***SWIFT MATCHING SOLUTION- BR DOCUMENT***

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# Information required

The document includes the requirement to build an effective tool for matching the Swift MT300 confirmations between Intercompany entities.

## 1.Scope

The scope of this development at this point of time is for all Forex Products.

Entity : **TWO Entities** (Inter Entity)

Asset Classes : FOREX (FX SPOT/OUTRIGHT/SWAP/NDF)

Deal Status : Booking Validated

BO LOCATION : All

## High Level Requirement

**Requirement** - Workflow based Matching Tool with Relevant status enabling user to Tag the SG References on CP Doc.

**Requirement 1** - Integration of MT300 Swift Confirmation Doc

**Requirement 2** - Search and View the stored Documents

**Requirement 3** - One to One Auto Matching of CP Document with Banks Document

**Requirement 4** - Close Fit Auto Match

* Able to Match the deal based on Static rules explained below by taking SG deal as Reference
  + Update the status of the deal (expected to have a workflow) with Reference and status based on Matching status rule.

## Requirement 1: Integrate

**User Story - As** a user I would like to Integrate Swift MT-300 into this application and load /Store data in tabular format so that I could perform my matching process.

## 2.2. Requirement 2: Search and View

**User Story -** As a user I should be able to search my deals with Deal reference, Products, status so that I could start my matching process on Banks Confirmation MT-300 to Counterparty(CP) Confirmation MT-300 mapped to different status based on workflow defined.

Workflow to be Defined should be based on below

|  |  |  |  |
| --- | --- | --- | --- |
| **Mode** | **Action** | **Expected Status** | **Comment** |
| Manual/Auto | Search | Unreviewed/Matched | All the Documents which are not matched or Auto Matched (Tag SG Reference) |
| Manual | Action by user | Under Review | If Users perform some manual action on Document picked for Analysis (only for UN-MATCH and Close Fit) |
| Manual | Matched by user | Matched | If user performs matching on documents (Includes cases like one to Many /Many to One /Closefit (Tag SG Reference) |
| Manual/Auto | Search | Closefit | While doing search user should have two set of Data which would be System matched and other would be CLOSEFITS (Tag SG Reference) |

**Search Criteria:**

Search Criteria to include Deal reference, Products, status etc. with details below

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Search | | | | | |
| **Dates** | | **Currency** | | **Confirmation status** | |
| Trade Date  (Refer :30T) | = | Buy Ccy  (Refer :32B only currency ISO code) | = | Status  (equals to any of the below parameters) | = Unmatched |
|  | Between | Sell Ccy  (Refer :33B only currency ISO code) | = |  | = Mismatch |
| Settlement Date  (Refer :30V) | = | **AMOUNT** | |  | = Matched |
|  | Between | Buy Amount:  (Refer :32B only amount which is mentioned in numerical values) | = |  | = All |
| Valuation Date / Fixing Date:  (Refer :30U) | = |  | Between | **BIC & REFERENCE** | |
|  | Between | Sell Amount  (Refer :33B only amount which is mentioned in numerical values) | = | Counterparty Bic (Refer :82A/:87A: ) | = |
| **Rate** | |  | Between |  | Contains |
| Rate:  (Refer :36) | = | Archival Date  (not in Swift fields, but depends on the tool's Archival duration) | = | Reference  (Refer :20 /:21) | = |
|  | Between |  | Between |  | Contains |

## Requirement 3: One to One Match:

**User Story**: As a user I would like to match certain static fields of CP MT300 against Banks so that I can confirm my one to one Match on Deals based on Confirmation Document, Update STATUS (Auto /Manual) and tag SG Reference to the deal

Matching criterion 1:1- complete match

* + 1. CCY1
    2. CCY2
    3. Amount1 : We Buy **(32B SG Cone)** v/s We Sell **(33B CP conf)**
    4. Amount2 (directions to be opposite) : **33B** We Sell (SG Conf) v/s **32B** We Buy (Cp conf)

Please refer the below example

*If the deal matches with all the above attributes, then the deal status should be Matched, and Client reference need to be tagged for SG-Reference. \**

**CP Side**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** |
|  | 16/01/2019 | 27/03/2019 | CHF | 220,000 | USD | 223,790.04 | 0.9830643 |
| KTPP27434854 | 16/01/2019 | 27/03/2019 | USD | 353,995.15 | CHF | 347,999.99 | 0.9830643 |
|  |  | **Difference** |  | **130,205.11** |  | **127,999.99** |  |

**SG Side :**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** |
| 06997FXI9704599K | 16/01/2019 | 27/03/2019 | USD | 130,205.11 | CHF | 128,000.00 | 0.9830643 |

## Requirement 4 - Closefit

## User Story As a user would like to create match on financial differences in 2 equal and opposite MT300 swifts exchanged for a transaction which should be highlighted in a separate queue in the tool enabling the user to quickly view only the differences so that relevant action can be taken without spending much time on the analysis.

