2021)			
General Information (A)		GENL	M N
:16R:	Start of Block	GENL	M N
> :20C:	Reference	:4lc//16x	M N
> :23G:	Function of the Message	4lc/[4lc]	M N
> :98a:	Date/Time		O N
> :99B:	Number Count		O R
Linkages (A1)		LINK	O R
:16R:	Start of Block	LINK	M N
> :22F:	Indicator	:4lc/[8c]/4lc	O N
> :13a:	Number Identification		O N
> :20a:	Reference		M N
> :36B:	Quantity of Financial Instrument		O N
:16S:	End of Block	LINK	M N
:16S:	End of Block	GENL	M N

Debtors	[TRRF]	1	Or	N
> :20C:			:4lc//16x	
> :20U:			:4lc//52x	
Qualifer		4lc	M	N
UTI Reference		52x	M	N

UTI - in CTM example

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Allocation UTI Generation:
DTCC LEI + IM CTMDetailID + EB CTMDetailID

Example:

549300TXA3WBLB9JHZ8814939556931493955510

Trade Side Details										
<input type="button" value="Both Sides"/> <input type="button" value="My Side"/> <input type="button" value="Counterparty"/>										
	Master Ref	CTM Trade...	Block UTI	Match Agrd	Block Status	Exec Broker	TLPSET	Complete	Asset Clas	
-	<input type="checkbox"/> IM20211125...	1527483255	549300TXA3WBLB9JHZ8815274832551527483261	NMAG	MACH	ITP LLC - CT...		INCP	E	
	<input type="checkbox"/> EB20211125...	1527483261	549300TXA3WBLB9JHZ8815274832551527483261	NMAG	MACH	ITP LLC - CT...	DTCYUS33	INCP	E	
	Client Alloc Ref	Allocation UTI			Alloc Status	Qty Alloc	Acct ID ▲ 1	Trd Amt	Co	
	<input type="checkbox"/>	001	549300TXA3WBLB9JHZ8815274832661527483264	MACH	50.0	0108	500.00	0108	500.00	
	<input type="checkbox"/>	001	549300TXA3WBLB9JHZ8815274832661527483264	MACH	50.0	0108	500.00	0108	500.00	

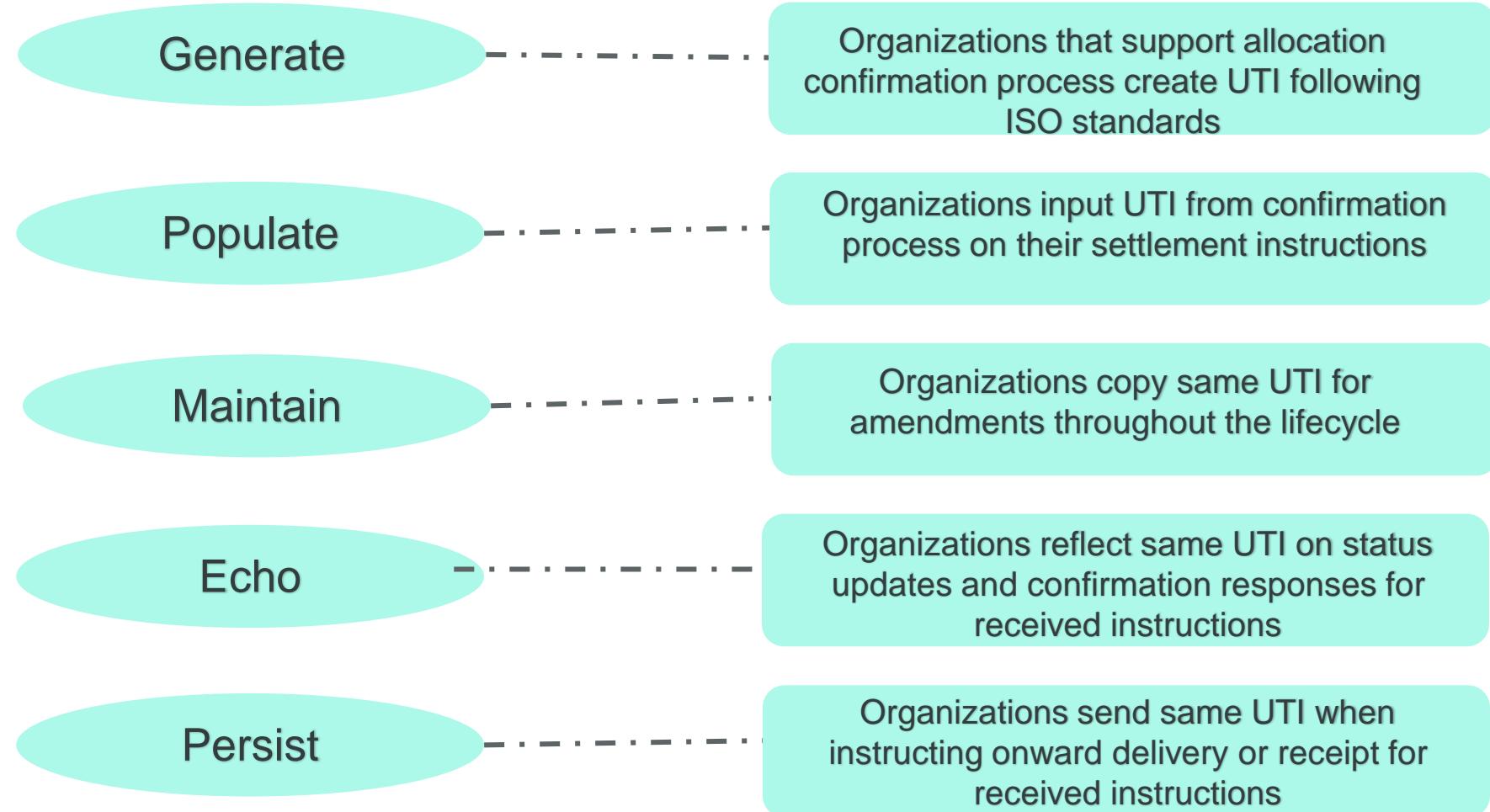
```

<TradeDetailReferences>
  <ClientAllocationReference>002</ClientAllocationReference>
  <CTMTradeDetailID>1513469880</CTMTradeDetailID>
  <AllocationUTI>549300TXA3WBLB9JHZ8815134698731513469880</AllocationUTI>
</TradeDetailReferences>

```

UTI behaviours through the securities settlement lifecycle - Summary

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The UTI – Market Guidelines and Implementation Summary

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The image shows the cover page of a document titled "Market Guidelines and Implementation Summary". The title is centered at the top. Below it is a subtitle: "Generating and communicating Unique Transaction Identifiers for settlement of securities trades". At the bottom left, the date "July 2023" is printed. In the top right corner, it says "Page: 1 of 22". The Swift logo is in the top left corner. The background of the slide has a faint watermark of the same document cover page.

