



# Category 3 - Treasury Markets - Foreign Exchange, Money Markets and Derivatives

For Standards MT November 2023

## Message Usage Guidelines

These usage guidelines provide information about support for derivatives in Standards Category 3 messages. In particular, the document contains specific information about the MT 300, MT 305, MT 306, and MT 396, as well as guidance that is equally relevant to other MTs. This document is for users of Standards Category 3 messages that trade derivatives.

20 July 2023

Link to this document: <https://www2.swift.com/go/book/book200294>

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# Preface

## Purpose of this document

These usage guidelines provide information about support for derivatives in Standards Category 3 messages. In particular, the document contains specific information about the MT 300, MT 305, MT 306, and MT 396, as well as guidance that is equally relevant to other MTs.

This usage guide describes how Category 3 messages should be used to support various classes of FX derivative instruments. Rate derivatives (MT 34x and MT36x) as well as commodity derivatives (MT 60x) are not discussed. This document provides usage guidelines and example messages.

This document does not attempt to provide a comprehensive definition of the messages, nor does it describe all possible uses. It rather covers various realistic scenarios, from which other uses can be inferred.

## Audience

This document is for users of Standards Category 3 messages that trade derivatives.

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**CAUTION** This volume contains information effective as of the November 2023 Standards release. Therefore the 22 July 2022 edition of the Standards MT User Handbook volumes remains effective until November 2023.

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## Related information

[Category 3 - Treasury Markets - Foreign Exchange, Money Markets and Derivatives - Message Reference Guide - Volume 1 \(MT 300 - MT 341\)](#)

[Category 3 - Treasury Markets - Foreign Exchange, Money Markets and Derivatives - Message Reference Guide - Volume 2 \(MT 350 - MT 399\)](#)

# Significant Changes

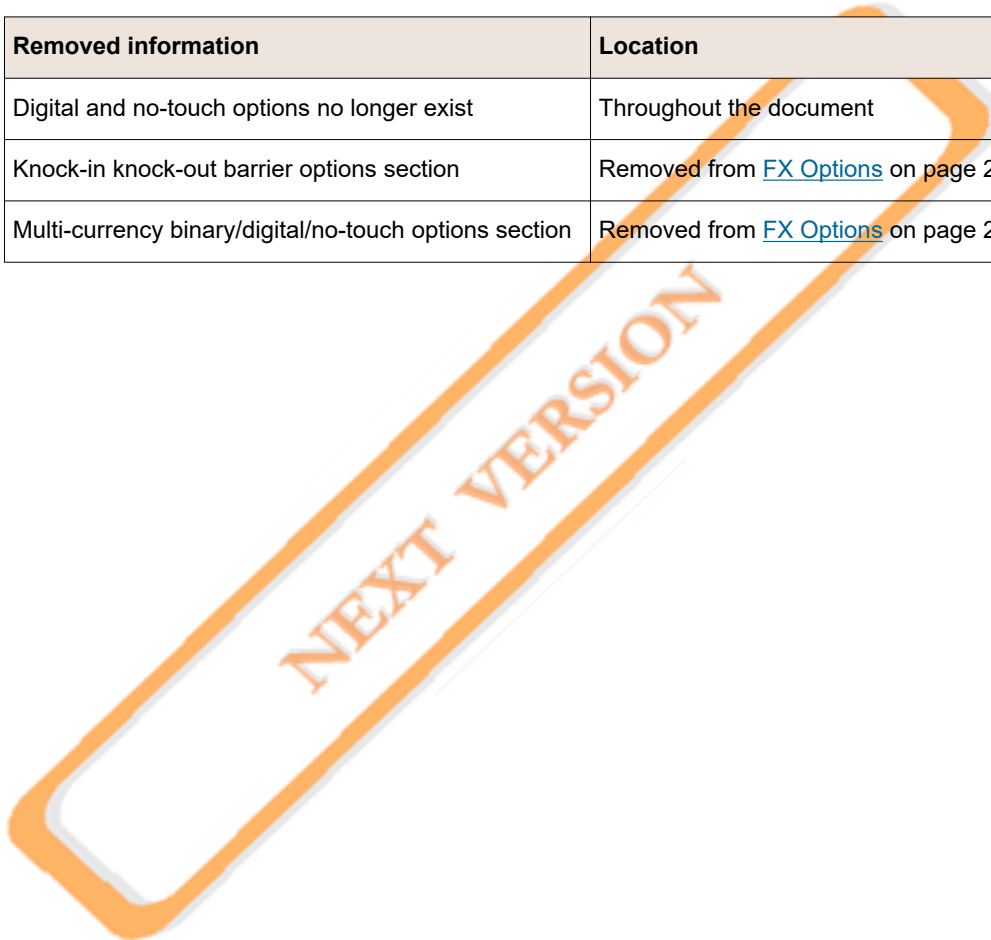
The following tables list significant changes to the content of the *Category 3 - Treasury Markets - Foreign Exchange, Money Markets and Derivatives Message Usage Guidelines* since the 22 July 2022 edition. These tables do not include editorial changes that SWIFT makes to improve the usability and comprehension of the document.

New information	Location
New section	<a href="#">Continuous Barrier Features</a> on page 46
New example	<a href="#">Example Continuous Barrier Option</a> on page 46
New example	<a href="#">Example Discrete Barrier Option 2</a> on page 50
New example	<a href="#">Example Non-Deliverable Barrier Option 2</a> on page 40
New example	<a href="#">Example Non-Deliverable Barrier Option 3</a> on page 41
New example	<a href="#">Example Discrete Barrier Option 3</a> on page 51
New example	<a href="#">Example Continuous Binary Option</a> on page 54
New example	<a href="#">Example Continuous Binary Option 2</a> on page 56
New example	<a href="#">Example Continuous Binary Option 3</a> on page 58

Updated information	Location
Terminology change: "trigger" replaced with "barrier" Terminology change: "window" replaced with "monitoring period"	Throughout the document
Updated examples	<a href="#">Example Cash-Settled Trade in a Digital Currency</a> on page 21 <a href="#">Full Close-Out of Barrier Option</a> on page 31 <a href="#">Partial Close-Out of Barrier Option</a> on page 34 <a href="#">Example Non-Deliverable Barrier Option</a> on page 38 <a href="#">Example Multiple Monitoring Period Barrier Option</a> on page 44 <a href="#">Example Discrete Barrier Option</a> on page 48 <a href="#">Example Discrete Binary Option</a> on page 60 <a href="#">Average Rate Option</a> on page 63 <a href="#">Average Strike Option</a> on page 65 <a href="#">Average Strike Forward</a> on page 67 <a href="#">Example Early Termination</a> on page 69

Updated information	Location
Updated section	<a href="#">Continuous and Discrete Barrier Options</a> on page 46
Updated section	<a href="#">Discrete Barrier Features</a> on page 46
Updated section	<a href="#">Binary Options</a> on page 53
Updated section	<a href="#">Binary Barrier Features</a> on page 53

Removed information	Location
Digital and no-touch options no longer exist	Throughout the document
Knock-in knock-out barrier options section	Removed from <a href="#">FX Options</a> on page 23
Multi-currency binary/digital/no-touch options section	Removed from <a href="#">FX Options</a> on page 23



# 1 Derivatives Overview

The following table summarises the different derivative instruments that are supported by each relevant message type.

Message type	Derivative instrument
MT 300 Foreign Exchange Confirmation MT 304 Advice/Instruction of a Third Party Deal	Spot (not classed as a derivative) Forward Swap Non-deliverable forward and other cash-settled trades
MT 305 Foreign Currency Option Confirmation	Deliverable vanilla option Non-deliverable and other cash-settled vanilla option
MT 306 Foreign Currency Option Confirmation	Vanilla options with additional clauses such as early termination Barrier options Binary options Average rate and strike forwards Average rate and strike options

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## 2 Forwards and Swaps

Deliverable forwards are generally treated similarly to spot trades, except that in the MT 304 there is additional support for closing out a forward position.

An FX swap is processed as two separate legs, that is, a near leg and a far leg, each with its own MT 300 or MT 304. Within the MT 300, field 22W Link Swap Identification can be used to hold a single reference for the two legs of the swap, thereby allowing them to be linked explicitly.

Field 22U Underlying Product Identifier can optionally be used to specifically identify that the trade is a forward or swap.





### 3 Non-Deliverable Forwards

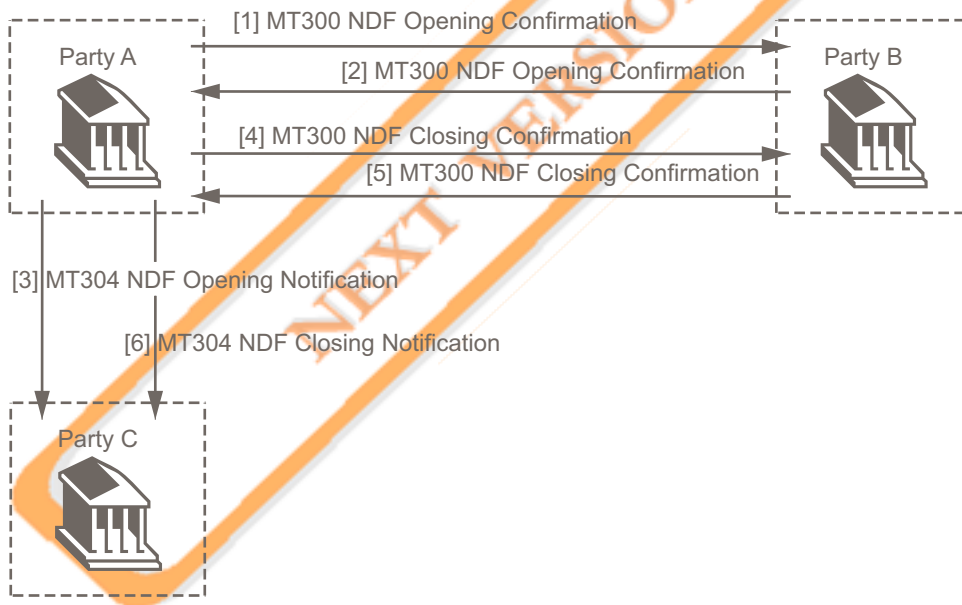
Prior to SR 2017, non-deliverable forward (NDF) trades were supported by means of including codes in free-format fields (77D and 72) in the MT 300 and MT 304. From SR 2017 and onwards, specific fields for NDFs must be used. Messages that include the previous NDF codes in free-format fields are NAKed by the network.

**Note** *The guidelines for NDFs in this section apply equally to other types of cash-settled forward trades. This includes cash-settled forwards and options that are subject to ISDA's Additional Provisions for Cash-Settled Forwards and Options (CSF, CSO) in Deliverable Currencies. From SR 2022 onwards, additional support is added for non-deliverable trades between fiat (ISO 4217) currencies and digital tokens.*

#### 3.1 NDF Life cycle Support

To confirm a non-deliverable forward trade, both parties should exchange MT 300 confirmations at the opening and at the valuation (also known as fixing or closing) of the trade.

To notify a non-deliverable forward trade to a party such as a custodian or settlement system, MT 304 notifications must be sent to this party at the opening and at the fixing of the trade.



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#### 3.2 MT 300 NDF Specific Features

The following fields must be used specifically for NDF confirmations.

Field	Description	Validation
:17F: Non-Deliverable Indicator	Flag to indicate whether the confirmation is for an NDF opening or a valuation.	The field is optional, but the subsequent NDF fields can only be used if 17F is set to Y.

Field	Description	Validation
:17O: NDF Open Indicator	Flag to distinguish between an opening and a valuation.	This field is mandatory if 17F is set to Y.
:32E: Settlement Currency	The currency in which the NDF will settle. This is normally one of the traded currencies that are included in sequence B, but does not have to be.	Mandatory if the confirmation is for an opening. Otherwise, it is not allowed.
:30U: Valuation Date	The date on which the NDF will be valued. This is typically two business days prior to trade settlement.	Mandatory if the confirmation is for an opening. Otherwise, it is not allowed.
:14S: Settlement Rate Source	<p>The rate source or sources that are used to value the NDF. For a currency pair whose terms are governed by an EMTA template, this field should be set to EMT00.</p> <p>For a currency cross (for example, GBP-BRL where GBP is the settlement currency and BRL is the reference currency), typically two rate sources must be provided, which is implemented by including two instances of the field. In this case, the two rate sources should be included in order of reference currency before settlement currency, for example, EMT00 before GBP03.</p>	Mandatory if the confirmation is for an opening. Otherwise, it is not allowed.
:21A: Reference to Opening Confirmation	This field is required in the valuation confirmation to provide the Sender's Reference (field 20) of the original NDF opening confirmation.	Mandatory if the confirmation is for a valuation. Otherwise, it is not allowed.

