



Market Practice Accounting Reconciliation Holdings

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DISCLAIMER

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Document History

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1.0.1	Oct 2007	Updated Initial document following conference call. Changed structure.		Ken Ayvazian
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1.0.12	3/15/2010	Minor corrections – identified during SR 2010 review.		Ivan Djurkin
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1.0 Introduction

The purpose of this document is to define and outline business requirements and best practices for the **Accounting Reconciliation Holdings** (ISO 20022 XML Securities Balance Accounting Report or SWIFT MT535 ACCT) within the Financial Services industry. The ISITC Reconciliation Working Group works to define the best practices and set market practice for electronic messaging using standards. This group reports to the global SMPG (Securities Market Practice Group). Upon the identification and detail documentation of best practices, this document also incorporates and provides explanation for the use of various syntax or formats for communicating the required information to support the best practices.

1.1 Scope

The Accounting Reconciliation Holdings message is sent by the account servicer to an account owner or to a party authorized by the account owner to receive the message. The statement is used to inform the account owner, or authorized party, of the valuations of a portfolio as well as financial instrument details for each holding at a given point in time.

This document contains a description of the process for Accounting Reconciliation Holdings using ISO20022 XML or SWIFT MT535 ACCT messages as recommended by the US ISITC Reconciliation Working Group. The Reconciliation Working Group recommends the use of the Accounting Reconciliation Holdings independently for accounting reconciliation or along with the Total Portfolio Valuation message (ISO 20022 XML).

This document focuses on the market practice for reporting holdings using accounting data. The Accounting Reconciliation Holdings is available on a trade date and settlement date basis (actual or contractual) and can be audited or un-audited.

This document will provide the best market practices for the following accounting reconciliation business processes:

1. Trade Date basis accounting reconciliation
2. Settle Date basis accounting reconciliation
3. Contractual basis accounting reconciliation
4. Audited reconciliation

All types of financial instruments are in scope for this message, including, but not limited to, currencies, cash equivalents, equities, fixed income, derivatives and miscellaneous financial instruments. Additionally, holdings data may also be reported at the tax lot level. Appendixes will provide examples.

Note: SLA usage of optional fields is not in scope for this market practice document.

Accounting Reconciliation Market Practice

1.2 Definitions

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

1.2.1 Actors and Roles

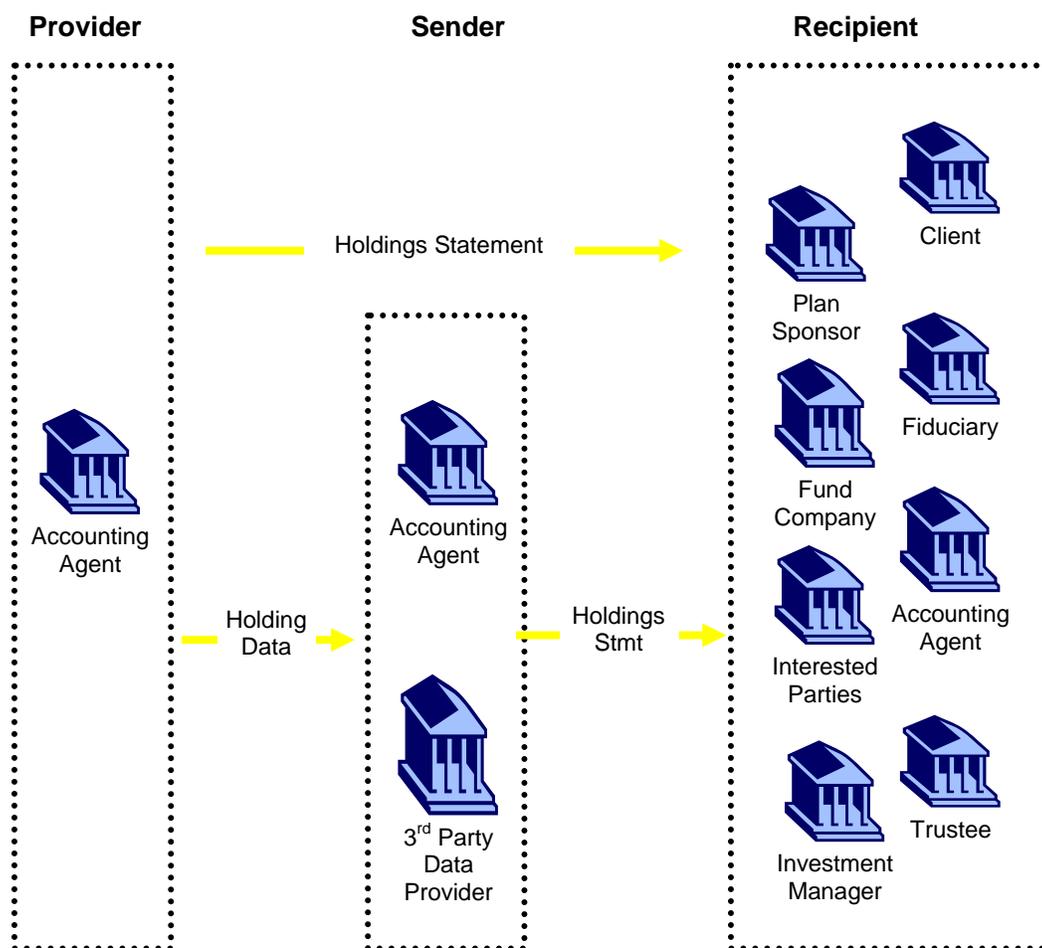
There are three distinct roles involved in Accounting Reconciliation:

- Initiator – an initiator is the party that agrees upon the terms and books transactions within their system.
- Sender – a sender sends the message(s) containing the data, but does not necessarily agree upon the terms or book the transaction.
- Recipient – the recipient receives the messages containing the accounting holdings data.

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

Initiator	Sender	Recipient
<ul style="list-style-type: none"> • Investment Manager • Custodian • Accounting Agent • 3rd Party Service Provider 	<ul style="list-style-type: none"> • Investment Manager • Custodian • Accounting Agent • 3rd Party Service Provider 	<ul style="list-style-type: none"> • Custodian • Accounting Agent • Investment Manager • 3rd Party Service Provider • Interested Parties

1.3 Sequence Diagrams

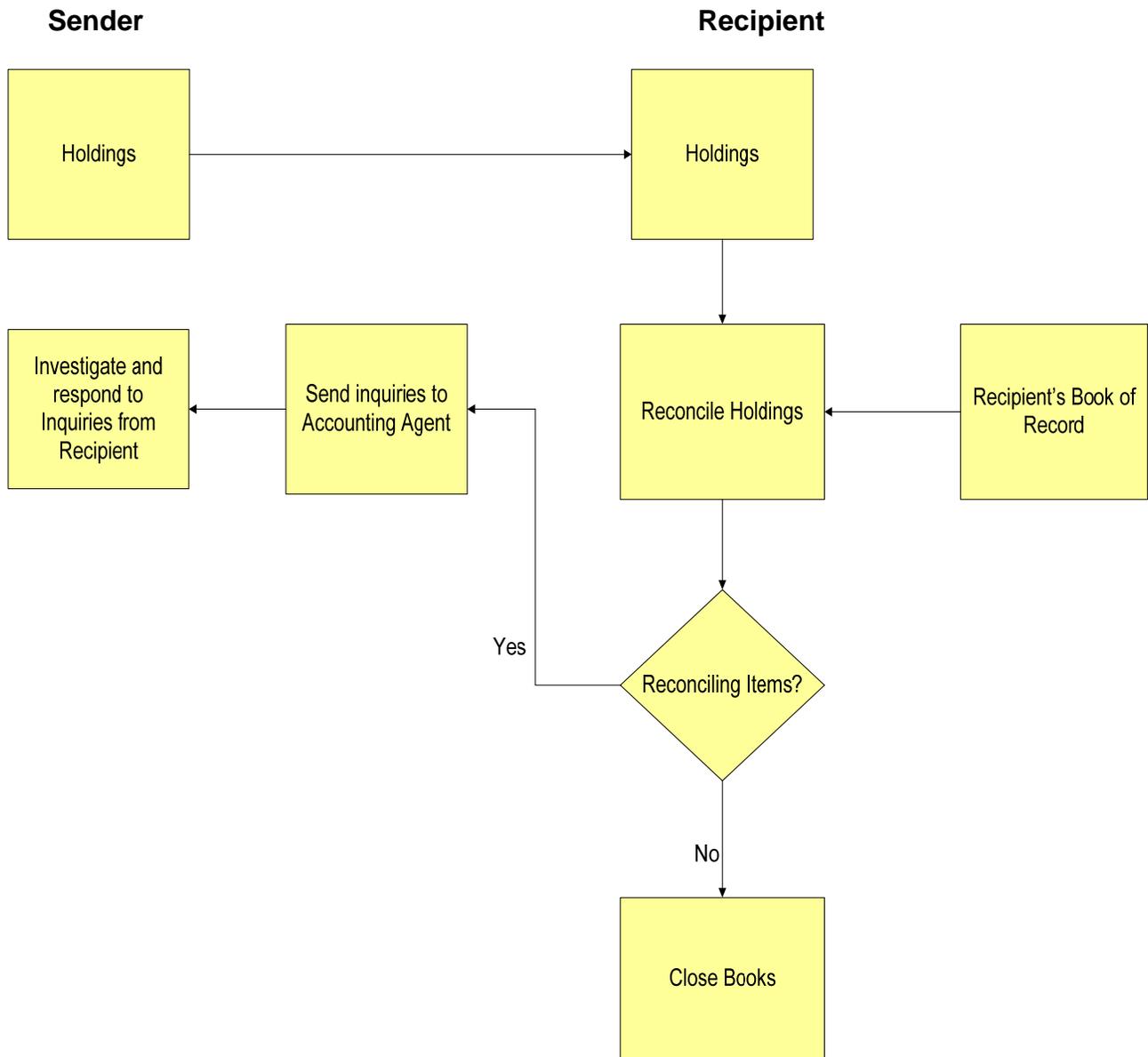


Accounting Reconciliation Market Practice

1.4 Activity Diagram

Recipients use holdings data in a variety of ways; for reconciliation, for investment decisions, for client reporting and for fund administration reporting (compliance, performance and financial reporting).

The diagram below illustrates the anticipated flow of information from the Accounting Agent to the Recipient.



2.0 Business Definition

2.1 Business Data Requirements

This section lists the business data elements necessary to provide an Accounting Reconciliation Holdings.

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

Accounting Reconciliation Market Practice

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

Accounting Reconciliation Market Practice

Business Element	Definition	M=Mandatory O=Optional			ISITC RWG Recommendation
		Acctng Recon	TPV Recon	MX SBAR	
	becomes due and is repaid to the investor.				
8.2.17 Issue Date		O	O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id
8.2.27 Interest Rate	Stated percentage rate of interest or coupon rate.	O	O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id