Everything you need to know about the UTI:

- how to capture it from a central matching platform
- How and who to generate it in your bilateral trades
- how to communicate it across your settlement parties

Available on www.swift.com – UTI page

Swift Securities View

Solving the post trade settlement challenge

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Time to tackle settlement inefficiencies!

~15%

of settlement instructions require manual intervention

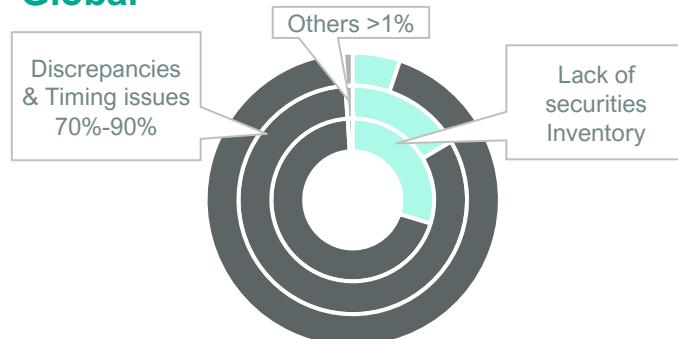
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Key settlement issues:

- **Timing:** Counterparty instruction missing / on hold / pending
NMAT:CMIS PEND:PRCY/PREA/PRSY
- **Discrepancies:** Counterparties have different economic or SSI data
NMAT:DDAT/DQUA/DMON/SAFE
- **Inventory:** Settlement party(s) has insufficient securities (or cash) at time of settlement
PENF:LACK/MONY/AWSH

Pre-settlement Issues

Global



Settlement Fails

Global



Sources: Swift WATCH, ICMA, Euroclear

Service Use Cases

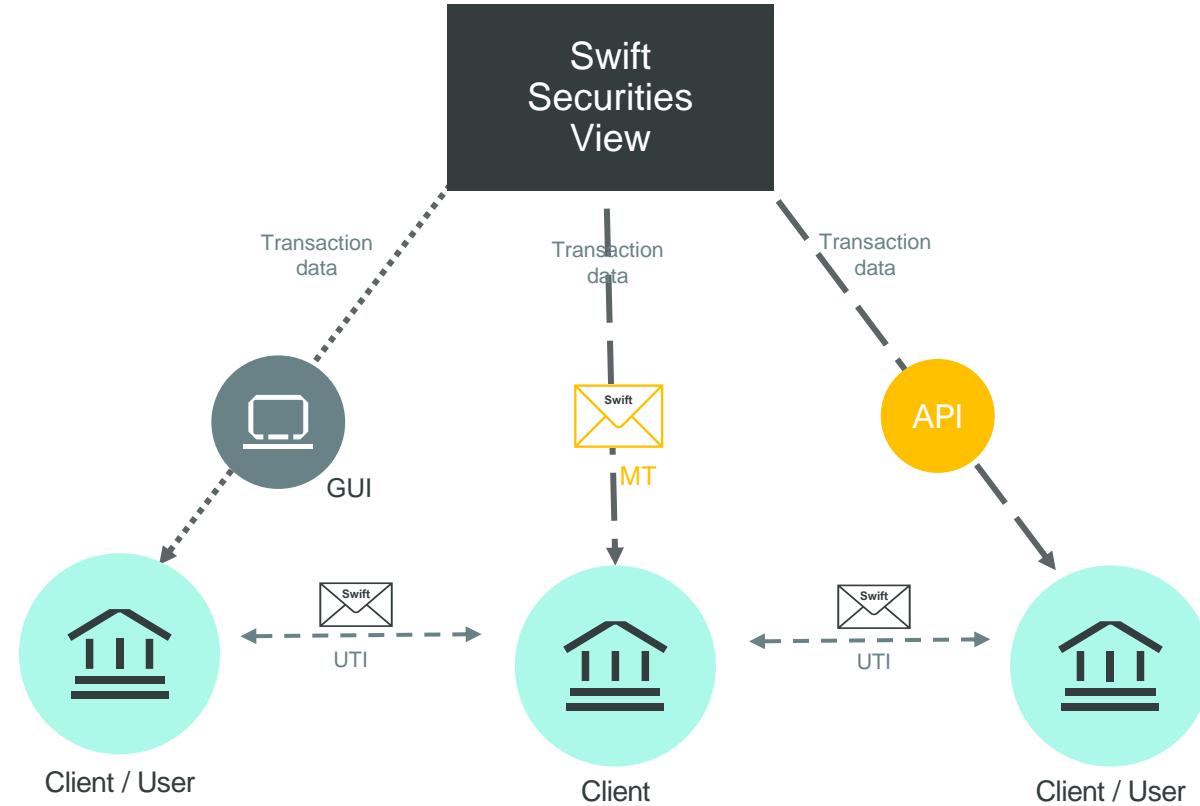
Community identified scenarios for operational efficiency improvements

Use Case	Description	Advantages
Real – time tracking	Improved transparency on own instructions upstream, downstream and visibility into counterparties progress	Improve timing gaps in custody network Transparency as a multi-party workflow
Allegation	Depository allegation messages do not (usually) include the original Buyer / Seller	Identify source of allegation with counterparty view and pair with own instruction
Counterparty missing	Current status has 3 potential scenarios <ul style="list-style-type: none"> • Counterparty not instructed / initiated • Counterparty instruction in progress • Counterparty has different settlement location 	Counterparty missing (CMIS) status is improved with clarity from counterparty view
Discrepancy & Resolution owner	Identify discrepancies between counterparty instructions and indicate which side has responsibility to resolve	Earlier awareness of settlement matching issues. Clarity on which party needs to take action
Feed data to exception platform	Automatically populate exception systems with data from both parties and latest status	Supplement existing feeds with additional data, and updates to drive resolution
Validation	Locally compare counterparty data to own data to identify SSI & business element issues	Identify when counterparty has your incorrect SSI, or different economics prior to instructing
Audit trail	Visibility on the history for a transaction for claim investigations and audit	Identify bottlenecks, and counterparty steps