Several other fields of the MT 300 have specific meaning or usage in the context of an NDF.

Field	Comment
:30T: Trade Date	On the opening, this is the date on which the trade was executed. On the valuation, this is the date of the valuation.
:30V: Value Date	On both opening and valuation, this is the final settlement date.
:36: Exchange Rate	On opening, this is the exchange rate of the NDF. On valuation, this is the valuation rate that was taken from the agreed rate source.

Field	Comment
:32B: Currency, Amount Bought :33B: Currency, Amount Sold	<p>On both the opening and valuation, the amount fields should include the notional (gross) amounts for both the deliverable and non-deliverable currency.</p> <p>The amount of the non-deliverable currency should not change between the opening and the valuation. The direction of buy and sell currencies switches between the opening and the valuation.</p> <p>The final settlement amount is not explicitly stated in the MT 300, but is determined by calculating the difference in the deliverable currency amounts between the opening and valuation messages.</p>
:57a: Receiving Agent in subsequences B1 and B2	:57J:/NOSI/NDFS should be used in both the opening and the valuation confirmations for the non-deliverable currency. Full settlement instructions should be included for the deliverable currency in both the opening and valuation, except in situations where settlement is in a third currency (that is, field 32E contains neither of the currencies in fields 32B and 33B). In this scenario :57J:/NOSI/NDFS should be used for both currencies; the settlement instructions for the settlement currency must be agreed outside of the MT 300 confirmation.

The following fields are used for cash-settled forwards in deliverable currency pairs.

Field	Comment
:77H: Type, Date, Version of the Agreement	On the opening, this field must contain the code ISDACS for cash-settled forwards that are subject to ISDA additional provisions for cash-settled forwards in deliverable currency pairs.
:26K: Calculation Agent	<p>On the opening, this field should be used to identify which party will act as calculation agent for the trade.</p> <p>Optional if the confirmation is for an opening. Otherwise, it is not allowed.</p>

All other fields in the MT 300 should be populated in a similar way to a deliverable spot or forward trade confirmation.

### 3.3 MT 304 NDF Specific Features

The following fields must be used specifically for NDF instructions.

Field	Description	Validation
:94A: Scope of Operation	This field must contain the code ANDF to indicate that it is an NDF.	Subsequent NDF-related fields can only be used if 94A contains ANDF.

Field	Description	Validation
:17O: NDF Open Indicator	Flag to distinguish between an opening and a valuation.	This field is mandatory if 94A contains ANDF.
:17F: Final Close Indicator	Flag to indicate if this is the final close of an NDF. This may be used, for example, when an investment manager finally closes out an NDF.	This field is mandatory for an NDF valuation (that is, field 17O contains N).
:32E: Settlement Currency	The currency in which the NDF will settle. This need not be one of the traded currencies that are present in sequence B.	Optional if the instruction is for an NDF. Otherwise, it is not allowed.
:30U: Valuation Date	The date on which the NDF will be valued. This is typically two business days prior to trade settlement.	Mandatory if the instruction is for an NDF. Otherwise, it is not allowed.
:14S: Settlement Rate Source	The rate source or sources that are used to value the NDF. For a currency pair whose terms are governed by an EMTA template, this field should be set to EMT00.  For a currency cross (for example, GBP-BRL where GBP is the settlement currency and BRL is the reference currency), typically two rate sources are provided, which is implemented by including two instances of the field. In this case, the two rate sources should be included in order of reference currency followed by settlement currency, for example EMT00 before GBP03.	Optional if the instruction is for an NDF. Otherwise, it is not allowed
:21A: Reference to Opening Confirmation	This field is used in the valuation confirmation to provide the Sender's Reference (field 20) of the original NDF opening instruction.	Optional if the instruction is for an NDF. Otherwise, it is not allowed.

Several other fields of the MT 304 have specific meaning or usage in the context of an NDF.

Field	Comment
:30T: Trade Date	On the opening, this is the date on which the trade was executed. On the valuation, this is the date of the valuation.
:30V: Value Date	On both opening and valuation, this is the final settlement date.

Field	Comment
:36: Exchange Rate	On opening, this is the exchange rate of the NDF. On valuation, this is the valuation rate that was taken from the agreed rate source.
:32B: Currency, Amount Bought :33B: Currency, Amount Sold	On both opening and valuation, the amount fields should include the notional (gross) amounts for both the deliverable and non-deliverable currency.  The amount of the non-deliverable currency should not change between the opening and the valuation. The direction of buy and sell currencies switches between the opening and the valuation.  The final settlement amount is included in fields 17G and 32G of sequence E in the MT 304 valuation message.
:53a: Delivery Agent in subsequence B1 and :57a: Receiving Agent in subsequence B2	:53J:/NOSI/NDFS and :57J:/NOSI/NDFS should be used for in both the opening and valuation instructions for the non-deliverable currency. Full settlement instructions should be included for the deliverable currency in both the opening and valuation, except in situations where settlement is a third currency (that is, field 32E contains neither of the currencies in fields 32B and 33B). In this scenario, settlement instructions must be agreed outside of the MT 304 instruction.

The following fields are used for cash-settled forwards in deliverable currency pairs.

Field	Comment
:77H: Type, Date, Version of the Agreement	On the opening, this field must contain the code ISDACS for cash-settled forwards that are subject to ISDA additional provisions for cash-settled forwards in deliverable currency pairs.
:26K: Calculation Agent	On the opening, this field should be used to identify which party will act as calculation agent for the trade.  Optional if the confirmation is for an opening. Otherwise, it is not allowed.

All other fields in the MT 304 should be populated in a similar way to a deliverable spot or forward trade confirmation.

## 3.4 Examples

### 3.4.1 Example Non-Deliverable Forward - EMTA

On 21 November 2017 Growth Investments in London (GRINGB2L) agrees on a non-deliverable forward trade with JP Morgan in New York (CHASUS33), for a fund with identifier GI00123. Growth Investments buys 285,928.04 USD and sells 1,000,000 BRL for value date 18 January 2018 at a rate of 0.285928. Growth Investments' custodian is State Street in London, while JP Morgan uses

its branch in New York for USD settlement. The valuation date for the non-deliverable trade is 16 January 2018. The terms of the NDF are governed by an EMTA template.

On 16 January 2018, the parties determine the settlement amount of the non-deliverable forward trade, by using the valuation rate of 0.29235 that was taken from the agreed rate source. Settlement will take place on 18 January 2018.

**Message 1: NDF opening confirmation (MT 300) from GRINGB2L to CHASUS33**

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CHAS335928GRIN2L
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Type, Date, Version of the Agreement	:77H:ISDA
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:Y
	Settlement Currency	:32E:USD
	Valuation Date	:30U:20180116
	Settlement Rate Source	:14S:EMT00
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20171121
	Value Date	:30V:20180118
	Exchange Rate	:36:0,285928
Subsequence B1 – Amount Bought	Currency, Amount	:32B:USD285928,04
	Receiving Agent	:57A:SBOSGB2L
Subsequence B2 – Amount Sold	Currency, Amount	:33B:BRL1000000,
	Receiving Agent	:57J:/NOSI/NDFS

**Message 2: NDF opening instruction (MT 304) from GRINGB2L to SBOSGB2L**

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:CUST0987
	Type of Operation	:22A:NEWT
	Scope of Operation	:94A:ANDF
	Open Indicator	:17O:Y
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33
	Type, Date, Version of the Agreement	:77H:ISDA
	Settlement Currency	:32E:USD
	Valuation Date	:30U:20180116
Settlement Rate Source	:14S:EMT00	
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20171121
	Value Date	:30V:20180118
Subsequence B1 – Amount Bought	Currency, Amount	:32B:USD285928,04
	Delivery Agent	:53A:CHASUS33
Subsequence B2 – Amount Sold	Currency, Amount	:33B:BRL1000000,
	Receiving Agent	:57J:/NOSI/NDFS

**Message 3: NDF opening confirmation from CHASUS33 to GRINGB2L**

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:123456
	Type of Operation	:22A:NEWT



Sequences	Explanation	Format
	Common Reference	:22C:CHAS335928GRIN2L
	Party A	:82A:CHASUS33
	Party B	:87A:GRINGB2L
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Type, Date, Version of the Agreement	:77H:ISDA
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:Y
	Settlement Currency	:32E:USD
	Valuation Date	:30U:20180116
	Settlement Rate Source	:14S:EMT00
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20171121
	Value Date	:30V:20180118
	Exchange Rate	:36:0,285928
Subsequence B1 – Amount Bought	Currency, Amount	:32B:BRL1000000,
	Receiving Agent	:57J:/NOSI/NDFS
Subsequence B2 – Amount Sold	Currency, Amount	:33B:USD285928,04
	Receiving Agent	:57A:SBOSGB2L

**Message 4: NDF valuation confirmation (MT 300) from GRINGB2L to CHASUS33**

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:765432
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CHAS339235GRIN2L
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33



Sequences	Explanation	Format
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Type, Date, Version of the Agreement	:77H:ISDA
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:N
	Reference to Opening Confirmation	:21A:656464
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20180116
	Value Date	:30V:20180118
	Exchange Rate	:36:0,29235
Subsequence B1 – Amount Bought	Currency, Amount	:32B:BRL1000000,
	Receiving Agent	:57J:/NOSI/NDFS
Subsequence B2 – Amount Sold	Currency, Amount	:33B:USD292350,
	Receiving Agent	:57A:CHASUS33

**Message 5: NDF valuation instruction (MT 304) from GRINGB2L to SBOSGB2L**

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:CUST765432
	Type of Operation	:22A:NEWT
	Scope of Operation	:94A:ANDF
	Open Indicator	:17O:N
	Final Close Indicator	:17F:Y
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33
	Type, Date, Version of the Agreement	:77H:ISDA

Sequences	Explanation	Format
	Valuation Date	:30U:20180116
	Reference to Opening Instruction	:21A:CUST0987
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20180116
	Value Date	:30V:20180118
	Exchange Rate	:36:0,29235
Subsequence B1 – Amount Bought	Currency, Amount	:32B:BRL1000000,
	Delivery Agent	:53J:/NOSI/NDFS
Subsequence B2 – Amount Sold	Currency, Amount	:33B:USD292350,
	Receiving Agent	:57A:CHASUS33
Subsequence E – Net Amount to be Settled	Net Amount to be Settled	:15E:
	Gain (Loss) Indicator	:17G:N
	Currency, Amount	:32G:6421,96

**Message 6: NDF valuation confirmation from CHASUS33 to GRINGB2L**

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:345678
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CHAS339235GRIN2L
	Party A	:82A:CHASUS33
	Party B	:87A:GRINGB2L
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Type, Date, Version of the Agreement	:77H:ISDA
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:N
	Reference to Opening Confirmation	:21A:123456

Sequences	Explanation	Format
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20180116
	Value Date	:30V:20180118
	Exchange Rate	:36:0,29235
Subsequence B1 – Amount Bought	Currency, Amount	:32B:USD292350,
	Receiving Agent	:57A:CHASUS33
Subsequence B2 – Amount Sold	Currency, Amount	:33B:BRL1000000,
	Receiving Agent	:57J:/NOSI/NDFS

### 3.4.2 Example Non-Deliverable Forward - Currency Cross

This example is similar to the previous, except that it is for a currency cross and therefore includes two instances of field 14S Settlement Rate Source. Due to the similarity with the previous example, only the first MT 300 is shown, with the specific differences highlighted.

On 21 November 2017 Growth Investments in London (GRINGB2L) agrees on a non-deliverable forward trade with JP Morgan in New York (CHASUS33), for a fund with identifier GI00123. Growth Investments buys **285,928.04 GBP** and sells 1,000,000 BRL for value date 18 January 2018 at a rate of 0.285928. Growth Investments' custodian is State Street in London. The valuation date for the non-deliverable trade is 16 January 2018.

