Global Post-Trade Working Group

Post Post-trade Confirmation Payments

~~May 23~~July 9, 2019

Revision 0.~~3~~4

Proposal Status: Public Comment Resolved

For Global Technical Committee Governance Internal Use Only			
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Document History

Revision	Date	Editor	Revision Comments
0.1	5/1/2019	Dean Kauffman, Brook Path Partners Inc.	First Draft
0.2	5/14/2019	Lisa Taikitsadaporn and Dean Kauffman, Brook Path Partners Inc.	Initial review.
0.3	5/16/2019	Dean Kauffman, Brook Path Partners Inc.	Updates after GTC on May 16: ● Corrected narrative of "4.1 Successful Payment Request" and "4.3 Broker Disputes IM Request - Broker Error" to match flow diagram. ● Replaced flow diagrams 3, 4 and 5 to show message ID linkage. Replaced flow diagram 6 correcting source of PaymentReportID(tbd). ● Removed "Reason" from "Replace" and "Cancel" text and encoded text field names and removed "Rsn" from associated FIXML abbreviations in the Data DIctionary. ● Noted in PaymentReport(35=tbd) that ClearingBusinessDate(715) is not the report business date but echos back the business date of PaymentRequest(35=tbd). ● Added FIX Spec Comments for the Instrument, RelatedTradeGrp and Parties components in PaymentReport(35=tbd) and PaymentRequest(35=tbd) indicating how they are to be used. ● Added message elaboration to PaymentReportAck(35=tbd) with recommended practice for rejecting a PaymentReport(35=tbd). ● Added FIX Spec Comments to PaymentRequestStatus(tbd) in PaymentRequestAck(35=tbd) indicating that only 0 "Received" is applicable. ● In the Data Dictionary merged duplicate entries, corrected a number of typographical errors in the descriptions, made the descriptions of ReplaceText(tbd) and CancelText(tbd) generic, changed the FIXML Abbreviations for PostTradePaymentDebitOrCredit(tbd) and PostTradePaymentLinkID(tbd) to @DbtCrd and @PmtLinkID respectively and collapsed the

Revision	Date	Editor	Revision Comments
	5/23/2019		elaboration for PostTradePaymentType(tbd) into the description. ● In the Abbreviations table corrected the entry for "Post" and added an entry for "Debit". ● Added field PaymentDisputeReason(tbd) to PaymentReport(35=tbd) and PaymentReportAck(35=tbd) along with its external code list in Appendix E. ● Added "reject" to the PaymentReportAck(35=tbd) Message Synopsis and removed the Message Elaboration. ● Removed "Proposal" from the file name. ● Made minor editorial and style changes to sections 4.1, 4.2 and the Data Dictionary. ● Added PaymentReportAck(35=tbd) "rejected" to the narrative and flow in 4.4. ● Based on feedback, added in the elaboration for PaymentReport(35=tbd) that it may be sent unsolicited either to initiate the flow or to report status of the payment itself. Also added PostTradePaymentStatus(tbd) to the PostTradePayment component to report payment status. ● Added new section and flow diagram for Unsolicited PaymentReport(35=tbd) from the Broker. Made PaymentRequestStatus(tbd) not required.
	5/29/2019		● Cleared the Issues and Discussion Points table.
0.4	Jul. 9, 2019	Lisa Taikitsadaporn and Dean Kauffman, Brook Path Partners Inc.	Added Appendix E-2 with a copy of the ISITC "Payments Cash Purpose Codes" as reference for the PostTradePaymentType(tbd) field. Added Appendix F to incorporate Public Comment feedback, providing resolution to the comments; to incorporate outstanding issues from prior to submission indicating resolutions. Based on issue resolutions made the following changes: - Updated PostTradePaymentType(tbd) field to be a String field, removing the proposed integer based enums in favor of ISITC 4-char

Revision	Date	Editor	Revision Comments
			string codes.
			- Added new field PostTradePaymentCalculationDate(tbd) in the PostTradePayment component to identify the periodic payment calculation date.
			- Clarified the usage of ClearingBusinessDate(715) in the PaymentRequest(35=tbd) and PaymentReport(35=tbd) messages.
			- Clarified PostTradePaymentValueDate(tbd)
			- Added new field, PostTradePaymentFinalValueDate(tbd), to the PostTradePayment component to identify the actual/final value date of the payment

1 Introduction

The FIX Global Post-trade Working Group's buy-side and sell-side members have identified a business area where operational efficiency is lacking, leading to an opportunity to improve operations using FIX messaging. There is a need to provide a post post-trade confirmation message flow for reconciliation and agreement of cash movement activities between an Investment Manager and its Broker to meet obligations during the life of a contract. Associated cash movement activities include collateral, reset payment for swaps, upfront/unwind payments, margin variation, daily margin on listed derivatives, collateral for CCP-cleared trades, cash collateral for OTC options, general cash payments, etc.

This gap analysis proposes new messages to support a payment request which will normally be initiated by the Investment Manager to the Broker. Depending on the standing settlement instructions on file with the Broker, movement of funds between banks (i.e. instructing banks to make remittance) may be required but that is out of scope of this proposal.

1.1 Summary of Proposed Changes

The summary of proposed changes to support the business requirements described in Section 2 are:

1. Add four new FIX messages:

    • payment instruction from the Investment Manager – PaymentRequest(35=tbd),

    • to acknowledge receipt of the instruction – PaymentRequestAck(35=tbd),

    • to report rejection or acceptance and enrichment of the instruction from the Broker – PaymentReport(35=tbd) and

    • to acknowledge receipt, acceptance or rejection of the report – PaymentReportAck(35=tbd).

2. Add one new component and revise another:

    • new PostTradePayment to detail payment instructions

    • revise SettlDetails to include standing instruction database attributes

2 Business Requirements

The Investment Manager will be the initiator of the workflow by issuing a request to the Broker of post post-trade confirmation payments to be made or expected to receive.

Figure 1 illustrates the Investment Manager sending a request to pay to or receive from the Broker a cash flow based on the terms of the original transaction. The Broker returns a technical acknowledgement "received".

In response to the request the Broker returns either an enriched report with the payment details including settlement instructions on file for the client or a report indicating "disputed". The latter response triggers resolution out-of-band and results in the broker sending either an amended report or a report indicating "rejected". If "rejected" the request is considered canceled and the Investment Manager must submit a new corrected request. Otherwise the Investment Manager responds with "received" to the original or amended report (this serves as a technical acknowledgement), then "accepted" or "disputed" based on its own records and tolerances. If "disputed", resolution again occurs out-of-band and messaging continues as above. Once the report is "accepted" the Broker proceeds with

making the necessary payment and, if necessary, initiates interbank funds movement via S.W.I.F.T., Fedwire or another means.

Figure 1: Post Post-trade Confirmation Payments
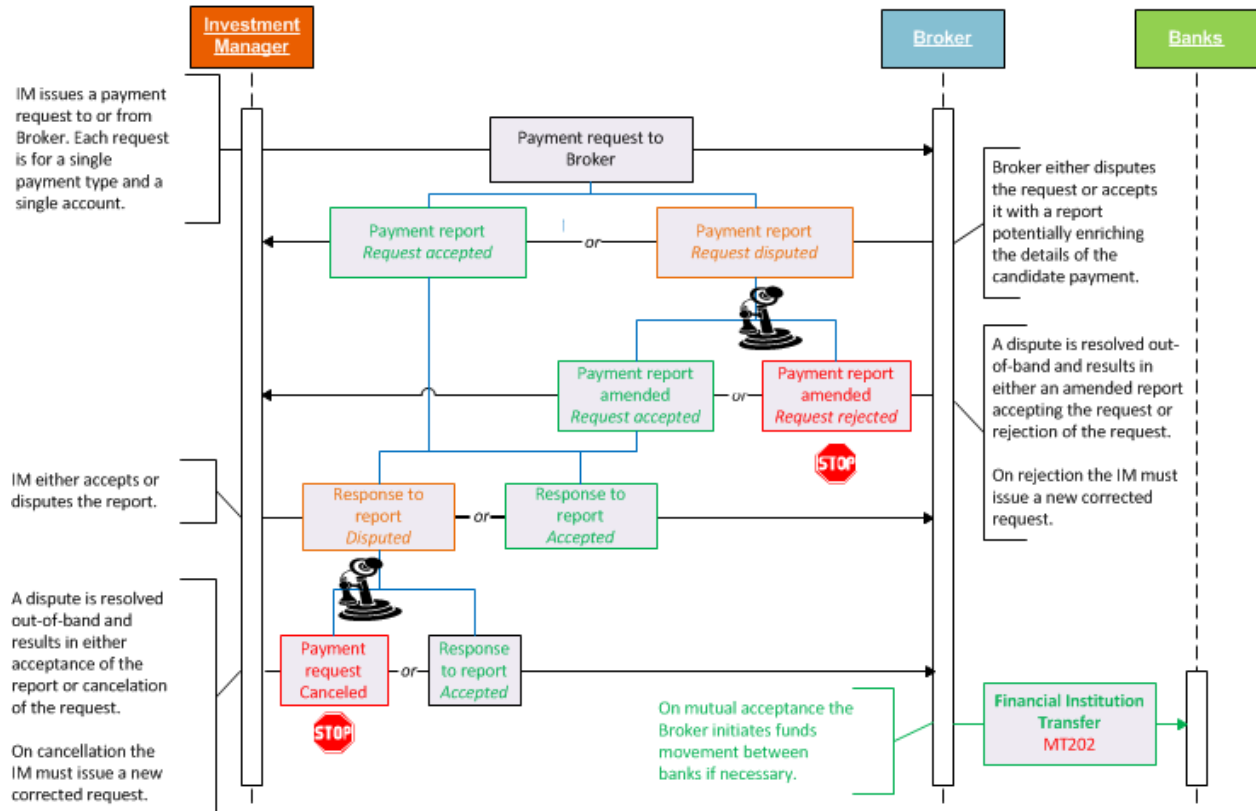
3 Issues and Discussion Points

	Issue	Date	Status	Discussion

4 Proposed Message Flow

This section describes the specific FIX message flows for the different scenarios covered by this proposal.

