



Market Practice Custody Holdings Reconciliation

Version 6.6.9

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Document History

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Version #	Change Date	Description of Change	Page	Author
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1.0 Background

The purpose of this document is to define and outline business requirements and best practices for Custody Statement of Holdings within the Financial Services industry. The ISITC Reconciliation Working Group works to define best practice and recommends market standards within electronic messaging. In addition, the group coordinates activities with the global SMPG (Securities Market Practice Group). This document incorporates and provides explanation of various formats for communicating required information supporting best practices.

1.1 Scope

The Custody Statement of Holdings message is sent by the account servicer to an account owner or the account owner's designated agent. This message reports, at a specified moment in time, the quantity and identification of financial instruments that an account servicer holds for the account owner. This message is used to reconcile the books of the account owner and the account servicer for the specified account or sub-account.

The account servicer/owner relationship may be:

- Central securities depository or another settlement market infrastructure acting on behalf of their participants, or
- Agent (sub-custodian) acting on behalf of their global custodian customer, or
- Custodian acting on behalf of an investment management institution or a broker/dealer, or
- Transfer agent acting on behalf of a fund manager or an account owner's designated agent.

This message can also report availability and location of the security holdings to facilitate trading and minimize settlement issues. The reporting is per financial instrument, i.e., when a financial instrument is held at multiple places of safekeeping, the total holding for all locations can be provided.

1.2 Definitions

There are certain terms that are commonly used throughout this document. In the spirit of insuring clarity, these terms are identified and defined below.

1.3 Actors and Roles

There are distinct roles involved in Custody Reconciliation:

Sender – a sender sends the message(s) containing the data, but does not necessarily agree upon the terms or book the transaction.

Example: a custodian (sender) will distribute end of day holding messages.

Recipient – the recipient receives the messages containing the custody holdings data.

Example: an investment manager will receive custody holdings messages from a custodian.

Custody Holdings Market Practice

There are multiple actors involved in the process. Each actor may at any time play more than one of the roles outlined above.

Role 1 (Sender)	Role 2 (Recipient)
Investment Manager Custodian Sub-Custodian	Transfer Agent Custodian 3 rd Party Service Provider

For example:

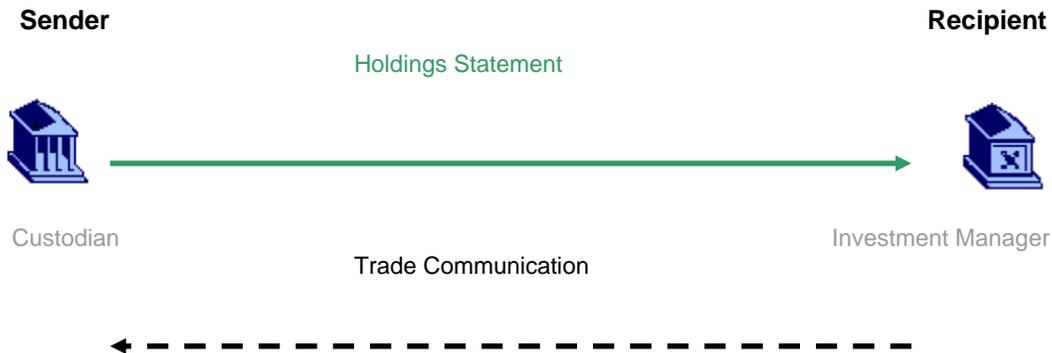
Custodian Holdings	Investment Manager
Custodian distributes end of day holdings message to Investment Manager	Investment Manager receives custodian holdings to confirm/validate potential trade list

1.4 Sequence Diagrams

For example:

In **green**: the main communication requirements for this process.

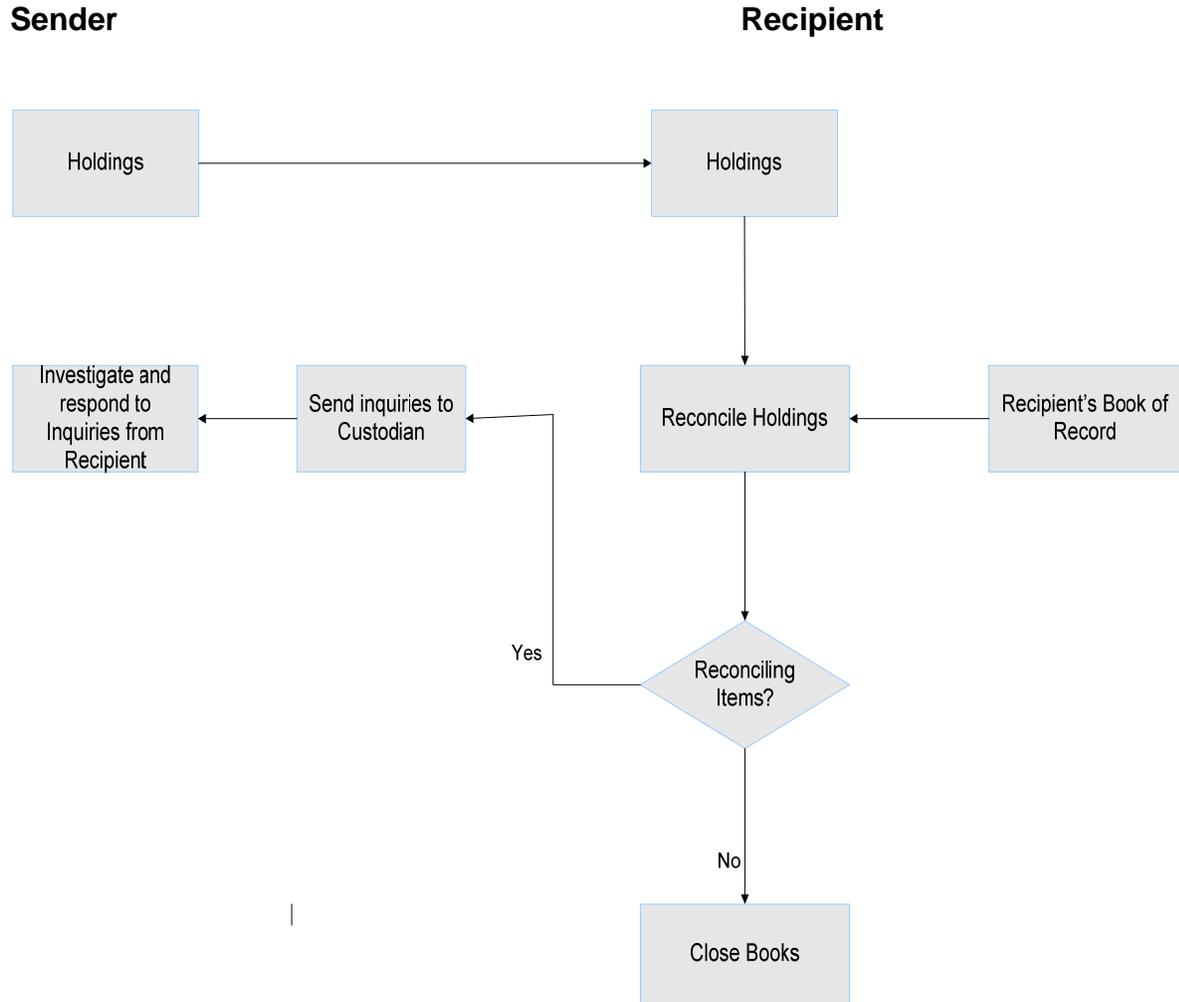
In **dotted line**, the optional/potential supporting communication requirements.



For the reporting of end of day holdings, available inventory, please see MT 535 Market Practice on isitc.org website.

1.5 Activity Diagram

Recipients use holdings data in a variety of ways; for reconciliation, for investment decisions, for client reporting and for fund administration reporting (compliance, performance, and financial reporting). The diagram below illustrates the anticipated flow of information from the Custodian to the Recipient.



2.0 Business Definition

2.1 Business Data Requirements

This section lists the business data elements necessary to provide a Custody Statement of Holdings.

Business Element	Definition	M=Mandatory O=Optional		ISITC RWG Recommendation
		MT	MX	
1. Identification Data – MANDATORY				
1.1 Senders Message Reference	Unique reference assigned by sender	M	M	This reference must be unique for each message sent.
1.2 Creation Date	Date the statement was created	O	O	Usage to be optional by SLA
1.3 Copy / Duplicate Indicator	Specifies if this document is a copy, a duplicate, or a duplicate of a copy	O	O	Align with SWIFT usage. <u>Copy</u> - a copy to a party other than the account owner/account servicer, for information purposes. <u>Duplicate</u> - for information/confirmation purposes. It is a duplicate of a message previously sent. <u>Copy Duplicate</u> - a copy to a party other than the account owner/account servicer, for information purposes and the message is a duplicate of a message previously sent.
2. Pagination – MANDATORY				
2.1 Page Number	Current page number	M	M	Sequential page numbering to begin with page 1
2.2 Last Page Indicator	Indicates the last page.	M	M	Each message format to have a means to provide this information
3. Statement General Details – MANDATORY				
3.1 Query Reference	Id of the Query request for this statement	O	O	May be provided, if a request message had been used, but not necessary for market practice.
3.2 Report Number	Sequential number of the statement. Max field size is 5 digits.	O	O	Recommended by the ISITC RWG. If the report has multiple pages, the ReportNumber must remain the same through all the pages of the report. Two statements of the same type sent one after the other to the same Receiver in relation to the same Safekeeping Account must have different incremental ReportNumbers. (e.g., a daily statement sent on day 1 would have report number 1, on day 2, report number 2, etc.)
3.3 Statement Id	Reference common to all pages of a statement.	M	O	Recommended by the ISITC RWG to be used along with pagination to link multiple messages for one account.
3.4 Statement Date	Accounting/valuation date for the statement.	M	M	Recommended by the ISITC RWG to use the date format for Daily statements, or date & time format for intraday statements.
3.5 Frequency	The frequency of the statement.	M	M	Align with SWIFT usage. Daily is Recommended by the ISITC RWG, Other frequencies to be per service level agreement
3.6 Update Type	To indicate if Complete	M	M	Complete is Recommended by the ISITC RWG
3.7 Activity Indicator	Indicates if there is activity	M	M	Activity must be indicated. A statement should be provided for all active accounts even if the account represents zero positions

