Version 2.5.3

Category 7 and MT 798 Trade Messages

Frequently Asked questions

This document describes Frequently Asked Questions (FAQs) related to category 7 and MT 798 trade guidelines. This document is intended for anyone who needs more information about the impact of these changes. Please be aware that the document will be updated if new important questions are received and/or new information becomes available.

1. *Where can I obtain more information about the changes to Category 7 and MT 798 Standards?*
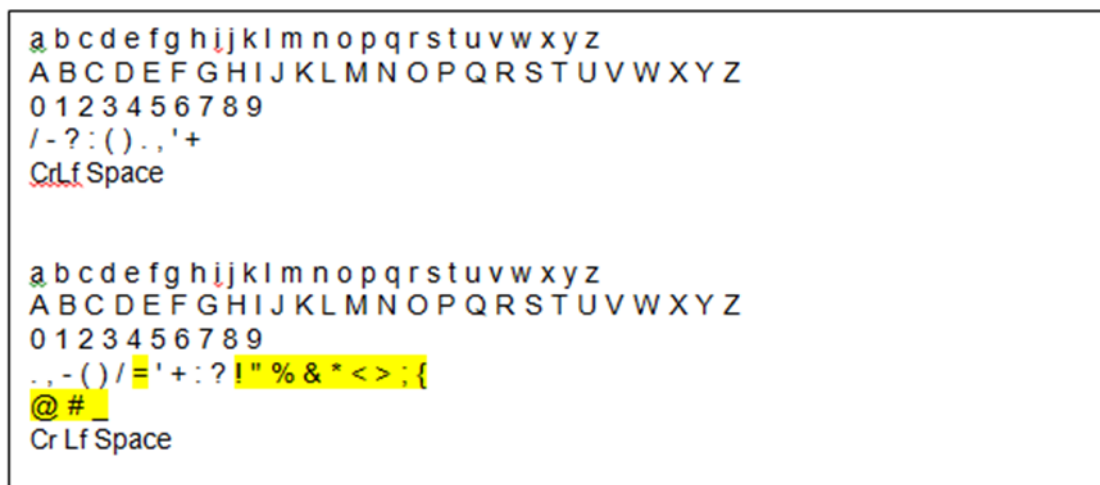
   Answer: On the SWIFT Web site under <u>Standards releases</u> and Release Highlight

   Please scroll down to the category 7 section

Cat 7 Frequently Asked Questions – Common

2. *What are the additional character types that are supported in the **Z** Character Set (Information Service Character Set) over those supported in the **X** Character Set (SWIFT Character Set)?*

   Answer: The characters highlighted in yellow below represent the additional characters supported in the **Z** Character Set.

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   a b c d e f g h i j k l m n o p q r s t u v w x y z
   A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
   0 1 2 3 4 5 6 7 8 9
   / - ? : ( ) . , ' +
   CrLf Space

   a b c d e f g h i j k l m n o p q r s t u v w x y z
   A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
   0 1 2 3 4 5 6 7 8 9
   . , - ( ) / = ' + : ? ! " % & * < > ; {
   @ # _
   Cr Lf Space

   ---

3. *While optional, the MT 759 is designed to replace the MT 799. Why is it needed?*

   Answer: The impetus for the MT759 was from member Banks. This message was designed to be sent to request or to provide information in narrative free text, in relation to a trade transaction such as a documentary credit, demand guarantee, standby letter of credit or a guarantee (e.g., a demand guarantee, surety, etc.). It supplements the free text narrative with several fields not found in the MT 799 to support internal routing direct to the recipient's department/individual(s) concerned. As such it better supports trace queries but was not designed with STP in mind.

4. *While optional, the MT 759 is designed to replace the MT 799. Why is it needed?*
   In order to achieve STP improvement?

   Answer: STP (including reducing the need to use MT 799) was very much in mind with the restructuring of the existing messages, notably the MT 707, MT 760, MT 767, and

development of the new messages. The overall guiding principles for the development and maintenance of MT standards articulates this:

Standards MT

1   **Overall Guiding Principles**

The overall guiding principles for the maintenance, development and implementation of SWIFT standards are as follows:

- STP – Focus on the end-to-end straight-through-processing of financial transactions, for the global financial industry.
- Market needs – Strive to meet the needs of the relevant players within the industry and to optimise the efficiency of all parties within the financial transaction process chain.
- Costs – Strive to protect members' investments in legacy systems and to minimise the cost impact of standards changes on their back-offices.
- Benefits – Standards maintenance, development and implementation will only be proposed if it results in a clear net benefit to members.
- Global consensus for general use messages – Approval of a standard is based on global consensus around the SWIFT user community, weighted by network traffic.

5. *Will the SR 2018 and 2021 be in a "big-bang" mode or is there a "parallel run" option for a short period of time?*

   Answer: Standards Releases are always implemented on a set date each year in November. SR 2018 and SR 2021 will be no different; there is no option for a limited change-over period.

6. *Will there be a specific message type for trade loan requests?*

   Answer: Use the MT 759 (Ancillary Trade Structured Message) with code REQFINAN (Financing request) in Field 23H (Function).

7. *Will the MT 799 (Free Format Message) still be available to use after SR 2018 and after SR 2021?*

   Answer: Yes, however, it is strongly recommended that use of the MT 759 (Ancillary Trade Structured Message) takes precedence.

8. *Are there any messages that will be deleted with SR 2018?*

   Answer: No, all existing message types have been retained, and 9 new messages were added to Category 7 for SR 2018 and SR 2021.

9. *If several MTs 759 are required for one function, how should they be linked?*

   Answer: The MT 759 (Ancillary Trade Structured Message) supports linking of multiple MT 759 messages as a series of MT 759 messages by using field 27 (Sequence of Total) with the same undertaking number in field 23 (if present) and same reference in field 20.

10. Are curly brackets part of the Z character set?

Answer: The left (opening) curly bracket is in the Z character set (not in X), and the right (closing) curly bracket is NOT in Z.

11. Is it possible to include fields with Z characters (i.e., characters in Z set, and not in X) from MT 754 and 756, for example, (which can contain Z characters as of SR 2018) in common group messages 792 (Request for Cancellation), 795 (Queries) and 796 (Answers), which feature at the end "Copy of at least the Mandatory Fields of the Original Message"?

Answer: Yes, this is possible and documented in MFVR (Message Format Validation Rules).

12. Is the Z character set also acceptable in party names? Or: will it be possible to use the Z character set for fields 50 or 59 in the future?

Answer: The WG proposed to use Z character set in party names and extend the name and address fields but after extensive discussions, this has been refused because of the impact on payments messages and systems.

13. Can the Z character set be used in MT 799?

Answer: No. This has not been requested. It can be used in MT 759.

14. We do not have the amendment number recorded in our system. Under the new MT 767, the amendment number is mandatory. How do we handle existing guarantees?

Answer: One option is that as part of the transition for existing guarantees, that provision would be made to capture the sequence number of last amendments issued in the 2018 format (may be manual) and to have that available to the process that generates the new format.
An alternative would be to start with some arbitrary value, e.g., '100' and advise the clients accordingly; or to set to '000' as an indication that no amendment number is available (plus a short disclaimer or explanation in the MT).
This could also apply to MT 707.

15. Reimbursement under standby L/C. Should the MT 740 / 742/ 744 / 747 be used when standby will only be issued by MT 760 (SR 2021) or should different messages be used?

Answer:

The messages are:
MT 740 Authorisation to Reimburse
MT 742 Reimbursement Claim
MT 744 Notice of Non-Conforming Reimbursement Claim
MT 747 Amendment to an Authorisation to reimburse

As long as standby L/Cs will continue to be issued subject to UCP rules, they can include bank to bank reimbursement instructions and be subject to URR if the parties so wish (however this is not frequent). Standby L/Cs can be considered as documentary. Many standbys do require presentation of at least one document (for ex: a beneficiary's

statement). ISP98 has a built-in rule "as soon as a third bank is named, then it is automatically subject to URR".

The recommendation is: The MT 740, 742, 744 and 747 that are used in the context of documentary credits should also be used for guarantees / standby L/Cs (although this is rare and only if relevant).