4.1 Successful Payment Request

Figure 2 illustrates the Investment Manager submitting a request to pay to or receive from the Broker via PaymentRequest(35=tbd). Each request is for a single payment type and for a single account. For example, if there are multiple accounts to be serviced, the Investment Manager will send as many PaymentRequest(35=tbd) messages as there are accounts. If there are multiple payment types for a given account, the Investment Manager will send as many PaymentRequest(35=tbd) messages as there are payment types for that one account.

The Broker may return a technical acknowledgement using the PaymentRequestAck(35=tbd) with PaymentRequestStatus(tbd)=0 (Received) for each PaymentRequest(35=tbd) message.

Once the request is processed, the Broker returns a report enriched with all payment details including settlement instructions on file for the client via the PaymentReport(35=tbd), again one report per corresponding request message. Each report's content must correspond exactly to the initiating request.

The Investment Manager's response to the report is PaymentReportAck(35=tbd) with PaymentReportStatus(tbd)=1 (Accepted).

Note that only the Broker may set the value of PaymentRequestStatus and only the Investment Manager may set the value of PaymentReportStatus.

On mutual acceptance of the payment details the Broker proceeds with actual payment remittance and, if necessary, initiates interbank funds movement via S.W.I.F.T., Fedwire or another means.

Figure 2: IM Requests Post Post-trade Confirmation Payment – No Fails
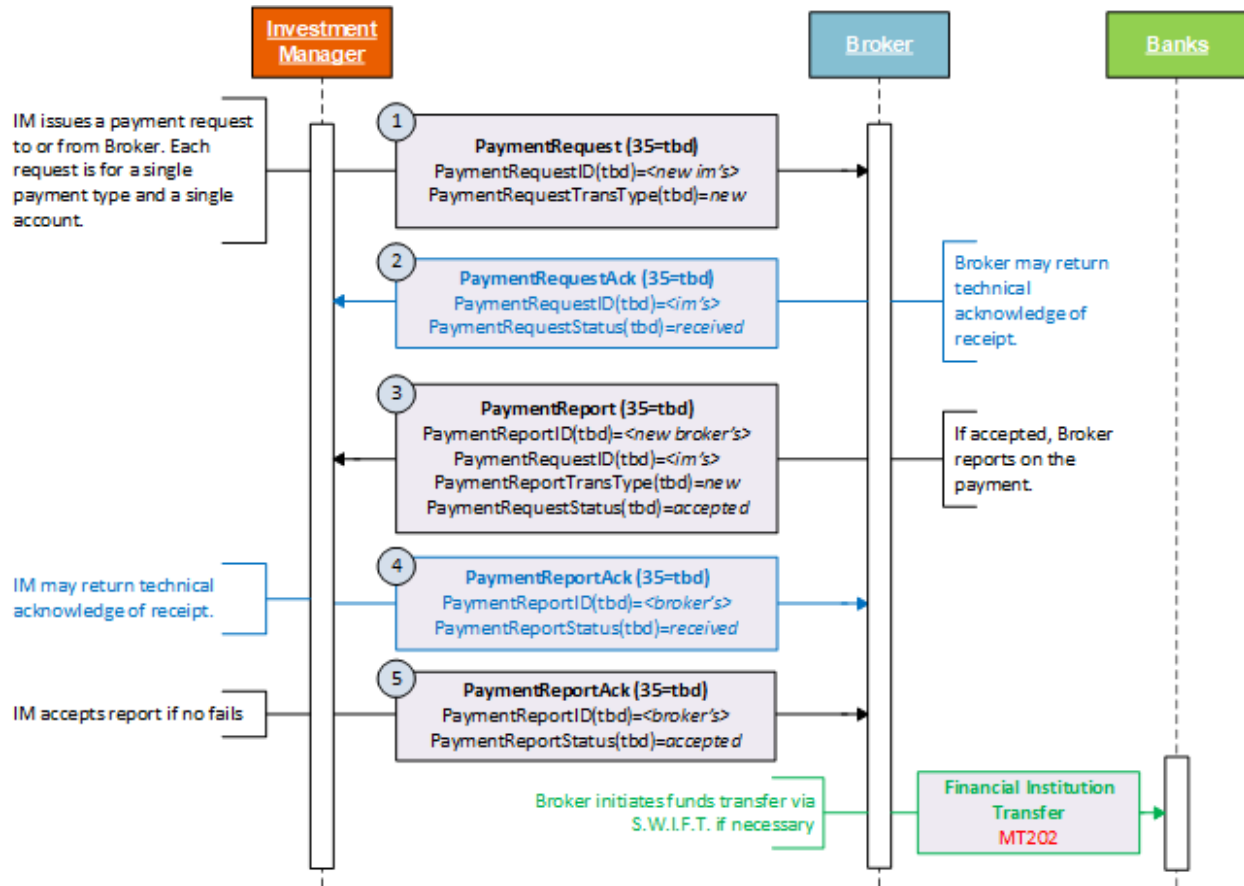
4.2 Broker Disputes IM Request - IM Error

Figure 3 illustrates the scenario where the Broker disputes the request from the Investment Manager. Reasons for disputing a request may include mismatches in certain details of the payment request.

The Broker may "dispute" the request by returning a PaymentReport(35=tbd) message with PaymentRequestStatus(tbd)=3 (Disputed).

The dispute must be resolved out-of-band of this electronic messaging protocol (e.g. via phone call). In the illustration below it is determined the error is on the Investment Manager side. To proceed, the Broker sends a PaymentReport(35=tbd) with with PaymentRequestTransType(tbd)=1 (Replace) and PaymentRequestStatus(tbd)=2 (Rejected) which will mark the end-state of the initial request. This step is recommended to avoid lingering requests by explicitly communicating the state of the request.

The Investment Manager then proceeds by sending a new request with the correct information as described in Figure 2.

Figure 3: Broker Disputes Request - IM Error.
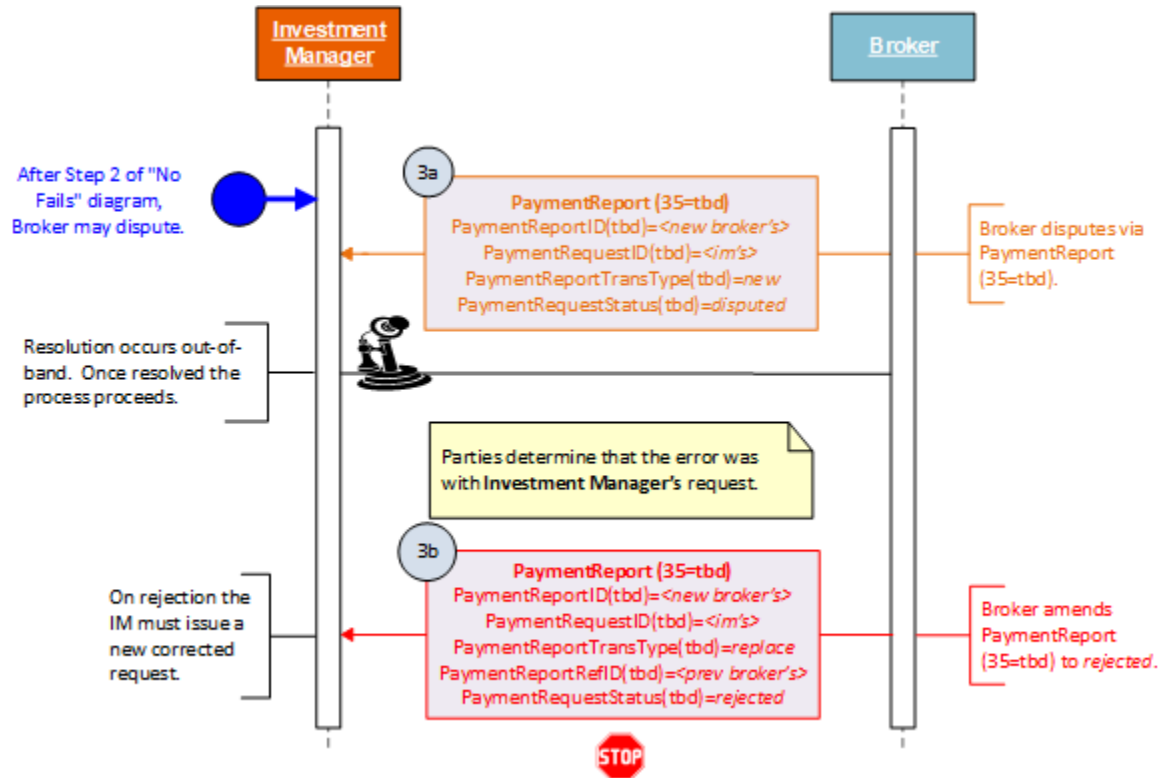
4.3 Broker Disputes IM Request - Broker Error

Figure 4 is similar to the scenario described in Figure 3 but here after resolving out-of-band the "dispute" from the Broker it is determined the error was the Broker's error.

The Broker proceeds to make the agreed corrections and communicates that via an amended PaymentReport(35=tbd) message with PaymentReportTransType(tbd)=1 (Replace).

The Investment Manager's response to the report message is a PaymentReportAck(35=tbd) with PaymentReportStatus(tbd)=1 (Accepted).