Custody Holdings Market Practice

Business Element	Definition	M=Mandatory O=Optional		ISITC RWG Recommendation
		MT	MX	
3.8 Statement Basis	Type of balance on which the statement is prepared. i.e. the date basis of the reported data	M	M	Align with SWIFT usage.
3.9 Audit Indicator	Indicates if statement is audited or not.	M	M	Audit indicator must be provided.
3.10 Sub Account Indicator	Indicates that the Statement is reporting on sub-safekeeping accounts	M	M	Align with SWIFT usage.
3.11 Tax Lot Indicator	Indicates if tax lot level data is included in the statement.	O	O	Recommended by the ISITC RWG to provide this field if tax lots are included; can be omitted otherwise.
4. Account Owner	Identifies legal owner of the account.	O	O	Recommended by the ISITC RWG
5. Account Servicer	Party managing the account on behalf of the account owner.	O	O	Recommended by the ISITC RWG
6. Safekeeping Account Details – MANDATORY – Repeatable – max. 10				
6.1 Account Id	Unique id for account between account owner and servicer.	M	M	Must be provided. The account servicer id is normally used.
6.2 Account type		O	O	Not needed for an Accounting Report.
8. Balance Information – OPTIONAL – Repeatable				
8.1 Financial Instrument Id and Information – MANDATORY				
8.1.1 Id	Identifier of the financial instrument	M	M	Align with SWIFT usage.
8.2 Financial Instrument Attributes – Optional				
8.2.1 Place of Listing	Place of Listing : Context, or geographic environment, in which trading parties may meet in order to negotiate and execute trades among themselves.	O	O	Recommended by the ISITC RWG for multi-listed securities
8.2.9 Classification	Classification of the financial instrument.	O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id – use ISITC security class list or CFI code.
8.2.16 Maturity Date	The date on which the principal amount of a financial instrument becomes due and is repaid to the investor.	O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id
8.2.17 Issue Date		O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id
8.2.27 Interest Rate	Stated percentage rate of interest or coupon rate.	O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id
8.2.31 Pool Number		O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id and the security is a mortgage pool or index related bond security

Custody Holdings Market Practice

Business Element	Definition	M=Mandatory O=Optional		ISITC RWG Recommendation
		MT	MX	
8.2.49 Underlying Financial Instrument Identifier	Identifier of underlying financial instrument.	O	O	Optional & Repeatable, and includes a description element Recommended by the ISITC RWG Mandatory for Futures and Options derivatives.
8.4 Short Long Code	Indicate if quantity of financial instrument is Short (SHOR) or Long (LONG)	O	O	Mandatory for a Short position, Optional if Long
8.5 Quantity	Total quantity of financial instrument for the referenced holding.	M	M	Align with SWIFT usage. For SWAPS this field will be ignored. The RWG makes no recommendation on how to populate this field for SWAPS
8.6 Safekeeping Place	Where the financial instrument is 'safe kept'.	O	O	Use if only a single safekeeping place for all balances in this account
8.8 Corporate Action Option Type		O	O	For Investment Funds usage ONLY
8.9 Balance Breakdown – OPTIONAL – a structure to allow for lot level position information				
8.9.1 Lot Number	Lot Id	O	O	Recommend Mandatory for Tax lot data.
8.9.2 Lot Quantity	Quantity	O	O	Recommendation is Mandatory for Tax lot data.
8.9.3 Lot Date Time	Acquisition/Buy Date	O	O	Recommendation is Mandatory for Tax lot data. Schema allows either date alone, or date & time.
8.9.4 Lot Price	Price	O	O	Recommendation is Mandatory for Tax lot data.
8.9.5 Type of Price	e.g. Average (AVER)	O	O	
8.9.6 Base Currency Amounts	Lot level base currency amount information	O	O	Recommend Mandatory to align with aggregate level usage, where Base Currency Amounts are Mandatory -- see 8.12 below Includes holding value, book value, and unrealized gain/loss
8.9.7 Instrument Currency Amounts	Lot level instrument currency amount information	O	O	Recommended if also reporting Instrument Currency Amounts at aggregate level -- see 8.13 below Includes holding value, book value, and unrealized gain/loss
8.9.8 Alternate Reporting Currency Amounts	Lot level alternate reporting currency amount information	O	O	Recommended if also reporting Alternate Reporting Currency Amounts at aggregate level -- see 8.14 below Includes holding value, book value, and unrealized gain/loss
8.10 Price Details – MANDATORY – Repeatable				
8.10.1 Price Type	e.g. Bid, Offer, Market, ...	M	M	
8.10.1 Price	Price of a financial instrument in one or more currencies.	M	M	
8.10.1 Quotation Date	Price date or date & time.	O	O	
9. Sub Account Details – OPTIONAL – a complex structure that includes an optional Sub Account Balances				

Business Element	Definition	M=Mandatory O=Optional		ISITC RWG Recommendation
		MT	MX	
10. Base Currency Total Amounts	Position level base currency amount information	O	O	SLA usage
11. Alternate Reporting Currency Total Amounts	Position level reporting currency amount information	O	O	SLA usage
12. Originator of Message	The party originating the message if other than the sender.	O	O	SLA - Use when required
13. Recipient of Message	The party that is the final destination of the message if other than the receiver.	O	O	SLA - Use when required

2.2 Market Practice Rules

The Custody Statement of Holdings message will be used by investment managers, account owners and other interested parties to reconcile their holdings information to the custodian’s holdings information. Examples of business areas requiring holdings data include reconciliation groups, operations groups, fund administration groups, and portfolio managers.

Additional rules:

- The Custody Statement of Holdings must define the basis – Settle date, Actual or Contractual.
- The working group recommends an active reconciliation process with frequencies within a daily, weekly, or monthly format.
- Holdings information should be reported at only the position level.
- Delta statements are not recommended.
- Cancellations of the statement are not recommended.

The Custody Statement of Holdings is a “point in time” statement. That is, the financial values contained within the statement are as of the date and time for which the statement is reporting. If a statement is requested on a monthly frequency, for example, the statement will not contain data for each day of the month; it will contain holdings data as of the statement date and time for which the statement was created.

3.0 Syntax Specific Market Practice

3.1 SWIFT MT535 Statement of Holdings Message

3.1.1 Message Sequence Diagram

FIELD	QUALIFIER	DEFINITION	TAG PRESENCE
Mandatory Sequence A - GENERAL INFORMATION			
16R	GENL	Start of General Information Sequence	M
28E		Page number / Continuation indicator	M
13a	STAT	Statement Number	O
20C	SEME	Sender's Reference Number	M
23G	NEWM	Function of the message	M
98a	STAT PREP	Date/Time: Statement Date/Time and Preparation Date/Time, may include a UTC indicator	M
22F	SFRE CODE STTY STBA	Indicators : Statement Frequency, Complete/Delta, Statement Type, Statement Basis	M M M M
Repetitive Optional Subsequence A1 - LINKAGES			
16R	LINK	Start of Linkages Subsequence	M
13a	LINK	Linked Message	O
20C	PREV RELA	Reference Number of Linked Transaction	M
16S	LINK	End of Linkages Subsequence	M
End of Optional Subsequence A1 - LINKAGES			
95a	ACOW	Account Owner	O
97a	SAFE	Safekeeping Account	M
17B	ACTI AUDT CONS LOTS	Activity Flag, Audited Statement Flag, Sub-safekeeping Statement Flag, Tax Lots Reporting included	M O M O
16S	GENL	End of General Information Sequence	M
Repetitive Optional Sequence B - Sub-safekeeping			
16R	SUBSAFE	Start of the Sub-safekeeping Account Sequence	M
95a	ACOW	Account Owner	O
97a	SAFE	Safekeeping Account	O
94a	SAFE	Place of Safekeeping	O
17B	ACTI	Activity flag	O
Repetitive Optional Subsequence B1 Financial Instrument			
16R	FIN	Start of the Financial Instrument Subsequence	M
35B		Identification of the Financial Instrument	M
Optional Subsequence B1a Financial Instrument Attributes			
16R	FIA	Start of Financial Instrument Attributes Sequence	M
94a	PLIS VAHA	Place of Listing, Source of Haircut	O
22F		Indicator	O
12a		Type of Financial Instrument	O
11A	DENO	Currency of Denomination	O
98A		Date	O
92A		Rate	O
13a		Number Identification	O
17B		Flag	O
90a		Price	O
36B		Quantity of Financial Instrument	O
35B		Identification of the Financial Instrument	O
70E	FIAN	Financial Instrument Narrative	O
16S	FIA	End of Financial Instrument Attributes Sequence	M