16. *Should MT 730, MT 732, MT 734, MT 750, MT 752, MT 754 & MT 756 be used as part of a standby L/C transaction?*

Answer: The messages are:
MT 730 Acknowledgement (vs 768 Acknowledgement for guarantee/standby L/C)
MT 732 Advice of Discharge
MT 734 Advice of Refusal (vs 786 guarantee/standby L/C Demand Refusal)
MT 750 Advice of Discrepancy
MT 752 Authorisation to Pay, Accept or Negotiate
MT 754 Advice of Payment/Acceptance/Negotiation
MT 756 Advice of Reimbursement or Payment

MT 730 should not be used; MT 768 should be used instead.
MT 734 should not be used; MT 786 should be used instead.

For the other messages (732, 750, 752, 754 and 756) the recommendation is: these MT's that are used in the context of documentary credits could also be used for standby L/Cs (although this is rare, and only if relevant).

They should not be used as part of guarantee transactions. Specific messages for these functions have not been designed for guarantees, because of low frequency. If needed, MT 759 can be used to perform these functions.

17. *Which MT can be used to change the currency of an undertaking after issuance?*

Answer: It happens (usually as a mistake), that an L/C or standby is issued in the wrong currency. For example, issued in USD 1000 instead of EUR 1000, and therefore an amendment can be made to change only the currency. Changing the currency of standby L/C can be done by 767 in 77U. Changing the currency of a L/C cannot be done in 707, can be done by 799.

18. *How to link a document to an MT message?*

Answer: If a document must be sent related to an MT message, field 23X must be used in the relevant MT (this is mainly implemented in guarantees and standby L/C's interbank MT's and MT 798 flows between corporate and banks), and 23X must contain the delivery channel used and the reference to the file, this would be the filename in case of FileAct file, the courier reference from DHL, etc.
We do not recommend or issue guidelines for a reverse reference, i.e., for including in the document a reference to the MT message (field 20).

Cat 7 Frequently Asked Questions - LC

19. *What are the size constraints for Field 45A (Description of Goods and/or Services) in the updated MT 700 - LC Application Detail and MT 701 - LC Application Extension?*

    Answer: The former specification of the MT 700 stated "To cater for lengthy documentary credits, up to three MT 701s may be sent in addition to an MT 700. However, field 45A may appear in only one message, that is, either in the MT 700 or in one MT 701".

    In the updated specification of the MT 700 (effective November 2018), the restriction that Field 45A may appear in only one message (either in the MT 700 or in one MT 701) no longer applies. The Usage Rules for Fields 45, 46 and 47 have been updated to support more extension messages, from a maximum of 3 to a maximum of 7 extension messages, for MT 701 (and MT 711 and MT 721).

    While fields 45, 46 and 47 do not repeat within the individual MT 700 and MT 701 messages, these fields may now span the MT 700 and/or multiple MT 701s, subject to the maximum message size and extension message occurrence limitations.

    The size limitation under the updated specification of Field 45A, in theory, could be 8 x 100 x 65, some 52,000 characters.

    Also note, the adoption of the extended **Z** Character Set for long fields, includes fields 45, 46, and 47.

20. *If a bank received '/ADD/text' in field 45B on an incoming MT 707, can a bank subsequently send out an MT 707 with the full contents of field 45B qualified with '/REPALL/'.*

    Answer: Yes, if the text after REPALL is correct with respect to the previous text and the new text being added.

21. *For MT 700 / 701 / 710 / 711 / 720 / 721 is it valid to have the same field (45A/46A/47A/49G/49H) on multiple messages?*
    For instance, having a description of goods field of more than 100 lines being specified in field 45A:

    MT700
    27: 1/2
    45A: first hundred lines

    MT701
    27:2/2
    45A: remaining lines

    Answer: Yes, it is permissible to have the same field (45A/46A/47A/49G/49H) in multiple messages. Note, this is a change compared to the previous and it applies from the 2018 MT Standards Release.

22. *When data in fields 45A/46A/47A/49G/49H is distributed across multiple messages for the same field, are there any implications for how fields are distributed?*

For example, with 150 lines for both 45A and 46A, would the following examples be correct (assuming the data does not exceed the maximum length of an individual message)?

Example 1
MT700
27:1/2
45A:100 lines
46A:50 lines (i.e., less than 100 because not enough space in the message)

MT701
27:2/2
45A:50 lines
46A:100 lines

Example 2
MT700
27:1/3
45A:100 lines

MT701
27:2/3
45A:50 lines
46A:75 lines (i.e., less than 100 because not enough space in the message)

MT701
27:3/3
46A:75 lines

Answer: The above examples are correct. As long as each field is less or equal to 100 lines and total length of message does not exceed 10K characters.

23. *In the context of an MT 707 / MT 708, where code '/REPALL/' can be used to indicate that the contents of fields 45B/46B/47B/49M/49N should be replaced, does this need to appear on each occurrence of the respective field when the field spans multiple messages?*

Answer: Yes, it applies in a similar manner across the MT 707 / MT 708 where the code '/REPALL/' must appear of at beginning of the first line of field 45B for every occurrence of field 45B.
For example, in using '/REPALL/' to replace all the content of 45A, where the total length of the new field is 150 lines, then both instances of 45B (e.g. first with 100 lines in a MT 707, second with 50 lines in a MT 708) must have '/REPALL/'at the beginning of the first line.

24. *Why do fields 45A/46A/47A/49G/49H in the MT 700 / 701 / 710 / 711 / 720 / 721 have different tags for fields: 45B/46B/47B/49M/49N in the MT 707 / MT 708?*

Answer: Tags ending in 'A', 'G' and 'H' are without codes, tags ending in 'B', 'M' and 'N' require the use of the codes '/ADD/', '/DELETE/' and '/REPALL/' and are validated accordingly.

25. *In the context of MT 707 / MT 708, the multiple codes, '/ADD/', '/DELETE/' and '/REPALL/', can be used to indicate that the contents of fields 45B/46B/47B/49M/49N need to be changed. An example:*

    :45B:/DELETE/
    FOB EUROPEAN SEAPORT
    /ADD/
    FOB EUROPEAN SEAPORT OR FCA EUROPEAN AIRPORT
    :46B:/DELETE/
    +FULL SET OF CLEAN ON BOARD OCEAN BILLS OF LADING MADE OUT TO THE ORDER OF XYCBANK MARKED FREIGHT COLLECT AND NOTIFY APPLICANT
    /ADD/
    +FULL SET OF CLEAN ON BOARD OCEAN BILLS OF LADING OR AIRWAY BILL MADE OUT TO THE ORDER OF XYCBANK MARKED FREIGHT COLLECT AND NOTIFY APPLICANT

    Here is another example for a scenario in which the client asks their bank for delivery of additional 50 red t-shirts and noted that the bank had 4 options to change the L/C.

Original Goods description:	No	Amendment options:	Goods description new:	Remarks
100 t-shirts red 100 t-shirts green 100 t-shirts blue	1	/ADD/ 50 t-shirts red	100 t-shirts red 100 t-shirts green 100 t-shirts blue 50 t-shirts red	The added text is added at the end of the goods description
	2	/REPALL/ 150 t-shirts red 100 t-shirts green 100 t-shirts blue	150 t-shirts red 100 t-shirts green 100 t-shirts blue	the text is showing the appropriate order
	3	/DELETE/100 t-shirts red /ADD/150 t-shirts red	100 t-shirts green 100 t-shirts blue 150 t-shirts red	The added text is added at the end of the goods description
	4	/DELETE/ 100 t-shirts red 100 t-shirts green 100 t-shirts blue /ADD/ 150 t-shirts red 100 t-shirts green 100 t-shirts blue	150 t-shirts red 100 t-shirts green 100 t-shirts blue	same result as option no. 2 (Not recommended, REPALL should be used instead)

26. Unclear as to the reason for Rule C2 in the MT 707 message definition where it states:

C2   At least one field must be present after field 22A (Error code(s): C30).0).

Answer: Field 22A describes the purpose of the MT 707 amendment message by using a set of codes ('ACNF', 'ADVI', 'ISSU') and the fields after 22A describe the change itself. If there was no field after 22A there would be no change indicated and therefore it would not fulfil the MT 707 function of being an amendment.

27. Is consideration being given to removing the MT 705 (Pre-Advice of a Documentary Credit) from the Category 7 message set?