Figure 4: Broker Disputes Request - Broker Error
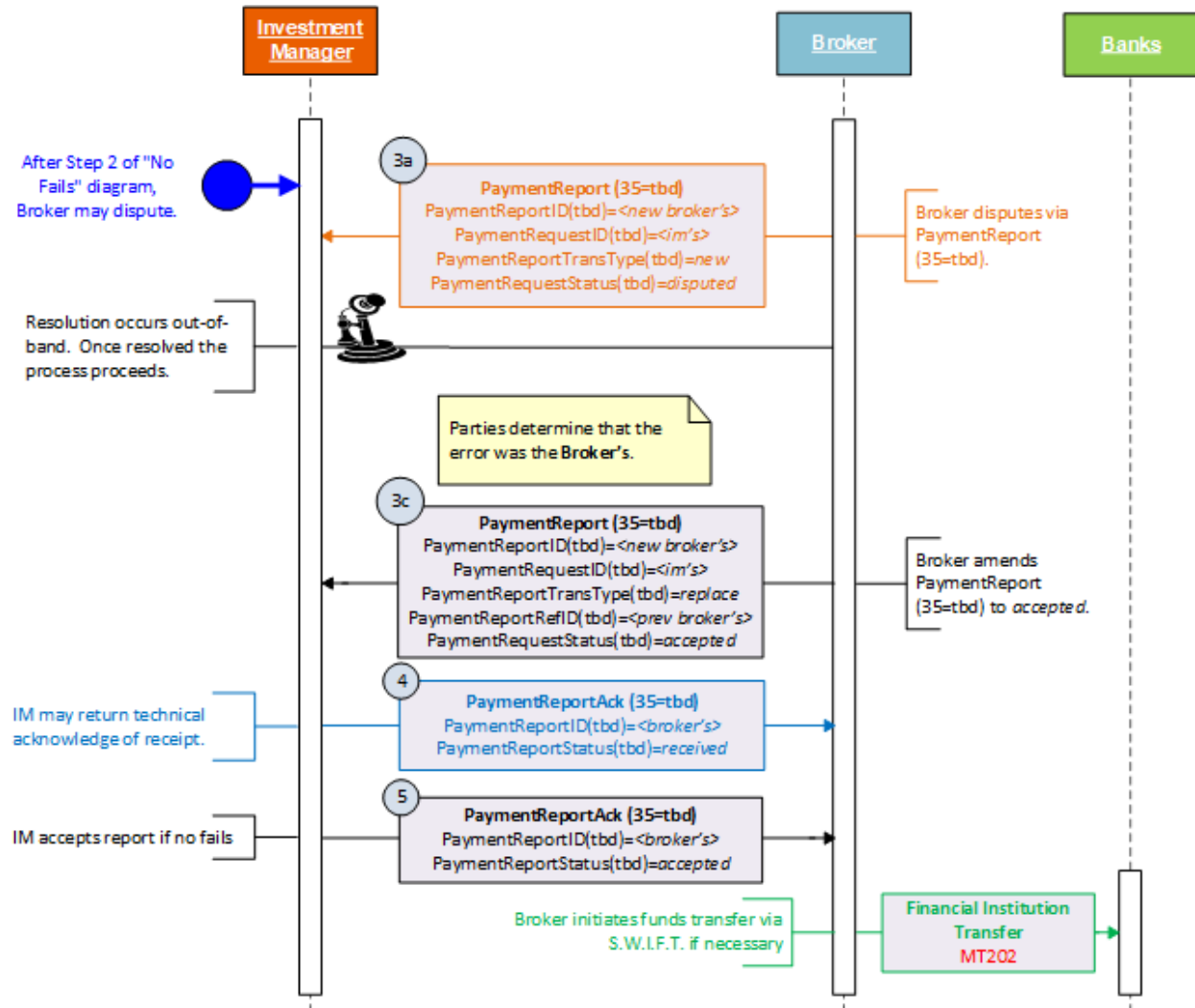
4.4 IM Disputes Broker Report - Error in Request or Report

Figure 5 illustrates a scenario where upon receipt of the Broker's PaymentReport(35=tbd) message accepting the PaymentRequest(35=tbd) - see Step 3 in Figure 2 - the Investment Manager disputes the report by sending a PaymentReportAck(35=tbd) with PaymentReportStatus(tbd)=3 (Disputed).

The dispute must be resolved out-of-band of this electronic messaging protocol (e.g. via phone call). In the illustration below the error could have been in the original request that was not caught by the Broker, or in the report from the broker (e.g. some additional information provided in the enriched report is being disputed). To proceed, the Investment Manager may send PaymentReportAck(35=tbd) with PaymentReportStatus(tbd)=2 (Rejected). Then to terminate the request the IM sends PaymentRequest(35=tbd) with PaymentRequestTransType(tbd)=1 (Cancel). The latter will mark the end-state of the initial request that resulted in the dispute. This "cancel" step is recommended to avoid lingering requests by explicitly communicating that the initial request is withdrawn.

The Investment Manager could then proceed by sending a new request, with the correct information if the error was with the initial request, to re-start the process as described in Figure 2.

Figure 5: IM Disputes Broker Report - Error in Request or Report
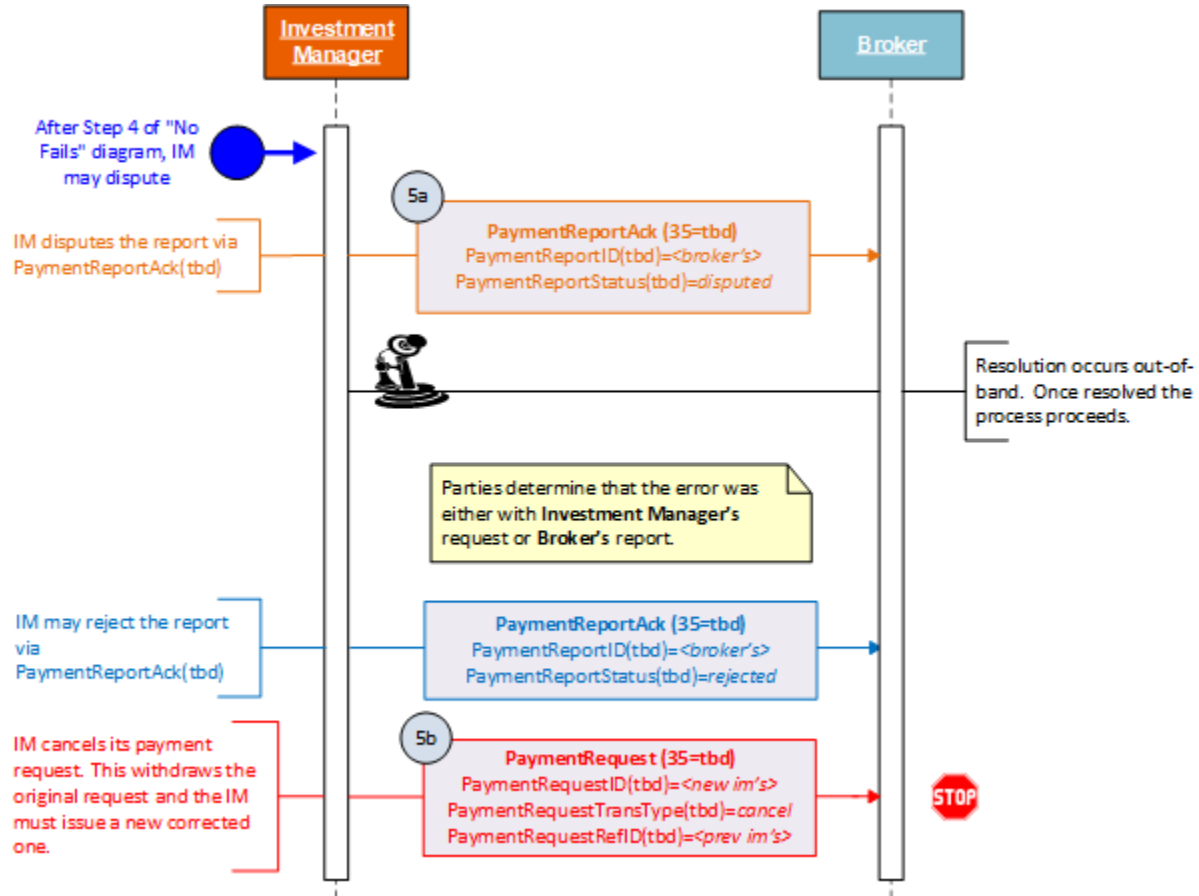
4.5 IM Disputes Broker Report - Report is Correct

Figure 6 illustrates a scenario where upon receipt of the Broker's PaymentReport(35=tbd) message accepting the PaymentRequest(35=tbd) - see Step 3 in Figure 2 - the Investment Manager disputes the report by sending a PaymentReportAck(35=tbd) with PaymentReportStatus(tbd)=3 (Disputed).

The difference in this scenario from Figure 5 is that after resolving the dispute out-of-band it was determined that the Broker's report was indeed correct. To accept the report that was initially disputed, the Investment Manage sends another PaymentReportAck(35=tbd) message with PaymentReportStatus(tbd)=1 (Accepted) to the Broker.