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End of Optional Subsequence B1a Financial Instrument Attribute			
22H	CAOP	Corporate Action Option Code	O
90a		Price (Indicative Price or Market Price)	O
94B	PRIC	Place / Source of price	O
98a	PRIC	Date/Time - Price Quotation Date/Time	O
93B		Balance	M
Repetitive Optional Subsequence B1b - SUB-BALANCE			
16R	SUBBAL	Start of Sub-Balance Subsequence	M
93a	AGGR AWAS BLCA BLOK BLOT BLOV BODE BORE BORR CLEN COLA COLI COLO DIRT DRAW ISSU LOAN LODE LORE MARG NOMI OTHR PECA PEND PENR PLED QUAS REGO RSTR SPOS TRAN UNRG AVAI NAVL	Balance	M
94a	Place	Place of safekeeping / Source of Price / Place of Listing	O
90a	Price	Indicative or Market Price	O
98a	PRIC	Date/Time	O
99A	DAAC	Number of Days Accrued	O
19A	Amount	Holding Value, Accrued Interest Amount, Book Value / Cost Basis, Eligible Collateral Value	O
92B	EXCH	Exchange Rate	O
70C	SUBB	Sub-balance details / narrative	O
16S	SUBBAL	End of Sub-Balance Subsequence	M
Optional Repetitive Subsequence B1b1 Quantity Breakdown			
16R	BREAK	Start of Quantity Breakdown Subsequence	M
13a	LOTS	Lot Number	O
36B	LOTS	Quantity of Financial Instrument In The Lot	O
98a	LOTS	Lot Date/Time	O
90a	LOTS	Book/Lot Price	O
22F	PRIC	Type of Price Indicator	O
19A		Amount(s)	O
16R	BREAK	Start of Quantity Breakdown Subsequence	M
End of Optional Subsequence B1b1 Quantity Breakdown			
End of Optional Subsequence B1b - SUB-BALANCE			
99A	DAAC	Number of days accrued	O
19A	HOLD ACRU BOOK COVA	Holding Value and Accrued Interest Amount Book Value / Cost Basis Eligible Collateral Value	O
92B	EXCH	Exchange Rate	O
70E	HOLD	Holdings narrative	O
Optional Repetitive Subsequence B1c Quantity Breakdown			
16R	BREAK	Start of Quantity Breakdown Subsequence	M
13a	LOTS	Lot Number	O
36B	LOTS	Quantity of Financial Instrument In The Lot	O
98a	LOTS	Lot Date/Time	O
90a	LOTS	Book/Lot Price	O
22F	PRIC	Type of Price Indicator	O
19A		Amount(s)	O
16R	BREAK	Start of Quantity Breakdown Subsequence	M
End of Optional Subsequence B1c Quantity Breakdown			

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16S	FIN	End of the Financial Instrument Sequence	M
16S	SUBSAFE	End of the Sub-safekeeping Account Sequence	M
Repetitive Optional Subsequence C - ADDITIONAL INFORMATION			
16R	ADDINFO	Start of Additional Information Subsequence	M
95a	MEOR MERE	Party: Originator of Message, Recipient of Message	O
19A	HOLP HOLS TOVA	Amount: Total Holdings Value of Page, Total Holdings Value of Statement, Total Eligible Collateral Value	O
16S	ADDINFO	End of Additional Information Subsequence	M

3.1.2 Sequence A layout:

Mandatory Sequence A - GENERAL INFORMATION			
FIELD	QUALIFIER	NAME	
16R	GENL	Start of General Information Sequence	
28E		Page number / Continuation indicator	
13a	STAT	Statement Number	
20C	SEME	Sender's Reference Number	
23G	NEWM	Function of the message	
----> (repetitive tag)			
98a	STAT	ISITC Reconciliation Working Group conforms to SWIFT tag use rule. Statement Date/Time Last calendar day should be used for STAT. Statement date is Mandatory and format options are A or C to reflect the Statement Date. Preparation Date/Time which may include a UTC indicator - Optional	
	PREP	PREP - ISITC Reconciliation Working Group recommends use of the Preparation Date and the format options are A, C, or E for UTC date and time.	

----> (repetitive tag)			
22F	SFRE CODE STTY STBA	Indicators : Statement Frequency, Completion COMP/DELT, Statement Type – :22F::STTY//ACCT for accounting must be used, Statement Basis	

----> (Repetitive Optional Subsequence A1 – LINKAGES)			
16R	LINK	Start of Linkages Subsequence	
13a	LINK	Linked Message	
20C	PREV RELA	Reference Number of Linked Transaction	
16S	LINK	End of Linkages Subsequence	
---- (End of Optional Subsequence A1 – LINKAGES)			
95a	ACOW	Account Owner	
97a	SAFE	Safekeeping Account	
----> (repetitive tag)			
17B	ACTI AUDT CONS LOTS	Activity Flag Audited Statement Flag Sub-safekeeping Statement Flag Statement includes Tax Lots	

16S	GENL	End of General Information Sequence A	

3.1.3. Sequence A layout and Market Practice:

Additional ISITC assumptions/clarification for the MT535 Message:

- Within the text of the market practices there is references made to SLA's or Service Level Agreements. Reasons being there are specific client requests that override a recommended market practice.
- The qualifier POOL has been requested for use with Tag 20C.
- Additional code words have been requested for Tag 22F being Annual and Semi-Annual but the Working Group still recommends delivery of this statement on a daily basis
- Further Working Group clarification is required for Tag 93C in B1 Sub-Balance.
- A listing of asset types to be included on the Custody and Accounting MT535 has been appended to the end of this document. Please refer to Appendix C.
- For the prime broker model for reporting short sales, there should never be a short position reflected on the custody MT535 since the securities are not held by the custodian but the prime broker. Therefore, the Custody MT535 will only have the long position (if applicable) but not the short position. If the custodian bank were to hold the short position in custody, the short and long position would be displayed in two separate lines of data in the sub-balance sequence of the message to distinguish the separate positions.

Tag:	16R: GENL - Start of Sequence A block
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule. SWIFT RULE: Start of Sequence A, Tag must contain code: GENL

Tag:	28E – Page Number/Continuation Indicator
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag usage rule with one addition for clarification purposes. The page number should increase incrementally by message (related to the same statement). Please refer to the appendix section. SWIFT RULE: This tag specifies the page number and continuation indicator code to identify only page, last page or additional pages to follow: Continuation Indicator Codes: LAST = last page MORE = intermediate page, more to follow ONLY = only page

Tag:	13a – Statement Number
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC reconciliation working group recommends the use of this tag as a market practice. This tag should be used to indicate the number of statements for the same account. The number will increment each day. There will be no Market Practice set on when the statement number should be reset. It will be up to the institutions to decide. The U.S. has requested that the field size be increased to 5 digits. The Statement Number will be unique for each statement that is delivered. This is consistent with SWIFT standards.

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Tag:	20C - Sender's Reference Number
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	<p>ISITC Reconciliation Working Group conforms to SWIFT tag use rule with one addition for clarification purposes. This number must uniquely identify the message (the reference must be unique for each message sent).</p> <p>Note: the A1 Linkage (20C) with PREV codeword should be utilized to link multiple senders' reference numbers to one account.</p> <p>Please refer to the appendix section.</p>

Tag:	23G – Function of Message
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	98a – Date/time
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	<p>ISITC Reconciliation Working Group conforms to SWIFT tag use rule.</p> <p>Statement Date/Time Last calendar day should be used for STAT. Statement date is Mandatory and format options are A or C to reflect the Statement Date. Preparation Date/Time which may include a UTC indicator - Optional PREP - ISITC Reconciliation Working Group recommends use of the Preparation Date and the format options are A, C, or E for UTC date and time.</p>

Tag:	22F – Indicator
SWIFT Tag Presence:	Mandatory
	All four qualifiers are mandatory : SFRE (statement frequency), CODE (Complete/updates), STTY (Statement Type), STBA (Statement Basis) are all mandatory qualifiers.
ISITC-US Best Practice:	<p>According to SWIFT usage rule, 22F::STTY//CUST for custody must be used.</p> <p>'STBA' (Statement Basis) to indicate whether the statement is 'settled based' (22F::STBA//SETT) or 'trade date based' (22F::STBA//TRAD) or 'contractual settled' (22F::STBA//CONT)</p> <p>The frequency is based on the Service Level Agreement (SLA), however Daily is preferred (22F::SFRE//DAIL).</p> <p>ISITC Reconciliation Working Group recommends that the Tag 22F qualifier "CODE" (Complete/Updates Indicator) be used with the code of 'COMP' only. The group agreed that the code 'DELT' (delta) would not be supported.</p> <p>The repeating qualifiers can be in any order. They do not need to be in the order listed in the SWIFT manual.</p>

3.1.4. Repetitive Optional Subsequences A1- Linkages

ISITC Reconciliation Working Group does recommend the use of this repetitive linkage block in the case of a multi-pages document. Otherwise, it is not recommended as the working group agreed that the MT549 (request for statement) will not and has not been utilized.

Tag:	16R – Start of Repetitive Optional Subsequence A1 - LINKAGES
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	13a – Linked Message
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation work group conforms to SWIFT tag use rule.