Answer: The MT 705 is still used, albeit at a low volume. Until such time as usage reaches a negligible level and there is no community demand for the MT 705, it will remain part the Category 7 message set.

28. Is it possible to indicate a change of currency and amount in the MT 707?
For example, an LC amount is changed from USD 1000 to EUR 5000.

Answer: No, the currency of any increase/decrease in the credit amount must be in the same currency as that of the original credit amount.
However, it should be noted that it does happen (usually as a mistake), that an LC is issued in the wrong currency. For example, issued in USD 1000 instead of EUR 1000, and therefore an amendment can be made to change only the currency.

29. If the goods description contains the same wording more than once and I want to delete only one occurrence? How would I use the /DELETE/?

Answer: /DELETE/ is an instruction to delete one occurrence, not several.
Depending on placement, the '/DELETE/' would delete next occurrence of the wording.
Consideration of using '/REPALL/' would avoid any ambiguity.

30. With the MT 707, which amount does the add confirmation (CONFIRM in Field 49 - Confirmation Instructions) refer to if an increase is made to an amount which hasn't been confirmed yet?

Answer: The confirmation is expected on the amended amount as indicated by the code ACNF (Advice and confirmation of the credit amendment) in Field 22A (Purpose of Message) and use of code CONFIRM (The requested confirmation party is requested to confirm the credit) in Field 49.

31. Will an MT 707or 708 message be 'Nacked' if one of the code words /ADD/, /DELETE/, /REPALL/ is not entered in Fields 45B/46B/47B/49M/49N at the start of the first line in the field?

Answer: The absence of the mandatory code will mean the MT 707 or 708 will be 'Nacked'.
Format of these fields is defined as:
          Line 1   /6c/[additional information] (Code)(Narrative)

If the text following the instruction is longer than 100 lines, then the rest of the text (after 100 lines) must be entered in the continuation message, with the field starting with same instruction.

For example
MT 707
:45B:/DELETE/
Text of 100 lines

MT 708
:45B:/DELETE/
Rest of the text

Multiple delete with same text:
If you input
/DELETE/ text1

It will delete the first occurrence of text1 in the field.

If you input a second
/DELETE/ text1

It will delete the first occurrence it finds, but because the first occurrence has already been deleted, you delete in fact the second occurrence from the initial text.
This way you can delete all occurrences of a text in a field.

Regarding the usage of multiple ADD/DELETE/REPALL

REPALL can only be used once. More does not make sense.
ADD can be used several times; by default, text is added at the end, but combinations of DELETE plus ADD can be understood as "replace text"
DELETE can be used several times and it makes sense. If you have a bulleted list and you want to remove second and fifth line, the only way to accomplish this is with 2 DELETE.

In practice the combinations of keywords that make sense are:
1° one REPALL
2° one or several DELETE
3° one ADD (text added at the end)
4° one or several combinations of DELETE plus ADD

FIN MT Validation of fields with codes ADD/DELETE/REPALL

Each line is up to 65 characters (never more)
If a line does not start with a / it can contain any series of Z characters
If a line starts with a /, it must be followed by a valid code, a / and optionally other characters

A line starting with a / and not followed by a code will be NACKED in all cases.

Text can start on same line or on next line, both are valid.

Text to be deleted needs to be unambiguous. Or a text mentioned with /DELETE/ should be extended to become unambiguous."

The combination of "DELETE + ADD" should be understood as "replace selected text".

32. *Previously, MT 701 / 711 / 721 were generated only if the content in fields 45A/46A/47A in an MT 700 / 710 / 720 exceeded their respective field size. However, with the new MT 701 / 711 / 721 are the same controls applied to other fields?*

Answer: Yes, field 49G (Special Payment Conditions for Beneficiary) and field 49H (Special Payment Conditions for Receiving Bank).

33. *The new MT 707 appears to have almost the same fields as the MT 700; will it support modification of currency, Issuing bank or applicant?*

Answer: No. The currency of any increase/decrease in the credit amount must be in the same currency as that of the original credit amount. All fields in the MT 707 up to field 22A (includes issuing bank) are used to identification purposes and are not subject to amendment. There is a field 'Changed Applicant Details' in case of merger or acquisition of applicant.

34. *If a confirming bank has been required to confirm a letter of credit, and the confirming bank refuses to add its confirmation should it keep using a MT 799?*

Answer: Use the MT 759 (Ancillary Trade Structured Message) with code OTHERFNC (Other request) in Field 23H (Function).

35. *If MT 707 is accompanied by one or more MT 708 messages, how is the total number of MT 708 messages indicated?*

Answer: Field 27 (Sequence of Total) provides a count of the total number of MT 707 and MT 708 messages in the series of messages sent for one L/C amendment. If we have one MT 707 followed by two MT's 708, the tag 27 of the MT 707 contains the value 1/3, the tag 27 of the first MT 708 contains 2/3, and in the last MT 708, the tag 27 contains 3/3.

36. *Why was the code word BENCON removed from field 72Z in MT 707?*

Answer: The code word BENCON has been removed because it was misleading, i.e., it gives the impression that asking for the beneficiary's acceptance (or not) is an option. In fact, as per UCP 600, the beneficiary's acceptance (or not) is always required.

Please note that there is no NVR associated to this field, which means that it is not validated. So, if your application continues to send the code word BENCON, it should not be a problem.

37. *If a bank receives instructions in the new field 49H (Special Payment Conditions for Bank Only) and there is another bank in the chain, are they expected to forward these instructions to the next advising bank or are they expected to be only for the bank receiving the message?*

Answer: The field name says explicitly "Special Payment Conditions for Bank Only" So instructions in 49H are intended for the bank specified in the content of field 49H chain. There could be explicit forwarding instructions also specified in the text of the field.

38. How to delete (as opposed to modify) the entire content of a text field in an MT 707?

Answer: If it is a text field (not a coded field), for example 4
4A, 44E, 44F, 44B, 44D, you include the field and input a standard wording "DELETE". This will act as a delete.

(N.B. in general, fields containing only spaces, blank fields, should never be sent)

If it is a field with ADD/DELETE/REPALL, for example 45B, 46B, 47B, 49M, 49N you can enter /REPALL/ followed by nothing. Or /DELETE/ followed by the previous value, but /REPALL/ is more convenient.

Other cases:

40A (Form of Documentary Credit):
40E (Applicable Rules):
31D (Date and Place of Expiry):
41a (Available With … By …):
49 (Confirmation Instructions):
No option to "delete" this field, as it is mandatory in MT 700, therefore always required.

31D (Date and Place of Expiry):
If one sub-field only must be changed, you need to repeat the element that does not change.

43P (Partial Shipments):
43T (Transhipment):
43P and 43T: is there a realistic business scenario when one of these fields must be "deleted"? In the extreme case, to delete the field, we propose to input CONDITIONAL and then input a text in 45B to say that field is not relevant.

39A (Percentage Credit Amount Tolerance): to remove the tolerances, the preferred solution is to indicate in text (for example in 47B) that tolerances are removed.

42A (Drawee) and 42C (Drafts at): 42A and 42C go together so you should delete them both and indicate "DELETE 42A and 42C" in 42C
Drawee could be "deleted" by inputting "DELETE" in 4*35x of option D

Regarding 44C: 44C (Latest Shipment) and 44D (Shipment Period) are related. You can remove 44C by providing a text in 44D. If you don't want any date at all, you can input "NO SHIPMENT DATE", in 44D.

Regarding 48 Period for Presentation in Days 3n[/35x] (Days)(Narrative)
To remove this field, don't include it in 707 and mention that there is no Period for Presentation in 47B.

Regarding 58a Requested Confirmation Party

Issuance LC: 49: CONFIRM and tag 58A: SCBLUS33
Amendment LC: amend tag 49 to WITHOUT
58a does not need to be included. 58a is deleted because 49 is WITHOUT

 Reimbursing Bank can be removed by including the field and inputting DELETE in 4*35x, option D. Reimbursing bank can be changed at any time and does not require an amendment. It is not part of the LC itself. So, reimbursing bank can be changed outside of MT 707, i.e., by sending another MT. This is a practice.