Service communication channels

Integration and automation options

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2-sided Settled Transaction

Your time zone: GMT+1:00

Securities transaction view

Mark as to do

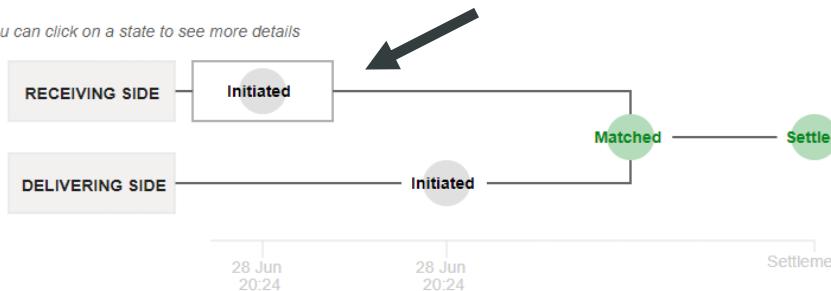
Annotate

Export view

Latest transaction state	Instruction type	Financial instrument ID	Settled amount	Settled quantity	Settlement date	Trade date	Unique Transaction Identifier (UTI)
Settled 28 Jun 20:27	RVP	ISIN US3453708600	43,360,000.00 USD	40000, UNIT	30 Jun 2023	28 Jun 2023	F(iclVbquqC8.SzOZ2xky)XpCNUxmTze0PcT5oE7Tj.Nnn 1mWQY
Settled 28 Jun 20:27	DVP				Eff. settlement date 30 Jun 2023		

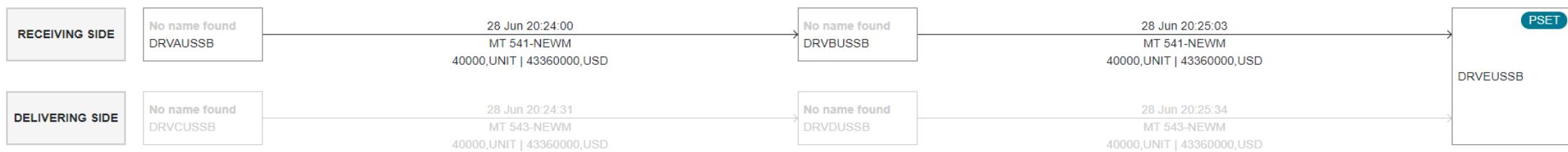
Latest state on both sides: Settled

You can click on a state to see more details



28 Jun 20:24 28 Jun 20:24 Settlement day

[Parties](#) [State details](#) [Detailed history and export](#)



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⌚ Your time zone: GMT+1:00

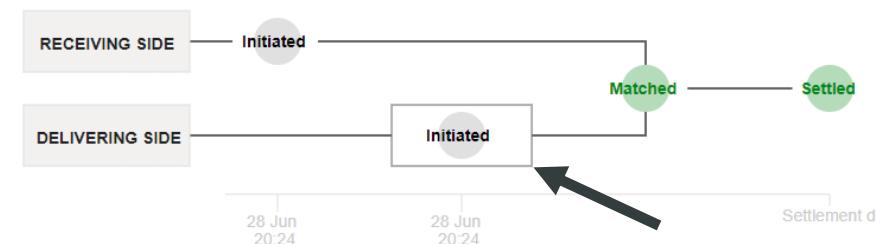
Securities transaction view

[Mark as to do](#)[Annotate](#)[Export view](#)

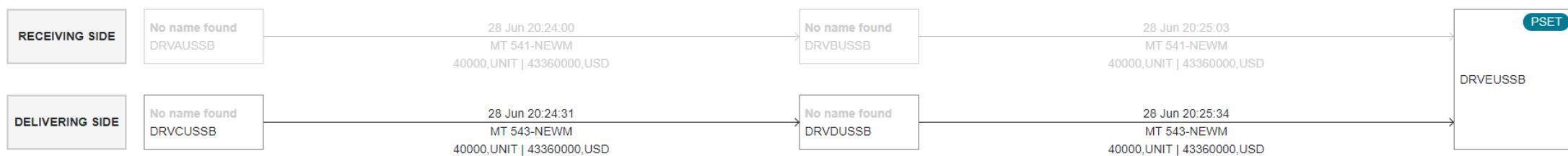
Latest transaction state	Instruction type	Financial instrument ID	Settled amount	Settled quantity	Settlement date	Trade date	Unique Transaction Identifier (UTI)
Settled 28 Jun 20:27	RVP	ISIN US3453708600	43,360,000.00 USD	40000, UNIT	30 Jun 2023	28 Jun 2023	F(iclVbquqC8.SzOZ2xky)XpCNUxmTze0PcT5oE7Tj.Nnn 1mWQY
Settled 28 Jun 20:27	DVP				Eff. settlement date 30 Jun 2023		

Latest state on both sides: Settled

You can click on a state to see more details



[Parties](#) [State details](#) [Detailed history and export](#)



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Securities transaction view

Mark as to do

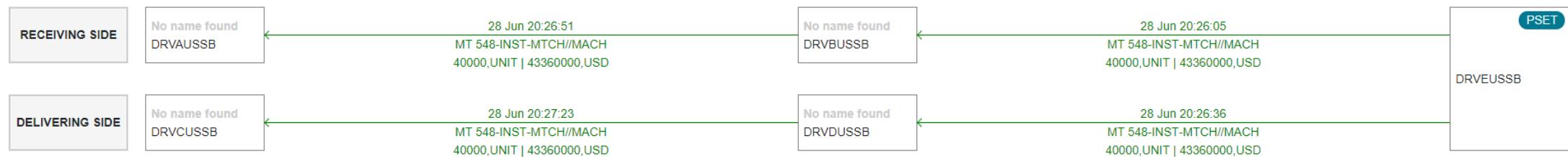
Annotate

Export view

Latest transaction state	Instruction type	Financial instrument ID	Settled amount	Settled quantity	Settlement date	Trade date	Unique Transaction Identifier (UTI)
Settled 28 Jun 20:27	RVP	ISIN US3453708600	43,360,000.00 USD	40000, UNIT	30 Jun 2023	28 Jun 2023	F(icIVbquqC8.SzOZ2xky)XpCNUxmTze0PcT5oE7Tj.Nnn 1mWQY
Settled 28 Jun 20:27	DVP				Eff. settlement date 30 Jun 2023		

Latest state on both sides: Settled

You can click on a state to see more details


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Your time zone: GMT+1:00

Securities transaction view

[Mark as to do](#)[Annotate](#)[Export view](#)

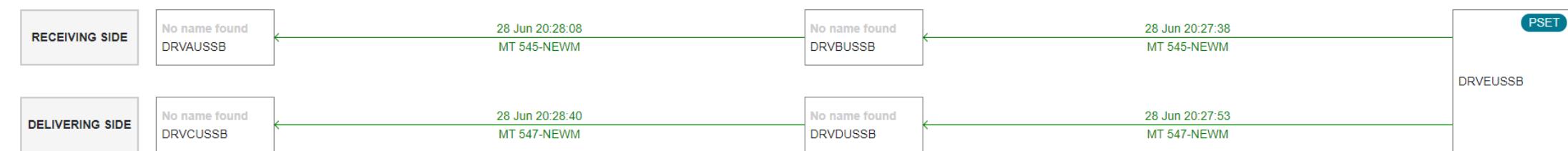
Latest transaction state	Instruction type	Financial instrument ID	Settled amount	Settled quantity	Settlement date	Trade date	Unique Transaction Identifier (UTI)
Settled 28 Jun 20:27	RVP	ISIN US3453708600	43,360,000.00 USD	40000, UNIT	30 Jun 2023	28 Jun 2023	F(iclVbquqC8.SzOZ2xky)XpCNUxmTze0Pct5oE7Tj.Nnn 1mWQY
Settled 28 Jun 20:27	DVP				Eff. settlement date 30 Jun 2023		