Tag:	20C – Reference
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule. The qualifier "PREV" is recommended to be mandatory in a multi pages document. Please refer to the appendix section. The qualifier "RELA" is not recommended, as the usage of MT549 is not recommended

Tag:	16S – End of Optional Subsequence A1 - LINKAGES
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	95a – Account Owner
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	97a – Safekeeping Account
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	17B – Activity Flag
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ACTI (activity flag): Reconciliations working groups recommends that the ISITC-US Best Practice state that a statement should be delivered/received for all active accounts even if the account represents zero positions AUDT (Audited statement flag) Reconciliations work group recommends the utilization of the additional field (AUDT) within Tag 17B::AUDT (audited statement flag). Whereby, the AUDT/Y flag represent and audited statement versus AUDT/N for an unaudited statement. CONS (Sub-safekeeping statement flag) Statement reporting on sub-safekeeping accounts. This flag must be at Y when more than one safekeeping account is reported. See appendix for more clarifications. LOTS (Statement includes Tax Lots)

Tag:	16S: GENL – End of Sequence A block
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

3.1.5. Section 3 – Sequence B Layout:

FIELD	QUALIFIER	FIELD NAME
16R	SUBSAFE	Start of the Sub-safekeeping Account Sequence
95a	ACOW	Account Owner
97a	SAFE	Safekeeping Account
94a	SAFE	Place of Safekeeping
17B	ACTI	Activity Flag
----> repetitive optional subsequence B1 Financial Instrument		
16R	FIN	Start of the Financial Instrument Sequence
35B		Identification of the Financial Instrument
Optional Subsequence B1a Financial Instrument Attributes		
16R	FIA	Start of the Financial Instrument Attribute Sequence
----> (repetitive tag)		
94B	PLIS	Place of Listing

----> (repetitive tag)		
22F		Indicator

----> (repetitive tag)		
12a		Type of Financial Instrument

11A	DENO	Currency of Denomination
----> (repetitive tag)		
98A		Date

----> (repetitive tag)		
92A		Rate

----> (repetitive tag)		
13a		Number Identification

----> (repetitive tag)		
17B		Flag

----> (repetitive tag)		
90a		Price

----> (repetitive tag)		
36B		Quantity of Financial Instrument

----> (repetitive tag)		
35B		Identification of the Financial Instrument

70E	FIAN	Financial Instrument Attribute Narrative
16S	FIA	End of Financial Instrument Attribute Sequence
End of Subsequence B1a Financial Instrument Attribute		
22H	CAOP	Corporate Action Option Code
90a		Price (Indicative Price or Market Price)
94B	PRIC	Place / Source of price
98a	PRIC	Date/Time - Price Quotation Date/Time
----> (repetitive tag)		
93B		Balance

----> repetitive optional subsequence B1b - Sub-Balance		
16R	SUBBAL	Start of Sub-Balance Subsequence
----> (repetitive tag)		

Custody Holdings Market Practice

93a	AGGR AWAS BLCA BLOK BLOT BLOV BODE BORE BORR CLEN COLA COLI COLO DIRT DRAW ISSU LOAN LODE LORE MARG NOMI OTHR PECA PEND PENR PLED QUAS REGO RSTR SPOS TRAN UNRG AVAI NAVL	Balance

-----> (repetitive tag)		
94a	Place	Place of safekeeping / Source of Price / Place of Listing

90a	Price	Indicative or Market Price
98a	PRIC	Date/Time
99A	DAAC	Number of Days Accrued
- - - - > (repetitive tag)		
19A	Amount	Holding Value and Accrued Interest Amount, Book Value / Cost Basis, Eligible Collateral Value
- - - -		
92B	EXCH	Exchange Rate
70C	SUBB	Sub-balance details / narrative
16S	SUBBAL	End of Sub-Balance Subsequence
- - - - end of optional subsequence B1b - Sub-Balance		
99A	DAAC	Number of days accrued
- - - - > (repetitive tag)		
19A	HOLD ACRU BOOK COVA	Amount: Holding Value and Accrued Interest Amount Book Value / Cost Basis Eligible Collateral Value
- - - -		
92B	EXCH	Exchange Rate
70E	HOLD	Holdings narrative
16S	FIN	End of the Financial Instrument Sequence
16S	SUBSAFE	End of the Sub-safekeeping Account Sequence

Custody Holdings Market Practice

3.1.5 – Sequence B ISITC Market Practice:

Section 3.1.1 - Repetitive Optional Sequence B Sub-safekeeping Account

Tag:	16R:SUBSAFE – Beginning of Sequence B
SWIFT Tag Presence:	Mandatory (if Sequence B is used)
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	95a:ACOW – Account Owner
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	97a:SAFE – Safekeeping Account
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	94a:SAFE – Place of Safekeeping
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	17B:ACTI – Activity Flag
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule. It is recommended that this flag not be used unless sub-safekeeping accounts are referenced. See appendix for more clarifications.

Section 3.1.2 - Repetitive Optional Subsequence B1 Financial Instrument

The requirements for Sequence B1 should be consistent across the Settlements and Reconciliation messages.

Tag:	16R:FIN – Beginning of Subsequence B1
SWIFT Tag Presence:	Mandatory (if Sequence B is used)
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
Tag:	35B – Identification of Financial Instrument
SWIFT Tag Presence:	Mandatory (if Sequence B is used)
ISITC-US Best Practice:	<p>ISITC Reconciliation Working Group recommends that both the security number and description be used in this tag.</p> <p>Recommends: ISIN #</p> <p>When a non-ISIN number is used, one of the following codes must be used in narrative:</p> <ul style="list-style-type: none"> - /2!a/ ISO two digit country code, followed by national numbering scheme (i.e. /GB/ + UK SEDOL # or /US/ + CUSIP #) - /TS/ followed by ticker symbol - /XX/ followed by any proprietary security number <p>Note: If an identifier is not available the country code for the security and all zero's should be populated.</p> <p>Note: Known issue within the industry remains with the lack of standard security identifiers for physical securities such as Gold and Silver bars.</p>

Section 3.1.3 - Optional Subsequence B1a Financial Instrument Attribute

Tag:	16R:FIA - Beginning of Sub-sequence B1a
SWIFT Tag Presence:	Mandatory (if sequence B1a is used)
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	94B: Place of Listing
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	It is recommended that this information be provided for further identification on Multi Listed Securities. It can also be provided for all for all other securities but it's not necessary.

Tag:	22F: Indicator
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	This information may be provided but it's not necessary to provide the data to meet market practice.

Tag:	12a: Type of Financial Instrument
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	This Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B unless it's a STIF fund. For STIF funds, the code word "STF" should always be provided

Tag:	11A: DENO - Currency of denomination
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	Populate this tag for all STIF holding positions, and include the Classification Field 12A regardless of market identifier or lack thereof.

Tag:	98A: Date
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	The qualifiers MATU and ISSU for this Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B. MATU – Maturity Date ISSU – Issue Date

Tag:	92A: Rate
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	The qualifier INTR for this Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B. INTR – Interest Rate Recommendation that CUFC be populated to provide the factor to calculate current face from original face for any securities with a factor. CUFC – Current factor expressed as a decimal between 0 and 1 defining the outstanding principal of the bond (for asset or mortgage backed securities)

Tag:	13a: Number Identification
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	The qualifier POOL for this Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B and the security is a mortgage pool or index related bond security. POOL – Pool Number

Custody Holdings Market Practice

Tag:	17B: Flag
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	This information may be provided but it's not necessary to provide the data to meet market practice.

Tag:	90a: Price
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	This information may be provided but it's not necessary to provide the data to meet market practice

Tag:	36B: Quantity of Financial Instrument
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	It is not necessary to populate this tag since the original face is provided in the tag 93B in sequence B.

Tag:	35B: Identification of the Financial Instrument
SWIFT Tag Presence:	Optional
	<p>Tag is repeatable: This field identifies the underlying financial instrument. The format of the tag is as follows: [ISIN1!e12!c] Identification of Security [4*35x] Description of Security</p> <p>Network Validation Rules: At a minimum either the security identifier or description needs to be present. The ISIN must be composed of upper case letters only.</p> <p>Usage Rules: The financial instrument field (35B) in the Financial Instrument Attribute subsequence must only be used for the identification of the underlying instrument of a derivative. When used in Description of Security, codes must not start and end with a slash '/'. When ISIN is not used, it is strongly recommended that one of the following codes be used as the first four characters of the Description of the security. [/2!a/] The ISO two-digit country code, followed by the national scheme number. [/TS/] Followed by the ticker symbol. [/XX/] Bilaterally agreed or proprietary scheme which may be further identified by a code or short description identifying the scheme used. It is strongly recommended that ISIN be used.</p>
ISITC-US Best Practice:	This tag should be populated for future and option derivative assets. Being repeatable it should be used to identify underlying assets when there is more than one asset (basket options which are currency related).

Tag:	70E: FIAN – Narrative: Financial Instrument Attribute Narrative
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	It is recommended that this field not be populated.

Tag:	16S:FIA - End of Sub-sequence B1a
SWIFT Tag Presence:	Mandatory (if sequence B1a is used)
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Custody Holdings Market Practice

Section 3.1.4 – Subsequence B1 continued ...

Tag:	22H:CAOP – Corporate Action Option Code
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	90a - Price
SWIFT Tag Presence:	ISITC Reconciliation WG ISITC-US Best Practice: Optional for custody version
ISITC-US Best Practice:	For custody version the Reconciliation Working Group recommends the utilization of format Option B for Equity Securities with the qualifier MRKT (market price) and the amount type code of ACTU (actual). Also use Option B for Derivative securities with the number of contracts. Use Option A for Fixed Income securities with the qualifier ACTU (actual). UKWN – unknown – though the statement is audited, the price value is unknown to the message sender.

Tag:	94B::PRIC – Place/Source of price
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	98a (option A or C)::PRIC – Price Quotation Date/Time
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation WG ISITC-US Best Practice: Optional Reconciliation Working Group recommends the date to be the close of business by client profile (SLA Bi-Lateral Agreement) as well as the following: ISITC-US Best Practice already dictates this tag to be optional for Custody version, however if included, format option A should be utilized. Option A- Reports qualifier PRIC with date.