Advise Through bank: Same as Reimbursing bank. If this field is deleted or changed, further explanation is needed in 72Z

39. MT 700: Field 49H (Special Payment Conditions for Receiving Bank) Is there an example?

Answer: The use case is that if the Beneficiary seeks financing, as the Applicant pays all the charges, there can be conditions set by the Issuing bank for financing. This text with additional conditions should be put in 49H.

<u>"A typical example of a special financing instruction:"</u>

THIS L/C IS DISCOUNTABLE BY (Nominated/Discounting bank) IF REQUESTED BY BENEFICIARY AT SIGHT FOR THE AMOUNT OF DOCUMENTS PRESENTED IN STRICT CONFORMITY WITH THE L/C TERMS AND COMPLYING PRESENTATION TO YOUR COUNTERS UNDER ADVICE TO US BY AUTHENTICATED SWIFT MESSAGE.
.
IF DISCOUNT OCCURS, PERIOD WILL BE CALCULATED FOR A NUMBER OF DAYS FROM DISCOUNTING DATE YOU WILL COMMUNICATE TO US FOR DRAWING AMOUNT AT THE RATE OF …. + MARGIN OF … PCT PER ANNUM.
.
IN SUCH A CASE, BENEFICIARY HAS TO ASSIGN IRREVOCABLY IN WRITING THE PROCEEDS OF THE DEFERRED PAYMENT UNDERTAKING IN FAVOUR OF THE (Nominated/Discounting bank).
FOR SAKE ORDER, SIGNATURE OF THE BENEFICIARIES ON THE ACT OF THE ASSIGNMENT OF PROCEEDS MUST BE AUTHENTICATED BY A BANK FOR THE CORRECTNESS AND THE CAPACITY OF THE SIGNER.
.
YOU WILL TAKE THE LENDER'S MARKET RATE OF …. BUSINESS DAYS BEFORE THE FIRST DAYS (EXCLUDED) OF EACH INTEREST PERIOD PLUS THE MARGIN.
.
WE (Issuing bank) IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE TO PAY YOU THE FULL FACE VALUE OF DOCUMENTS AS PER L/C AND YOUR DISCOUNTING COMMISSION AT THE MATURITY DATE OF THE L/C, IN ANY CASE, NOTABLY IF A FRAUD ON THE LC IS DISCOVERED.

40. How to remove 42C (Drafts at) and 42a (Drawee) by MT 707?

Answer: 42C (Drafts at) and 42a (Drawee) go together in MT 700 (i.e., must be both present or absent). If you want to remove them both as part of an amendment, one bank suggests inputting "42C and 42a DELETE" in 42C in MT 707.

41. Example of field 49G (Special Payment Conditions for Beneficiary) in MT 700?

Answer: PLEASE ADVISE BENEFICIARIES THAT IN PRINCIPLE WE WOULD

CONSIDER DISCOUNTING ACCEPTED DOCUMENTS AT THE RATE OF LIBOR PLUS …. PERCENT PLUS USD …… (OR EQUIVALENT).
IF BENEFICIARIES WISH TO AVAIL THEMSELVES OF THIS PROPOSAL,
PLEASE INSTRUCT US ACCORDINGLY IN THE COVERING LETTER OR BY SWIFT/TESTED TELEX.

42. *Field 71N "Amendment charges payable by" was added in SR 2018. What is exactly meant by "amendment charges"?*

Answer: By amendment charges, we mean amendment charges on both sides (issuing and advising), which are directly linked to the amendment.
Charges which are indirectly linked to amendment are not in scope, for example, increase of confirmation charges in case the amount is increased.

Cat 7 Frequently Asked Questions – Guarantees/standby LCs

43. *What is involved with the removal of guarantee/standby codes from MT 700 series in SR 2021?*

Answer: Changes shown in the SR 2018 for the MT 700, MT 705, MT 710, and MT 720 are only those changes that will be implemented in SR 2018. A further change is planned for SR 2021 that impacts the handling of guarantees/standby L/Cs.

Today, the MT 700, MT 705, MT 710, and MT 720 can be used to issue, advise, or transfer a standby L/C and the MT 707 is used for an amendment. This is achieved through the use of the following code-words highlighted in yellow:

Field 40A: Form of Documentary Credit

FORMAT

| Option A | 24x | (Type) |

PRESENCE

Mandatory

DEFINITION

This field specifies the type of credit.

CODES

Type must contain one of the following codes (Error code(s): T60):

IRREVOCABLE	The documentary credit is irrevocable
IRREVOCABLE TRANSFERABLE	The documentary credit is irrevocable and transferable
IRREVOCABLE STANDBY	The standby letter of credit is irrevocable
IRREVOC TRANS STANDBY	The standby letter of credit is irrevocable and transferable

As of SR 2021, the "standby" codes (IRREVOCABLE STANDBY and IRREVOC TRANS STANDBY) in these messages will be removed and the structured MT 760 must then be used for the purpose of issuing a standby L/C and demand guarantees, and the MT 767 must be used to amend them.

In field 40E: Applicable Rules – the related code word for "standby" (ISP LATEST VERSION) will be also removed.

44. *Which MT should be used to amend a guarantee/standby issued using an MT 700 after SR 2018 and before 2021?*

   Answer: After SR 2018 and before SR 2021, the MT 707 should be used to make an amendment to a standby L/C which was issued using an MT 700.
   After SR 2021 the MT 760 must be used for issuance of a standby L/C and the MT 767 must be used to make an amendment (irrespective of whether the standby L/C was issued prior to SR 2021 using an MT 700 or not).

45. *Which sequences (B or C) should be filled-in by an applicant when asking its bank to either issue a guarantee/standby in favour of the beneficiary or to request that a counter-guarantee/counter-standby is needed to facilitate the beneficiary's local bank issuance of a guarantee/standby LC?*
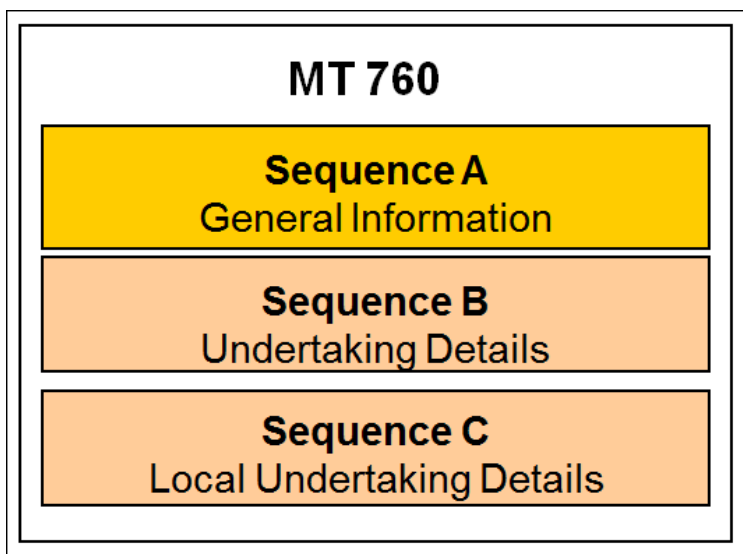
   The MT 760 message consists primarily of structured fields and many contain coded options (e.g., amount, parties, expiry details, etc.) The message has been designed with three distinct blocks:
   Sequence A: General information
   Sequence B: Mandatory, indicates the details of the undertaking or counter-undertaking
   Sequence C: (optional) indicates the details of the requested local undertaking

   The applicant must always complete sequence B, and in the case where a local undertaking is requested to be issued by a local bank, such details can be completed in sequence C. Sequence B then serves as detail for a counter-undertaking to be issued by the applicant's bank in favour of the local bank.

   In case of issuance of counter counter-undertaking, the details of the counter counter-undertaking go in sequence B, the details of the counter-undertaking go in field 77U of sequence B, and the details of the requested undertaking in sequence C.

46. *Clarify usage of code ADVI (Advice of issued undertaking) in MT 760?*

   Answer: Distinct from the codes ISSU (Issuance of undertaking), ISCO (Issuance of

counter-undertaking) and ICCO (Issuance of counter-counter-undertaking), the codes ADVI (Advice of issued undertaking) and ACNF (Advice and confirmation of issued undertaking) are used by the 1st advising bank to advise the 2nd advising bank the details of the issued MT 760 or the amended MT 767 guarantee / standby L/C. Codes ISSU, ISCO and ICCO are used by the issuing bank to designate that the MT 760 is being advised by the issuing bank itself.