Figure 6: IM Disputes Broker Report - Report is Correct
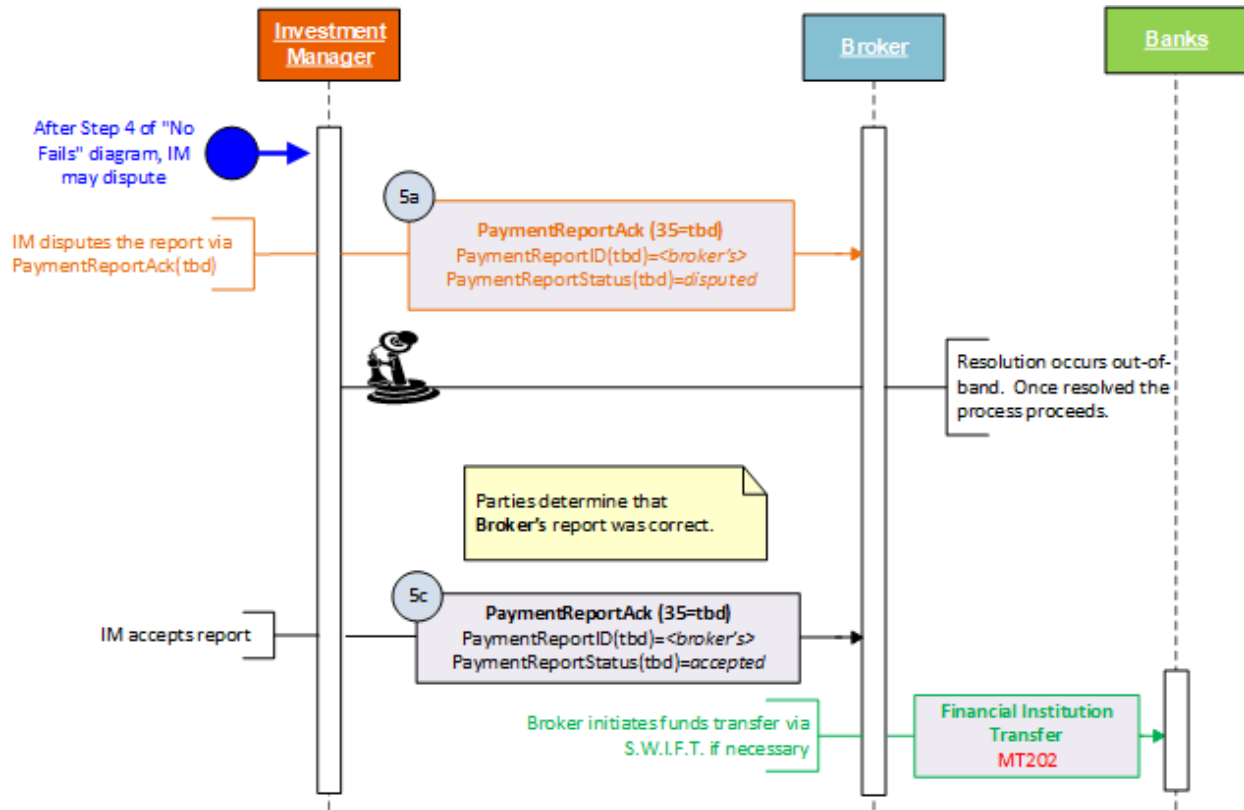
4.6 Unsolicited Payment Report from Broker

Figure 7 illustrates a scenario where the Broker sends an unsolicited PaymentReport(35=tbd) message to initiate payment. It must be enriched with all payment details including settlement instructions on file for the client. This is meant to support clients not setup to initiate requests and to support status updates of the payment itself.

The Investment Manager's response to the report is either a verbal acknowledgement out-of-band or a FIX PaymentReportAck(35=tbd) with PaymentReportStatus(tbd)=1 (Accepted).

On mutual acceptance of the payment details the Broker proceeds with actual payment remittance and, if necessary, initiates interbank funds movement via S.W.I.F.T., Fedwire or another means.

If the Investment Manager disputes the report the flow is the same as in Figure 5 and Figure 6.

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Figure 7: Unsolicited Payment Report from Broker
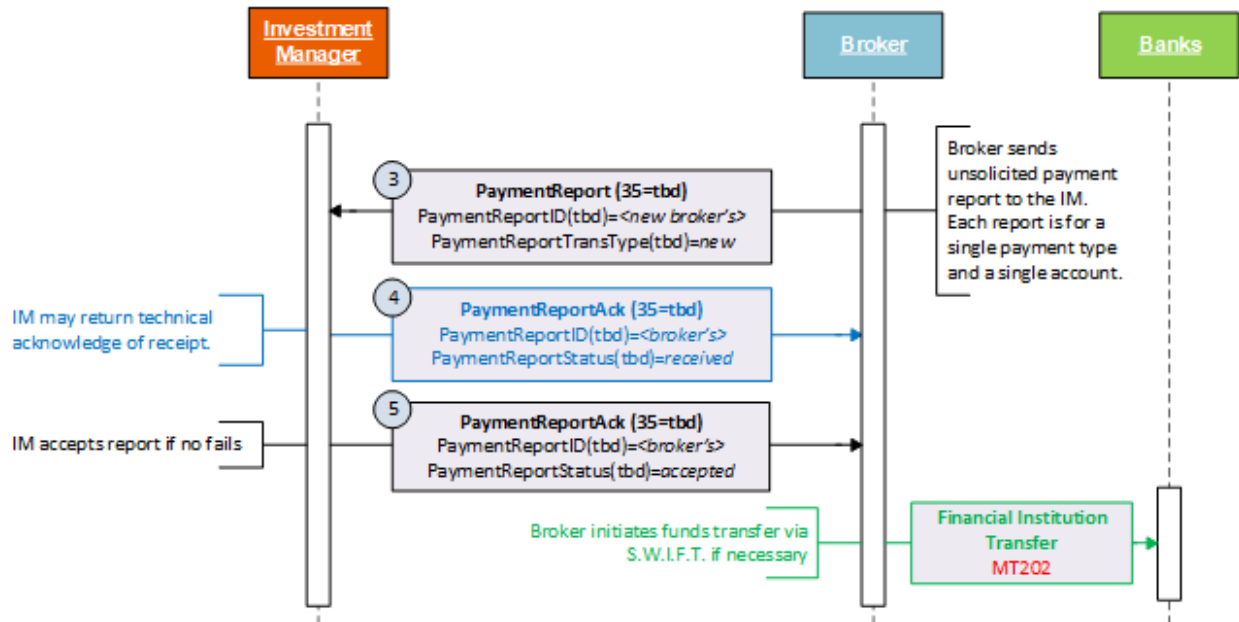
4.7 Payment Report from Broker with Remittance Status

Payment remittance via the external payment service begins only upon mutual confirmation of the request and report between the Investment Manager and Broker. Thus the remittance itself has a separate status indicated in PostTradePaymentStatus(tbd). Most services provide positive confirmation of payment and this field can be used in an unsolicited PaymentReport(35=tbd) from the Broker with PaymentReportTransType(tbd)=2 (Snapshot) to communicate payment status. This is illustrated in Figure 8.

Figure 8: Payment Report from Broker with Remittance Status
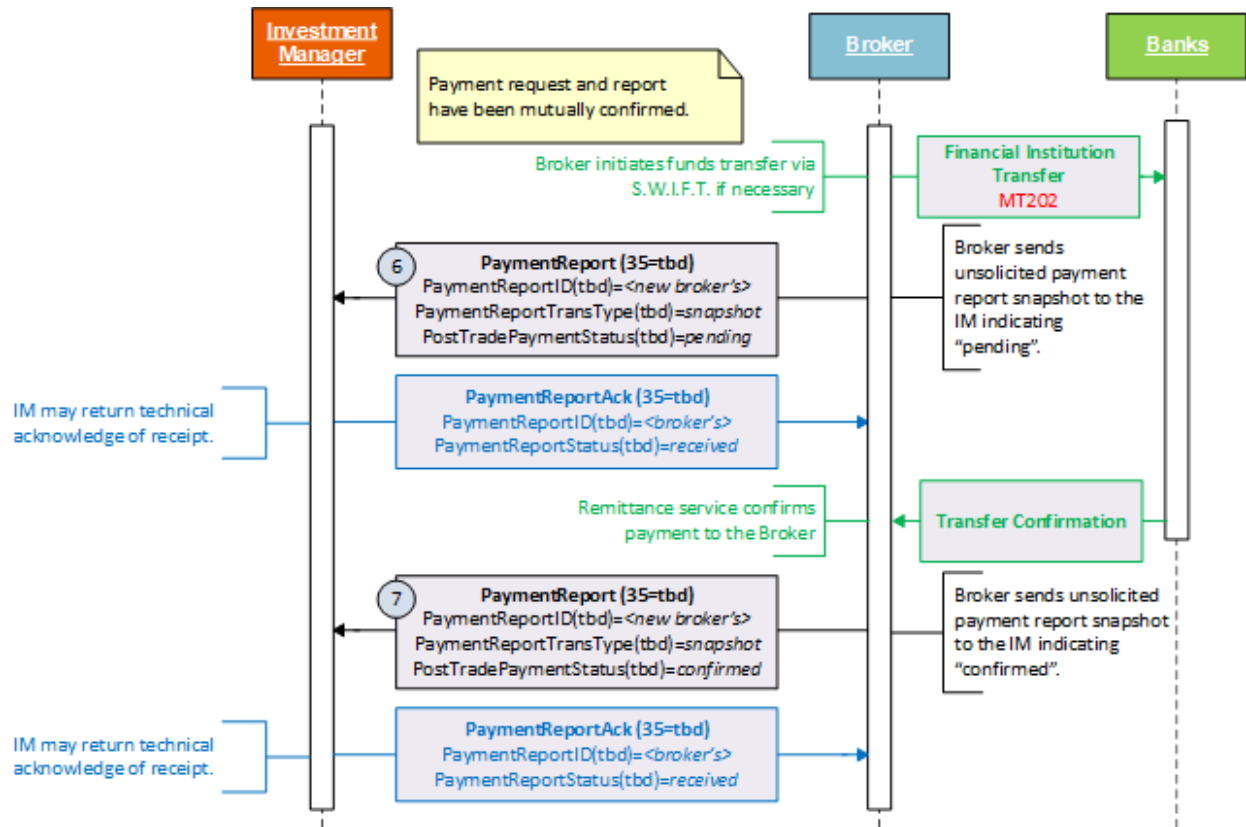
5 FIX Message Tables

5.1 PaymentReport (35=tbd)

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	PaymentReport
Message Abbreviated Name (for FIXML)	PmtRpt
Category	Post-trade Payments
Action	_X_New __Change
Message Synopsis Required, short, one or two paragraph description of the message.	PaymentReport(35=tbd) may be used to respond to the PaymentRequest(35=tbd) message. It provides the status of the request (e.g. accepted, disputed) and may provide additional information related to the request. PaymentReport(35=tbd) may also be sent unsolicited by the broker to a client not setup to initiate requests. In which case the client may acknowledge and resolve disputes out-of-band or with a simple PaymentReportAck(35=tbd). PaymentReport(35=tbd) may also be sent unsolicited to report the progress status of the payment itself with PaymentReportTransType(tbd)=2 (Snapshot).
Message Elaboration Optional longer description of the message usage	It should be noted that this message, in the context of operational communication between investment managers and their brokers, is intended to agree and confirm on periodic payment(s) to be made or received during the life of a contract.
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration	
Repository Component ID	

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
Standard Header		Y	ADD		MsgType=tbd
tbd	PaymentReportID	Y	NEW		
tbd	PaymentRequestID	N	NEW		Conditionally required when responding to PaymentRequest(35=tbd). Omitted for an unsolicited report.
tbd	PaymentReportTransType	Y	NEW		
tbd	PaymentReportRefID	N	NEW		Required for PaymentReportTransType(tbd)=1 (Replace).