Tag:	93B::AGGR – Aggregate Balance
SWIFT Tag Presence:	Mandatory (if Sequence B is used)
ISITC-US Best Practice:	ISITC Reconciliation Working group recommends the following for mortgage related securities: 93B::AGGR may be repeated to allow both codes AMOR and FAMT to be used. The aggregate balance should reflect the original face amount for factored securities. Therefore the Quantity type code 'FAMT' to be utilized for these assets. Quantity type 'AMOR' to be utilized to reflect the current face amount for factored securities. Use the number of contracts for derivative securities traded like contracts, use Par for derivative securities not traded like contracts (SWAPs). STIF should be included as an aggregate balance to assist the Investment Managers balance out STIF. Any Non-Security type transactions will follow the normal process of being included as an aggregate balance. Use of code word 'FAMT' is recommended. Derivative securities should not be included as an aggregate balance. Available and Unavailable should be supported at the aggregate level. Since Unitized Bonds are held in units (not par), the share amount should be reflected in this tag. Additionally, the quantity type code of "UNIT" should be used for these assets. The same would be true in tag 93a of the sub-balance block. See Appendix F for Securities Lending Specifics if the message is being sent to a Lending Agent

Custody Holdings Market Practice

Section 3.1.5 - Repetitive Optional Subsequence B1b - Sub-Balance:

Tag:	16R:SUBBAL – beginning of optional sub-balance B1b
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
Tag:	93a:: (qualifier) – Balance :: AGGR or BLOK or BORR or CLEN or COLI or COLO or DIRT or DRAW or LOAN or MARG or NOMI or OTHR or PDMT or PDUM or PRMT or PRUM or PECA or PEND or PENR or PLED or REGO or RSTR or SPOS or TRAN or UNRG or AVAI or NAVL or AWAS or BLCA or PEDA or BLOT or BLOV or BODE or BORE or COLA or LODE or LORE
SWIFT Tag Presence:	Mandatory (if sub-sequence B1b is used)
ISITC-US Best Practice:	<p>ISITC Reconciliation Working Group acknowledges that the Individual sub-balance amounts will not equal aggregate amount reported in Tag 93B.</p> <p>The following balances should be included on this message :</p> <p>LODE, LORE, LOAN (Securities Lending) PLED (Pledged) MARG (Margin) COLI (Collateral In) The inclusion or exclusion of COLO (collateral out) should be determined by SLA.</p> <p>AWAS – Balance of Securities that are freely available with no specific additional status. This new qualifier was submitted by Luxembourg, Belgium, and Holland through SMPG. There example was that an account owner holds 12,300 units of equity B; 300 units are not available because they are blocked, 12,000 units are available of which 2,000 are pledged and 10,000 has no specific status.</p> <p>:93B::AGGR//UNIT/12300, :93B::AVAI//UNIT/12000, :93B::NAVL//UNIT/300, :16R:SUBBAL :93C::BLOK//UNIT/NAVL/300, :16S:SUBBAL :16R:SUBBAL :93C::PLED//UNIT/AVAI/2000, :16S:SUBBAL :16R:SUBBAL :93B::AWAS//UNIT/10000, :16S:SUBBAL</p> <p>For mortgage related securities: Use qualifier 'AVAI' + 'FAMT' + amount to report original face value. For example: :93B::AVAI//FAMT/1042</p> <p>For STF securities the following is recommended: Use qualifier 'AVAI' + 'FAMT' + amount to report the value. For example: :93B::AVAI//FAMT/12300</p> <p>For all pay down type Securities the following is recommended: The sub-balance should reflect the original face amount for factored securities. Quantity type codes should be used to clarify what information is being provided in this field. This is specific to securities with a factor.</p> <p>For a short sale, a negative sign must be used.</p> <p>Option B should be used for the qualifiers AVAI, NAVL, AGGR, as well as any qualifiers where the availability of a particular balance is not relevant.</p> <p>When there are separate places of safekeeping, the qualifiers AVAI and NAVL should be populated to list a total of all Available and Not Available securities. If either qualifier has a zero balance, it's optional to provide the qualifier and the 0 balance. If provided, the balance of AVAI and NAVL should equal the AGGR balance. See appendix D for an example on how to reflect the place of safekeeping.</p> <p>OTHR – we should not use the narrative to further explain what this balance represents.</p> <p><i>It has been agreed that the following balances are UNAVAILABLE (and therefore must</i></p>

	<p><i>be present with code NAVL) :</i></p> <p>BLCA – Blocked Corporate Action – Balance of financial instrument blocked following a corporate action, including proxy activities.</p> <p>BLOK – blocked; balance of securities blocked or unavailable for sale</p> <p>BLOT – Blocked Trading - Balance of financial instruments that are blocked for trading.</p> <p>BLOV – Blocked Authenticity - Balance of financial instruments that are blocked for verification of authenticity.</p> <p>BODE – Pending Borrowed Delivery - Balance of financial instruments that are pending delivery in relation to a borrow transaction.</p> <p>PECA – Pending corporate action receipt; balance of financial instrument pending receipt following a corporate action.</p> <p>PEDA – Pending Corporate Action Delivery – Balance of financial instrument pending delivery following a corporate action.</p> <p>PEND – Pending delivery; balance of securities that are pending delivery, e.g. orders to sell securities have been executed but settlement of the open transactions has not been confirmed.</p> <p>PENR – Pending receipt; Pending delivery; balance of securities that are pending receipt, e.g. orders to buy securities have been executed but settlement of the open transactions has not been confirmed.</p> <p>REGO – Out for Registration; Pending delivery; balance of securities currently being processed by the institution responsible for registering the new beneficial owner (or nominee) of securities after a transaction has been completed.</p> <p>RSTR – Restricted; balance of securities that are restricted.</p> <p>TRAN – In Transshipment; balance of the securities that are in transshipment, e.g., in the process of being transferred from one depository or agent to another.</p> <p><i>See Appendix F for Securities Lending Specifics if the message is being sent to a Lending Agent</i></p> <p><i>It has been agreed that the following balances are AVAILABLE (and therefore must be present with code AVAI) :</i></p> <p>BORE - Pending Borrowed Receipt - Balance of financial instruments that are pending receipt in relation to a borrow transaction.</p> <p>BORR – Borrowed – Balance of financial instruments that have been borrowed from another party.</p> <p>COLA - Eligible for Collateral Purposes - Balance of financial instruments that are eligible for use for collateral purposes.</p> <p>LODE - Pending On Loan Delivery - Balance of financial instruments that are pending delivery in relation to a lending transaction.</p> <p>LORE - Pending On Loan Receipt - Balance of financial instruments that are pending receipt in relation to a lending transaction.</p> <p>NOMI – In Nominee Name; balance of the securities that are registered in the name of the nominee.</p> <p>SPOS – Street Position; balance of the securities that are registered in street name, e.g., the prior beneficial owner of securities.</p> <p>LOAN – On Loan; balance of securities that have been loaned to a third party.</p> <p>Note: Some custodians may choose to not report on Securities out on Loan.</p> <p>CLEN – Clean; Balance of clean, tax exempt, status bonds (i.e. Japanese Government Bonds, and Brazilian Securities)</p> <p>DIRT – Dirty; Balance of dirty, non tax exempt, status bonds (i.e. Japanese Government Bonds, and Brazilian Securities)</p> <p>DRAW – Drawn; Balance of drawn securities.</p> <p>ISSU – Issued; Balance for issued financial instrument where legal documentation has been received.</p> <p>QUAS – Quasi-Issued; Balance for issued financial instrument where legal documentation has not yet been received.</p> <p>UNRG – Sub-balance of securities that is unregistered due to foreign ownership limitation.</p> <p><i>The following balances availability should be determined by SLA.</i></p> <p>COLI – Collateral in; balance of securities for the purpose of collateralization, which belong to a 3rd party.</p> <p>COLO – Collateral out; balance of securities deposited with a 3rd party for the purpose of collateralization, that belong to the safekeeping account indicated in the message.</p> <p>MARG – Derivatives margin; Balance of securities that are used as collateral for derivatives.</p> <p>PLED – Pledged; Balance of securities that are pledged or used as collateral for cash, e.g., customer loan, secured credit line.</p>
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Custody Holdings Market Practice

	<i>See Appendix F for Securities Lending Specifics if the message is being sent to a Lending Agent</i>
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Tag:	94a (Option B, Option C, or Option F) – Place of safekeeping
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group recommends this field to be mandatory for the Custody version of MT-535. Place of Safekeeping should be included, using format F BIC/BEI or if this level of detail is not available, Format C ISO country code. See appendix D for an example of how to reflect the place of safekeeping.

Tag:	90a (Option A, Option B, or Option E) – Price
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	98a (Option A or Option C) – Date/Time: Price Quotation Date/Time
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	99A: Number Count: Number of Days Accrued
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	19A: Amount
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule. It's not necessary to populate BOOK in the custody version. This value will be provided on the accounting version.

Tag:	92B: Rate: Exchange Rate
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	70C::SUBB - Sub-balance details/ narrative
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	16S: SUBBAL - End of optional sub-balance B1b
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Custody Holdings Market Practice

Section 3.1.6 – Subsequence B1 continued ...