There may be multiple advising banks in the chain and all advising banks would use code ADVI or ACNF, the latter only when the advising bank is adding its confirmation.

47. *If the bank transfers/advises guarantees issued by another bank what format will it use after SR 2018 and after SR 2021?*

Answer: After SR 2018 the bank with continue to use the existing MT 760.
After SR 2021 the bank must use the new MT 760 and MT 761 as defined to advise guarantee. The old MT 760 will no longer be supported. The bank may use an MT 759 (Ancillary Trade Structure Message) with code TRANSFER (Transfer of an undertaking) in Field 23H (Function) to transfer guarantee.

48. *With the issuance of a guarantee using the existing MT 760, nearly all the guarantee information is placed into field 77C (Details of Guarantee). Will this be no longer possible from SR 2021 onwards?*

Answer: With SR 2021, the MT 760 has a very structured format in order to facilitate better automation. Guarantee / standby LC information needs to be captured in designated fields in the MT 760 and any accompanying MT 761. Field 77C does not exist in the new MT 760, however it should be noted that the field 77U (Undertaking Terms and Conditions) is a free text field (150*65z).
As much as possible, information must be captured in the structured fields and if one or more details cannot be captured correctly within the fields then the free text field 77U should be used.

49. *In accordance with the naming of the MT 760 (Issue of a Demand Guarantee/Standby Letter of Credit), is this message type intended for independent guarantees / independent standby LCs only? In regard to accessory guarantee, what message type shall we use?*

Answer: For an accessory guarantee, the MT 759 (Ancillary Trade Structured Message) should be used, with the following codes UNDK (Undertaking - for example guarantee, surety) in Field 22D (Form of Undertaking) and ISSUANCE (Issue of a free-form undertaking such as a dependent guarantee) in Field 23H (Function).

50. *Is there a limit on the size of MT 768?*

Answer: Maximum length of 2000 characters.

51. *Upon implementation of SR 2021, an MT 760 is used to issue a Demand Guarantee or Standby L/C. In Tag 48D (Transfer Indicator) we can indicate that the undertaking is transferable. If a Transfer is issued, which MT message is used to transfer the instrument?*

Answer: Use the MT 759 (Ancillary Trade Structured Message) with code TRANSFER (Transfer of an undertaking) in Field 23H (Function).

52. What if there are more than one applicant and/or more than one beneficiary?

Answer: In the MT 700 field 47A (Additional Conditions) may be used to describe additional parties.
In the MT 760 field 77U: (Undertaking Terms and Conditions) may be used to describe additional parties.

53. In the same way that the 707 was significantly changed, we anticipate that there will be similar need to update the MT 767 (29 tags) to bring it more in line with the new MT760 (66 tags), correct? If yes, when can these changes be expected?

Answer: The amendment message design for guarantees / standby L/Cs focussed on those fields which would be most subject to a change. Other exceptional changes could be handled in a more generalised manner by using fields such as 77U (Other Amendments to Undertaking) and 77L (Other Amendments to Local Undertaking). Usage experience may give rise to future refinements through change requests*.*

54. Will the new MT 760 have a specific tag for reimbursement authorization?

Answer: Not a specific tag, but reimbursement arrangements may be specified in MT 760 field 77U.

55. If the MT 760 has a reimbursement authorization would a nominated bank need to use the MT 742 to claim reimbursement?

Answer: Yes, The MT 740 and 742 (and the series) that are used in the context of documentary credits should also be used for guarantees / standby L/Cs (although this is rare).
Also note that ISP98 rules contain a default rule that allows reimbursement to be subject to URR725 (current). As such a bank that issues a standby LC subject to ISP98 must be allowed to use the MT 740 to issue a reimbursement authorization under that standby L/C.

56. Why was the field ISSUE/REQUEST removed from MT 760?

Answer: ISSUE/REQUEST code list was removed because the codes in field 22A
"Purpose of message" cover the different functions in the new MT 760.
The codes in 22A are:

ACNF Advice and confirmation of issued undertaking
ADVI Advice of issued undertaking
ICCO Issuance of counter counter-undertaking and request to issue counter-undertaking
ISCO Issuance of counter-undertaking and request to issue local undertaking
ISSU Issuance of undertaking

57. Where do I put information that was previously on the corporate cover letter (Advice)?

Answer: Such information can be included in fields 78B or 72Z of MT 798<745> (Advice of issued Guarantee/ Standby LC).

58. What is the meaning of the code "Bill of lading" in 22K (Type of Undertaking) of MT 760?

Answer: It is referring to guarantees issued to shipping companies related to loss or inability to produce original bills of lading at the time of clearing/claiming the goods; also called "steamship guarantee".
For more information on the different types of undertaking listed in 22K, we recommend consulting rules publications like ISP98, or "Guide to ICC Uniform Rules for Demand Guarantees URDG" from the ICC.

59. *I have heard that the MT 759 shall be used for dependent guarantees / suretyships? And if so what about the issuance of an independent counter-guarantee asking for the issuance of a suretyship?*

Answer: It is possible to issue a counter undertaking (independent) and request to issue locally a dependent instrument (DEPU is a value of 22D in sequence C but not in B). Dependent undertaking may not be issue by MT 760, but well by MT 759.

60. *Regarding field 22K (type of undertaking) in MT 760, why isn't this field also in sequence B?*

Answer: We followed a legal advice not to put 22K (Type of Undertaking) in sequence B. 22K is present in sequence C because it will help the issuing bank to choose the wording of the undertaking. But in sequence B (which is the issued instrument), the wording/text of the undertaking completely determines what it is. If field 22K was present, there is a risk of conflict between 22K and the wording, so it was decided to have the text and not 22K.

61. *Regarding field 48B, Demand Indicator, in MT 760, why are there three codes and are they all different?*

Answer: It has been suggested that the code NMPT Multiple and partial demands not permitted, is redundant. But there is a concern about interpretation of these codes in all possible jurisdictions. "Partial demands not permitted" does not completely exclude the possibility to make a demand for the full amount more than once. Although two codes seem sufficient, there may be some interpretations that make the third code useful.

62. *Should an amendment be used to turn a direct guarantee into an indirect (counter) guarantee?*

Answer: A direct guarantee has been issued with MT 760 field 22 A purpose ISSU, and there is a need to amend the guarantee as a counter-guarantee, can I use in field 22 A of MT 767 ISCA or ICCA code?
Answer: the actions should be: firstly, issue the counter guarantee/standby but not allowing to draw until the first guarantee/standby is returned. Then have the first guarantee/standby returned/cancelled. It should not be done by amendment, because too many elements (for example, beneficiary) have changed, and it would be confusing to the receiving bank.

63. *How do we handle multi-currency guarantees/standby L/Cs in the different MTs of the 760 series?*

Answer: 760/761 (Issuance): details of amounts in the other currencies in 39F "Additional Amount Information" or possibly 77U/77L
765 (Demand): details of amounts in the other currencies in 78 "Additional Amount Information" or possibly 49A "Demand Statement"

767/775 (Amendment): details of amounts in the other currencies in 77U/77L "Other Amendments to Undertaking"
769 (Reduction/release): details of amounts in the other currencies in 39C "Amount Specification" 4*35x
786 (Demand refusal): Normally, the reference to Demand Amount and Demand Submission Date is enough. Otherwise, details of amounts in the other currencies in 77J "Reason for Refusal Specification" 70*50z.