## Definition of Closefit: Any financial differences in the Sequence B, B1 & B2 details should be highlighted under different workflow status called ‘Closefit’

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Is part of Matching?** | **Match with?** |
| TAG | DESCRIPTION |  | **Client Conf Field** |
| **Mandatory Sequence A General Information** | | | |
| :20 | Our Reference | NO |  |
| :21 | Previous Reference | NO |  |
| :22A | Type of Operation | NO |  |
| :22C | Code/Common Ref. | NO |  |
| :94A | Scope of Operation | NO |  |
| :82 | Party A | YES | :87 |
| :87 | Party B | YES | :82 |
| :77H | ISDA DATE | YES | :77H |
| **Mandatory Sequence B Transaction Details** | | | |
| :30T | Contract Date | YES | :30T |
| :30V | Value Date | YES | :30V |
| :36 | Exchange Rate | YES | :36 |
| **Mandatory Subsequence B1 Amount Bought** | | | |
| :32B | We Buy (Currency & Amount) | YES | :33B |
| :53 | Delivery Agent (1) | NO |  |
| :56 | Intermediary (1) | YES | Intermediary (2) |
| :57 | Settlement (1) | YES | Settlement (2) |
| :58 | Beneficiary (1) | YES | Beneficiary (2) |
| **Mandatory Subsequence B2 Amount Sold** | | | |
| :33B | We Sell (Currency & Amount) | YES | :32B |
| :53 | Delivery Agent (2) | NO |  |
| :56 | Intermediary (2) | YES | Intermediary (1) |
| :57 | Settlement (2) | YES | Settlement (1) |
| :58 | Beneficiary (2) | YES | Beneficiary (1) |
| **Optional Sequence C Optional General Information** | | | |
| :72 | Sender To Receiver Information | NO |  |

Mismatch in financial can happen either because one of the below mentioned fields is different or combination of below 4 Fields.

|  |  |  |  |
| --- | --- | --- | --- |
| TAG | DESCRIPTION |  | Client Conf Field |
| :30V | Value Date | YES | :30V |
| :36 | Exchange Rate | YES | :36 |
| :32B | We Buy | YES | :33B |
| Currency |  |  | Currency |
| Amount |  |  | Amount |
| :33B | We Sell | YES | :32B |
| Currency |  |  | Currency |
| Amount |  |  | Amount |

* If the deal matches with all the above attributes, then the deal status should be CLOSEFIT and Client reference need to be tagged for SG-Reference

## APPENDIX

**Structure of MT300**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Is part of Matching? | Match with? |
| TAG | DESCRIPTION |  | **Client Conf Field** |
| :20 | Our Reference | NO |  |
| :21 | Previous Reference | NO |  |
| :22A | Type of Operation | NO |  |
| :22C | Code/Common Ref. | NO |  |
| :94A | Scope of Operation | NO |  |
| :82 | Party A | YES | :87 |
| :87 | Party B | YES | :82 |
| :77H | ISDA DATE | YES | :77H |
| :30T | Contract Date | YES | :30T |
| :30V | Value Date | YES | :30V |
| :36 | Exchange Rate | YES | :36 |
| :32B | We Buy | YES | :33B |
| :53 | Delivery Agent (1) | NO |  |
| :56 | Intermediary (1) | YES | Intermediary (2) |
| :57 | Settlement (1) | YES | Settlement (2) |
| :58 | Beneficiary (1) | YES | Beneficiary (2) |
| :33B | We Sell | YES | :32B |
| :53 | Delivery Agent (2) | NO |  |
| :56 | Intermediary (2) | YES | Intermediary (1) |
| :57 | Settlement (2) | YES | Settlement (1) |
| :58 | Beneficiary (2) | YES | Beneficiary (1) |
| :72 | Sender To Receiver Information | NO |  |

## Purpose of the message MT300

Confirms information agreed to in the buying/selling of two currencies

## Scope of the message MT300

## The MT 300 is used to:

* confirm the details of a new contract between the parties
* confirm an exercised foreign currency option
* confirm the details of an amendment to a previously sent confirmation
* cancel a previously sent confirmation
* report to a trade repository

Links :

<http://www.iotafinance.com/en/SWIFT-ISO15022-Message-type-MT300.html>

<https://en.wikipedia.org/wiki/Foreign_exchange_spot>

<https://www.investopedia.com/terms/o/outright-forward.asp>

<https://en.wikipedia.org/wiki/Foreign_exchange_swap>

<https://www.investopedia.com/terms/n/ndf.asp>