Tag:	99A::DAAC - Number Count: Number of day accrued
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	19A::HOLD or 19A::ACRU (Holding Value Amount) or (Accrued Interest Amount)
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	<p>ISITC Reconciliation Working Group Market Practice states that HOLD and ACRU do NOT need to be provided for the Custody version. This tag should be used to report the 'value of the total holding', Market Value</p> <p>Derivative securities should not be included on the Custody Version of the MT535. For those firms who are unable to send an Accounting Version, it would be bilaterally to provide this information on the Custody Version with and SLA following market practice set in the Accounting Version.</p>

Tag:	92B::EXCH - Exchange Rate
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	For Custody version, ISITC Reconciliation Working Group recommends that the field be optional the standard convention for reporting exchange rate is local over base.

Tag:	70E::HOLD - Holding Narrative
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group states that this tag does NOT need to be provided for the Custody version.

Tag:	16S:FIN – End of Subsequence B1
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	16S:SUBSAFE – End of Sequence B
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

3.1.6 Sequence C layout:

FIELD	QUALIFIER	FIELD NAME
16R	ADDINFO	Start of Additional Information Subsequence
- - - - > (repetitive tag)		
95a	MEOR MERE	Party: Originator of Message and Recipient of Message
- - - -		
- - - - > (repetitive tag)		
19A	HOLP HOLS TOVA	Amount: Total Holdings Value of Page and Total Holdings Value of Statement Total Eligible Collateral Value
- - - -		
16S	ADDINFO	End of Additional Information Subsequence

Section 3.1.6 – Sequence C ISITC Market Practice:

Tag:	16R:ADDINFO – beginning of repetitive optional sequence C
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	95a (Options P,R or Q) – Party Qualifiers are as follows: MEOR – originator of message MERE – Recipient of message
SWIFT Tag Presence:	Optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

Tag:	19A::HOLP or ::HOLS (Total Holdings Value of Page or Total Holdings Value of Statement)
SWIFT Tag Presence:	Optional. SWIFT rule: HOLP & HOLS are optional
ISITC-US Best Practice:	ISITC Reconciliation Working Group recommends that both qualifiers should be used. This tag will report the value of holdings of each page and the total market value of the statement. If the statement only has 1 page to report holdings, both HOLP and HOLS should be used (both should report the same holding amount). If the statement has more than one page, at the end of each page HOLP must be present and the last page of the statement should report both HOLP and HOLS. Please refer to the appendix section.

Tag:	16S:ADDINFO - end of repetitive optional sequence C
SWIFT Tag Presence:	Mandatory
ISITC-US Best Practice:	ISITC Reconciliation Working Group conforms to SWIFT tag use rule.

3.2 ISO 20022 MX semt.002.001.03 Securities Balance Custody Report

Note: This will be filled in following clarifications and examples from SWIFT.

APPENDIX A – Multipages Statement

MT535 Statement of Holdings
Multi-pages Statement
Clarification

- 1 - Overview
- 2 - Statement number
- 3 - Sender's reference
- 4 - Linking the messages together
- 5 - Total holding of the Page/Statement

1-Overview

Statement of Holdings number 250, composed of 3 pages, total holding value USD6000.		
1- First Message (Page)	2- Second Message (Page)	3- Third and Last Message (Page)
<p>Sequence A General Information</p> <p>16R:GENL 28E:0001/MORE 13A:STAT/250 20C:SEME/123 16S:GENL</p>	<p>Sequence A General Information</p> <p>16R:GENL 28E:0002/MORE 13A:STAT/250 20C:SEME/456</p>	<p>Sequence A General Information</p> <p>16R:GENL 28E:0003/LAST 13A:STAT/250 20C:SEME/789</p>
<p>Sequence B Financial Instrument</p> <p>16R:FIN 16S:FIN</p>	<p>Subsequence A1 Linkage</p> <p>16R:LINK 13A:LINK/535 20C:PREV/123 16S:LINK</p>	<p>Subsequence A1 Linkage</p> <p>16R:LINK 13A:LINK/535 20C:PREV/123 16S:LINK</p>
<p>Sequence C Additional Information</p> <p>16R:ADDINFO 19A:HOLP/USD2000, 16S:ADDINFO</p>	<p>..... 16S:GENL</p>	<p>..... 16S:GENL</p>
	<p>Sequence B Financial Instrument</p> <p>16R:FIN 16S:FIN</p>	<p>Sequence B Financial Instrument</p> <p>16R:FIN 16S:FIN</p>
	<p>Sequence C Additional Information</p> <p>16R:ADDINFO 19A:HOLP/USD3000, 16S:ADDINFO</p>	<p>Sequence C Additional Information</p> <p>16R:ADDINFO 19A:HOLP/USD1000, 19A:HOLS/USD6000, 16S:ADDINFO</p>
<p>Note: SR2001</p>		

Custody Holdings Market Practice

2 - Statement Number (Field 13A in Sequence A)

Statement of Holdings number 250, composed of 3 pages, total holding value USD60000.

1 - First Message (Page)	2 - Second Message (Page)	3 - Third and Last Message (Page)
Sequence A General Information 16R :GENL 28E :0001/MORE 13A :STAT//250 20C ::SEMI//123 ... 16S :GENL	Sequence A General Information 16R :GENL 28E :0002/MORE 13A :STAT//250 20C ::SEMI//123 ... 16S :GENL	Sequence A General Information 16R :GENL 28E :0003/LAST 13A :STAT//250 20C ::SEMI//123 ... 16S :GENL
Sequence B Financial Instrument 16R :FIN ... 16S :FIN	Subsequence A1 Linkages 16R :LINK 13A ::LINK//535 20C ::PREV//123 16S :LINK	Subsequence A1 Linkages 16R :LINK 13A ::LINK//535 20C ::PREV//123 16S :LINK
Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD20000 16S :ADDINFO	Sequence B Financial Instrument 16R :FIN ... 16S :FIN	Sequence B Financial Instrument 16R :FIN ... 16S :FIN
Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD30000 16S :ADDINFO	Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD10000 19A ::HOLS//USD60000 16S :ADDINFO	Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD10000 19A ::HOLS//USD60000 16S :ADDINFO

Must be the same across Messages

Note: SR2001

3 - Sender's Reference (Field 20C in Sequence A)

Statement of Holdings number 250, composed of 3 pages, total holding value USD60000.

1 - First Message (Page)	2 - Second Message (Page)	3 - Third and Last Message (Page)
Sequence A General Information 16R :GENL 28E :0001/MORE 13A :STAT//250 20C ::SEMI//123 ... 16S :GENL	Sequence A General Information 16R :GENL 28E :0002/MORE 13A :STAT//250 20C ::SEMI//456 ... 16S :GENL	Sequence A General Information 16R :GENL 28E :0003/LAST 13A :STAT//250 20C ::SEMI//789 ... 16S :GENL
Sequence B Financial Instrument 16R :FIN ... 16S :FIN	Subsequence A1 Linkages 16R :LINK 13A ::LINK//535 20C ::PREV//123 16S :LINK	Subsequence A1 Linkages 16R :LINK 13A ::LINK//535 20C ::PREV//123 16S :LINK
Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD20000 16S :ADDINFO	Sequence B Financial Instrument 16R :FIN ... 16S :FIN	Sequence B Financial Instrument 16R :FIN ... 16S :FIN
Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD30000 16S :ADDINFO	Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD10000 19A ::HOLS//USD60000 16S :ADDINFO	Sequence C Additional Information 16R :ADDINFO ... 19A ::HOLP//USD10000 19A ::HOLS//USD60000 16S :ADDINFO

Must uniquely identify the Message

Note: SR2001

Custody Holdings Market Practice

4 - Linking the messages together (Field 20C in Subsequence A1)

Statement of Holdings number 250, composed of 3 pages, total holding value USD60000.

1 - First Message (Page)	2 - Second Message (Page)	3 - Third and Last Message (Page)
Sequence A General Information 16R:GENL 28E:00001/MORE 13A::STAT//250 20C::SEME//123 16S:GENL	Sequence A General Information 16R:GENL 28E:00002/MORE 13A::STAT//250 20C::SEME//456 Subsequence A1 Linkages 16R:LINK 13A::LINK//535 20C::PREV//123 16S:LINK	Sequence A General Information 16R:GENL 28E:00003/LAST 13A::STAT//250 20C::SEME//789 Subsequence A1 Linkages 16R:LINK 13A::LINK//535 20C::PREV//123 16S:LINK
Sequence B Financial Instrument 16R:FIN 16S:FIN	Sequence B Financial Instrument 16R:FIN 16S:FIN	Sequence B Financial Instrument 16R:FIN 16S:FIN
Sequence C Additional Information 16R:ADDINFO 19A::HOLP//USD20000, 16S:ADDINFO	Sequence C Additional Information 16R:ADDINFO 19A::HOLP//USD30000, 16S:ADDINFO	Sequence C Additional Information 16R:ADDINFO 19A::HOLP//USD10000, 19A::HOLS//USD60000, 16S:ADDINFO

Note: SR2001

The next messages must be linked to the first one using PREV (Reference of the message previously sent)

5 - Total holding of the Page/ Statement (field 19A in Sequence C)

Statement of Holdings number 250, composed of 3 pages, total holding value USD60000.