64. How to fill in the party fields in the 760 MT's, depending on scenario?

Answer: The following table shows how to fill the different party fields in the most complex scenario, counter counter/counter undertaking/issuance of local undertaking with advising and advise through banks.
It can be used in simpler scenarios, for example in the case of counter undertaking and local undertaking, simply ignore the first line (A). In case of a local issuance without advising and advise through banks, fields 56 and 57 will not be filled.
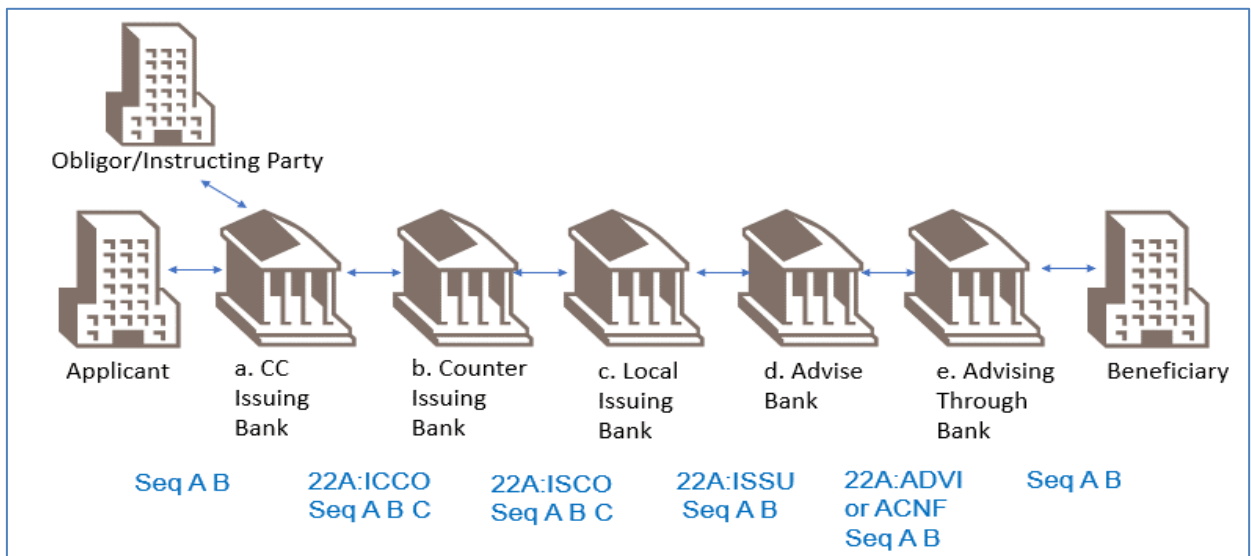
Step	Sender	Receiver	Purpose	Seq B						Seq C			
				50 (O)	51 (O)	52 (M)	56 (O)	57 (O)	59 (M)	50 (M)	51 (O)	52 (O)	59 (M)
A. ICCO issued by a. (C C Issuing)	a.	b.	ICCO	Applicant	obligor	Bank a.	Bank d.	Bank e.	Bank b.	Applicant	obligor (same as in SeqB)	Bank c.	Ben
B. ICCO received -> ISCO sent	b.	c.	ISCO	Applicant	obligor	Bank b.	Bank d.	Bank e.	Bank c.	Applicant	obligor (same as in SeqB)	Bank c.	Ben
C. ISCO received -> ISSU sent	c.	d.	ISSU	Applicant	Obligor	Bank c.	Bank d.	Bank e.	Ben	n/a	n/a	n/a	n/a
D. ISSU received -> ADVI/ACNF	d.	e.	ADVI/ACNF	Applicant	obligor	Bank c.	Bank d.	Bank e.	Ben	n/a	n/a	n/a	n/a

If the obligor is different from the applicant, for example holding-subsidiary, both parties must be mentioned (in 50 and 51). These are normally corporations; 50 and 51 in sequence B may be the same party; 50 and 51 in sequence C are normally not the same party; both 50 and 51 are mentioned in sequence C for compliance reasons. Field 50 represents the

applicant that appears on the local undertaking. Field 51 represents the obligor/instructing party as indicated on the original undertaking that was initially issued.

If there is one (or more) advise through bank, when sending to the advise through bank it must be mentioned in 57a and as per a NVR the (first) advising bank must also be mentioned. In general, the receiver of the message must be explicitly mentioned in a party field, to specify the business role of the receiver.

65. Why is field 45L Underlying Transaction Details mandatory in sequence C of 760 MT?

Answer: Field 45L is mandatory in sequence C, which provides the details of the local undertaking to be issued by the receiver of this message, because it is deemed necessary for the local bank to issue the right type of undertaking and for compliance reasons (to allow the recipient to run compliance checks). This was done following legal advice. In sequence B (the issued undertaking) it is mandatory in case of issuance, this is covered by a usage rule:

`Field 45L must be present in sequence B if the message is used for issuance of an undertaking, that is, field 22A (Purpose of Message) in sequence A contains the code ISSU.`

The complete guideline for 45L is:
If the message is for issuance of an undertaking (22A = ISSU), then field 45L must be present (mandatory) in Sequence B.
If the message is for advising or confirming an undertaking (22A = ADVI or ACNF), then field 45L may be present (optional) in Sequence B.
If the message is for issuance of a counter or a counter-counter undertaking (22A = ISCO or ICCO), then field 45L must not be present in Sequence B, but must be present in Sequence C.

66. In case of cancellation of a counter undertaking, i.e., a MT 767 sent with code ISCA (or ICCA) one field in sequence C is mandatory, so which field should be filled if no other information is input?

Answer: It is recommended to put in 77L: "CANCEL" or a cancellation reason.
If needed a cancellation reason can be input in 72Z.

67. Field 31D on the MT700 states "Date and place of expiry" – on the MT760 field 31E only reflects "Date of Expiry" – Please advise the field SWIFT recommends is used for the "Place of Expiry"

Answer: Field 45C (Document and Presentation Instructions) may be used when necessary.

68. Where would we select "by Payment" on the MT760 (Field 41D on MT700) or would this no longer be required for a Standby LC?

Answer: "By Payment" is considered the default and is always used for guarantees/SBLCs, so no need to specify it. If you absolutely need to indicate "by payment" or alternative, field 77U (Undertaking Terms and Conditions) may be used when necessary.

69. *Field 41A "Available With" on the MT760 does not allow for the selection of making the Standby available with "Any Bank" due to the field requiring a BIC code to be inserted. Please advise if SWIFT recommends an alternate field on the MT760?*

   Answer: Option G of field 41a (Available With…) should be used to indicate "Any Bank".

70. *This is regarding NAK C20 for MT760, where in SR2021 message, which did not include field 49 and did include field 58 got NAKed with mentioned code. , while NVR shows only the following rules. Could you please clarify how it should be interpreted? If field 49 is missing, then message also will be NAKed with C20*

   Answer:
   Valid combinations for field 49 (Confirmation Instructions) and 58a (Requested Confirmation Party) are:
   > F49 & F58a both not present
   > F49+CONFIRM with F58a
   > F49+MAY ADD with F58a
   > F49+WITHOUT without F58a

   If F49 (Confirmation Instructions) is not present it means, there is no intention to have it confirmed and F58a (Requested Confirmation Party) would not make sense, hence it must not be present.

71. *In MT786 - Demand refusal, there is a mandatory field :30: Demand Submission Date with definition: 'This field specifies the date the demand was submitted to the issuer of the undertaking'*

   What is the common understanding of this date?
   Is it the date of the demand (i.e. date on the document)
   Is it the date the demand was sent (date mailed or date message was sent)? or
   Is it the date the demand was received by the issuer?

Also, can a 'demand refusal' be considered invalid/improper (and therefore precluded) because the date stated in the field is not correct or is disputed as not being the "date the demand was submitted"?

Answer: Field 30 (Demand Submission Date) is an indication of the date the demand was sent (date mailed or date the message was sent). The submission date reported in field 30 of MT 786 is for information and not a reason for refusal, field 77J (Reason for Refusal) prevails.

72. *How is code DPAY (Direct Pay) different from code PAYM (Payment) in field 22K of MT 760?*

Answer: Code DPAY refers to "Direct Pay (Undertakings backing Bonds)", a practice more common in the US.

MT 798 - Frequently Asked Questions

Clarify usage of fields 21A and 21P and associated additional business references:

A set of messages from a single sender are linked using field 27A (Message Index/Total) and field 21A (Customer Reference Number) or 21P (Bank Reference Number), depending on the message set function), and are supplemented where appropriate with the document reference number, e.g., documentary credit number or undertaking number.
It is required that in a single group (index, details, extensions) of MT 798, field 21A or 21P is identical, and different from the reference in other groups. One possible scheme for this is to enter the date in YYYYMMDD format followed by a sequence number; the first group sent on a particular day would have DATE-1, the second group DATE-2, etc. Other schemes are possible.

