***FX SWIFT MATCHING MT-300***

***1-Many,***

***Many-1,***

***Buy-Sell Matching***

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# Information required

## User Story: (for Requirements no 1 and 2)

As a user I would like to match (One to One, one transaction against Many transactions or vice versa) on Banks MT300 against the counterparty MT300 so that there could be faster and efficient match on my confirmations docs.

## Scope

The Scope includes the requirement to help ITEC build FX Swift Matching platform for All FX Products:

Entity : All SG Entities

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

Deal Status : Booking Validated

BO LOCATION : All

## Requirement

Once confirmation sent from Back-Office by the user, the application/tool is expected to undertake the following actions:

**Run reconciliation activity as per the product details/ conditions listed below**

## Requirement 1: Matching One to Many

1. **Matching 1 to many:**

This Scenario expects the Solution provider to match one transaction detail from MT 300 to Multiple transaction summing up to same amounts and other matching criteria on Counterparty’ s MT-300

Example:

**SG Details: One SG Message**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** |
| 06997FXI9229968A | 31/12/2018 | 2/1/2019 | USD | 123,948 | AUD | 176,000 | 0.70425 |

**CP Details: Many Client Messages**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** |
| KTPP27339958 | 31/12/2018 | 2/1/2019 | USD | 52,819 | AUD | 75,000 | 0.70425 |
| KTPP27339988 | 31/12/2018 | 2/1/2019 | USD | 37,325 | AUD | 53,000 | 0.70425 |
| KTPP27339964 | 31/12/2018 | 2/1/2019 | USD | 30,987 | AUD | 44,000 | 0.70425 |
| KTPP27339956 | 31/12/2018 | 2/1/2019 | USD | 2,817 | AUD | 4,000 | 0.70425 |
|  |  |  | TOTAL | 123,948 |  | 176,000 |  |

1. **Matched Many to One:**

This Scenario expects the Solution provider to match Banks Many transaction details in MT 300 summing up to same amounts and other matching criteria on Counterparty s MT 300 (In essence Opposite to Scenario b)

**CP Details: Many Client Messages**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** |
| KTPP27339958 | 31/12/2018 | 2/1/2019 | USD | 52,819 | AUD | 75,000 | 0.70425 |
| KTPP27339988 | 31/12/2018 | 2/1/2019 | USD | 37,325 | AUD | 53,000 | 0.70425 |
| KTPP27339964 | 31/12/2018 | 2/1/2019 | USD | 30,987 | AUD | 44,000 | 0.70425 |
| KTPP27339956 | 31/12/2018 | 2/1/2019 | USD | 2,817 | AUD | 4,000 | 0.70425 |
|  |  |  | TOTAL | 123,948 |  | 176,000 |  |

**SG Details: One SG Message**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** |
| 06997FXI9229968A | 31/12/2018 | 2/1/2019 | USD | 123,948 | AUD | 176,000 | 0.70425 |

## Requirement 3: Netted Transactions

As a user I would like to match the lines from Banks MT300 against Counterparties MT300 where we expect the solution provider to add the amounts on one Direction(Buy) reduce it from the other direction (Sell) and have a netted amount 1 and 2 in counterparties statement and match them against the single line in Banks MT300 so that I have a netted amount mapped reducing my matching on multiple single transactions.

**Matched by Buy Sell Opposite direction**

1. If you see the below example, we have few lines with amounts is one direction for BUY and one Lines on SELL
2. We reduce the Amounts on Buy from Sell creating a netted transaction with SELL
3. Further looking into Bank Statement, we have only one Line for SELL and netted amount.
4. This makes the overall transaction on both sides as “Good Match” or “Perfect Match”

**Counterparty(CP) Buy Direction Lines**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount1** | **Currency** | **Amount 2** | **Rate** | **Buy/ Sell** |
| KTPP27374412 | 7/1/2019 | 9/1/2019 | AUD | 96,000 | USD | 68,486.40 | 0.7134 | Buy |
| KTPP27374408 | 7/1/2019 | 9/1/2019 | AUD | 88,000 | USD | 62,779.20 | 0.7134 | Buy |
| KTPP27374414 | 7/1/2019 | 9/1/2019 | AUD | 79,000 | USD | 56,358.60 | 0.7134 | Buy |
| KTPP27374410 | 7/1/2019 | 9/1/2019 | AUD | 41,000 | USD | 29,249.40 | 0.7134 | Buy |
|  |  | **SUM** |  | **304,000** |  | **216,873.60** |  |  |

**CP Sell Directions Lines**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** | **Buy/ Sell** |
| KTPP27374406 | 7/1/2019 | 9/1/2019 | USD | 7,000 | AUD | 4,993.80 | 0.7134 | Sell |
| Net |  |  |  | **211,880** |  | **297,000.00** |  |  |

**CP Net Amount**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Net |  |  |  | **211,880** |  | **297,000.00** |  |  |
| Net Difference | 304,000 - 7,000 = **297,000** | | |  |  |  |  |  |
|  | 216,873.60 - 4,993.80 = **211,879.80** | | | |  |  |  |  |

**SG Buy Line:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Payment Ref** | **Trade Date** | **Value Date** | **Currency** | **Amount 1** | **Currency** | **Amount 2** | **Interest Rate** | **Buy/ Sell** |
| 06997FXI9429615A | 7/1/2019 | 9/1/2019 | AUD | **297,000** | USD | **211,879.80** | 0.7134 | Buy |

**APPENDIX**

**Structure of MT-300**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 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>