Tag	Field Name	Req'd	Action	*Mappings and Usage Comments*	FIX Spec Comments
tbd	ReplaceText	N	NEW		May be used to provide reason for PaymentReportTransType(tbd)=1 (Replace).
tbd	EncodedReplaceTextLen	N	NEW		Must be set if EncodedReplaceText(tbd) field is specified and must immediately precede it.
tbd	EncodedReplaceText	N	NEW		Encoded (non-ASCII characters) representation of the ReplaceReasonText(tbd) field in the encoded format specified via the MessageEncoding(347) field.
tbd	PaymentRequestStatus	N	NEW		0 "Received" is not applicable in this message.
tbd	PaymentDisputeReason	N	NEW		May be used to provide reason for PaymentRequestStatus(tbd)=3 (Disputed).
1328	RejectText	N	ADD		May be used to elaborate the reason for rejection or dispute.
1664	EncodedRejectTextLen	N	ADD		Must be set if EncodedRejectText(1665) field is specified and must immediately precede it.
1665	EncodedRejectText	N	ADD		Encoded (non-ASCII characters) representation of the RejectText(1328) field in the encoded format specified via the MessageEncoding(347) field.
715	ClearingBusinessDate	N	ADD		Echos back the business date of the PaymentRequest (35=tbd) message if this report is responding to a request. When the report is sent unsolicited, this is the business date of the report. This may carry the same date as the payment calculation date in PostTradePaymentCalculationDate(tbd).
60	TransactTime	Y	ADD		
58	Text	N	ADD		
354	EncodedTextLen	N	ADD		Must be set if EncodedText(355) field is specified and must immediately precede it.

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
355	EncodedText	N	ADD		Encoded (non-ASCII characters) representation of the Text(58) field in the encoded format specified via the MessageEncoding(347) field.
	Instrument component	N	ADD		May be included with minimal detail to identify the security or contract for which payments are to be made.
	RelatedTradeGrp component	N	ADD		May be included to identify the trade(s) for which payments are to be made. Each instance identifies a separate trade.
	Parties component	N	ADD		Identifies the parties to the contracts or trades. The account to be debited or credited is identified in the PostTradePayment component.
	PostTradePayment component	Y	NEW		
	SettlDetails component	N	ADD		
	Standard Trailer	Y	ADD		

5.2 PaymentReportAck (35=tbd)

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	PaymentReportAck
Message Abbreviated Name (for FIXML)	PmtRptAck
Category	Post-trade Payments
Action	_X_New __Change
Message Synopsis

Required, short, one or two paragraph description of the message. | PaymentReportAck(35=tbd) is used as a response to the PaymentReport(35=tbd) message. It may be used to accept, reject or dispute the details of the PaymentReport(35=tbd) depending on the business rules of the receiver. This message may also be used to acknowledge the receipt of a PaymentReport(35=tbd) message. |
| Message Elaboration

Optional longer description of the message usage | |

To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration	
Repository Component ID	

Tag	Field Name	Req'd	Action	*Mappings and Usage Comments*	FIX Spec Comments
Standard Header		Y	ADD		MsgType=tbd
tbd	PaymentReportID	Y	NEW		
tbd	PaymentReportStatus	Y	NEW		
tbd	PaymentDisputeReason	N	NEW		May be used to provide reason for PaymentReportStatus(tbd)=3 (Disputed).
1328	RejectText	N	ADD		May be used to elaborate the reason for rejection or dispute.
1664	EncodedRejectTextLen	N	ADD		Must be set if EncodedRejectText(1665) field is specified and must immediately precede it.
1665	EncodedRejectText	N	ADD		Encoded (non-ASCII characters) representation of the RejectText(1328) field in the encoded format specified via the MessageEncoding(347) field.
Standard Trailer		Y	ADD		

5.3 PaymentRequest (35=tbd)

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	PaymentRequest
Message Abbreviated Name (for FIXML)	PmtReq
Category	Post-trade Payments
Action	_X_New __Change
Message Synopsis Required, short, one or two paragraph description of the message.	PaymentRequest(35=tbd) message is used to initiate a payment to be made or received related to a trade or contract after its settlement.
Message Elaboration Optional longer	It should be noted that this message, in the context of operational communication between investment managers and their brokers, is intended

description of the message usage	to agree and confirm on periodic payment(s) to be made or received during the life of a contract.				
To be finalized by FPL Technical Office					
(MsgType(tag 35) Enumeration					
Repository Component ID					

Tag	Field Name	Req'd	Action	*Mappings and Usage Comments*	FIX Spec Comments
Standard Header		Y	ADD		MsgType=tbd
tbd	PaymentRequestID	Y	NEW		
tbd	PaymentRequestTransType	Y	NEW		
tbd	PaymentRequestRefID	N	NEW		Required for PaymentRequestTransType(tbd)= 1 (Cancel).
tbd	CancelText	N	NEW		May be used to provide reason for PaymentRequestTransType(tbd)= 1 (Cancel).
tbd	EncodedCancelTextLen	N	NEW		Must be set if EncodedCancelText(tbd) field is specified and must immediately precede it.
tbd	EncodedCancelText	N	NEW		Encoded (non-ASCII characters) representation of the CancelReasonText(tbd) field in the encoded format specified via the MessageEncoding(347) field.
715	ClearingBusinessDate	N	NEW		The business date of the request. This may carry the same date as the payment calculation date in PostTradePaymentCalculationDate(tbd).
60	TransactTime	Y	NEW		
58	Text	N	NEW		
354	EncodedTextLen	N	ADD		Must be set if EncodedText(355) field is specified and must immediately precede it.
355	EncodedText	N	ADD		Encoded (non-ASCII characters) representation of the Text(58) field in the encoded format specified via the MessageEncoding(347) field.

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
Instrument component		N	ADD		May be included with minimal detail to identify the security or contract for which payments are to be made.
RelatedTradeGrp component		N	ADD		May be included to identify the trade(s) for which payments are to be made. Each instance identifies a separate trade.
Parties component		N	ADD		Identifies the parties to the contracts or trades. The account to be debited or credited is identified in the PostTradePayment component.
PostTradePayment component		Y	NEW		
SettlDetails component		N	ADD		
Standard Trailer		Y	ADD		

5.4 PaymentRequestAck (35=tbd)

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	PaymentRequestAck
Message Abbreviated Name (for FIXML)	PmtReqAck
Category	Post-trade Payments
Action	_X_New __Change
Message Synopsis Required, short, one or two paragraph description of the message.	PaymentRequestAck(35=tbd) is used to acknowledge the receipt of the PaymentRequest(35=tbd) message (i.e. a technical acknowledgement of receipt). Acceptance or rejection of the request is reported in the corresponding PaymentReport(35=tbd).
Message Elaboration Optional longer description of the message usage	
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration	
Repository Component ID	

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
Standard Header		Y	ADD		MsgType=tbd
tbd	PaymentRequestID	Y	NEW		
tbd	PaymentRequestStatus	Y	NEW		Only 0 "Received" is applicable in this message.
Standard Trailer		Y	ADD		

6 FIX Component Blocks

6.1 PostTradePayment

To be completed at the time of the proposal – all information provided will be included in the repository	
Component Name	PostTradePayment
Component Abbreviated Name (for FIXML)	PostTrdPmt
Component Type	___ Block Repeating _X_ Block
Category	(no change)
Action	_X_New __Change
Component Synopsis	This component specifies the details of a payment request or report between the parties involved.
Component Elaboration	
To be finalized by FPL Technical Office	
Repository Component ID	

Component FIXML Abbreviation: < *PostTrdPmt*>					
Tag	Field Name	Req'd	Action	Mappings and Usage Comments	Comments
tbd	PostTradePaymentType	Y	NEW		
tbd	PostTradePaymentAmount	Y	NEW		
tbd	PostTradePaymentCurrency	N	NEW		

Component FIXML Abbreviation: < *PostTrdPmt*>					
Tag	*Field Name*	*Req'd*	*Action*	*Mappings and Usage Comments*	*Comments*
tbd	PostTradePaymentCalculationDate	Y	NEW		The date payment calculations are made. This may be earlier than the date in ClearingBusinessDate(715). When the report is sent unsolicited, this is the payment calculation date as determined by report sender.
tbd	PostTradePaymentValueDate	Y	NEW		The date the payment is legally confirmed to settle.
tbd	PostTradePaymentFinalValueDate	N	NEW		The actual payment date in the event the payment differs from the date specified in PostTradePaymentValueDate(tbd).
tbd	PostTradePaymentDebitOrCredit	Y	NEW		
tbd	PostTradePaymentAccount	Y	NEW		
tbd	PostTradePaymentID	N	NEW		
tbd	PostTradePaymentDesc	N	NEW		
tbd	EncodedPostTradePaymentDescLen	N	NEW		Must be set if EncodedPostTradePaymentDesc(tbd) field is specified and must immediately precede it.
tbd	EncodedPostTradePaymentDesc	N	NEW		Encoded (non-ASCII characters) representation of the PostTradePaymentDesc(tbd) field in the encoded format specified via the MessageEncoding(347) field.
tbd	PostTradePaymentLinkID	N	NEW		
tbd	PostTradePaymentStatus	N	NEW		
</ *PostTrdPmt*>					