#### Message 1: NDF opening confirmation (MT 300) from GRINGB2L to CHASUS33

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CHAS335928GRIN2L
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Type, Date, Version of the Agreement	:77H:ISDA
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:Y

Sequences	Explanation	Format
	Settlement Currency	:32E:GBP
	Valuation Date	:30U:20180116
	Settlement Rate Source	:14S:EMT00
	Settlement Rate Source <sup>(1)</sup>	:14S:GBP1/1400/GBLO
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20171121
	Value Date	:30V:20180118
	Exchange Rate	:36:0,285928
Subsequence B1 – Amount Bought	Currency, Amount	:32B:GBP285928,04
	Receiving Agent	:57A:SBOSGB2L
Subsequence B2 – Amount Sold	Currency, Amount	:33B:BRL1000000,
	Receiving Agent	:57J:/NOSI/NDFS

(1) Time and Location must always be included for rate sources other than EMT00.

### 3.4.3 Example Cash-Settled Forward

On 01 December 2021 Growth Investments in London (GRINGB2L) agrees on a cash-settled forward trade with JP Morgan in New York (CHASUS33), for a fund with identifier GI00123. Growth Investments buys **116,908.04 GBP** and sells 1,000,000 DKK for value date 01 February 2022 at a rate of 0.116,918. Growth Investments' custodian is State Street in London. The valuation date for the cash-settled forward trade is 28 January 2022. The parties will jointly act as calculation agent.

#### Message 1: CSF opening confirmation (MT 300) from GRINGB2L to CHASUS33

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CHAS336918GRIN2L
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33
	Fund or Beneficiary Customer	:83J:/NAME/GI00123

Sequences	Explanation	Format
	Type, Date, Version of the Agreement	:77H:ISDACS
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:Y
	Settlement Currency	:32E:GBP
	Valuation Date	:30U:20220128
	Settlement Rate Source	:14S:WMR01/1400/GBLO
	Calculation Agent	:26K:JOIN
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20211201
	Value Date	:30V:20220201
	Exchange Rate	:36:0,116918
Subsequence B1 – Amount Bought	Currency, Amount	:32B:GBP116908,04
	Receiving Agent	:57A:SBOSGB2L
Subsequence B2 – Amount Sold	Currency, Amount	:33B:DKK1000000,
	Receiving Agent	:57J:/NOSI/NDFS

### 3.4.4 Example Cash-Settled Trade in a Digital Currency

On 01 December 2021 Growth Investments in London (GRINGB2L) agrees on a cash-settled forward trade with JP Morgan in New York (CHASUS33), for a fund with identifier GI00123. Growth Investments buys **116,908.04 GBP** and sells 8 bitcoins for value date 01 February 2022 at a rate of 14613.505. Growth Investments' custodian is State Street in London. The valuation date for the cash-settled forward trade is 28 January 2022. The parties will jointly act as calculation agent.

#### Message 1: CSF opening confirmation (MT 300) from GRINGB2L to CHASUS33

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CHAS333216GRIN2L

Sequences	Explanation	Format
	Party A	:82A:GRINGB2L
	Party B	:87A:CHASUS33
	Fund or Beneficiary Customer	:83J:/NAME/GI00123
	Type, Date, Version of the Agreement	:77H:OTHER
	Terms and Conditions	:77D:"As per our bilateral agreement dated 1 Dec 2020"
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:Y
	Settlement Currency	:32E:GBP
	Valuation Date	:30U:20220128
	Settlement Rate Source	:14S:SCC01
	Calculation Agent	:26K:JOIN
Sequence B - Transaction Details	Transaction Details	:15B:
	Trade Date	:30T:20211201
	Value Date	:30V:20220201
	Exchange Rate	:36:14613,505
	Digital Token Identifier	:35C:4H95J0R2X
Subsequence B1 – Amount Bought	Currency, Amount	:32B:GBP116908,04
	Receiving Agent	:57A:SBOSGB2L
Subsequence B2 – Amount Sold	Currency, Amount	:33B:XXX8,
	Receiving Agent	:57J:/NOSI/NDFS

## 4 FX Options

FX options are split into *vanilla* and *exotic*. An FX *vanilla option* is a financial instrument that gives the holder the right, but not the obligation, to buy or sell an underlying currency at a predetermined price within a given time frame. A *vanilla option* is a normal *option* that has no special or unusual features. An exotic option is one which has features making it more complex than the more commonly traded vanilla options.

The MT 305 is used for deliverable and non-deliverable vanilla options.

The MT 306 is used for options that have exotic features. The following exotic options are supported:

- A barrier option is an exotic option whose existence depends upon the underlying currencies' exchange rate reaching pre-set barrier level; the option either springs into existence (known as *knock-in*) or, if the option already exists, it is extinguished (known as *knock-out*).
  - The option may have two barriers, which may both be knock-in or knock-out.
  - It is possible to specify that the barriers are monitored during one period or more than one period.
  - It is also possible to specify that the barrier is monitored only at discrete times and not continuously.
  - The option may be deliverable or non-deliverable.
- Binary options are a class of options in which a fixed pay-out is made if a specified condition is met during the life of the option.
  - Binary options always have a barrier.
  - It is possible to specify that the barrier is monitored only at discrete times and not continuously.
- It is possible to specify an optional early termination clause for all classes of options, which gives the buyer the right to terminate the option early at specified times during its lifespan.
- Average rate forwards and options, in which either the rate or the strike or both are calculated based on an average rate calculated over an agreed period.
  - These may have barriers.
  - Average rate options are always non-deliverable, but average strike options may be either deliverable or non-deliverable.

It is beyond the scope of this document to describe all these instruments in detail, but much useful information is readily available on the internet.

### 4.1 Exotic Option Life Cycle Support

As well as supporting the initial confirmation of exotic option trades, the MT 306 may be used to confirm the following life cycle events:

- Confirmation of a close out.
- Notice of a knock-in which has triggered the option into existence. Prior to that level being touched, no option exists.
- Notice of a knock-out which has triggered termination of the option.
- Notice of a barrier event for a binary option.



## 4.2 FX Options Close-Outs

### 4.2.1 Option Close-Outs

The parties to an option trade may agree to close-out (also known as early termination) of the option. In this case, the option may have some agreed residual value to the original buyer, which the seller agrees to return. This is known as the "surrender" value. The close-out may be for the full underlying amounts of the original option or may be partial, in which case some of the original option will remain. Both vanilla and exotic options may be closed-out.

The MT 305 and MT 306 are used to confirm the close-out of vanilla and exotic options, respectively. The close-out confirmation of a full close-out, is effectively the opposite of the confirmation of the original trade, albeit with a different premium price.

The key economic terms of a full and partial close-out trade are shown in the example below. In this case, the surrender values of the option are USD 450 and USD 250, respectively.

	Original option trade		Full close-out		Partial close-out
Buyer	Party A		Party B		Party B
Seller	Party B		Party A		Party A
Premium	USD 1,000		USD 450		USD 250
Strike	0.936		0.936		0.936
Buy currency, amount	EUR 9,360		EUR 9,360		EUR 4,680
Sell currency, amount	USD 10,000		USD 10,000		USD 5,000
Expiry date	1 Jan 2019		1 Jan 2019		1 Jan 2019

The confirmation of a partial close-out contains only the put and call currencies and amounts that are being closed-out, with the residual value of the open option being the difference between the original option put and call amounts and the closed-out amounts.

### 4.2.2 Vanilla Option - MT 305 Specific Features

The following table describes how specific fields must be used for confirming close-outs of a vanilla option. All other fields in the MT 305 close-out must contain the same data as the original option confirmation.

Field	Description
:20: Transaction Reference Number	The close-out confirmation must have a new reference.



Field	Description
:21:Related Reference	<p>For a new close-out confirmation, this field must contain the transaction reference number (field :20:) of the confirmation of the original option that is being closed-out. In a case where the original option confirmation was amended, this should be the reference of the last confirmation in the chain. For a close-out that is being amended or cancelled, this field must contain the reference of the confirmation that is being amended or cancelled, respectively.</p>
:22:Code/Common Reference	<p>The code CLOSEOUT must be used for a new close-out confirmation. If a close-out confirmation is amended or cancelled, then AMEND or CANCEL must be used, as appropriate.</p> <p><b>Note</b> <i>For matching purposes, a close-out confirmation must always be matched with another close-out confirmation.</i></p> <p>The common reference must reflect the data contained in the close-out confirmation, which should be the same as the data in the original option confirmation.</p>
:23: Further Identification	<p>Code 1 (BUY or SELL) must be the opposite of the Code 1 of the option that is being closed-out. That is a BUY is closed-out with a SELL and a SELL is closed-out with a BUY.</p> <p>Code 2, Code 3, and Currency must be the same as they were in the confirmation of the option that is being closed-out.</p>
:30: Date Contract Agreed	<p>This must be the date that the close-out was agreed.</p>
:32B: Underlying Currency and Amount	<p>For a full close-out, this must contain the same currency and amount as the original option confirmation.</p> <p>For a partial close-out, this must contain the same currency as the original option confirmation. The amount should contain the amount that is being closed-out. The difference between the amount in the original confirmation and the amount in the close-out confirmation represents the remaining "open" amount of the option.</p>
:33B: Counter Currency and Amount	<p>For a full close-out, this must contain the same currency and amount as the original option confirmation.</p> <p>For a partial close-out, this must contain the same currency as the original option confirmation. The amount should contain the amount that is being closed-out. The difference between the amount in the original confirmation and the amount in the close-out confirmation represents the remaining "open" amount of the option.</p>

Field	Description
:37K: Premium Price	This field must contain the currency and amount or the rate which is used to calculate the surrender value of the option.
:34a: Premium Payment	<p>This field must contain the date, currency, and amount of the surrender payment.</p> <p>If the original option was bought by Party A of the close-out message, then Party A receives a payment for the close-out, hence field option 34R must be used.</p> <p>If the original option was sold by Party A of the close-out message, then Party A makes a payment for the close-out and field option 34P must be used.</p>
:57a: Account With Institution	This field must identify the financial institution and account where the payee will receive the surrender payment.

### 4.2.3 Exotic Option - MT 306 Specific Features

The following table describes how specific fields must be used for confirming close-outs of an exotic option. This includes full and partial close-out of an MT 306 that includes sequence D Vanilla Block. The table does not provide guidance for binary options. All other fields in the MT 306 close-out must contain the same data as the original option confirmation.

**Note** *An option that was confirmed with an MT 306 must always be closed-out with an MT 306, even when, for example, a knock-in barrier has been hit, such that the option is now effectively a vanilla option.*

Field	Description
Sequence A	
:20: Sender's Reference Number	The close-out confirmation must have a new reference.
:21: Related Reference	For a new close-out confirmation, this field must contain the related reference (field :20:) of the confirmation of the original option that is being closed-out. In a case where the original option confirmation was amended, this should be the reference of the last confirmation in the chain. For a close-out that is being amended or cancelled, this field must contain the reference of the confirmation that is being amended or cancelled, respectively.
:22A: Type of Operation	The code NEWT must be used for a new close-out confirmation. If a close-out confirmation is amended or cancelled, then AMND or CANC must be used, as appropriate.