1 - First Message (Page)	2 - Second Message (Page)	3 - Third and Last Message (Page)
Sequence A General Information 16R:GENL 28E:00001/MORE 13A::STAT//250 20C::SEME//123 16S:GENL	Sequence A General Information 16R:GENL 28E:00002/MORE 13A::STAT//250 20C::SEME//456 Subsequence A1 Linkages 16R:LINK 13A::LINK//535 20C::PREV//123 16S:LINK	Sequence A General Information 16R:GENL 28E:00003/LAST 13A::STAT//250 20C::SEME//789 Subsequence A1 Linkages 16R:LINK 13A::LINK//535 20C::PREV//123 16S:LINK
Sequence B Financial Instrument 16R:FIN 16S:FIN	Sequence B Financial Instrument 16R:FIN 16S:FIN	Sequence B Financial Instrument 16R:FIN 16S:FIN
Sequence C Additional Information 16R:ADDINFO 19A::HOLP//USD20000, 16S:ADDINFO	Sequence C Additional Information 16R:ADDINFO 19A::HOLP//USD30000, 16S:ADDINFO	Sequence C Additional Information 16R:ADDINFO 19A::HOLP//USD10000, 19A::HOLS//USD60000, 16S:ADDINFO

Note: SR2001

HOLP provides the total holding value of the page
 HOLS provides the total holding value of the statement (must be present when ONLY or LAST is used in field 28E)

APPENDIX B - SUBSAFEKEEPING ACCOUNT

Consolidated Statement

Non-Consolidated Statement

ASSUMPTIONS		
Case 1	Consolidated statement	
Generic Account number	ACCTABCGENERIC	
3 Subsafekeeping Accounts	1 ACCT000A 2 ACCT000B 3 ACCT000C	
3 Securities	1 US0000000001 2 US0000000002 3 US0000000003	
Positions (Units)	ACCT000A US0000000001 1000 US0000000003 3000 ACCT000B No holdings ACCT000C US0000000002 4000 US0000000003 6000	
Case 2	Non consolidated statement	
Account number	ACCT000X	
2 Securities	1 US0000000001 2 US0000000002	
Positions (Units)	ACCT000X US0000000001 1000 US0000000002 3000	

MT 535 - Case 1 - CONSOLIDATED Statement									
Message	Comments								
<table border="1" style="width: 100%;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence A - General Information</td> <td> 16R:GENL .../... 97A::SAFE//ACCTABCGENERIC 17B::CONS//Y 17B::ACTI//Y 16S:GENL </td> </tr> </table>	Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCTABCGENERIC 17B::CONS//Y 17B::ACTI//Y 16S:GENL	<p>Master account is ACCTABCGENERIC It is a consolidated statement (CONS flag Y) There is activity to be reported (ACTI flag Y)</p>						
Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCTABCGENERIC 17B::CONS//Y 17B::ACTI//Y 16S:GENL								
<table border="1" style="width: 100%;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safekeeping A account - ACCT000A</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US0000000001</td> <td> 16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US0000000003</td> <td> 16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN </td> </tr> <tr> <td colspan="2" style="text-align: center;">16S:SUBSAFE</td> </tr> </table>	Sequence B - Sub-safekeeping A account - ACCT000A	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y	Sequence B1 - FIN - US0000000001	16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN	Sequence B1 - FIN - US0000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN	16S:SUBSAFE		<p>First occurrence of sequence B - First account (ACCT000A)</p> <p>There is activity to be reported on this account First occurrence of sub-sequence B1 (first security held by account ACCT000A)</p> <p>Second occurrence of sub-sequence B1 (second security held by account ACCT000A)</p>
Sequence B - Sub-safekeeping A account - ACCT000A	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y								
Sequence B1 - FIN - US0000000001	16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN								
Sequence B1 - FIN - US0000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN								
16S:SUBSAFE									
<table border="1" style="width: 100%;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safekeeping Account - ACCT000B</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000B 17B::ACTI//N 16S:SUBSAFE </td> </tr> </table>	Sequence B - Sub-safekeeping Account - ACCT000B	16R:SUBSAFE 97A::SAFE//ACCT000B 17B::ACTI//N 16S:SUBSAFE	<p>Second occurrence of sequence B - Second account (ACCT000B)</p> <p>There is no activity to be reported on this account Therefore no occurrence of sub-sequence B1</p>						
Sequence B - Sub-safekeeping Account - ACCT000B	16R:SUBSAFE 97A::SAFE//ACCT000B 17B::ACTI//N 16S:SUBSAFE								
<table border="1" style="width: 100%;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safekeeping A account - ACCT000B</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000C 17B::ACTI//Y </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US0000000002</td> <td> 16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/4000, .../... 16S:FIN </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US0000000003</td> <td> 16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/6000, .../... 16S:FIN </td> </tr> <tr> <td colspan="2" style="text-align: center;">16S:SUBSAFE</td> </tr> </table>	Sequence B - Sub-safekeeping A account - ACCT000B	16R:SUBSAFE 97A::SAFE//ACCT000C 17B::ACTI//Y	Sequence B1 - FIN - US0000000002	16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/4000, .../... 16S:FIN	Sequence B1 - FIN - US0000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/6000, .../... 16S:FIN	16S:SUBSAFE		<p>Third occurrence of sequence B - Third account (ACCT000C)</p> <p>There is activity to be reported on this account First occurrence of sub-sequence B1 (first security held by account ACCT000C)</p> <p>Second occurrence of sub-sequence B1 (second security held by account ACCT000C)</p>
Sequence B - Sub-safekeeping A account - ACCT000B	16R:SUBSAFE 97A::SAFE//ACCT000C 17B::ACTI//Y								
Sequence B1 - FIN - US0000000002	16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/4000, .../... 16S:FIN								
Sequence B1 - FIN - US0000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/6000, .../... 16S:FIN								
16S:SUBSAFE									

MT 535 - Case 2 - NON CONSOLIDATED Statement

Message	Comments								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence A - General Information</td> <td> 16R:GENL .../... 97A::SAFE//ACCT000X 17B::CONS//N 17B::ACTI//Y 16S:GENL </td> </tr> </table>	Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCT000X 17B::CONS//N 17B::ACTI//Y 16S:GENL	<p>Account is ACCT000X It is NOT a consolidated statement (CONS flag N) There is activity to be reported (ACTI flag Y)</p>						
Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCT000X 17B::CONS//N 17B::ACTI//Y 16S:GENL								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safekkeeping Account - ACCT000X</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US000000000001</td> <td> 16R:FIN 35B:US00000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US000000000003</td> <td> 16R:FIN 35B:US00000000002 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN </td> </tr> <tr> <td></td> <td>16S:SUBSAFE</td> </tr> </table>	Sequence B - Sub-safekkeeping Account - ACCT000X	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y	Sequence B1 - FIN - US000000000001	16R:FIN 35B:US00000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN	Sequence B1 - FIN - US000000000003	16R:FIN 35B:US00000000002 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN		16S:SUBSAFE	<p>ONLY occurrence of sequence B - ONLY 1 account (ACCT000X) There is no need to mention the account anymore (see sequence B) the field becomes optional There is activity to be reported on this account First occurrence of sub-sequence B1 (first security held by account ACCT000X)</p> <p>Second occurrence of sub-sequence B1 (second security held by account ACCT000X)</p>
Sequence B - Sub-safekkeeping Account - ACCT000X	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y								
Sequence B1 - FIN - US000000000001	16R:FIN 35B:US00000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN								
Sequence B1 - FIN - US000000000003	16R:FIN 35B:US00000000002 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN								
	16S:SUBSAFE								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence C - Additional Information</td> <td> 16R:ADDINFO .../... 16S:ADDINFO </td> </tr> </table>	Sequence C - Additional Information	16R:ADDINFO .../... 16S:ADDINFO							
Sequence C - Additional Information	16R:ADDINFO .../... 16S:ADDINFO								

APPENDIX C – ASSET TYPE MATRIX

SECURITY TYPES	INCLUDE MT535 CUSTODY (Y/N)	COMMENT
Bankers Acceptance	Y	
Certificates of Deposit	Y	
Commercial Paper	Y	
Collateralized Loan Obligation	Y	
CMO – Collateralized Mortgage Obligation (includes sinking funds)	Y	
Commodities	N	
Common Stock	Y	
Corporate Registered Bonds	Y	
Corporate Private Placements	Y	
Derivatives (Futures, Options, Swaps)	N	
Discount Notes	Y	
FHA – Federal Housing Authority	Y	
FHLMC – Federal Home Loan	Y	
FNMA – Federal National Mortgage Association	Y	
FX Forwards	N	
Spot FX	N	
GNMA – Government National Mortgage Association	Y	
Miscellaneous Pass-Thru	Y	
Mortgage IOETTE	Y	
Municipal Bond	Y	
Mortgage Private Placement	Y	
Mortgage Principal Only	Y	
Mortgage Interest Only	Y	
Mutual Fund Holdings	Y	To be included in Custody version of MT535 only if a market CUSIP/Identifier is available.
Preferred Stock	Y	
Repurchase Agreements (Repo's) and Reverse Repo's	N	Repo Contract will be reflected in Accounting version of the MT535.
Rights	Y	
Short Term Investment Funds	Y	
Strips	Y	
Student Loan	Y	
Time Deposit	Y	
Treasury Inflation Protected Security	Y	
Treasury Bills	Y	
Treasuries Agency Debenture	Y	
TNBD – Treasury Note Bond	Y	
Warrants	Y	
Zoo: CATS TIGERS LIONS	Y	

- *Collateral has been removed from this matrix as it is not a true security type and should not be reflected on the MT535 as such.*
- *FX Spot and Forwards will not be included in the MT535's, but will comprise part of our ongoing NAV discussions.*

APPENDIX D – EXAMPLE FOR REFLECTING THE PLACE OF SAFEKEEPING

MT535 Custody SUBBAL Breakdown
38,750 Total Shares of CUSIP: G96655108
38,500 available in DTC
200 Pledged Not available in DTC
50 available shares in Euroclear