6.2 SettlDetails

To be completed at the time of the proposal – all information provided will be included in the repository	
Component Name	SettlDetails
Component Abbreviated Name (for FIXML)	SettlDetails
Component Type	_X__ Block Repeating ____ Block
Category	*(no change)*
Action	__New _X_Change
Component Synopsis	*(no change)*
Component Elaboration	*(no change)*
To be finalized by FPL Technical Office	
Repository Component ID	

Component FIXML Abbreviation: <*SettlDetails*>						
Tag	Field Name	Req'd	ICR	Action	*Mappings and Usage Comments*	*Comments*
1158	NoSettlDetails	N				
→	1164	SettlObligSource	N			
→	169	StandInstDbType	N	ADD		
→	170	StandInstDbName	N	ADD		
→	171	StandInstDbID	N	ADD		
→	<*SettlParties*> component					
</SettlDetails>						

7 Category Changes

Category Name	~~PostTrade~~Post-trade Payments
Section	~~Post-trade Payments~~PostTrade
Action	_X_ New __Change
~~Section~~ Category Synopsis	Messages used to initiate and confirm payments to be made or received related to servicing of contracts or transactions after trade settlement. These messages are not intended to instruct or initiate remittance of funds transfers with banks.
~~Section~~ Category	N/A

Elaboration	
To be finalized by FPL Technical Office	

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Appendix A - Data Dictionary

Tag	Field Name	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
tbd	PaymentReportID	NEW	String	Unique ID of the PaymentReport(35=tbd) message.	@RptID	Add to PaymentReport and PaymentReportAck messages
tbd	PaymentDisputeReason	NEW	Reserved100Plus	Used to provide a machine-readable value giving the reason for disputing a request or report. See https://www.fixtrading.org/packages/ PaymentDisputeReason for the list of applicable values.	@DspteRsn	Add to PaymentReport and PaymentReportAck messages
tbd	EncodedReplaceText	NEW	data	Encoded (non-ASCII characters) representation of the ReplaceText(tbd) field in the encoded format specified via the MessageEncoding(347) field. If used, the ASCII (English) representation should also be specified in the ReplaceText(tbd) field.	@EncReplTxt	Add to PaymentReport message
tbd	EncodedReplaceTextLen	NEW	Length	Byte length of encoded (non-ASCII characters) EncodedReplaceText(tbd) field.	@EncReplLen	Add to PaymentReport message
tbd	PaymentReportRefID	NEW	String	Reference identifier of the PaymentReport(35=tbd). To be used with PaymentReportTransType(tbd)=1 (Replace).	@RptRefID	Add to PaymentReport message
tbd	PaymentReportTransType	NEW	int	Identifies the message transaction type. 0 = New 1 = Replace 2 = Snapshot [Elaboration: An unsolicited message reporting the current progress status of the payment.]	@TxnTyp	Add to PaymentReport message
tbd	ReplaceText	NEW	String	Identifies the reason for amendment.	@ReplTxt	Add to PaymentReport message

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Tag	Field Name	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
tbd	PaymentReportStatus	NEW	int	Identifies status of the payment report. 0 = Received, not yet processed 1 = Accepted 2 = Rejected 3 = Disputed [Elaboration: Used when there is some type of mismatch that can be resolved.]	@RptStat	Add to PaymentReportAck message
tbd	CancelText	NEW	String	Identifies the reason for cancelation.	@CxlTxt	Add to PaymentRequest message
tbd	EncodedCancelText	NEW	data	Encoded (non-ASCII characters) representation of the CancelText(tbd) field in the encoded format specified via the MessageEncoding(347) field. If used, the ASCII (English) representation should also be specified in the CancelText(tbd) field.	@EncCxlTxt	Add to PaymentRequest message
tbd	EncodedCancelTextLen	NEW	Length	Byte length of encoded (non-ASCII characters) EncodedCancelText(tbd) field.	@EncCxlLen	Add to PaymentRequest message
tbd	PaymentRequestRefID	NEW	String	Reference identifier of the PaymentRequest(35=tbd). To be used with PaymentRequestTransType(tbd)=1 (Cancel).	@ReqRefID	Add to PaymentRequest message
tbd	PaymentRequestTransType	NEW	int	Identifies the message transaction type. 0 = New 1 = Cancel	@TxnTyp	Add to PaymentRequest message
tbd	PaymentRequestID	NEW	String	Unique ID of the PaymentRequest(35=tbd) message.	@ReqID	Add to PaymentRequest, PaymentRequestAck and PaymentReport messages

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Tag	Field Name	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
tbd	PaymentRequestStatus	NEW	int	Identifies status of the request being responded to. 0 = Received, not yet processed 1 = Accepted 2 = Rejected 3 = Disputed [Elaboration: Used when there is some type of mismatch that can be resolved.]	@ReqStat	Add to PaymentRequestAck and PaymentReport messages
tbd	EncodedPostTradePaymentDesc	NEW	data	Encoded (non-ASCII characters) representation of the PostTradePaymentDesc(tbd) field in the encoded format specified via the MessageEncoding(347) field. If used, the ASCII (English) representation should also be specified in the PostTradePaymentDesc(tbd) field.	@EncDesc	Add to PostTradePayment component
tbd	EncodedPostTradePaymentDescLen	NEW	Length	Byte length of encoded (non-ASCII characters) EncodedPostTradePaymentDesc(tbd) field.	@EncDescLen	Add to PostTradePayment component
tbd	PostTradePaymentAccount	NEW	String	The cash account on the books of the receiver of the request or the sender of the report to be debited or credited.	@Acct	Add to PostTradePayment component
tbd	PostTradePaymentAmount	NEW	Amt	The payment amount for the specified PostTradePaymentType(tbd).	@Amt	Add to PostTradePayment component
tbd	PostTradePaymentCurrency	NEW	Currency	Specifies the currency in which PostTradePaymentAmount(tbd) is denominated. Uses ISO 4271 currency codes.	@Ccy	Add to PostTradePayment component
tbd	PostTradePaymentDebitOrCredit	NEW	int	Payment side of this individual payment from the requesting firm's perspective. 0 = Debit –/ Pay 1 = Credit –/ Receive	@DbtCrd	Add to PostTradePayment component

Tag	Field Name	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
tbd	PostTradePaymentDesc	NEW	String	A short descriptive name given to the payment, e.g. Premium, Upfront, etc. The description may be used as reference.	@Desc	Add to PostTradePayment component
tbd	PostTradePaymentID	NEW	String	The identifier for the individual payment.	@ID	Add to PostTradePayment component
tbd	PostTradePaymentLinkID	NEW	String	Used to link a group of payments together, e.g. cross-currency payments associated with a swap.	@PmtLinkID	Add to PostTradePayment component
tbd	PostTradePaymentStatus	NEW	int	Used to indicate the status of a post-trade payment 0 = New [Elaboration: Payment is awaiting confirmation from the ~~client~~recipient.] 1 = Initiated [Elaboration: Payment is confirmed by the ~~client~~ recipient and has been scheduled.] 2 = Pending [Elaboration: Payment has been instructed to the payment service but status is unknown.] 3 = Confirmed [Elaboration: Payment is complete and confirmed by the payment service.] 4 = Rejected [Elaboration: Payment was rejected by the service.]	@Stat	Add to PostTradePayment component
tbd	PostTradePaymentType	NEW	~~String~~int	Type of post-trade payment. ~~For ISITC Cash Purpose codes, see also~~ See ISITC "Payments Cash Purpose Codes" for list	@Typ	Add to PostTradePayment component

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Tag	Field Name	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
				of payment type codes to use available at https://isitc.org/market-practices/reference-data-and-standards-market-practice and select "ISITC Classification Code List". 0 = General cash [Elaboration: General cash payment instruction. Corresponds to ISITC Cash Purpose "CASH".] 1 = Upfront fee [Elaboration: Upfront/unwind payment for a bilateral swap. Corresponds to ISITC Cash Purpose "SWUF".] 2 = Collateral interest [Elaboration: Interest on cash collateral. Corresponds to ISITC Cash Purpose "COLL".] 3 = Reset [Elaboration: Reset payment for a bilateral swap contract. Corresponds to ISITC Cash Purpose "SWRS".] 4 = Margin [Elaboration: Daily margin on listed derivatives. Corresponds to ISITC Cash Purpose "MARG".] 5 = CCP Margin [Elaboration: Margin variation on trades clearing through a CCP. Corresponds to ISITC Cash Purpose "CCPM". 6 = CCA collateral [Elaboration: Collateral associated with a Central Clearing Agreement that is covering the initial margin requirements for trades clearing through a CPP. Corresponds to ISITC Cash Purpose "CCPC".]		