Field	Description
:22K: Type of Event	<p>CLST must be used for a close-out.</p> <p><b>Note</b> <i>In regards to identification of a close-out, the MT 305 is structurally different to the MT 306.</i></p> <p><i>For matching purposes, a close-out confirmation must always be matched with another close-out confirmation.</i></p>
Sequence B	
:17V: Buy (Sell) Indicator	Must contain the opposite of the indicator that was present in the option that is being closed-out. That is a B is closed-out with an S and an S is closed-out with a B.
:30T: Trade Date	The date that the close-out was agreed.
:37K: Premium Price	This field must contain the currency and amount or the rate which is used to calculate the surrender value of the option.
:30V: Premium Payment Date	The date on which the surrender payment will be made.
:34B: Premium Currency and Amount	The currency and amount of the surrender payment.
Sequence C	
:57a: Account With Institution	This field must identify the financial institution and account where the payee will receive the surrender payment.
Sequence D	
:32B: Put Currency and Amount	<p>For a full close-out, this must contain the same currency and amount as the original option confirmation.</p> <p>For a partial close-out, this must contain the same currency as the original option confirmation. The amount should contain the amount that is being closed-out. The difference between the amount in the original confirmation and the amount in the close-out confirmation represents the remaining "open" amount of the option.</p>

Field	Description
:33B: Call Currency and Amount	<p>For a full close-out, this must contain the same currency and amount as the original option confirmation.</p> <p>For a partial close-out, this must contain the same currency as the original option confirmation. The amount should contain the amount that is being closed-out. The difference between the amount in the original confirmation and the amount in the close-out confirmation represents the remaining "open" amount of the option.</p>

## 4.2.4 Example Messages

### 4.2.4.1 Full Close-Out of Vanilla Option

Deutsche buys a EUR/USD put option from Citi on 3 April 2018 for expiry on 17 June 2018. The agreed premium rate is 2.25%. On 1 May, Deutsche closes-out the option. Citi agrees to pay a close-out surrender rate of 1.15% to Deutsche.

#### Message 1 - confirmation of option trade sent by Deutsche

Header	Sender	DEUTGB2L
	Message Type	305
	Receiver	CITIUS33
Sequence A	General Information	:15A:
	Transaction Reference Number	:20:FX4567
	Related Reference	:21:NEW
	Code/Common Reference	:22:NEW/CITI339346DEUT2L
	Further Identification	:23:BUY/PUT/E/USD
	Party A	:82A:DEUTGB2L
	Party B	:87A:CITIUS33
	Date Contract Agreed	:30:180403
	Expiry Details	:31G:180617/1600/CHICAGO
	Final Settlement Date	:31E:180619
	Settlement Type	:26F:PRINCIPAL
Underlying Currency and Amount	:32B:USD100000,	

	Strike Price	:36:0,9346
	Counter Currency and Amount	:33B:EUR93460,
	Premium Price	:37K:PCT2,25
	Premium Payment	:34P:180405USD2250,
	Account With Institution	:57A:CITIUS33

**Message 2 - confirmation of close-out sent by Deutsche**

Header	Sender	DEUTGB2L
	Message Type	305
	Receiver	CITIUS33
Sequence A	General Information	:15A:
	Transaction Reference Number	:20:FX9876
	Related Reference	:21:FX4567
	Code/Common Reference	:22:CLOSEOUT/ CITI339346DEUT2L
	Further Identification	:23:SELL/PUT/E/USD
	Party A	:82A:DEUTGB2L
	Party B	:87A:CITIUS33
	Date Contract Agreed	:30:180501
	Expiry Details	:31G:180617/1600/CHICAGO
	Final Settlement Date	:31E:180619
	Settlement Type	:26F:PRINCIPAL
	Underlying Currency and Amount	:32B:USD100000,
	Strike Price	:36:0,9346
	Counter Currency and Amount	:33B:EUR93460,
	Premium Price	:37K:PCT1,15
Premium Payment	:34P:180503USD1150,	
Account With Institution	:57A:DEUTGB2L	

## 4.2.4.2 Partial Close-Out of Vanilla Option

Deutsche buys a EUR/USD put option from Citi on 1 April 2018 for expiry on 17 June 2018. The agreed premium rate is 2.25%. On 1 May, Deutsche closes-out 75% of the option, which is in-the-money. Citi agrees to pay a close-out surrender rate of 1.15% to Deutsche.

### Message 1 - confirmation of option trade sent by Deutsche

See message 1 in [Full Close-Out of Vanilla Option](#) on page 28.

### Message 2 - confirmation of partial close-out sent by Deutsche

Header	Sender	DEUTGB2L
	Message Type	305
	Receiver	CITIUS33
Sequence A	General Information	:15A:
	Transaction Reference Number	:20:FX9876
	Related Reference	:21:FX4567
	Code/Common Reference	:22:CLOSEOUT/ CITI339346DEUT2L
	Further Identification	:23:SELL/PUT/E/USD
	Party A	:82A:DEUTGB2L
	Party B	:87A:CITIUS33
	Date Contract Agreed	:30:180501
	Expiry Details	:31G:180617/1600/CHICAGO
	Final Settlement Date	:31E:180619
	Settlement Type	:26F:PRINCIPAL
	Underlying Currency and Amount	:32B:USD75000,
	Strike Price	:36:0,9346
	Counter Currency and Amount	:33B:EUR70095,
	Premium Price	:37K:PCT1,15
Premium Payment	:34P:180503USD862,5	
Account With Institution	:57A:DEUTGB2L	

### 4.2.4.3 Full Close-Out of Barrier Option

Deutsche buys a EUR/USD put barrier option from Citi on 3 April 2024. The agreed premium is USD 22,500. On 1 May, Deutsche closes-out the option. Citi agrees to a close-out surrender payment of USD 11,500 to Deutsche.

#### Message 1 - confirmation of barrier option trade sent by Deutsche

Header	Sender	DEUTGB2L
	Message Type	306
	Receiver	CITIUS33
Sequence A	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330959DEUT2L
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DEUTGB2L
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240403
	Expiration or Valuation Date	:30X:20240617
	Expiration or Valuation Location and Time	:29E:USCH/1600
	Final Settlement Date	:30F:20240619
	Premium Payment Date	:30V:20240405
	Premium Currency and Amount	:34B:USD22500,

	Calculation Agent	:84A:CITIUS33
	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR1042752,8
	Strike	:36:0,959
	Call Currency and Amount	:33B:USD1000000,
Sequence F	Barrier Block	:15F:
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:0,964
	Barrier Time Type	14M:CONT
	Barrier Monitoring Period	:30I:20240415/20240610

**Message 2 - confirmation of close-out sent by Deutsche**

Header	Sender	DEUTGB2L
	Message Type	306
	Receiver	CITIUS33
Sequence A	General Information	:15A:
	Sender's Reference	:20:098765
	Related Reference	:21:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330959DEUT2L
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N



	Type of Event	:22K:CLST
	Party A	:82A:DEUTGB2L
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:S
	Trade Date	:30T:20240501
	Expiration or Valuation Date	:30X:20240617
Sequence B	Expiration or Valuation Location and Time	:29E:USCH/1600
	Final Settlement Date	:30F:20240619
	Premium Payment Date	:30V:20240503
	Premium Currency and Amount	:34B:USD11500,
	Calculation Agent	:84A:CITIUS33
	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CHASUS33
	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR1042752,8
	Strike	:36:0,959
	Call Currency and Amount	:33B:USD1000000,
	Barrier Block	:15F:
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:0,964
	Barrier Time Type	:14M:CONT
	Barrier Monitoring Period	:30I:20240415/20240610

#### 4.2.4.4 Partial Close-Out of Barrier Option

Deutsche buys a EUR/USD put barrier option from Citi on 1 April 2024. The agreed premium is USD 22,500. On 1 May, Deutsche closes-out 75% of the option, which is in-the-money. Citi agrees to a close-out surrender payment of USD 8,625 to Deutsche.

##### Message 1 - confirmation of option trade sent by Deutsche

See message 1 in [Full Close-Out of Barrier Option](#) on page 31.

##### Message 2 - confirmation of partial close-out sent by Deutsche

Header	Sender	DEUTGB2L
	Message Type	306
	Receiver	CITIUS33
Sequence A	General Information	:15A:
	Sender's Reference	:20:ABCD
	Related Reference	:21:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330959DEUT2L
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CLST
	Party A	:82A:DEUTGB2L
	Party B	:87A:CITIUS33
Terms and Conditions	:77H:ISDA	
Sequence B	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240403
	Expiration or Valuation Date	:30X:20240617
	Expiration or Valuation Location and Time	:29E:USCH/1600

	Final Settlement Date	:30F:20240619
	Premium Payment Date	:30V:20240503
	Premium Currency and Amount	:34B:USD8625,
	Calculation Agent	:84A:CITIUS33
	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CHASUS33
Sequence D	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR782064,6
	Strike	:36:0,959
	Call Currency and Amount	:33B:USD750000,
Sequence F	Barrier Block	:15F:
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:0,964
	Barrier Time Type	:14M:CONT
	Barrier Monitoring Period	:30I:20240415/20240610

## 4.3 Non-Deliverable Options

Vanilla non-deliverable and cash-settled options should be confirmed using the MT 305, but if they have a barrier or other construct that does not fit in the MT 305 they should be confirmed using the MT 306.

### 4.3.1 Vanilla NDO Features

A non-deliverable option must be identified by putting "Y" in field 17F Non-Deliverable Indicator. This should be used when the option is cash settled, irrespective of whether the underlying currencies are deliverable or non-deliverable.

If field 17F contains "Y", then fields 32E Settlement Currency and at least one instance of 14S Settlement Rate Source must be included.

In field 26F Settlement Type in sequence A General Information, the settlement type should be specified as NETCASH.

For options that are covered by the ISDA Additional Provisions for Cash-Settled Forwards and Options, field 77H must contain code ISDACS. Field 26K Calculation Agent may also be included in the message.

### 4.3.1.1 Example Non-Deliverable Vanilla Option and Exercise

The following example is for a non-deliverable vanilla option. The terms of the option are governed by an EMTA template. The example includes both the MT 305 confirmation of the NDO and the MT 300 confirmation of the exercise. The example is for a USD/CNY option subject to an EMTA template and with European style expiry and settlement in USD.

#### MT 305 confirmation of NDO

Sequences	Explanation	Formats
Sequence A - General Information	General Information	:15A:
	Transaction Reference Number	:20:41731973
	Related Reference	:21:NEW
	Code/Common Reference	:22:NEW/BARC5G0685SCBL2L
	Further Identification	:23:BUY/PUT/E/CNY
	Party A	:82A:SCBLGB2L
	Party B	:87A:BARCGB5G
	Fund or Beneficiary Customer	:83J:/NAME/State growth fund
	Date Contract Agreed or Amended	:30:160517
	Expiry Details	:31G:160817/1700
	Final Settlement Date	:31E:160819
	Settlement Type	:26F:NETCASH
	Non-Deliverable Indicator	:17F:Y
	Settlement Rate Source	:14S:EMT00
	Settlement Currency	:32E:USD
	Underlying Currency and Amount	:32B:CNY685000000,
	Strike Price	:36:6,85
	Counter Currency and Amount	:33B:USD100000000,
	Premium Price	:37K:PCT1,15
	Premium Payment	:34P:160517USD1150000,
Account With Institution	:57A:SCBLUS33	
Type, Date, Version of the Agreement	:77H:ISDACN/ 19890815//1992	

Sequences	Explanation	Formats
	Year of Definitions	:14C:1998
Sequence B – Reporting Information	Reporting Information	:15B:
	Reporting Jurisdiction	:22L:ESMA
	UTI Namespace/Issuer Code	:22M:1234567890
	Transaction Identifier	:22N:ABCDEFGHIJKLMN

**MT 300 confirmation of exercise of NDO**

On expiry date, the CNY/USD rate from the agreed rate source was 6.95.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:4705758
	Type of Operation	:22A:EXOP
	Common Reference	:22C:BARC5G0695SCBL2L
	Party A	:82A:SCBLGB2L
	Party B	:87A:BARCGB5G
	Fund or Beneficiary Customer	:83J:/NAME/State growth fund
	Type, Date, Version of the Agreement	:77H:ISDACN/19890815//1992
	Year of Definitions	:14C:1998
	Non-Deliverable Indicator	:17F:Y
	NDF Open Indicator	:17O:N
Reference to Opening Confirmation	:21A:41731973	
Sequence B – Transaction Details	Reporting Information	:15B:
	Trade Date	:30T:20160817
	Value Date	:30V:20160819
	Exchange Rate	:36:6.95
Subsequence B1 Amount Bought	Currency, Amount	:32B:CNY685000000,
	Receiving Agent	:57J:/NOSI/NDFS

Sequences	Explanation	Format
Subsequence B2 Amount Sold	Currency, Amount	:33B:USD98561151,08
	Receiving Agent	:57A:CHASUS33

## 4.3.2 Non-Deliverable Barrier and Other Non-Vanilla NDOs

In the Category 3 Message Reference Guide, the MT 306 includes an example of a deliverable option with an up and in knock-in barrier.