:16R:GENL
 :28E:00001/ONLY
 :20C::SEME//M306DF0402170001
 :23G:NEWM
 :98A::PREP//20040103
 :98A::STAT//20040103
 :22F::SFRE//DAIL
 :22F::CODE//COMP
 :22F::STTY//CUST
 :22F::STBA//SETT
 :97A::SAFE//ABCD1234
 :17B::ACTI//Y
 :17B::AUDT//N
 :17B::CONS//N
 :16S:GENL
 :16R:SUBSAFE
 :16R:FIN
 :35B:/US/G96655108
 WILLIS GROUP HOLDINGS LTD
 :93B::AGGR//UNIT/38750,
 :93B::AVAI//UNIT/38550,
 :93B::NAVL//UNIT/200,
 :16R:SUBBAL
 :93B::AGGR//UNIT/38700,
 :93B::AVAI//UNIT/38500,
 :93B::NAVL//UNIT//200,
 :94F::SAFE//NCSD/DTCYUS33
 :16S:SUBBAL
 :16R:SUBBAL
 :93C::PLED//UNIT/NAVL/200,
 :94F::SAFE//NCSD/DTCYUS33
 :16S:SUBBAL
 :16R:SUBBAL
 :93B::AGGR//UNIT/50,
 :93B::AVAI//UNIT/50,
 :94F::SAFE//ICSD/MGTCBEBE
 :16S:SUBBAL
 :16S:FIN
 :16S:SUBSAFE

Aggregate Total Holdings
Aggregate Total Available
Aggregate Total Not Available

Total position in DTC
 Total available in DTC
 Total Not available in DTC

Pledged holdings in DTC not available

Total position in Euroclear
 Total available in Euroclear

APPENDIX E – Short Sale Examples

Short position less than the long position

300 Shares of ABC Company - Long (Asset)
100 Shares of ABC Company - Short (Liability)

:16S:FIA
:90B::MRKT//ACTU/USD35,
:98A::PRIC//20051130
:93B::AGGR//UNIT/300,
:93B::AVAI//UNIT/300,
:16R:SUBBAL
:93B::AGGR//UNIT/300,
:94F::SAFE//NCSD/DTCYUS33
:16S:SUBBAL
:16S:FIN
:16S:SUBSAFE

Short Position Equal to Long Position

300 Shares of ABC Company - Long (Asset)
300 Shares of ABC Company - Short (Liability)

:16S:FIA
:90B::MRKT//ACTU/USD35,
:98A::PRIC//20051130
:93B::AGGR//UNIT/300,
:93B::AVAI//UNIT/300,
:16R:SUBBAL
:93B::AGGR//UNIT/300,
:94F::SAFE//NCSD/DTCYUS33
:16S:SUBBAL
:16S:FIN
:16S:SUBSAFE

Short Position Greater than Long Position

100 Shares of ABC Company - Long (Asset)
300 Shares of ABC Company - Short (Liability)

Custody -
:16S:FIA
:90B::MRKT//ACTU/USD35,
:98A::PRIC//20051130
:93B::AGGR//UNIT/100,
:93B::AVAI//UNIT/100,
:16R:SUBBAL
:93B::AGGR//UNIT/100,
:94F::SAFE//NCSD/DTCYUS33
:16S:SUBBAL
:16S:FIN
:16S:SUBSAFE

APPENDIX F – Securities Lending Usage

As currently defined no version of the MT 535 properly supports reporting for Securities Lending Activity. SR2007 introduced new sub Tags for 93B which further complicated the matter. The following appendix detailing usage for Securities Lending is :

- To provide clear and consistent guidance to the Lending agent, about how to interpret the existing custody settlement dated MT535. No message changes are being instituted to the existing settlement based, custody message. **This appendix serves only to inform the lending agent, how they may use the existing message to better manage their accounts.**

Please note the following process and reporting changes required for securities lending are only to be applied to the **settlement based, custody message**.

Lending Agency Background

Non-custodial Lending Agents operate outside of the custodian bank and investment manager systems, and as such have unique requirements for MT535 messages. These lending agents:

- may or may not have information on pending IM trading activity (Buys/Sells),
- are responsible to ensure that their lending activities do not cause or contribute to IM sell fails,
- maintain internal records of each lending transaction (New Loan /Loan Return) in either a settled or a pending status,
- are responsible to ensure that their internal loan position records and lending transaction status records are kept in agreement with the custodian and depository, and
- rely on the custodian bank as their window into trade settlements in the depository.

Based on this, lending agents' requirements for MT535 reporting are:

- settled shares are reported only in the LOAN bucket

CODE INTERPRETATION FOR LENDING AGENTS

– This table represents how the lending agent would interpret the codes when sent in accordance with the current Market Practice. It does not suggest any change to the current usage.

	Investment Managers	Agent Lenders
BLCA	NAVL	NAVL
BLOK	NAVL	NAVL
BLOT	NAVL	NAVL
BLOV	NAVL	NAVL
BODE	NAVL	NAVL
BORR	AVAI	NAVL
COLI	SLA	NAVL
COLO	SLA	NAVL
LODE	AVAI	NAVL
PECA	NAVL	NAVL
PEDA	NAVL	NAVL

Custody Holdings Market Practice

PEND	NAVL	NAVL
PENR	NAVL	NAVL
REGO	NAVL	NAVL
RSTR	NAVL	NAVL
TRAN	NAVL	NAVL
AWAS	AVAI	AVAI
<u>BORE</u>	AVAI	NAVL
<u>COLA</u>	AVAI	NAVL
<u>LORE</u>	AVAI	NAVL
NOMI	AVAI	AVAI
SPOS	AVAI	NAVL
LOAN	AVAI	NAVL
CLEN	AVAI	AVAI
DIRT	AVAI	NAVL
DRAW	AVAI	NAVL
MARG	SLA	NAVL
ISSU	AVAI	?
QUAS	AVAI	?
PLED	SLA	NAVL
UNRG	AVAI	NAVL
OTHR	SLA	SLA

- **OTHR** is ambiguous and the recommendation is to not use OTHR for Lending, but instead populate one of the existing subcodes. If OTHR is to be used, then it will require a clear understanding and agreement between the sender and lending agent as to how it is to be interpreted.
- Both LODE and LORE were introduced in SR2007 and may be used for informational purposes only. These are not settlement based buckets and as such should not be representative in the balance buckets being reported.
- If LODE and LORE are used then:
 - when a new loan is reported as settled via MT546/MT547, the shares be simultaneously decreased in LODE and increased in LOAN prior to sending the next MT535
 - when a loan return is reported as settled via MT544/MT545, the shares be simultaneously decreased in LORE and decreased in LOAN prior to sending the next MT535
 that lending transaction shares are reported in no more than one of LOAN, LODE and LORE at any one time,

Details of the Securities Lending Specific Usage

- 1) AGGR=AVAI + NAVL (No change), what changes is the components within each bucket
- 2) NAVL: Unavailable (Composed of)
 - a) Lode ***May be used but for informational purposes only.**
 - b) Pend ***Change to mandatory if sent to a Sec Lending Agent**
 - c) Rstr (The lending agent should receive the generic level restriction bucket that is comprised of the following detailed buckets.). All further level of detail shown below should be included in RSTR bucket.
 - >RSTR should include: blok, blot, blov, bode, coli, colo, peca, penr, rego, tran
 - >RSTR should Include: bore, cola, spos, dirt, draw, marg, pdmt, pdum, prmt, prum, pled, unrg (Currently in available calc)
 - d) Loan ***Change to mandatory if sent to Security Lending Agent**
- 3) AVAI: Available (Composed of)
 - a) Nomi
 - b) Clen
 - c) Loan is not part of the AVAI bucket for lending purposes

4) Settlement Dated

EXAMPLE

The below is an example of the lending use of the sub-balance qualifiers
 In the below scenario of a custody (22F::STTY//CUST) settled dated (:22F::STBA//SETT) statement, the account owner holds 12300 units of equity B:

5000 units are considered available(AVAI)

- 2000 are on LOAN (but reported available on the standard settlement based custody MT535)
- 3000 are available- no additional info (AWAS)

7300 units are considered not-available(NAVL)

- 300 units are not available because they are Restricted-RSTR
- 2000 units were sold (PEND)
- 5000 are pending loan delivery LODE (reported not-available)

Settled Dated Custody Usage for Lending

```
:93B::AGGR//UNIT/12300,
:93B::AVAI//UNIT/70005000,
:93B::NAVL//UNIT/53007300,
:16R::SUBBAL
:93C::RSTR/UNIT/NAVL/300,
:16S::SUBBAL
:16R::SUBBAL
:93C::PEND/UNIT/NAVL/2000,
:16S::SUBBAL
:16R::SUBBAL
:93C::LODE/UNIT/NAVL/5000,
:16S::SUBBAL
:16R::SUBBAL
:93C::LOAN//UNIT/AVAI/2000,
:16S::SUBBAL
:16R::SUBBAL
:93B::AWAS//UNIT/3000,
```

:16S:SUBBAL

Lending Agent Calculations to Arrive at Lending Avail and Not Avail

$$\text{AVAIL} = 5000 (\text{AVAI//UNIT}) - 2000 (\text{LOAN//UNIT//AVAI}) = 3000$$

$$\text{NAVL} = 7300 (\text{NAVL//UNIT}) + 2000 (\text{LOAN//UNIT//AVAI}) = 9300$$

Or

$$\text{NAVL} = 300(\text{RSTR/UNIT/NAVL}) + 2000(\text{PEND/UNIT/NAVL}) + 5000(\text{LODE/UNIT/NAVL}) + 2000(\text{LOAN//UNIT//AVAI}) = 9300$$