8.2.31 Pool Number		O	O	O	Recommended by the ISITC RWG when there is no valid financial instrument Id and the security is a mortgage pool or index related bond security
8.2.49 Underlying Financial Instrument Identifier	Identifier of underlying financial instrument.	O	O	O	Optional & Repeatable, and includes a description element Recommended by the ISITC RWG Mandatory for Futures and Options derivatives.
8.3 Derivative Attributes – OPTIONAL					
8.3.1 Notional Amount	Derivative attribute	O	O	O	Recommended by the ISITC RWG for SWAP instruments
8.3.2 Interest Included in Price Indicator	Derivative attribute	O	O	O	Recommended by the ISITC RWG if the SWAP Price includes interest
8.4 Short Long Code					
8.4 Short Long Code	Indicate if quantity of financial instrument is Short (SHOR) or Long (LONG)	O	O	O	Mandatory for a Short position, Optional if Long
8.5 Quantity	Total quantity of financial instrument for the referenced holding.	M	M	M	Align with SWIFT usage. For SWAPS this field will be ignored. The RWG makes no recommendation on how to populate this field for SWAPS
8.6 Safekeeping Place	Where the financial instrument is 'safe kept'.	O	O	O	Use if only a single safekeeping place for all balances in this account
8.8 Corporate Action Option Type		O	O	O	For Investment Funds usage ONLY
8.9 Quantity Breakdown – OPTIONAL – a structure to allow for lot level position information					
8.9.1 Lot Number	Lot Id	O	O	O	Recommend Mandatory for Tax lot data.
8.9.2 Lot Quantity	Quantity	O	O	O	Recommendation is Mandatory for Tax lot data.
8.9.3 Lot Date Time	Acquisition/Buy Date	O	O	O	Recommendation is Mandatory for Tax lot data. Schema allows either date alone, or date & time.
8.9.4 Lot Price	Price	O	O	O	Recommendation is Mandatory for Tax lot data.
8.9.5 Type of Price	e.g. Average (AVER)	O	O	O	
8.9.6 Base Currency Amounts	Lot level base currency amount information	O	O	O	Recommend Mandatory to align with aggregate level usage, where Base Currency Amounts are Mandatory -- see 8.12 below Includes holding value, book value, and unrealized gain/loss