Latest state on both sides: Settled

You can click on a state to see more details



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Your time zone: GMT+1:00

Securities transaction view

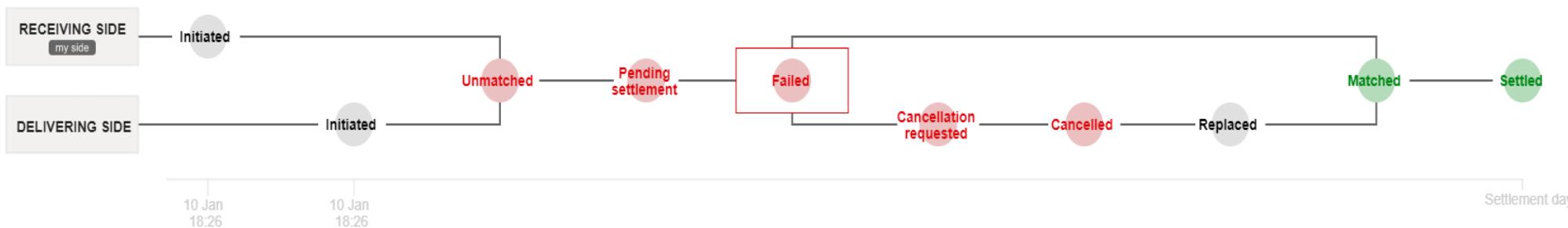
Audit trail for a settled transaction

[Mark as to do](#)[Annotate](#)[Export view](#)

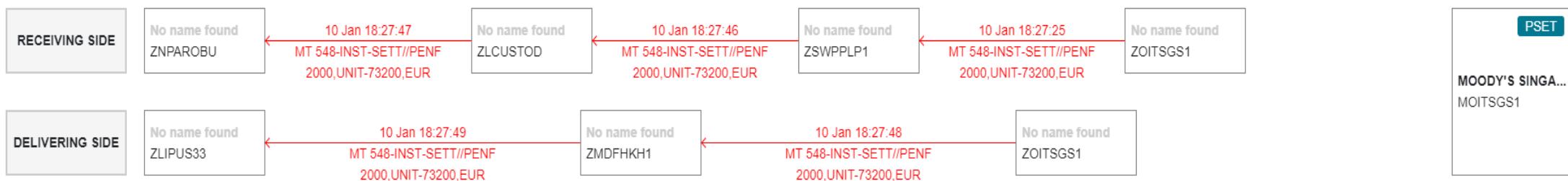
Latest transaction state	Instruction type	Financial instrument ID	Settled amount	Settled quantity	Settlement date	Trade date	Unique Transaction Identifier (UTI)
Settled 10 Jan 18:29 <small>my side</small>	RF	ISIN FR0000121262	73,200.00 EUR	2000, UNIT	15 Jan 2023	10 Jan 2023	TESTSCENARIO20230110172608
Settled 10 Jan 18:29	DF				Eff. settlement date		

Latest state on both sides: Settled - Originated by: ZOITSGS1 on 10 Jan 2023 18:29 on my side and by: ZOITSGS1 on 10 Jan 2023 18:29 on counterparty side

You can click on a state to see more details



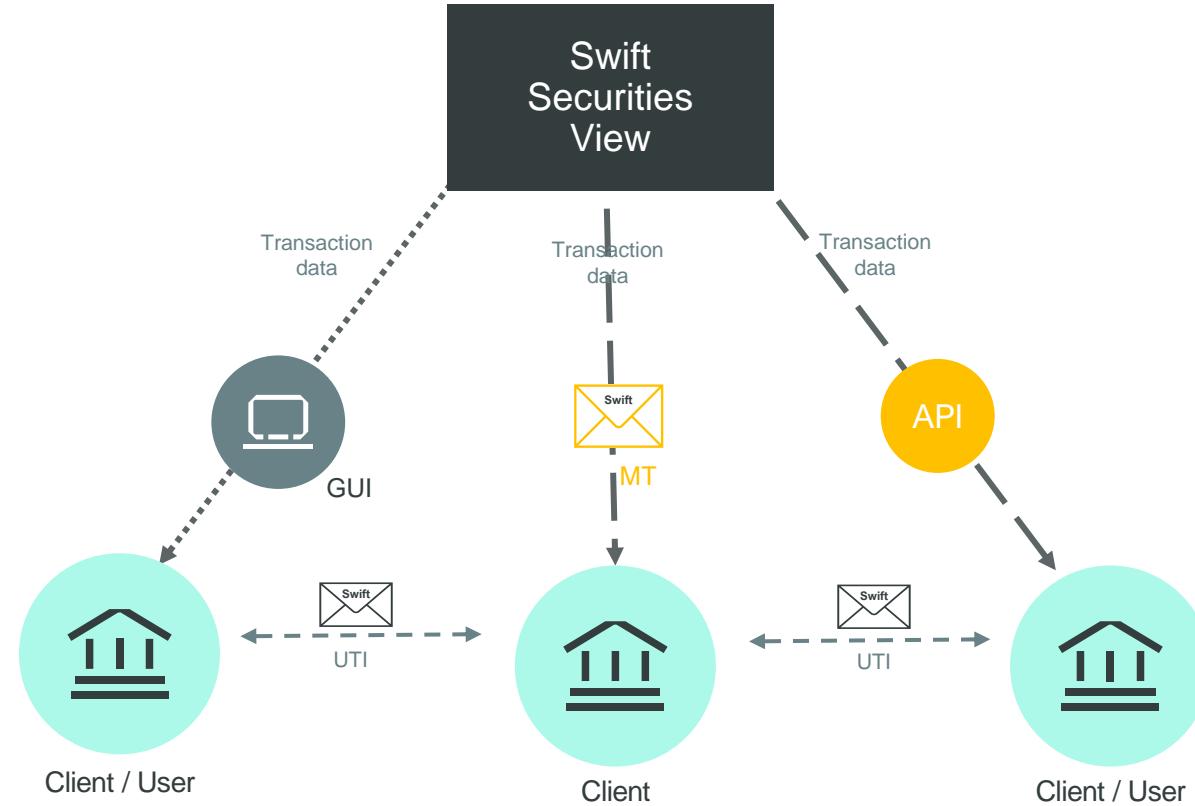
[Parties](#) [State details](#) [Detailed history and export](#)



Service communication channels

Integration and automation options

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Automated Integration Channels