The format of field 14S Settlement Rate Source in sequence H Non Deliverable Option Block includes an optional time and location for the rate source. It is repetitive in order to cater for cross-currency NDOs.

**Note** *In practice, this field is not expected to be repeated more than once in this sequence or indeed wherever it occurs in the MT 306. (In other words, there will not be more than two instances of field 14S Settlement Rate Source in either this sequence or in any other sequence in the message.)*

For options that are covered by the ISDA Additional Provisions for Cash-Settled Forwards and Options, field 77H must contain code ISDACS. Field 26K Calculation Agent may also be included in the message.

### 4.3.2.1 Example Non-Deliverable Barrier Option

The following example is for a non-deliverable cross-currency option that has an up and in knock-in barrier.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI333214DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33

Sequences	Explanation	Format
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:
	Trade Date	:30T:20240606
	Expiration or Valuation Date	:30X:20241002
	Expiration or Valuation Location and Time	:29E:USCH/1600
	Final Settlement Date	:30F:20241007
	Premium Payment Date	:30V:20240610
	Premium Currency and Amount	:34B:EUR22500,
	Calculation Agent	:84A:CITIUS33
Sequence C - Settlement Instructions for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:NETCASH
	Put Currency and Amount	:32B:EUR1000000,00
	Strike	:36:3,214
	Call Currency and Amount	:33B:BRL3214000,00
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:3,333
	Barrier Time Type	:14M:CONT
	Barrier Monitoring Period	:30I:20240606/20241002
Sequence H - Non Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:BRL09
	Settlement Rate Source	:14S:EUR2/1000/GBLO
	Settlement Currency	:32E:EUR

### 4.3.2.2 Example Non-Deliverable Barrier Option 2

The following example is for a non-deliverable option that has a dual knock-in barrier.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330502DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221219
	Expiration or Valuation Date	:30X:20230222
	Expiration or Valuation Location and Time	:29E:BRSP/1315
	Final Settlement Date	:30F:20230224
	Premium Payment Date	:30V:20221221
	Premium Currency and Amount	:34B:USD10000,
Calculation Agent	:84D:AS PER THE AGREEMENT	
Sequence C - Settlement Instructions for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:



Sequences	Explanation	Format
	Settlement Type	:26F:NETCASH
	Put Currency and Amount	:32B:EUR1000000,00
	Strike	:36:5,02
	Call Currency and Amount	:33B:BRL5020000,00
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DUKI
	Barrier Level	:37J:5,10
	Lower Barrier Level	:37L:4,95
	Barrier Settlement Rate Source	:14S:EMT00
	Barrier Determination Business Days	:29I:SPOT
	Interim Barrier Dates Business Day Convention	:14K:UNAD
	Barrier Event End Date Business Day Convention	:14L:EXPI
	Barrier Time Type	:14M:CONT
	Spot Market	:14N:LOCA
	Barrier Monitoring Period	:30I:20221219/20230222
Sequence H - Non Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:EMT00
	Settlement Currency	:32E:USD

### 4.3.2.3 Example Non-Deliverable Barrier Option 3

The following example is for a non-deliverable option that has a double knock-in barrier.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330518DRESFF

Sequences	Explanation	Format
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20230403
	Expiration or Valuation Date	:30X:20240203
	Expiration or Valuation Location and Time	:29E:BRSP/1315
	Final Settlement Date	:30F:20240207
	Payment Business Day	:29H:USNY
	Premium Payment Date	:30V:20230405
	Premium Currency and Amount	:34B:USD13500,
Calculation Agent	:84D:AS PER THE AGREEMENT	
Sequence C - Settlement Instructions for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:NETCASH
	Put Currency and Amount	:32B:EUR1000000,00
	Strike	:36:5,18
	Call Currency and Amount	:33B:BRL5180000,00

Sequences	Explanation	Format
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DKIN
	Barrier Event Equal Modifier	:17C:N
	Barrier Level	:37J:5,10
	Lower Barrier Level	:37L:4,95
	Barrier Settlement Rate Source	:14S:EMT00
	Barrier Determination Business Days	:29I:BRSP
	Barrier Determination Business Days	:29I:BRBR
	Barrier Determination Business Days	:29I:BRRI
	Barrier Determination Business Days	:29I:USNY
	Interim Barrier Dates Business Day Convention	:14K:UNAD
	Barrier Event End Date Business Day Convention	:14L:EXPI
	Barrier Time Type	:14M:DISC
	Barrier Event Determination Time Source	:14O:SERS
Barrier Monitoring Period	:30I:20230503/20240103	
Sequence H - Non Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:EMT00
	Settlement Currency	:32E:USD

## 4.4 Physically Fixed Deliverable Options

These are deliverable options that are "auto-exercised" based on an agreed rate source.

The agreement whether to auto-exercise is covered by a master agreement and is not recorded in the MT 305 or MT 306 itself.

### 4.4.1 Vanilla Options

For an MT 305:

- 26F Settlement Type in sequence A General Information should be PRINCIPAL.
- 14S Settlement Rate Source should be present in sequence A General Information. This field may be repeated if a cross-currency rate is required.

## 4.4.2 Barriers and Other Non-Vanilla Options

For an MT 306:

- 17F Non-Deliverable Indicator in sequence A General Information should be N.
- 14S Settlement Rate Source should be present in sequence B Transaction Details. This field may be repeated if a cross-currency rate is required.

## 4.5 Multiple Monitoring Period Barrier Options

The MT 306 supports specification of a monitoring period for barrier options.

It also supports multiple monitoring periods, so these can be defined during which the barriers are monitored.

### 4.5.1 Multiple Monitoring Period Features

Multiple monitoring periods are specified by repeating subsequence F1 Barrier Window Block within sequence F Barrier Block, for each period.

Multiple monitoring periods must be specified in increasing chronological order.

### 4.5.2 Example Multiple Monitoring Period Barrier Option

The following example is for an up and in knock-in barrier option whose barrier is monitored over three periods, during June, July, and August 2024.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI333214DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF

Sequences	Explanation	Format
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240606
	Expiration or Valuation Date	:30X:20241002
	Expiration or Valuation Location and Time	:29E:USCH/1600
	Final Settlement Date	:30F:20241007
	Premium Payment Date	:30V:20240610
	Premium Currency and Amount	:34B:EUR22500,
	Calculation Agent	:84A:CITIUS33
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR1000000,00
	Strike	:36:3,214
	Call Currency and Amount	:33B:BRL3214000,00
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:3,333
	Barrier Time Type	:14M:CONT
	Barrier Monitoring Period	:30I:20240606/20240620
	Barrier Monitoring Period	:30I:20240705/20240719
	Barrier Monitoring Period	:30I:20240806/20240820

## 4.6 Continuous and Discrete Barrier Options

The MT 306 supports barrier options, in which the barrier or barriers are monitored within a period. It also supports multiple monitoring periods.

A continuous barrier is one for which the barrier event is considered at all times during the continuous time period or spot market's opening hours.

A discrete barrier is one for which the barrier event is considered at discrete times.

### 4.6.1 Continuous Barrier Features

Continuous barrier options must have field 14M Barrier Time Type in sequence F set to CONT.

A continuous time period for monitoring can be specified in field 29O Continuous Time Period in sequence F, this will be applied to all dates in the monitoring periods defined in field 30I Barrier Monitoring Period in sequence F1.

Alternatively, a spot market's opening hours to be used for monitoring can be specified in field 14N Spot Market in sequence F, this will be applied to all dates in the monitoring periods defined in field 30I Barrier Monitoring Period in sequence F1.

A continuous time period or spot market's opening hours cannot both be specified, populating either field is optional.

### 4.6.2 Discrete Barrier Features

Discrete barrier options must have field 14M Barrier Time Type in sequence F set to DISC.

A time or time source for monitoring must then be specified in either field 29J Barrier Event Determination Time in sequence F or field 14O Barrier Event Determination Time Source in sequence F. This will be applied to all dates in the monitoring periods defined in field 30I Barrier Monitoring Period in sequence F1.

A barrier event determination time or barrier event determination time source cannot both be specified.

### 4.6.3 Example Continuous Barrier Option

The following example is for an up and in knock-in barrier option whose barrier is monitored continuously during the global spot market's opening hours throughout the monitoring period.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330816DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI

Sequences	Explanation	Format
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221219
	Expiration or Valuation Date	:30X:20230222
	Expiration or Valuation Location and Time	:29E:USNY/1000
	Final Settlement Date	:30F:20230224
	Payment Business Days	:29H:EUTA
	Payment Business Days	:29H:USNY
	Premium Payment Date	:30V:20221221
	Premium Currency and Amount	:34B:USD6500,
	Calculation Agent	:84D:AS PER THE AGREEMENT
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:USD1000000,00
	Strike	:36:1,02040816
	Call Currency and Amount	:33B:EUR980000,00
Sequence F - Barrier Block	Barrier Block	:15F:

Sequences	Explanation	Format
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:1,05
	Barrier Determination Business Days	:29I:SPOT
	Interim Barrier Dates Business Day Convention	:14K:UNAD
	Barrier Event End Date Business Day Convention	:14L:EXPI
	Barrier Time Type	:14M:CONT
	Spot Market	:14N:GLOB
	Barrier Monitoring Period	:30I:20221219/20230222

#### 4.6.4 Example Discrete Barrier Option

The following example is for a discrete double knock-in barrier option for a currency cross, whose barrier will be monitored discretely on 6 June 2024 based on the BRL09 rate source at 1100 local time and EUR2 rate source at 1000 local time.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI333214DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33



Sequences	Explanation	Format
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240606
	Expiration or Valuation Date	:30X:20241002
	Expiration or Valuation Location and Time	:29E:USCH/1600
	Final Settlement Date	:30F:20241007
	Premium Payment Date	:30V:20240610
	Premium Currency and Amount	:34B:EUR22500,
	Calculation Agent	:84A:CITIUS33
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR1000000,00
	Strike	:36:3,214
	Call Currency and Amount	:33B:BRL3214000,00
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DKIN
	Barrier Level	:37J:3,333
	Lower Barrier Level	:37L:3,001
	Settlement Rate Source	:14S:BRL09/1100/BRSP
	Settlement Rate Source	:14S:EUR2/1000/GBLO
	Barrier Time Type	:14M:DISC
	Barrier Event Determination Time	:14O:SERS
	Barrier Monitoring Period	:30I:20240606

## 4.6.5 Example Discrete Barrier Option 2

The following example is for a discrete double knock out barrier option whose barrier will be monitored discretely at the same time as the expiration time on the first 10 business days of each month between the trade date and expiration date based on the WMR03 rate source.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330816DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221219
	Expiration or Valuation Date	:30X:20230522
	Expiration or Valuation Location and Time	:29E:USNY/1000
	Final Settlement Date	:30F:20230524
	Premium Payment Date	:30V:20221221
	Premium Currency and Amount	:34B:USD6500,
	Calculation Agent	:84D:AS PER THE AGREEMENT
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:

Sequences	Explanation	Format
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:USD1000000,00
	Strike	:36:1,02040816
	Call Currency and Amount	:33B:EUR980000,00
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DKOT
	Barrier Level	:37J:1,05
	Lower Barrier Level	:37L:0,92
	Settlement Rate Source	:14S:WMR03
	Barrier Determination Business Days	:29I:PUBL
	Interim Barrier Dates Business Day Convention	:14K:CLOS
	Barrier Event End Date Business Day Convention	:14L:CLOS
	Barrier Time Type	:14M:DISC
	Barrier Event Determination Time Source	:14O:EXPI
	Barrier Monitoring Period	:30I:20230103/20230116
	Barrier Monitoring Period	:30I:20230201/20230214
	Barrier Monitoring Period	:30I:20230301/20230314
	Barrier Monitoring Period	:30I:20230403/20230417
Barrier Monitoring Period	:30I:20230501/20230512	

### 4.6.6 Example Discrete Barrier Option 3

The following example is for a discrete dual knock-out barrier option, whose barrier will be monitored discretely at the same time as the expiration time between 20 December 2022 to 15 February 2023.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI337142DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:Y
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221220
	Expiration or Valuation Date	:30X:20230222
	Expiration or Valuation Location and Time	:29E:GBLO/1100
	Final Settlement Date	:30F:20230224
	Premium Payment Date	:30V:20221222
	Premium Currency and Amount	:34B:USD9500,
	Calculation Agent	:84D:AS PER THE AGREEMENT
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL

Sequences	Explanation	Format
	Put Currency and Amount	:32B:USD1000000,00
	Strike	:36:1,142857142
	Call Currency and Amount	:33B:GBP875000,00
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DUKO
	Barrier Event Equal Modifier	:17C:Y
	Barrier Level	:37J:0,950
	Lower Barrier Level	:37L:0,825
	Barrier Determination Business Days	:29I:SPOT
	Interim Barrier Dates Business Day Convention	:14K:UNAD
	Barrier Event End Date Business Day Convention	:14L:FOLL
	Barrier Time Type	:14M:DISC
	Barrier Event Determination Time Source	:14O:EXPI
	Rebate Amount	:33Z:5000,00
	Rebate Amount Payment Date	:30J:D002
	Barrier Monitoring Period	:30I:20221220/20230215

## 4.7 Binary Options

The MT 306 supports exotic (or "non-vanilla") options in which a fixed pay-out is made if specific barriers are met. These are known as binary options.