Tag	Field Name	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
				7 = Cash collateral [Elaboration: Cash collateral payment for OTC options associated with an FCM agreement, where such payment is not segregated and is available for use by the client upon return. Corresponds to ISITC Cash Purpose "OPCC".]		
tbd	PostTradePaymentCalculationDate	NEW	LocalMktDate	The (actual) date the periodic payments calculations are made.	@CalcDt	Add to PostTradePayment component
tbd	PostTradePaymentValueDate	NEW	LocalMktDate	The adjusted (for holidays and other non-business days) payment date on which the payment is expected to settle.	@ValuDt	Add to PostTradePayment component
tbd	PostTradePaymentFinalValueDate	NEW	LocalMktDate	The actual or final payment date on which the payment was made.	@FnlValuDt	Add to PostTradePayment component

Appendix B - Glossary Entries

Term	Definition	Field where used

Appendix C - Abbreviations

Term	Proposed Abbreviation	Proposed Messages, Components, Fields where used
Post – As in "Post-trade"	Post	PostTradePayment component
Debit	Dbt	PostTradePaymentDebitOrCredit(tbd)
Dispute	Dspte	PaymentDisputeReason(tbd)

Appendix D - Usage Examples

None.

Appendix E - External Code Lists

E-1. *PaymentDisputeReason(tbd)*

Used in:

PaymentDisputeReason(tbd)

Field value	Description	When added	Symbolic name	Elaboration
0	Amount mismatch	FIX 5.0 SP2 EPtbd	AmountMismatch	
1	Unsupported payment type	FIX 5.0 SP2 EPtbd	UnsupportedPaymentType	
2	Unknown or missing related trade ID	FIX 5.0 SP2 EPtbd	UnknownRelatedTradeID	
3	Unknown or missing customer account	FIX 5.0 SP2 EPtbd	UnknownCustomerAccount	
4	Missing or invalid SSI	FIX 5.0 SP2 EPtbd	InvalidSSI	
5	Invalid, missing or unsupported currency	FIX 5.0 SP2 EPtbd	InvalidCurrency	
6	Invalid or missing	FIX 5.0 SP2 EPtbd	InvalidValueDate	

Field value	Description	When added	Symbolic name	Elaboration
	value date			
7	Missing or invalid debit-or-credit	FIX 5.0 SP2 EPtbd	InvalidDebitOrCredit	
8	Duplicate or missing payment ID	FIX 5.0 SP2 EPtbd	InvalidPaymentID	
99	Other	FIX 5.0 SP2 EPtbd	Other	

E-2. PostTradePaymentType(tbd)

The values to be used for PostTradePaymentType(tbd) field will be a code list of payments published by ISITC. **The image table below is included only as a reference and contains the codes available from ISITC at the time of the publication of this gap analysis.** The latest ISITC source document can be found on their website at https://isitc.org/market-practices/reference-data-and-standards-market-practice and selecting "ISITC Classification Code List" option.

ISITC N.A. Classification Code List

5.0 Payments Cash Purpose Codes

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
12B1	US mutual fund trailer fee (12b-1) payment						✓
12BR	US mutual fund trailer fee (12b-1) rebate payment						✓
ACCT	Transaction moves funds between 2 accounts of same account holder at the same bank. Internal cash transfer.	✓					
BKDF	Delayed draw funding. Certain issuers may utilize delayed draw loans whereby the lender is committed to fund cash within a specified period once a call is made by the issuer. The lender receives a fee for entering into such a commitment.		✓				
BKFE	Bank loan fees. Cash activity related to specific bank loan fees, including (a) agent / assignment fees; (b) amendment fees; (c) consent fees; (d) cost of carry fees; (e) cost of carry fees; (f) delayed compensation fees; (g) facility fees; (h) fronting fees; (i) funding fees; (j) letter of credit assignment fees		✓				
BKFM	Bank loan funding memo. Net cash movement for the loan contract final notification when sent separately from the loan contract final notification instruction.		✓				
BKIP	Accrued interest payments. Specific to bank loans.		✓				
BKPP	Principal pay-downs. Specific to bank loans.		✓				
BNET	Bond Forward pair-off cash net movement						
CASH	General cash payment instruction.	✓					

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ISITC

ISITC N.A. Classification Code List

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
CCPM	Margin variation on trades clearing through a CCP. If the Initial Margin and Variation Margins are netted then the CCPM code word shall still be utilized. The Variation Margin amounts shall be detailed on the Variation Margin Flow report. Therefore the custodians will know the amount of variation margin that was part of the netted variation margin amount associated with an Central Clearing Agreement.				✓		
CCPC	Collateral associated with a Central Clearing Agreement that is covering the initial margin requirements for trades clearing through a CCP.				✓		
CDEP	Credit default event payment.				✓		
DIVD	Dividend Payment	✓					
FACT	Factor Update related payment						
FEES	Fees related to the opening of a trade.	✓					
FWBC	Cash collateral payment (segregated). Cash collateral payment against a Master Forward Agreement (MFA) where the cash is held in a segregated account and is not available for use by the client. Includes any instruments with a forward settling date such TBAs, repurchase agreements and bond forwards.	✓					
FWCC	Cash collateral payment (for use by client). Cash collateral payment against a Master Forward Agreement (MFA) where the cash is owned and may be used by the client when returned. Includes any instruments with a forward settling date such TBAs, repurchase agreements and bond forwards.	✓					
FXNT	FX netting if cash is moved by separate wire instead of within the closing FX instruction.	✓					
FNET	Cash associated with a netting of futures payments. Refer to CCPM codeword for netting of initial and variation margin through a CCP.			✓			

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ISITC N.A. Classification Code List

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
INTE	Interest payment.	✓					
LBIN	Net payment related to a buy-in. When an investment manager is bought in on a sell trade that fails due to a failed securities lending recall, the IM may seize the underlying collateral to pay for the buy-in. Any difference between the value of the collateral and the sell proceeds would be paid or received under this code.					✓	
LCOL	Free movement of cash collateral. Cash collateral paid by the borrower is done separately from the delivery of the shares at loan opening or return of collateral done separately from return of the loaned security. Note: common when the currency of the security is different the currency of the cash collateral.					✓	
LFEE	Fee payments, other than rebates, for securities lending. Includes (a) exclusive fees; (b) transaction fees; (c) custodian fees; (d) minimum balance fees					✓	
LMEQ	Cash collateral payments resulting from the marked-to-market of a portfolio of loaned equity securities.					✓	
LMFI	Cash collateral payments resulting from the marked-to-market of a portfolio of loaned fixed income securities.					✓	
LMRK	Cash collateral payments resulting from the marked-to-market of a portfolio of loaned securities where the instrument types are not specified.					✓	
LREB	Securities lending rebate payments.					✓	
LREV	Revenue payments made by the lending agent to the client.					✓	
LSFL	Payments made by a borrower to a lending agent to satisfy claims made by the investment manager related to sell fails from late loan recall deliveries.					✓	
MARG	Daily margin on listed derivatives – not segregated as collateral associated with an FCM agreement. Examples include listed futures and options margin payments; premiums for listed options not covered in the MT54X message.			✓			
MGCC	Initial futures margin. Where such payment is owned by the client and is available for use by them on return.			✓			

ISITC N.A. Classification Code List

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
NETT	General code for cash bulking or netting. To be used on a "street/market" movement instruction.	✓					
OCCC	Client owned collateral identified as eligible for OCC pledging	✓					
OPBC	Cash collateral payment for OTC options associated with an FCM agreement. Where such payment is segregated and not available for use by the client.				✓		
OPCC	Cash collateral payment for OTC options associated with an FCM agreement. Where such payment is not segregated and is available for use by the client upon return.				✓		
RRBN	Cash payment resulting from a Round Robin	✓					
RPBC	Bi-lateral repo broker owned collateral associated with a repo master agreement – GMRA or MRA Master Repo Agreements	✓					
RPCC	Repo client owned collateral associated with a repo master agreement – GMRA or MRA Master Repo Agreements	✓					
RPNT	Bi-lateral repo interest net/bulk payment at rollover/pair-off or other closing scenarios where applicable.	✓					
SHBC	Short Sale broker owned collateral associated with a prime broker agreement	✓					
SHCC	Short Sale client owned collateral associated with a prime brokerage agreement	✓					
SPLT	Split payments. To be used when cash and security movements for a security trade settlement are instructed separately.	✓					
SWBC	Cash collateral payment for swaps associated with an ISDA agreement. . Where such payment is segregated and not available for use by the client. Includes any cash collateral payments made under the terms of a CSA agreement for instruments such as swaps and FX forwards.				✓		

ISITC N.A. Classification Code List

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
SWCC	Cash collateral payment for swaps associated with an ISDA agreement. Where such payment is not segregated and is available for use by the client upon return. Includes any cash collateral payments made under the terms of a CSA agreement for instruments such as swaps and FX forwards.				✓		
SWFP	Final payments for a swap contract.				✓		
SWPP	Partial payment for a swap contract.				✓		
SWRS	Reset payment for a bilateral swap contract and cash exercise/assignment on OTC options				✓		
SWUF	Upfront/unwind payment for a bilateral swap or OTC option contract.				✓		
TBBC	Cash collateral payment (segregated) for TBA securities associated with a TBA Master Agreement. Where such payment is segregated and not available for use by the client.	✓					
TBCC	Cash collateral payment (for use by client)for TBA securities associated with a TBA Master Agreement. Where such payment is not segregated and is available for use by the client upon return.	✓					
TMPG	Cash payment resulting from a TMPG Claim.	✓					
TLRF	Any non-US mutual fund trailer fee (retrocession) payment (use ISIN to determine onshore versus offshore designation)						✓
TLRR	Any non-US mutual fund trailer fee (retrocession) rebate payment (use ISIN to determine onshore versus offshore designation)						✓
TPRP	Tri-party Repo related net gain/loss cash movement.	✓					
TPRI	Tri-Party Repo related interest	✓					