Service API endpoints

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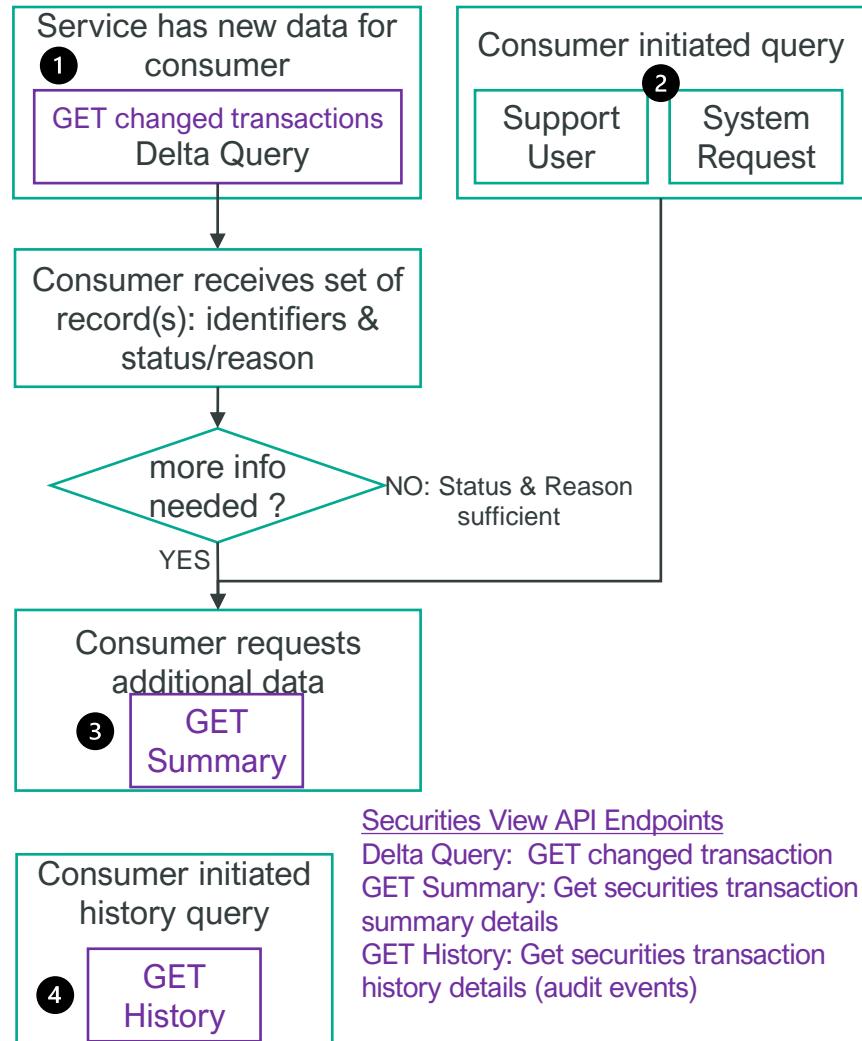
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API endpoints	Production	Purpose
Get securities transaction summary details 'get summary'	Live v1.0.4	A service user queries for a specific record . The service returns summary & current transaction details.
Get securities transaction history details (audit events) 'get history'	Live v1.0.4	A service user queries for a specific record . The service returns audit trail data for a transaction, including all instruction, status and confirmation records with corresponding timestamps and events.
Get changed securities transactions (delta query) 'get changes'	Dec 2023* <small>*target release</small>	A service user can query for the set of records that have been modified (including created) since a given date and time

Securities View API flow – sample integration logic

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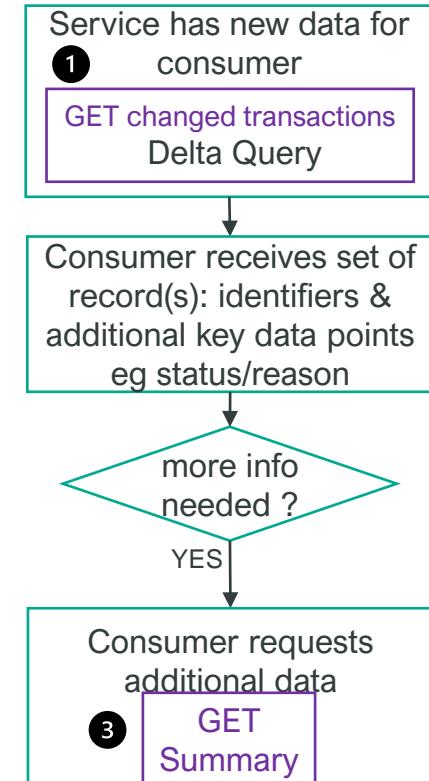
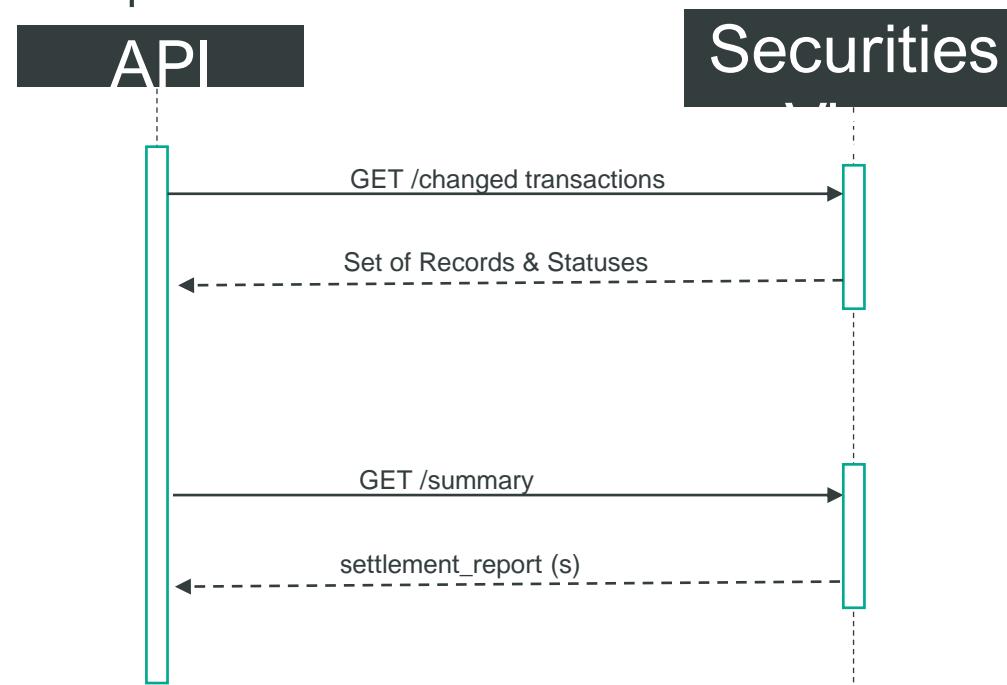
- ① Client process to monitor for new information from the securities view service
- ② Client also has internal triggers to request **data from service**:
 - A support user receives a client query and wants to check latest information
 - The clients system needs to check transaction details/status before releasing an instruction
- ③ Client uses a record reference (UTI / SEME) from to retrieve summary data from service
- ④ The history request may only be needed on demand by users for certain scenarios:
 - Investigating an interest claim
 - Client received a query