Barriers may be monitored continuously during the life of the option, however, a discrete binary option is one for which the barrier event is monitored at discrete times, rather than the normal continuous barrier case.

Binary options must have sequences E, F and G present. Field 12E and 17A in sequence A should not be present.

### 4.7.1 Binary Barrier Features

The same barrier features as outlined in [Continuous Barrier Features](#) on page 46 and [Discrete Barrier Features](#) on page 46 apply to binary options.

## 4.7.2 Example Continuous Binary Option

The following example is for a down and in knock-in non-deliverable binary option which will be monitored against the EMTA template, the barrier is monitored continuously during the local spot market's opening hours throughout the monitoring period.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330525DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:BINA
	Non Deliverable Flag (NDO)	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221219
	Expiration or Valuation Date	:30X:20230222
	Expiration or Valuation Location and Time	:29E:BRSP/1315
	Final Settlement Date	:30J:D002
	Payment Business Day	:29H:USNY
	Premium Payment Date	:30V:20221221
	Premium Currency and Amount	:34B:USD5000,
	Calculation Agent	:84D:AS PER THE AGREEMENT
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33

Sequences	Explanation	Format
Sequence E - Binary Payout Amount	Binary Payout Amount	:15E:
	Currency, Amount	:33E:USD12000,00
	Receiving Agent	:57A:DRESDEFF
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DIKI
	Barrier Level	:37J:5,25
	Settlement Rate Source	:14S:EMT00
	Barrier Determination Business Days	:29I:SPOT
	Interim Barrier Dates Business Day Convention	:14K:CLOS
	Barrier Event End Date Business Day Convention	:14L:EXPI
	Barrier Time Type	:14M:CONT
	Spot Market	:14N:LOCA
	Barrier Monitoring Period	:30I:20221219
	Barrier Monitoring Period	:30I:20221227
	Barrier Monitoring Period	:30I:20230104
	Barrier Monitoring Period	:30I:20230112
	Barrier Monitoring Period	:30I:20230120
	Barrier Monitoring Period	:30I:20230201
Barrier Monitoring Period	:30I:20230208	
Barrier Monitoring Period	:30I:20230215	
Barrier Monitoring Period	:30I:20230222	
Sequence G - Binary Block	Binary Block	:15G:
	Currency Pair	:32Q:BRL/USD
Sequence H - Non-Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:EMT00
	Settlement Currency	:32E:USD

## 4.7.3 Example Continuous Binary Option 2

The following example is for a double knock-in deliverable binary option, the barrier is monitored continuously between 12pm and 3pm New York time throughout the monitoring period.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330102DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:BINA
	Non Deliverable Flag (NDO)	:17E:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20230403
	Expiration or Valuation Date	:30X:20240403
	Expiration or Valuation Location and Time	:29E:USNY/1000
	Final Settlement Date	:30J:D002
	Payment Business Day	:29H:USNY
	Premium Payment Date	:30V:20230405
	Premium Currency and Amount	:34B:USD7500,
	Calculation Agent	:84D:AS PER THE AGREEMENT
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33



Sequences	Explanation	Format
Sequence E - Binary Payout Amount	Binary Payout Amount	:15E:
	Currency, Amount	:33E:USD15000,00
	Receiving Agent	:57A:DRESDEFF
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DKIN
	Barrier Event Equal Modifier	:17C:N
	Barrier Level	:37J:1,02
	Lower Barrier Level	:37L:0,80
	Barrier Determination Business Days	:29I:SPOT
	All Barrier Dates Business Day Convention	:14H:PREC
	Barrier Time Type	:14M:CONT
	Continuous Time Period	:29O:USNY/12001500
	Barrier Determination Agent	:84A:DRESDEFF
	Barrier Monitoring Period	:30I:20230415
	Barrier Monitoring Period	:30I:20230515
	Barrier Monitoring Period	:30I:20230615
	Barrier Monitoring Period	:30I:20230715
	Barrier Monitoring Period	:30I:20230815
	Barrier Monitoring Period	:30I:20230915
	Barrier Monitoring Period	:30I:20231015
	Barrier Monitoring Period	:30I:20231115
	Barrier Monitoring Period	:30I:20231215
Barrier Monitoring Period	:30I:20240115	
Barrier Monitoring Period	:30I:20240215	
Barrier Monitoring Period	:30I:20240315	
Sequence G - Binary Block	Binary Block	:15G:

Sequences	Explanation	Format
	Currency Pair	:32Q:EUR/USD

## 4.7.4 Example Continuous Binary Option 3

The following example is for a up and in knock-in non-deliverable binary option which will be monitored against the EMTA template, the barrier is monitored continuously during the local spot market's opening hours throughout the monitoring period.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330525DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:BINA
	Non Deliverable Flag (NDO)	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221219
	Expiration or Valuation Date	:30X:20230222
	Expiration or Valuation Location and Time	:29E:BRSP/1315
	Final Settlement Date	:30J:D002
	Premium Payment Date	:30V:20221221
	Premium Currency and Amount	:34B:USD5000,
	Calculation Agent	:84D:AS PER THE AGREEMENT

Sequences	Explanation	Format
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence E - Binary Payout Amount	Binary Payout Amount	:15E:
	Currency, Amount	:33E:USD15000,00
	Receiving Agent	:57A:DRESDEFF
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:UIKI
	Barrier Level	:37J:5,25
	Barrier Settlement Rate Source	:14S:EMT00
	Barrier Determination Business Days	:29I:SPOT
	All Barrier Dates Business Day Convention	:14H:FOLL
	Barrier Time Type	:14M:CONT
	Spot Market	:14N:LOCA
	Barrier Monitoring Period	:30I:20221219
	Barrier Monitoring Period	:30I:20221227
	Barrier Monitoring Period	:30I:20230104
	Barrier Monitoring Period	:30I:20230112
	Barrier Monitoring Period	:30I:20230120
	Barrier Monitoring Period	:30I:20230201
	Barrier Monitoring Period	:30I:20230208
Barrier Monitoring Period	:30I:20230215	
Barrier Monitoring Period	:30I:20230222	
Sequence G - Binary Block	Binary Block	:15G:
	Currency Pair	:32Q:BRL/USD
Sequence H - Non-Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:EMT00

Sequences	Explanation	Format
	Settlement Currency	:32E:USD

## 4.7.5 Example Discrete Binary Option

The following example is for a down and in knock-in non-deliverable binary option which will be monitored against the EMTA template, the barrier is monitored discretely at the same time as the expiration time throughout the monitoring period.

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330525DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:BINA
	Non Deliverable Flag (NDO)	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20221219
	Expiration or Valuation Date	:30X:20230222
	Expiration or Valuation Location and Time	:29E:BRSP/1315
	Final Settlement Date	:30J:D002
	Premium Payment Date	:30V:20221221
	Premium Currency and Amount	:34B:USD5000,
	Calculation Agent	:84D:AS PER THE AGREEMENT

Sequences	Explanation	Format
Sequence C - Settlement Instruction for Payment of Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57A:CITIUS33
Sequence E - Binary Payout Amount	Binary Payout Amount	:15E:
	Currency, Amount	:33E:USD12000,00
	Receiving Agent	:57A:DRESDEFF
Sequence F - Barrier Block	Barrier Block	:15F:
	Type of Barrier	:22G:DIKI
	Barrier Level	:37J:5,25
	Settlement Rate Source	:14S:EMT00
	Barrier Time Type	:14M:DISC
	Barrier Event Determination Time Source	:14O:EXPI
	Barrier Monitoring Period	:30I:20221219
	Barrier Monitoring Period	:30I:20221227
	Barrier Monitoring Period	:30I:20230104
	Barrier Monitoring Period	:30I:20230112
	Barrier Monitoring Period	:30I:20230120
	Barrier Monitoring Period	:30I:20230201
	Barrier Monitoring Period	:30I:20230208
Barrier Monitoring Period	:30I:20230215	
Barrier Monitoring Period	:30I:20230222	
Sequence G - Binary Block	Binary Block	:15G:
	Currency Pair	:32Q:USD/BRL
Sequence H - Non-Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:EMT00
	Settlement Currency	:32E:USD

## 4.8 Average Rate and Strike Options and Forwards

### 4.8.1 Options

An average strike option gives the buyer the right, without the obligation, to buy a fixed amount of one currency for another on a specific future expiration date. The strike price of the option is derived from an average of currency exchange rates accumulated during the option term. In other words, the strike rate remains unknown until all observations have been collected.

An average rate option gives the buyer the right, without the obligation, to buy a fixed amount of one currency for another on a specific future expiration date. The value of the option at expiry and hence whether or not any payment is made and its size are based on exchange rate between the two currencies at various specified points during the life of the option. In other words, this option has a specific expiration date and a series of observation periods (a minimum of two) during its life which determine the option's value at maturity.

A double average option is a combination of average rate and average strike, such that both the exercise rate and the strike price are derived from average rates.

Average strike options may be deliverable or non-deliverable, but average rate options are always non-deliverable (cash-settled).

### 4.8.2 Forwards

Average forwards are broadly similar to average options, except that:

- They are a commitment to settle the profit or loss.
- There is no premium.
- In an average rate forward, the payout is determined by the difference between the forward rate (or strike) set in the contract and the forward rate determined by the fixing dates.

### 4.8.3 Average Option and Forward Features

Codes for average options and forwards are present in field 12F Option Style in sequence A General Information. Conditional optional sequence J Averaging Options and Forwards is present in the MT 306 in order to support average products.

Sequence J includes subsequences for average strike and average rate details, both of which must be used for double average products.

Each averaging date has an associated weighting factor, which defines how the average rate or strike is calculated.

Several other fields are present in the sequence. These fields are used to define the method for defining the average. The precise usage of these fields must be in accordance with ISDA definitions that are currently under preparation.

Sequence H Non Deliverable Option Block must also be present if the option is cash-settled.

## 4.8.4 Example Average Products

### 4.8.4.1 Average Rate Option

The following example is for a non-deliverable average rate option, where the average rate is calculated from the rate taken from four dates with equal weighting.

Sequences	Explanation	Format
Sequence A - General Information	New Sequence	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330959DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:AVRO
	Expiration Style	:12E:AMER
	Barrier Indicator	:17A:N
	Non-Deliverable Indicator	:17F:Y
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Type, Date, Version of the Agreement	:77H:ISDA/19921024
	Year of Definitions	:14C:1998
Sequence B - Transaction and Premium Details	New Sequence	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240212
	Expiration or Valuation Date	:30X:20250109
	Expiration or Valuation Location and Time	:29E:USNY/1000
	Final Settlement Date	:30F:20250109
	Premium Price	:37K:USD10,00
	Premium Payment Date	:30V:20240215

Sequences	Explanation	Format
	Premium Currency and Amount	:34B:USD2250,
	Calculation Agent	:84A:CITIUS33
Sequence C - Premium Payment Details	New Sequence	:15C:
	Delivery Agent	:53A:CITIUS33
	Intermediary	:56A:SOGEUS33
	Receiving Agent	:57A:UBSWCHZH
	Beneficiary Institution	:58A:DRESDEFF
Sequence D - Vanilla Block	New Sequence	:15D:
	Earliest Exercise Date	:30P:20250109
	Settlement Type	:26F:NETCASH
	Put Currency and Amount	:32B:EUR104275,28
	Strike Price	:36:0,959
	Call Currency and Amount	:33B:USD1000000,
Sequence H - Non Deliverable Option Block	Non Deliverable Option Block	:15H:
	Settlement Rate Source	:14S:EUR1
	Settlement Currency	:32E:USD
Sequence J - Averages Options & Forwards	New Sequence	:15J:
	Settlement Rate Source	:14S:EUR2/1000/USNY
	Decimal Places	:16C:5
	Number of Spot Averaging Dates	:18B:4
	Spot Averaging Date	:30M:20240628
	Spot Averaging Weighting Factor	:19Y:1, :30M:20240930 :19Y:1, :30M:20241230 :19Y:1, :30M:20250331 :19Y:1,



## 4.8.4.2 Average Strike Option

The following example is for a deliverable average strike option, where the strike is calculated from the rate taken from four dates with equal weighting. The strike price in sequence D Vanilla Block is 0, as it is not yet known. In this example, the put currency amount is also 0, as it will be calculated once the strike price has been determined.