ISITC

ISITC N.A. Classification Code List

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
TBAN	TBA pair-off cash wire net movement	✓					
VATX	VAT (value added tax) payment.	✓					
WHLD	Withholding tax payment.	✓					
OPSB	Option Broker Owned Segregated Cash Collateral - Any cash payment related to the collateral for an OTC option, which is segregated, and not available for use by the client.	✓					
OPSC	Option Client Owned Cash Segregated Cash Collateral - Any cash payment related to the collateral for an OTC option, which is owned by the client and is available for use by the client when it is returned to them from the segregated account	✓					
FWSB	Forwards Broker Owned Segregated Cash Collateral - Any cash payment related to the collateral for a Master Agreement forward, which is segregated, and not available for use by the client. Example master agreement forwards include TBA, Bond Forwards.	✓					
FWSC	Forwards Client Owned Segregated Cash Collateral - Any cash payment related to the collateral for a Master agreement forward, which is owned by the client and is available for use by the client when it is returned to them from the segregated account. Example master agreement forwards include TBA, Bond Forwards.	✓					
RPSB	Bi-lateral repo broker owned segregated cash collateral associated with a repo master agreement	✓					
RPSC	Repo client owned segregated collateral associated with a repo master agreement	✓					
MBSB	MBS Broker Owned Segregated (40Act/Dodd Frank) Cash Collateral - Any cash payment related to the collateral for a Mortgage Back Security, which is segregated, and not available for use by the client.	✓					

ISITC

ISITC N.A. Classification Code List

Code	Description	General / Other	Bank Debt	Listed Derivatives	OTC Derivatives	Securities Lending	Trailer Fees
MBSC	MBS Client Owned Cash Segregated (40Act/Dodd Frank) Cash Collateral - Any cash payment related to the collateral for a Mortgage Back Security, which is owned by the client and is available for use by the client when it is returned to them from the segregated account	✓					
MGSC	Margin Client Owned Segregated Cash Collateral - Any cash payment related to the collateral for initial futures margin, which is owned by the client and is available for use by the client when it is returned to them from the segregated account.	✓					
SWSB	Swaps Broker Owned Segregated Cash Collateral - Any cash payment related to the collateral for Swap margin, which is segregated, and not available for use by the client. This includes any collateral identified in a CSA agreement such as Swap or FX Forward collateral.				✓		
SWSC	Swaps Client Owned Segregated Cash Collateral - Any cash payment related to the collateral for Swap margin, which is owned by the client and is available for use by the client when returned from the segregated account. This includes any collateral identified in a CSA agreement such as Swap or FX Forward collateral.				✓		
CCSM	CCP Segregated initial margin: Initial margin on OTC Derivatives cleared through a CCP that requires segregation.				✓		

Appendix F - Public Comments and Open Issues Resolutions

F.1.   Open issues

The following table captures the open issues left over from prior to the submission of this gap anaisys and their resolutions.

	Issue	Date	Status	Discussion

1	Value Date	4/30/2019	Closed
			
			Jul 9, 2019
				What are the dates we need to capture? Our recollections are:
				• payment settlement date
				• payment value date
				• request date - this we mapped to either TransactTime(60) or ClearingBusinessDate(715).
				We need some clarity and business definition in particular as to whether "payment settlement date" and "payment value date" can be different.
				
				Resolution:
				There is requirement to be able to specify 3 different dates
				• the transaction date that the payment calculations were made
				  o this requirement is mapped to the PostTradePaymentCalculationDate(tbd) field in the PostTradePayment component.
				  o the ClearingBusinessDate(715) has been clarified to indicate the date the request was sent, which may be a date that is after the payment calculation date
				• the contractual settlement date that is the legally confirmed payment

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	Issue	Date	Status	Discussion
				settlement date ○ this requirement is mapped to the PostTradePaymentValueDate(tbd) in the PostTradePayment component. • the actual payment date ○ this requirement is mapped to a new field PostTradePaymentFinalValueDate(tbd) in the PostTradePayment component
2	Value Date Mismatch	4/30/2019	Closed Jul 9, 2019	Is it possible for the broker to send back different settlement and value dates than what is in the request? Or would this be construed as a "mismatch" therefore resulting in a "dispute" situation? **Resolution:** This would be a dispute and relevant error codes would need to be applied
3	Alloc Account Trade ID	4/30/2019	Closed Jul 9, 2019	Regarding trade identifiers, if the PaymentRequest is related to a confirmed trade at an allocated account level (e.g. confirmed via Confirmation(35=AK) message), how will you link the payment with the proper confirmed trade ID? **Resolution:** Trade identifiers is a process to be managed by the firms who use the messaging. FIX does not determine what identifiers should be used to match payments.
4	Trade IDs	4/30/2019	Closed Jul 9, 2019	What other types of trade identifiers would be needed? **Resolution:** One we can facilitate discussion on, but not one we would ownThe current

Issue		Date	Status	Discussion
				message supports identifiers to be applied. If further identifiers are required, then this can be discussed as part of phase 2.
5	Payment Linkage	4/30/2019	Closed Jul 9, 2019	In the last discussion we identified a need to link payment requests for cross currency payments of the same transaction. This field is added for that requirement. Should the link identifier be part of this PostTradePayment component or in the main level of the message itself (i.e. outside of this component)? Additionally do you foresee the value to be an arbitrary identifier or linking based on the request's identifier? **Resolution:** ~~Needs more conversation~~As part of Phase 2 roundtables, we will ensure this is tabled for discussion. This topic requires wider discussion.
6	Payment Linkage bis	4/30/2019	Closed Jul 9, 2019	In the PaymentReport(35=tbd) message, for the link identifier, confirm that it is expected that the Broker would just echo back what the IM sent in the request message - this implies the link identifier is always assigned by the IM. **Resolution:** ~~One for you guys???~~The initiation of the process can be driven by either the IM or the Broker. The process for managing link identifiers is a process that would require discussion between two parties to the payment.

F-2. PC 1

laurencejonesnex

-Netting functionality should be reviewed in next roundtable and proposal put together for how to incorporate into the messaging.
- Bi-directional flow to be supported

Resolutions:

The topic of netting will be covered in a Phase 2 of this initiative. It was out of scope for Phase 1.

A bi-directional flow is documented in Section 4.6 workflow diagram showing the Broker sending and unsolicited PaymentReport(35=tbd) to the Investment Manager, with the calculated payments.

F-3.   PC 2

johnwilson94

A few suggestions from me.
1. I would like to see the protocol specified in such a way that either the buy-side or sell-side could initiate the payment request. This will allow for either side to do the calculation with the other party verifying. The message set can then be used with greater flexibility in more scenarios.
2. Please consider adding a tag to payment report to hold a payment reference used in the SWIFT payment process with the Bank (e.g. SWIFT GPI tracker).
3. The payment reports allow for the payer to indicate that payment has been initiated. However, we must note that the payer might be either of the parties. In some currencies it may be useful for the receiver to indicate that they have instructed receipt.

Resolutions:

In response to the numbered comments:

1. This workflow is already documented in Section 4.6

2. SWIFT GPI tracker needs further discussion – This is a part of settlement management and is post-confirmation. It may also relate to netted amounts so ties into that topic and is Phase 2. Section 4.7 shows a workflow of the dealer reporting of initiated payment statuses back to the investment manager. However a GPI is currently not in the gap analysis proposal and would be a topic for Phase 2.

3. This is post-confirmation processing. Whilst it could be supported it is a wider topic of discussion and therefore Phase 2.

F-4. PC 3

jillhamilton
1. Current FIX examples show Investment Manager as the initiator of the flow – we would expect the Broker to also be able to initiate the payment affirmation flow
2. There are multiple types of payment supported in the proposal (e.g. trade settlement and margin calls) – we recommend to have identifiers to be able to segregate these
3. If Rejected is a terminal State what is next action? – restart from internal application after manual operational error processing?

4. More clarification required on proposal about how to deal with Missing or Incorrect Settlement Instructions. Would the Broker call clients to resolve missing instructions and restart automated flow or mark as disputed and resend as new flow?

5. Are there any plans to support cross-account netting? The proposal has one account per message, hence as it stands does not allow netting with accounts and across accounts - should this be revised?

6. Fraud prevention on unsolicited payment report message. Should this simply be a DISPUTE message or more specific fraud alerts/escalations? The example of how to prevent fraud requires clarification.

Resolutions:

In response to the numbered comments:

1. The workflow is already documented in section 4.6.

2. We are using payment type codes published by ISITC. Appendix E-2 shows the copy of the list of ISITC's Reference Data Working Group's list of payment type codes from their market practice document (https://isitc-org.s3.amazonaws.com/Market-Practice-Documents/ISITC-Classification-Code-List-2_12.pdf)

3. Post reject, message must be resubmitted. Flows depict this process - see sections 4.2 to 4.5 showing the different dispute scenarios.

4. SSI's are optional on Phase 1 messaging so therefore missing doesn't apply. If incorrect, then this would need resolution outside of this process for Phase 1. Further discussions can be had during Phase 2.

5. Netting to be discussed in next round table to kick off Phase 2.

6. ~~Have reached out to Jill to clarify her point but have not heard back. Defer to Phase 2 for further discussion.~~Response to Jill as follows –

    The process for instructing payment post receipt of an expected payment is a firm by firm decision. However, the process could be as follows –

    - Either IM or Dealer sends proposed payment details. We would expect that you would only receive payment details from a valid counterparty and have relationship hierarchy setup. Alternatively, if you use middleware / matching platform then this should have the relationship mapping built into it.
    - Other side receives details / accepts message
    - Validation / Matching is done to ensure payment details match (SSI's can be included if so)
    - If payment mismatch / not recognized, then there are exception management processes to follow – FIX supports this via its messaging
    - If payment information matches – Then firms follow current process for instructing payment / managing settlement

F-5. PC 4

fixtrading
Submitted on behalf of Wendy Seels:
We would like to reconfirm/explore with the group the possibility of increasing the number of economic details within the message to aid with the dispute process.

Resolution:

Replied to Wendy asking for more context on 1st July, but no further details as of 11th Julyreply. Defer to Phase 2 for further discussion.