Real – time tracking

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The consumer polls (GETs) the service for data updates



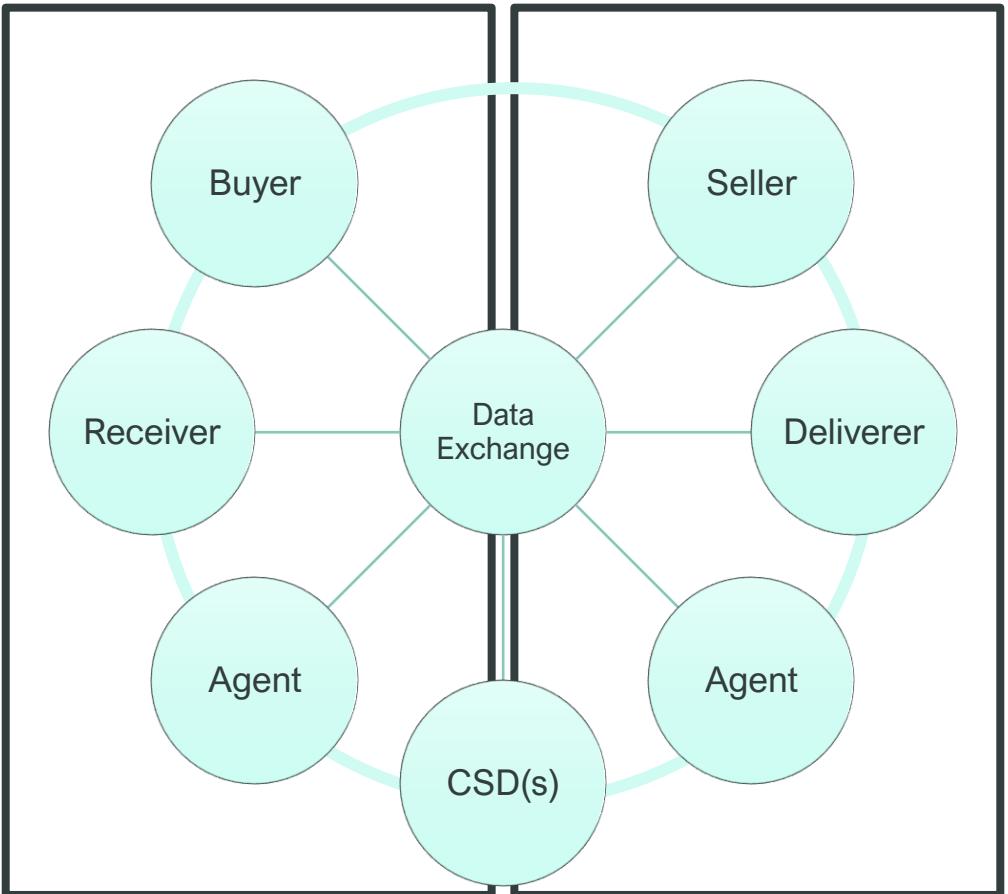
Transaction - Objects

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Schema has 2 objects
One for each side of the transaction

Service transaction :
MT message data consolidated via

- shared Unique Transaction Identifier (UTI) value,
- combination of sender/receiver, transaction values & references (SEME & RELA)
- data derived / enriched by the service



Automated Integration Channels

Transaction summary schema

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JSToolNpp JSON Viewer

Refresh Search

ROOT

```

settlement_report: [Object]
  [0]: [Object]
    securities_settlement_unique_transaction_identifier: "HB7FFAZI0OMZ8PP8OE26B"
    settlement_instruction: [Object]
      [0]: [Object]
        settlement_type_and_condition: [Object]
          securities_movement_type: "RECE"
          payment: "APMT"
        trade_detail: [Object]
          uti: "123400ABCDEFHGIJKL1212345678901234567890123456789012"
          trade_date: [Object]
          settlement_date: [Object]
        financial_instrument: [Object]
          financial_instrument_identification: [Object]
            isin: "GB0987654321"
            description: "Instrument Description"
        settlement_quantity: [Object]
          quantity: [Object]
        delivering_settlement_party: [Object]
          depository: [Object]
          party1: [Object]
          party2: [Object]
          party3: [Object]
          party4: [Object]
          party5: [Object]
        receiving_settlement_party: [Object]
        settlement_amount: [Object]
          amount: [Object]
            credit_debit_indicator: "DBIT"
        settlement_tracker_status: [Object]
          settlement_tracker_status: "MATCHED"
          status_issuer: "ISSUEBIC"
          status_update_timestamp: "2022-08-18T11:55:37.736Z"
      ]
    }
  }
}
  