Sequences	Explanation	Format
Sequence A - General Information	New Sequence	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330000DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:AVSO
	Expiration Style	:12E:AMER
	Barrier Indicator	:17A:N
	Non-Deliverable Indicator	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Type, Date, Version of the Agreement	:77H:ISDA/19921024
	Year of Definitions	:14C:1998
Sequence B - Transaction and Premium Details	New Sequence	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240212
	Expiration or Valuation Date	:30X:20250109
	Expiration or Valuation Location and Time	:29E:USNY/1000
	Final Settlement Date	:30F:20250109
	Premium Price	:37K:USD10,00
	Premium Payment Date	:30V:20240215
	Premium Currency and Amount	:34B:USD2250,

Sequences	Explanation	Format
	Calculation Agent	:84A:CITIUS33
Sequence C - Premium Payment Details	New Sequence	:15C:
	Delivery Agent	:53A:CITIUS33
	Intermediary	:56A:SOGEUS33
	Receiving Agent	:57A:UBSWCHZH
	Beneficiary Institution	:58A:DRESDEFF
Sequence D - Vanilla Block	New Sequence	:15D:
	Earliest Exercise Date	:30P:20250109
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR0,00
	Strike Price	:36:0,00
	Call Currency and Amount	:33B:USD1000000
Sequence J - Average Options & Forwards	New Sequence	:15J:
	Settlement Rate Source	:14S:EUR2/1000/USNY
	Average Strike Price Calculation	:14B:AD
	Decimal Places	:16C:5
	Number of Strike Averaging Dates	:18C:4
	Strike Averaging Dates	:30N:20240628
	Strike Averaging Weighting Factor	:19Z:1,
		:30N:20240930
		:19Z:1,
:30N:20241230		
	:19Z:1,	
	:30N:20250331	
	:19Z:1,	
Adjustment	:19C:0,	
Calculation of Settlement Amount	:23C:NORMAL	

### 4.8.4.3 Average Strike Forward

The following example is for a deliverable average strike forward for a BRL/EUR cross, where the strike is calculated from the rate taken from two dates with equal weighting.

**Note** *The premium fields must be present in sequences B and C, but the premium amount is zero for forwards.*

Sequences	Explanation	Format
Sequence A - General Information	General Information	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330000DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:AVSF
	Expiration Style	:12E:EURO
	Barrier Flag	:17A:N
	Non Deliverable Flag (NDO)	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Terms and Conditions	:77H:ISDA
Sequence B - Transaction Details/ Premium Details/Calculation Agent	Transaction Details	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240606
	Expiration or Valuation Date	:30X:20241002
	Expiration or Valuation Location and Time	:29E:USCH/1600
	Final Settlement Date	:30F:20241007
	Premium Payment Date	:30V:20240610
	Premium Currency and Amount	:34B:EUR0,00
Calculation Agent	:84A:CITIUS33	

Sequences	Explanation	Format
Sequence C - Settlement Instructions for Premium	Settlement Instruction for Payment of Premium	:15C:
	Receiving Agent	:57a:CITIUS33
Sequence D - Vanilla Block	Vanilla Block	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR1000000,00
	Strike	:36:0,00
	Call Currency and Amount	:33B:BRL0,00
Sequence J - Averaging Options and Forwards	Averaging Options and Forwards	:15J:
	Settlement Rate Source	:14S:BRL09
	Settlement Rate Source	:14S:EUR2/1000/GBLO
	Average Strike Price Calculation	:14B:AD
	Decimal Places	:16C:6
	Number of Strike Averaging Dates	:18C:2
	Strike Averaging Date	:30N:20240902
	Strike Averaging Weighting Factor	:19Z:1,00
	Strike Averaging Date	:30N:20241002
	Strike Averaging Weighting Factor	:19Z:1,00
	Adjustment	:19C:1,025
	Calculation of Settlement Amount	:23C:NORMAL

## 4.9 Optional Early Termination

An early termination clause can be built into an option, which gives either the buyer or the seller the right to terminate the option at a market price on specified dates during the option's life.

Early termination can be defined for any type of option that is supported by the MT 306.

### 4.9.1 Early Termination Features

Sequence I Early Termination is present in the MT 306 to allow optional early termination clauses to be included within the confirmation.

The early termination style can be:

- European – a single date on which the option can be terminated. In this case, a single early termination date is specified in field 30T Early Termination Date in sequence I Early Termination.
- American – a period during which the option can be terminated. In this case, a start date is specified in field 30Y Commencement Date and an end date in field 29L Expiry Details.
- Bermuda – a set of dates on which the option can be terminated. In this case, the first date is specified in field 30T Early Termination Date, with the repeating frequency specified in field 22Y Frequency of Early Termination.

Details of how the early termination is settled may also optionally be specified in sequence I.

**Note** *The early termination style is distinct from whether the underlying option is European, American, or Bermuda.*

## 4.9.2 Example Early Termination

The following example is for a vanilla European option with a Bermuda style optional early termination clause that allows the buyer to early terminate on a monthly basis starting on a specified date during the life of the option.

Sequences	Explanation	Format
Sequence A - General Information	New Sequence	:15A:
	Sender's Reference	:20:656464
	Type of Operation	:22A:NEWT
	Common Reference	:22C:CITI330959DRESFF
	Contract Number Party A	:21N:FXC0526
	Option Style	:12F:VANI
	Expiration Style	:12E:EURO
	Option Type	:12D:CALL
	Barrier Indicator	:17A:N
	Non-Deliverable Indicator	:17F:N
	Type of Event	:22K:CONF
	Party A	:82A:DRESDEFF
	Party B	:87A:CITIUS33
	Type, Date, Version of the Agreement	:77H:ISDA/19921024
Year of Definitions	:14C:1998	

Sequences	Explanation	Format
Sequence B - Transaction and Premium Details	New Sequence	:15B:
	Buy (Sell) Indicator	:17V:B
	Trade Date	:30T:20240209
	Expiration or Valuation Date	:30X:20250109
	Expiration or Valuation Location and Time	:29E:USNY/1000
	Final Settlement Date	:30F:20250109
	Premium Price	:37K:USD10,00
	Premium Payment Date	:30V:20240215
	Premium Currency and Amount	:34B:USD2250,
	Calculation Agent	:84A:CITIUS33
Sequence C - Premium Payment Details	New Sequence	:15C:
	Delivery Agent	:53A:CITIUS33
	Intermediary	:56A:SOGEUS33
	Receiving Agent	:57A:/309125-008 UBSGMF55
	Beneficiary Institution	:58A:DRESDEFF
Sequence D - Vanilla Block	New Sequence	:15D:
	Settlement Type	:26F:PRINCIPAL
	Put Currency and Amount	:32B:EUR104275,28
	Spot Price	:36:0,959
	Call Currency and Amount	:33B:USD1000000,
Sequence I - Early Termination	New Sequence	:15I:
	Early Termination Style	:12G:BERM
	Early Termination Date	:30T:20240610
	Frequency of Early Termination	:22Y:MONT
	Exercising Party	:85A:DRESDEFF
	Non-Exercising Party	:88A:CITIUS33

Sequences	Explanation	Format
	Calculation Agent	:84A:DRESDEFF
	Cash Settlement	:17I:N



## 5 Unique Transaction Identifier (UTI)

A key data element required for regulatory reporting purposes is the Unique Transaction Identifier (UTI), also known as the Unique Swap Identifier (USI).

As per GFMA (Global Financial Markets Association) Market Architecture Group recommendations (see [http://gfma.org/Initiatives/Foreign-Exchange-\(FX\)/FX-Market-Architecture-Group-\(MAG\)](http://gfma.org/Initiatives/Foreign-Exchange-(FX)/FX-Market-Architecture-Group-(MAG))), the UTI should be included in confirmations of FX derivatives (forwards, swaps, non-deliverable forwards, and options). This section provides guidance on how the UTI fields should be populated within SWIFT message types. There is particular focus on the European EMIR regulations, under which both parties must report the trade using the same UTI and there is therefore a need to handle UTIs correctly in trade confirmations.

The UTI for a trade is likewise, in many cases, required by a custodian or other third party and is therefore also supported in the MT 304.

The underlying format of a UTI and the mechanism for generation is, in some-cases, jurisdiction dependant. Industry guidelines exist for this purpose, for example, see [www.isda.org](http://www.isda.org) and this topic is beyond the scope of this document.

### 5.1 Using the UTI

As per regulatory requirements, each derivative transaction requires a UTI for regulatory reporting purposes.

When the UTI is available, the repetitive *Reporting Parties* subsequence in the Category 3 and Category 6 messages (the structure in the MT 304 is slightly different) may be used to communicate the UTI. There are codes for the reporting jurisdictions included in the standard (CFTC, ESMA, etc.).

The UTI itself is represented by 2 fields:

- 22M - is the namespace or issuer code which is up to 20 characters, and
- 22N - which is the transaction identifier which is up to 32 characters

In some scenarios, a trade may have more than one UTI, for example to meet specific requirements for different jurisdictions. In this situation, multiple UTIs may be included. A trade may also have one or more prior UTIs, for example due to block allocation or a novation. One or more prior UTIs may also be included in the SWIFT message in these cases.

### 5.2 UTI Fields

This section describes the fields that are available to be used for communicating the UTI.

Note that:

- A UTI consists of a combination of a namespace and transaction identifier. In some systems, these are concatenated into a single string, but in SWIFT MTs the two components are carried separately.
- The maximum overall length of a UTI is 52 characters, which is aligned with the EMIR regulations.
- Each UTI is associated with a single reporting jurisdiction field.

**Note** *In all MTs except the MT 304, it is possible to include multiple UTIs for a single jurisdiction, but this feature is not commonly used.*

- Each UTI may be associated with 0, 1, or more prior UTIs.



Field	Description	Validation
:22L: Reporting Jurisdiction	This field specifies the supervisory party to which the trade needs to be reported or under which the UTI was created.	Several jurisdiction codes are included in the description of the field. These codes are not validated by FIN. If the specific jurisdiction code for the UTI is not present in the existing list, then use the code OTHR and include the reporting jurisdiction in field 77A (Additional Reporting Information). <sup>(1)</sup>
:22M: UTI Namespace/Issuer Code	This field specifies a unique code that identifies the registered entity that created the unique transaction identifier.	Industry practices have to be followed for the creation of the namespace as these can vary for different markets.  In some cases, the code is the LEI of the creating entity.
:22N: Transaction Identifier	This field specifies - in combination with the namespace - the unique transaction identifier that has been created for the trade and which must be shared with all registered entities and counterparties involved in the transaction, and used to track that particular transaction over its life.	The UTI is a combination of namespace and transaction identifier. In the US, the UTI is also called USI, more information can be found on <a href="http://www.cftc.gov">www.cftc.gov</a> .
:22P: PUTI Namespace/Issuer Code	This field specifies a unique code that identifies the registered entity that created a prior unique transaction identifier.	Industry practices have to be followed for the creation of the namespace as these can vary for different markets.  In some cases, the code is the LEI of the creating entity.
:22N: Prior Transaction Identifier	This field specifies - in combination with the namespace - a prior unique transaction identifier that was created for the trade.	The UTI is a combination of namespace and transaction identifier. In the US, the UTI is also called USI, more information can be found on <a href="http://www.cftc.gov">www.cftc.gov</a> .
:77A: Additional Reporting Information <sup>(2)</sup>	This field specifies additional information that might be required by the regulator.	When field 22L Reporting Jurisdiction is populated with OTHR, then this field should be populated with the appropriate reporting jurisdiction.  For example :77A: /OTHR/Russian Regulatory Reporting Body (using bilaterally agreed code or text).