For example, the guideline present in V4 for documentary credit and guarantee amendments is still valid (and repeated here), it is important that the 21A and 21P references are such that it clearly allows the recipient to differentiate one set of messages (e.g. MT 798<784> + MT 798<760> + MT 798<761>) from another set of related messages (e.g. MT 798<763> + MT 798<767> + MT 798<775>) for the same documentary credit or guarantee. A set of related messages may directly or closely follow a prior message set. Accordingly, it is recommended that for each message set, that 21A and 21P be structured to include a number as a suffix to the base reference. For example, the first amendment as "21A:I1212190004/**A001**", the second as "21A:I1212190004/**A002**", the third as "21A:I1212190004/**A003**, and so on.

Field tag 21A (Customer Reference Number) **and 21P (**Bank Reference Number)

In the bank-to-corporate flows:
- 21P must be present and mandatory in all messages of the flow (as it binds the messages)
- 21A may be present, but then only in the index message, if this reference is provided, it is not useful to repeat it in details and extension messages
Some flows are such that the B2C message is the first one, no preceding C2B message (example Settlement), in this case 21A is optional or absent; some flows are a response to a request, in this case 21A is mandatory.

In the corporate-to-bank flows:

- 21A must be present and mandatory in all messages of the flow (as it binds the messages)
- 21P may be present, but then only in the index message, it is not useful to repeat it in details and extension messages.
Some flows are such that the C2B message is the first one, with no preceding B2C message, in this case 21P is optional or absent; some flows are a response to a request, in this case 21P is mandatory.

Business References for Bank (21S) and Corporate (21T)

As fields 21A and 21P should be considered as technical references used for linking messages together, all flows should also contain business references, one for the corporate and one for the bank. These fields are mandatory for the sender and must contain either an undertaking/LC number or another meaningful reference (to the sender) if no undertaking/LC number is available. For example, in an application from the corporate, it could be an invoice number or project number. In general, it could also be an ERP reference, or a type of reference agreed between the two parties.

The bank receiving the message is required to send back the same references (related references 21A and 21T), in the same field, in the message that is the response to the corporate.

If the bank initiates a message exchange, it will fill in "Bank Business Reference". The corporate receiving the message is required to send back the same references (related references 21P and 21S), in the same fields, in the message that is the response to the bank.
More information on references is available in MIG.

73. How to report taxes in charges in settlement messages

    MT 798<757> - Settlement of Import Documentary Credit Index
    MT 798<758> - Settlement of Export Documentary Credit Index

    Charges and taxes are reported in field 71E (Details of Commission and Charges in free text or coded form). The coded field form is defined as:
        /8a/1!a/[3!a13d][Narrative]
        (Type)(Bank)(Currency) (Amount)(Narrative)

    For example:
1) Type code: ACCPTCOM (Acceptance commission), ADVCOM (Advising commission), CORCOM (Correspondent's commission), TAX (Tax), etc.
2) Bank code: B (charged by the bank sending the message) or O (charged by another bank than the bank sending the message)
3) Currency
4) Amount
5) Narrative (free text, 35z)

    The type code is specified at the beginning of the line with a leading '/'. The same type code can be repeated on several lines. With taxes on charges or commissions, this can be reported on a TAX line using type code '/TAX', to indicate the percentage tax and base amount in Narrative, e.g.:

    /CORCOM/O/EUR1000
    /TAX/O/EUR150/15% on CORCOM

74. Explain the guideline for 33a Net Amount in the different messages, how should it be computed?

    MT 798<731> - Notification of Advice of Discharge Index
    MT 798<755> - Notification of Advice of Reimbursement or Payment Index
    <u>33a Net Amount</u> - This field specifies the currency code and net amount that was or will be remitted or is to be claimed, and possibly a value date.
- For import side: Net Amount is Principal Amount + Additional Amounts + Amount of Commission of Charges (Net amount is debited)
- For export side: Net Amount is Principal Amount + Additional Amounts - Amount of Commission of Charges (Net amount is credited)

    MT 798<757> - Settlement of Import Documentary Credit Index
    <u>33a Net Amount</u> - This field specifies the currency code and net amount that was or will be claimed, and possibly a value date.

- For import side: Net Amount is Drawing Amount (+ Additional Amounts) + Amount of Commission of Charges

MT 798<758> - Settlement of Export Documentary Credit Index
<u>33a Net Amount</u> - This field specifies the currency code and net amount that was or will be remitted or is to be claimed, and possibly a value date.
- RULE: For MT 798<758> (Export) when 12R (Reason for Message) is:
  - PAYM this amount represents a credit.
  - BOTH this amount represents a credit.
  - CHGS this amount represents a debit.

75. Is there no impact on MT 730 acknowledgement message as a result of the new MT 798<719> - Response to a Draft Undertaking?

The MT 730 is an inter-bank message used to acknowledge the receipt of any documentary credit message following issuance. Not applicable to the MT 798 flows.

76. What should a bank do when they receive L/C or guarantee via MT 798 from another bank?

The MT 798 message type may be used as an interbank message with another bank, with which they have an established bilateral agreement and where it is clear on the business context and exact purpose of the MT 798. Otherwise, the MT 798 should be rejected by the receiving bank and the sending bank notified accordingly.

The interbank MT 798 must not be used when an existing message type is available and applicable. For L/Cs if the sending bank is the issuing bank, it should use the MT 700. If the sending bank is not the issuing bank, it should use the MT 710.

For guarantees/standby L/Cs if the sending bank is the issuing bank, it should use the MT 760. If the sending bank is not the issuing bank, it should use still the MT 760.

77. What is the difference between MT 798<793/790> (Notification of Settlement of Charges) and MT 798<757> (Settlement of Import Documentary Credit) and MT 798<758> (Settlement of Export Documentary Credit)?

The MT 798<758> is sent to the corporate (beneficiary) by its bank. It is used to report the settlement of payment and/or charges on the beneficiary's side by its bank. It is specific to the export side and is designed to report the settlement of the drawings under the credit.

The MT 798<757> is the equivalent message on the import side.

The MT 798<793 / 790> is sent to the corporate (applicant or beneficiary) by its bank. It is used to notify the corporate of bank charges, interest or other adjustments which have been debited or credited to the owner's account. This message pair may be used in addition to, or as an alternative to, the MT 798<757 or 758> if it is only about charges. In order to report the settlement of drawings, the MT 798<757 or 758> must be used.

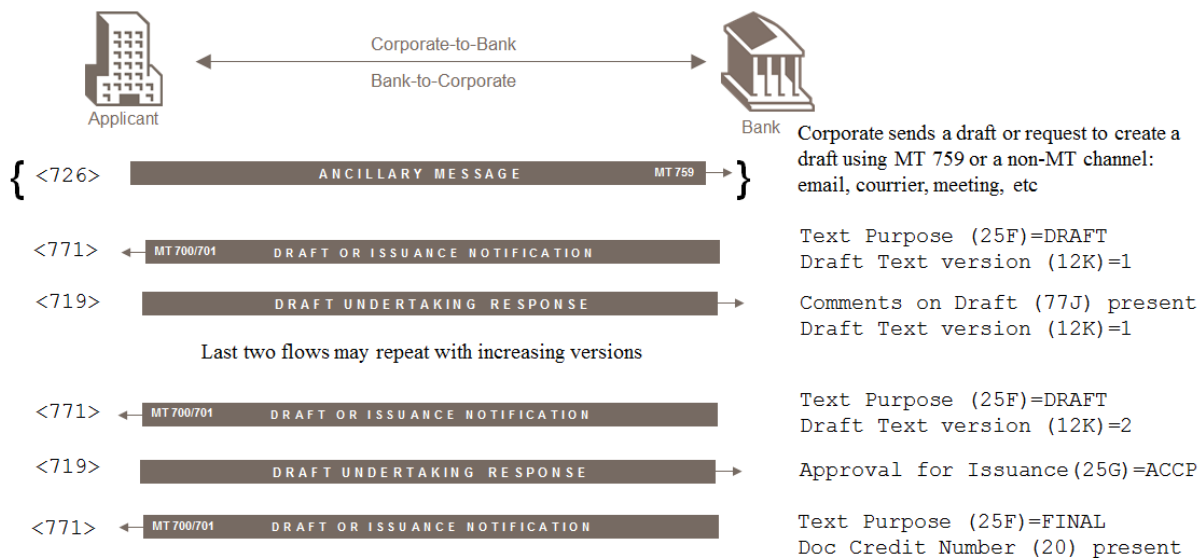*78. Can MT 798 guidelines also be tested on MyStandards?*

This functionality is available for LCs as part of MyStandards (for a fee) since July 2018.