```

Securities Settlement Transaction Summary.json

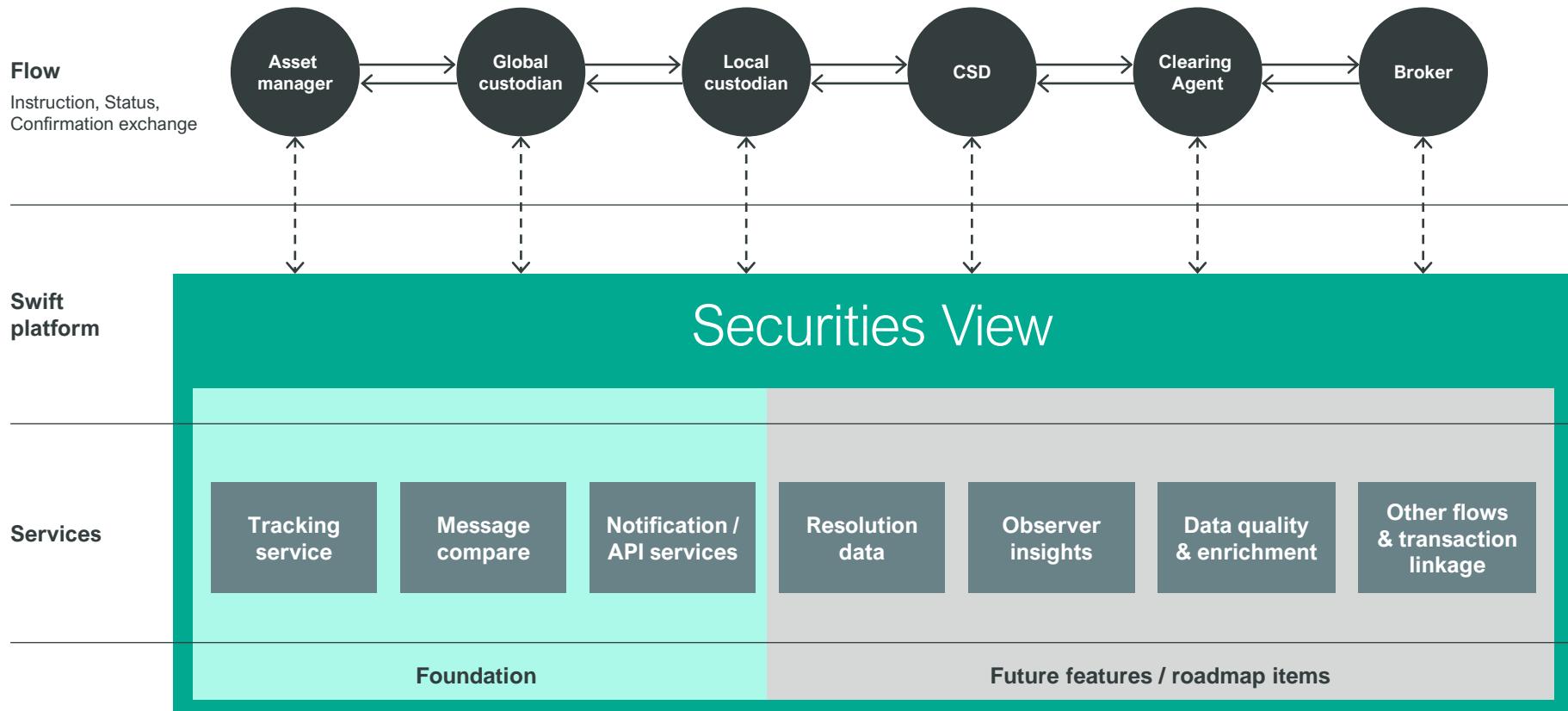
```

1  {
2   "settlement_report": [
3     {
4       "securities_settlement_unique_transaction_identifier": "HB7FFAZI0OMZ8PP8OE26B",
5       "settlement_instruction": [
6         {
7           "settlement_type_and_condition": {
8             "securities_movement_type": "RECE",
9             "payment": "APMT"
10            },
11           "trade_detail": {
12             "uti": "123400ABCDEFHGIJKL1212345678901234567890123456789012",
13             "trade_date": {
14               "date": "2021-08-11"
15             },
16             "settlement_date": {
17               "date": "2021-08-16"
18             }
19           },
20           "financial_instrument": {
21             "financial_instrument_identification": {
22               "isin": "GB0987654321",
23               "description": "Instrument Description"
24             }
25           },
26           "settlement_quantity": {
27             "quantity": {
28               "face_amount": "4000000.00"
29             }
30           },
31           "delivering_settlement_party": {
32             "depository": {
33               "identification": {
34                 "bic": "CRSTGB22"
35               }
36             }
37           }
38         }
39       ]
40     }
41   }
42 }
  
```

Securities strategy

Co-building Securities Service(s)

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Swift Securities
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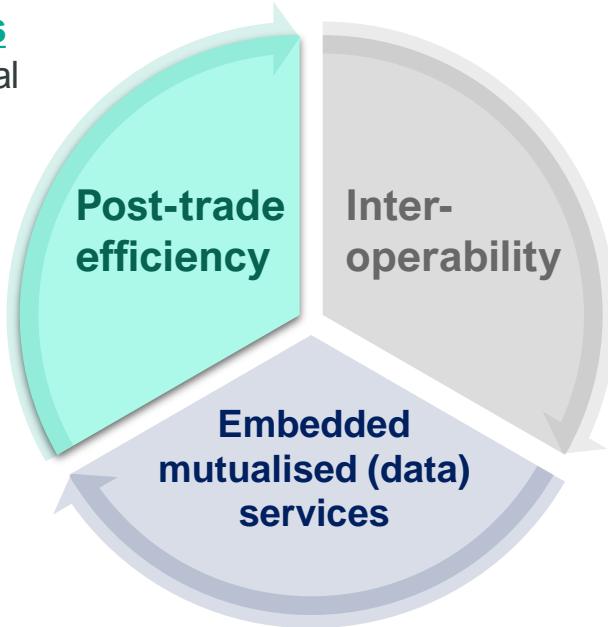


Swift foundation and roadmap: Securities battles for today and tomorrow

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Frictionless securities

Reduce friction and manual processes by addressing high and rising cost of exceptions, starting with settlement.



Interoperability and interconnectedness

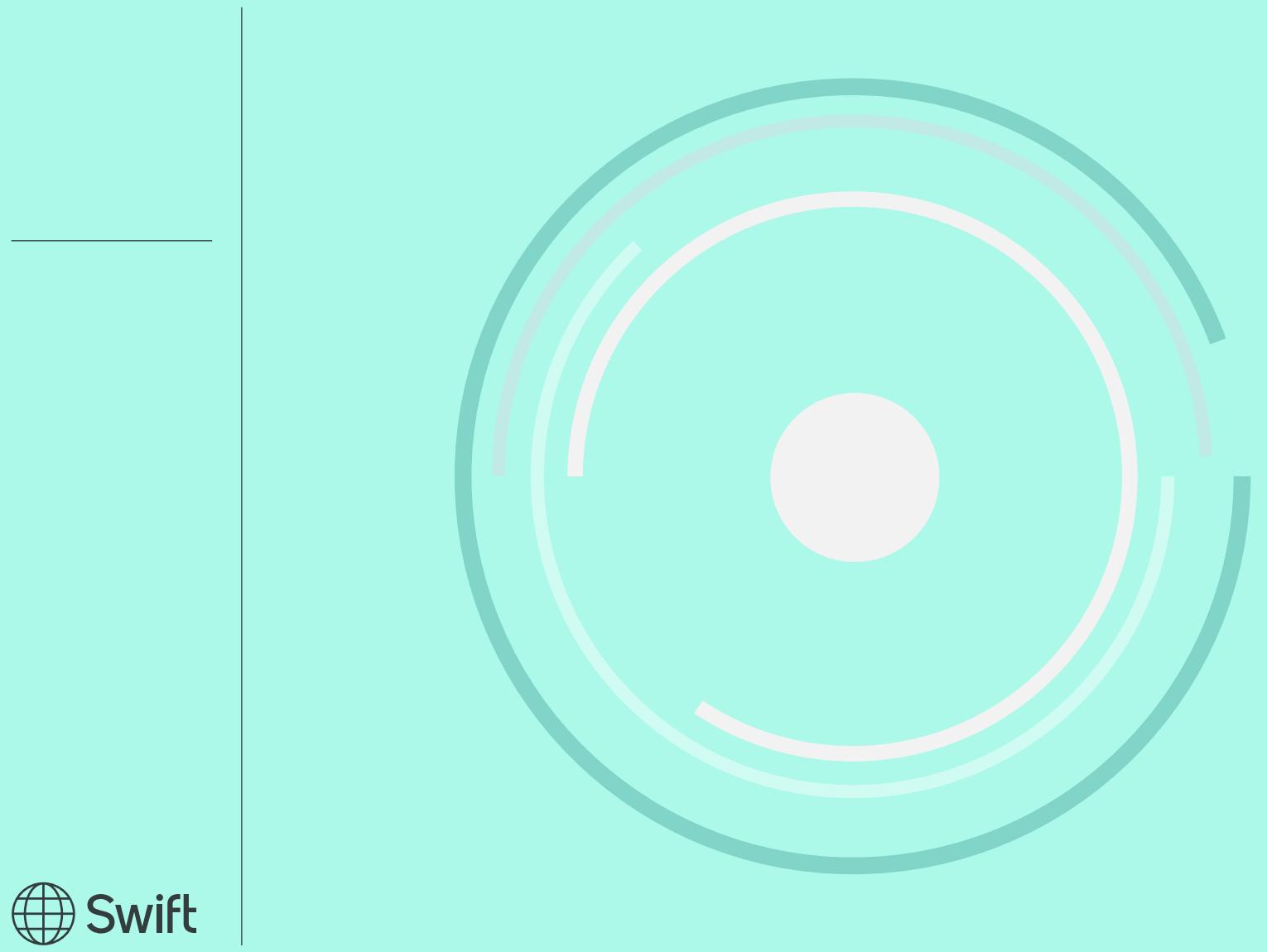
Facilitate interoperability between platforms across asset classes (incl. digital/tokenized) and flows (incl. payments) to remain the connector and channel of choice into all ecosystems.