(1) For the MT 304, field 72 should be used, as 77A is not present.  
 (2) For the MT 304, field 72 should be used, as 77A is not present.

In situations where the system that generates the SWIFT message is not able to determine the split between the namespace and the transaction identifier, the first 20 characters of the UTI should be included in field 22M.

## 5.3 Examples

All the examples in this section are for an MT 300.

**Example: for a single UTI where the reporting jurisdiction code is available in the standard**

<b>Sequence E Reporting Information</b>	
<b>Subsequence E1 Reporting Parties</b>	
Reporting Jurisdiction	:22L:CFTC
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:549300MRK1
Transaction Identifier	:22N:8YCMW4Q668

**Example : for a trade that has two separate UTIs for different jurisdictions (as can be possible in certain scenarios) and where the reporting jurisdiction codes are available in the standard**

<b>Sequence E Reporting Information</b>	
<b>Subsequence E1 Reporting Parties</b>	
Reporting Jurisdiction	:22L:CFTC
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:123400MUG2
Transaction Identifier	:22N:8YBMW5T469
<b>Subsequence E1 Reporting Parties</b>	
Reporting Jurisdiction	:22L:ESMA
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:BGXS5YCH73QSCWDVEFBR
Transaction Identifier	:22N:0Y05MIXR10

**Example: for a single but multi-jurisdictional UTI where the reporting jurisdiction codes are both available in the standard**

<b>Sequence E Reporting Information</b>	
<b>Subsequence E1 Reporting Parties</b>	

Reporting Jurisdiction	:22L:HKMA
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:002345XVK4
Transaction Identifier	:22N:3YABC4Y561
<b>Subsequence E1 Reporting Parties</b>	
Reporting Jurisdiction	:22L:ESMA
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:002345XVK4
Transaction Identifier	:22N:33YABC4Y561

**Example: for a single but multi-jurisdictional UTI where only one of the reporting jurisdiction codes is available in the standard**

<b>Sequence E Reporting Information</b>	
<b>Subsequence E1 Reporting Parties</b>	
Reporting Jurisdiction	:22L:HKMA
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:009300PPK6
Transaction Identifier	:22N:3YCFU4Y543
<b>Subsequence E1 Reporting Parties</b>	
Reporting Jurisdiction	:22L:OTHR
<b>Subsequence E1a Unique Transaction Identifier</b>	
UTI Namespace/Issuer Code	:22M:009300PPK6
Transaction Identifier	:22N:3YCFU4Y543
<b>End of Subsequence E1a Unique Transaction Identifier</b>	
<b>End of Subsequence E1 Reporting Parties</b>	
Additional Reporting Information	:77A:/OTHR/Russian Regulatory Reporting Body (using bilaterally agreed code or text)

## 6 MT 396 Status of Trade

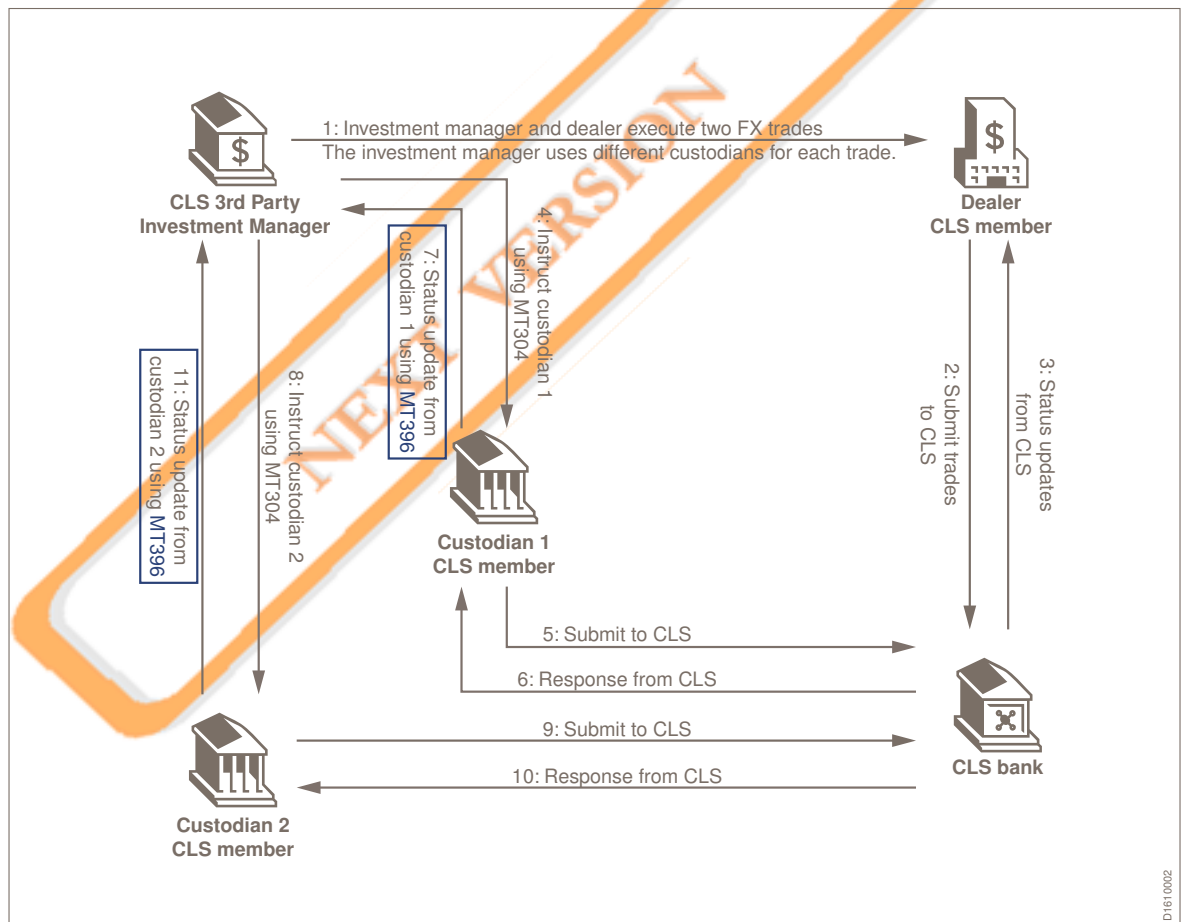
### 6.1 Trade Status Reporting

There is a common requirement, especially in the context of market infrastructures, to be able to report on the status of an FX or derivative trade.

Whilst there is no Category 3 message that is specifically designed for reporting trade status, this section describes a market practice for using the MT 396 for this purpose.

### 6.2 Business Flow Example

This flow is only one example concerning trades that are processed by CLS Bank, but the MT 396 can likewise be used for status updates related to any infrastructure or other service provider.



As can be seen, the CLS third party may receive MT 396 status updates from different CLS settlement members. This document describes a standard way of structuring the MT 396, so that the third party receives a consistent format from the settlement members.

## 6.3 MT 396 Specifications

### 6.3.1 Format

For a complete description of the message, see the MT n96 Answer in the Category n - Common Group Messages - Message Reference Guide.

M/O	Tag	Field name	Content	Definition	Comments, Notes, Further Specifications
M	20	Transaction Reference Number	16x	Unique reference number assigned to the status by the sender. This is the Sender's Reference.	
M	21	Related Reference	16x	Investment manager's or client's reference.	This is a reference that can be linked back to the original MT 3xx message to which the report relates. The transaction reference of the original message should be included in this field.

NEXT VERSION

M/O	Tag	Field name	Content	Definition	Comments, Notes, Further Specifications
M	76	Answers	6*35x	Information reflecting the status of a trade in the infrastructure	<p>Two types of information are specified in this field:</p> <ol style="list-style-type: none"> <li>1. Status information – represented as a code or code pair.</li> <li>2. Additional reference information – a code representing the type of reference specified, followed by the reference.</li> </ol> <p>Each line of this field only specifies one piece of data.</p> <ul style="list-style-type: none"> <li>• Line 1: Must contain the code representing the status of the trade in the infrastructure in format /4!a/[4!a/], where the current status may optionally be followed by the previous status.</li> <li>• Line 2: Should contain the transaction reference of the original message (same as field 21 above).</li> <li>• Line 3: If a custodian or other Service Provider has a secondary reference (a system generated reference) then this is quoted in line 3.</li> <li>• Line 4: Should contain the infrastructure reference. (This is a reference assigned when the trade is received by for example CLS.)</li> </ul>
O	77A	Narrative	20*35x	Contains the query in narrative form	<b>Optional – No Usage Defined</b>
O	11A	MT and Date of the Original Message	Option R or S	(MT Number) (Date) (Session Number) (ISN)  The message type number of the message to which the answer relates, and the date on which this message was sent.	<b>Optional – No Usage Defined</b>
O	79	Narrative Original Message	35*50x	Narrative description of the original message to which the answer relates.	<b>Optional – No Usage Defined</b>

M/O	Tag	Field name	Content	Definition	Comments, Notes, Further Specifications
		Copy of fields	Copy of fields	Copy of at least the mandatory fields of the original message.	<b>Optional – No Usage Defined</b> <b>Note</b> <i>Either field 79 or a "Copy of at least the mandatory fields of the message to which the answer relates", but not both, may be present in the message.</i>

## 6.3.2 Field 76 Line 1 - Status Codes

The list hereafter contains standardised 4-character codes representing the most frequently used status codes.

### 6.3.2.1 Acceptance Status Codes

Code	Definition
PACK	Accepted for Authorisation
ACLE	Accepted for Clearing
ACCE	Accepted by Clearing Broker
REJT	Rejected by Clearing Broker
IPRC	Accepted for Settlement
ALGD	Alleged
CAND	Cancelled
DUPL	Duplicate Exception
EXCP	Exception
FRIN	Failed Rescind Instruction
INVA	Invalid
NOAU	Not Authorised
PREA	Pre-accepted
REIN	Reinstated
REJT	Rejected

Code	Definition
REGC	Regulatory Checked
REGS	Regulatory Suspended
REPR	Repair
RESC	Rescinded
SUSP	Suspended
VALI	Validated

### 6.3.2.2 Matching Status Codes

Code	Definition
ALGD	Alleged
ERRR	Error
MACH	Matched
NMAT	Unmatched
UNCO	Unconfirmed
CONF	Confirmed

### 6.3.2.3 Clearing Status Codes

Code	Definition
CAND	Cancelled
CLEA	Cleared
NOVA	Novated
PARK	Parked
PENC	Pending Cancellation
PENP	Parked Cancellation
RECE	Received
REJT	Rejected
REJC	Rejected Cancellation



### 6.3.2.4 Settlement Status Codes

Code	Definition
SMAU	Settlement Authorised
SMAT	Settlement Mature
SMNA	Settlement Not Authorised
SETT	Settled
PART	Partially Settled
REJS	Settlement Rejected
SPLT	Split

## 6.4 Field 76 Lines 2, 3, and 4 - References

Should additional references need to be specified, these are specified on lines 2, 3, and 4 of field 76. One of the following codes should be used to follow the reference itself:

<b>/SREF/</b>	Client Reference	The reference used by the investment manager or other client to identify the trade.
<b>/PREF/</b>	Service Provider's Reference	This is the custodian's or other service provider's optional secondary, system generated reference.
<b>/CREF/</b>	Central Infrastructure Reference	Reference assigned by a central infrastructure, such as the CLS system or CCP when the trade message is received.

## 6.5 Examples

### 6.5.1 Status is Settled

:20:A0001	Reference assigned by the sender to identify the message.
:21:TRADE001	Investment manager's reference for the trade.
:76:/SETT/ /SREF/TRADE001 /PREF/CUSTO001 /CREF/AF79234	Status is settled. Investment manager's reference for the trade (same as field 21). Custodian's reference for the trade. Reference in CLS.

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