79. Please explain the new drafting scenarios

Scenario with an initial "Application" MT 798 message
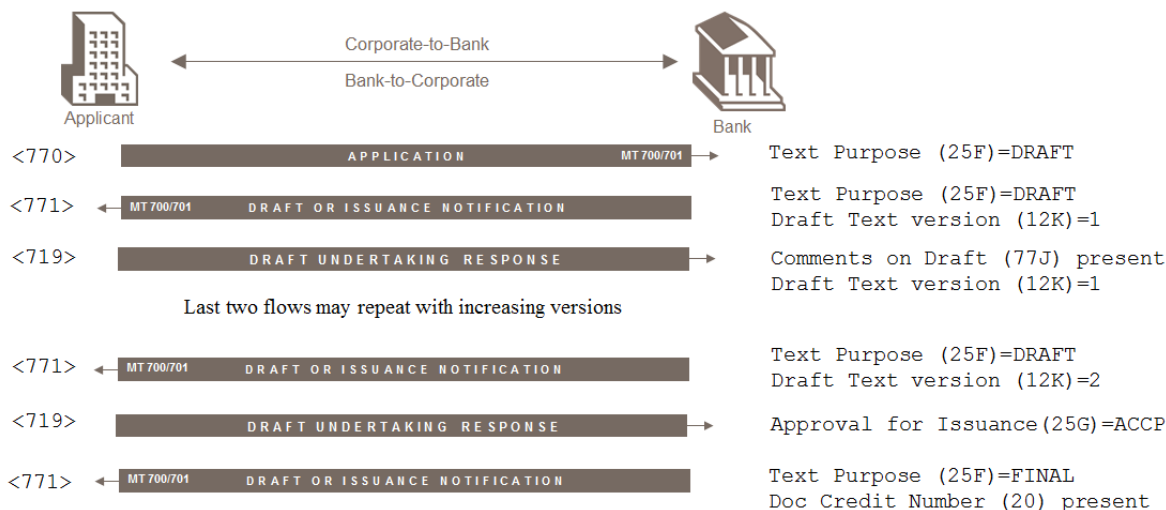
Scenario without an initial "Application" MT 798 message

In case of application to issue a dependent undertaking (DEPU in field 22D of 760), the drafting flow will use MT 798 <784, 760, (761)>, <762, 760, (761)>, <719> as for independent undertakings. If the bank issues a dependent undertaking, it will notify the issuance by MT 798 <784, 760, (761)> to the corporate. If the dependent undertaking is issued by paper, the bank could also provide a paper copy to the applicant. If the dependent undertaking is issued and sent electronically by swift to another bank, it must be by 759 as it cannot be issued by 760. The different elements agreed during the drafting in sequence B of 760 will be copied in field 45D of 759 and sent to another bank (please note that this is not the majority, many dependent undertakings are issued domestically and/or on paper; amendments to dependent undertakings are also less frequent than amendments to L/Cs or standby L/Cs).

80. *For the* MT798 MIG, is it correct to assume that all **Common Group** messages are in scope for the SWIFT November 2018 changes (**Import** and **Export**)?

   Yes, all MT 798 common group messages are in the scope of the SR 2018.

81. *How can a draft be cancelled by the customer, after acceptance?*

   Scenario: a customer has sent its acceptance of draft 3 to the bank (using <719> and 25G= ACCP), and wants to cancel this.

   MT <797> Cancellation request may be used to ask the cancellation of previously sent <719>. (The last one sent)
   <719> is referenced in fields 21, 11T and 22D.

   It is possible that the bank has already issued the undertaking and the draft cannot be cancelled (the undertaking will have to be cancelled by amendment).

   If draft number was 3 and it was cancelled, next draft number sent by bank should be 4.

82. *Which message should be used to notify a silent confirmation* (commit to honour or negotiate the documents) *with confirmation rate and date?*

   There is a guideline in V5 for silent confirmation at the time of sending the Advice; it should be done by sending the Advice and using 49F (confirmation information) in index message for the silent confirmation details (regardless of what was specified in field 49 of MT 700).

   <776> "Amendment" should not be used for that purpose.

   The request from the corporate to the bank could be done using a free format message <799>; could be also done using <759>.

   Calculation of commission and rates etc. should appear in the Settlement messages.

83. *Which values to input in field 31C Date of issue (Mandatory) in MT 700 in Application and field 30 in MT 707 in Request?*

   By default, it is recommended to put Date of Application in 31C in MT 700, and Date of Request in 30 in MT 707. These values will not be taken into account by Receiver, as per the guidelines.

84. *In an MT 798 flow, can both the 23X in the index message and the 23X of an included message (for example 760 with index being 745) be used for two attachments?*

   No. the 23X in the included message is specific to bank-to-bank communication. In fact, it should not be included (see field removal rules). Only the 23X of the index message may be used.

85. In 784+760+761 group, can fields 77U or 77L be used if 12H of 784 contains OTHR? What is the purpose of 12H:OTHR?

   OTHER is any other standard. An external standard, as opposed to a standard from the bank, or the bene or applicant. A template. From IIBLP for example. The narrative field must be used to name it. In most case you don't use 77U (or 77L) but in some cases, it

is needed to input some details or variables of the template/standards and these details then go in 77U or (77L).

86. How can the corporate applicant be informed of the issuance of the local undertaking in case of counter and local?

In the interbank bank space, the local issuing bank informs the counter issuing bank by 768. The 768 is the confirmation message but it does not have the copy of the local guarantee. The 768 contains "date of message being acknowledged", but no other information specific to the local undertaking, unless provided in "Sender to receiver Information". The counter issuing bank has all information provided in the request to issue the local undertaking (760) and has notified the applicant. The counter issuing bank could forward pieces of information based on the request to issue and the 768, using 798 <799 or 759>. We encourage 759 over 799. There is also the technical capability to send a scan of the local guarantee by FileAct or other electronic means, from local issuing to counter issuing, and then from counter issuing to applicant. This must be agreed between banks.

87. Which messages should be used to transfer a guarantee?

A guarantee can be transferred but it is very rare.

A guarantee or SBLC is not a payment instrument like an L/C. The transfer of an L/C follows a specific business scenario of the underlying contract and there is no such scenario underlying a guarantee, so a transfer is different from L/C e.g., a new party joins the underlying contract or is replacing the previous party.

Usually the guarantee/SBLC will be cancelled and a new guarantee/SBLC will be issued or the guarantee/SBLC will be amended accordingly. So, the new beneficiary will be informed by 760 issuance and advice or 767 amendment.

Taking this into account, there is no real need to provide a specific message to advise a transfer of a guarantee/SBLC to the new beneficiary. In last resort 759 or 799 could be used, of course.

88. How to enter an e-mail address in a free format field using X character set? "At" sign and underscore, for example are not in the X character set.

If the problem is only about AT sign and UNDERSCORE, please be aware there is a eUCP guideline, that is copied here below:
• In case the electronic address contains the "@" sign, the latter should be replaced by "(AT)".
In case the electronic address contains the "_", the latter should be replaced by "(UNDERSCORE)".
Examples:
EUCP@DRESDNER-BANK.COM should be shown as
EUCP(AT)DRESDNER-BANK.COM
EUCP_RECS@DRESDNER-BANK.COM should be shown as
EUCP(UNDERSCORE)RECS(AT)DRESDNER-BANK.COM

More generally, if you need to input Z characters that are not in "X" character set, you can use a workaround that is published in the UHB, in "General Information", section "Characters"

Quote

To use these characters in a field where the format does not allow it, SWIFT recommends using the character's hexadecimal EBCDIC code, preceded by two question marks (??) as escape sequence. The use of this encoding must be bilaterally agreed between the sender and receiver of the message.

Unquote

For example: AT sign is 7C in EBCDIC, so it can be replaced by ??7C.

The eUCP guideline is used and has the advantage of keeping the text readable.

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