Smarter data through mutualisation and partnerships

Support business growth, cost-effective operational processes, risks management and enhanced customer experience by embedding new data-rich capabilities (incl. compliance and reference data) into securities services channels & front-end capabilities

Platform Partner Programmes

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Third-Party
Providers
/Complementors



Platform partners

Creating and expanding Swift's platform ecosystem



Platform Partner Programmes

Value added services Enabler

Embed Swift API value added services into the partner solution, e.g.
Payments hub, TMS/ERP...

Business Connect Enabler

Embed Swift messaging connectivity into the partner solution

Ancillary provider

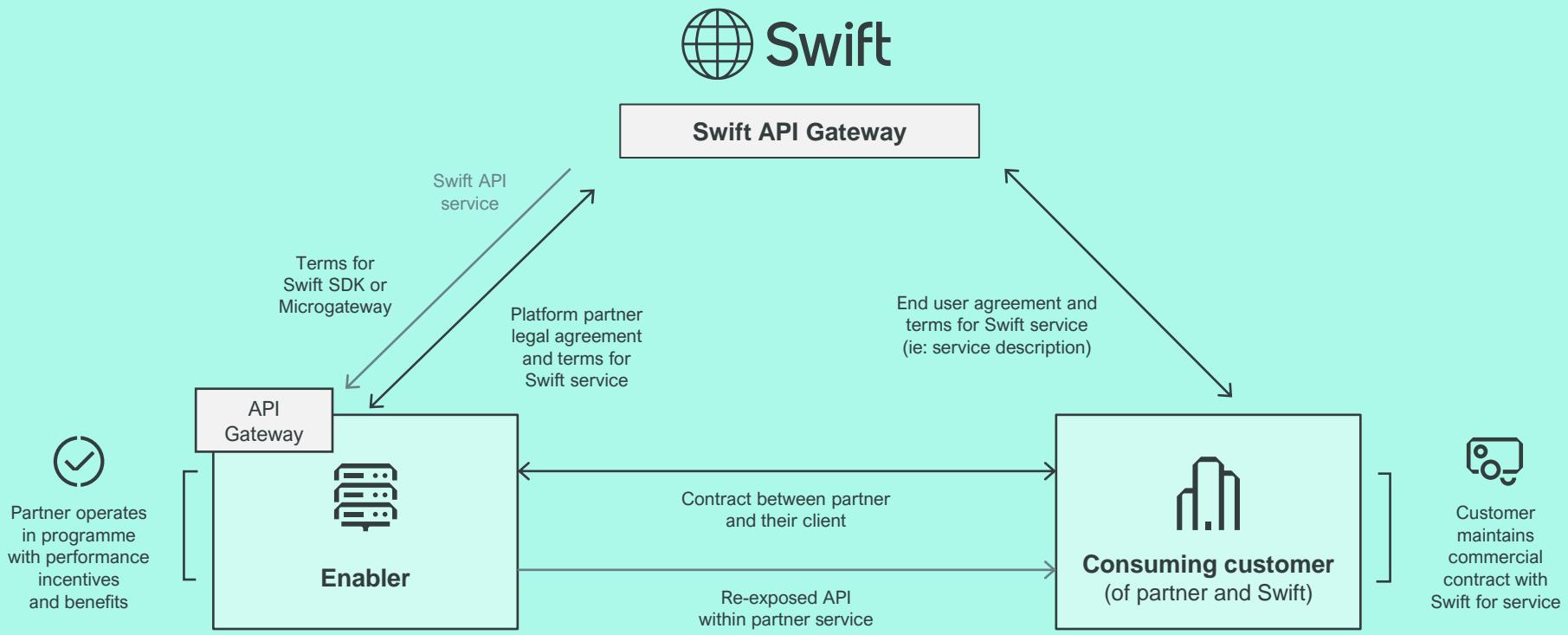
Extend the Partner API service to the global Swift community
e.g. Trade document validation



Swift

Value-Added Services Enabler programme

Contractual and operational model



Enablers programme

Requirements

Visibility

Share with Swift your solution topology/architecture and/or business application details for accreditation



Growth

Agree on a go-to-market plan for Swift platform adoption, where achievements will lead to value-in-kind benefits and increased visibility



Customer satisfaction & SLAs

Ensure the best quality experiences for our community



Value-added services Enablers

Benefits

Build new product quickly

Build and monetize new products efficiently via Swift developer tools (e.g., SDK)



Incentives

Achieve reduction on programme fees as you grow the business



Community access

Raise awareness through community events and being featured in our Platform partner portal



APIs & sandbox

Access to API specific documentation and tailored API resources



Effortless customer experience

Offer a streamlined technical integration and functional support to Swift members



Q&A and Call to Action

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1. Assess current UTI support
2. Check Swift resources
[Swift Securities View](#)
[Swift Developer Portal | Securities View](#)
[UTI - Market guidelines and implementation summary](#)
3. Contact your regional account manager and/or securities@swift.com for more information
4. For more information on the Enabler Programme please contact
james.moore@swift.com

Questions

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Swift

If you have any questions, please contact your Account Manager
or raise a case via the **Support** page