Accounting Reconciliation Market Practice

Business Element	Definition	M=Mandatory O=Optional			ISITC RWG Recommendation
		Acctng Recon	TPV Recon	MX SBAR	
8.9.7 Instrument Currency Amounts	Lot level instrument currency amount information	O	O	O	Recommended if also reporting Instrument Currency Amounts at aggregate level -- see 8.13 below Includes holding value, book value, and unrealized gain/loss
8.9.8 Alternate Reporting Currency Amounts	Lot level alternate reporting currency amount information	O	O	O	Recommended if also reporting Alternate Reporting Currency Amounts at aggregate level -- see 8.14 below Includes holding value, book value, and unrealized gain/loss
8.10 Price Details – MANDATORY – Repeatable					
8.10.1 Price Type	e.g. Bid, Offer, Market, ...	M	M	M	
8.10.1 Price	Price of a financial instrument in one or more currencies.	M	M	M	
8.10.1 Quotation Date	Price date or date & time.	O	O	O	
8.11 Foreign Exchange Details – OPTIONAL – Repeatable					
8.11.1 Unit Currency	Currency in which the rate of exchange is expressed in a currency exchange.	M	M	M	Mandatory – e.g. 1 GBP = nnn CCY, where GBP is unit currency
8.11.1 Quoted Currency	Currency into which the unit currency is converted, in a currency exchange.	M	M	M	Mandatory
8.11.1 Exchange Rate	Currency exchange related to a securities order.	M	M	M	Mandatory – should be quoted as the quantity of the quoted currency that 1 of the unit currency will buy
8.11.1 Foreign Exchange Rate Quote Date	Currency exchange rate date	O	O	O	Optional – needed only if different from as of date
8.12 Base Currency Amounts	Position level base currency amount information	M	M	M	Mandatory – Position level holding value, previous holding value, book value, unrealized gain/loss, accrued interest
8.13 Instrument Currency Amounts	Position level instrument (local) currency amount information	O	O	O	Optional – Position level holding value, previous holding value, book value, unrealized gain/loss, accrued interest
8.14 Alternate Reporting Currency Amounts	Position level alternate reporting currency amount information	O	O	O	Optional – Position level holding value, previous holding value, book value, unrealized gain/loss, accrued interest
8.15 Balance Breakdown Details	Sub balances (other than lot level)	O	O	O	Not used in an accounting statement
8.16 Additional Balance Breakdown	Additional Sub balances (other than lot level)	O	O	O	Not used in an accounting statement



Accounting Reconciliation Market Practice

Business Element	Definition	M=Mandatory O=Optional			ISITC RWG Recommendation
		Acctng Recon	TPV Recon	MX SBAR	
Details					
8.17 Balance at Safekeeping Place	Sub balances at different safe keeping places	O	O	O	Optional usage when multiple safekeeping places
9. Sub Account Details – OPTIONAL – a complex structure that includes an optional Sub Account Balances					
10. Base Currency Total Amounts	Position level base currency amount information	O	O	O	SLA usage
11. Alternate Reporting Currency Total Amounts	Position level reporting currency amount information	O	O	O	SLA usage
12. Originator of Message	The party originating the message if other than the sender.	O	O	O	SLA - Use when required
13. Recipient of Message	The party that is the final destination of the message if other than the receiver.	O	O	O	SLA - Use when required

Accounting Reconciliation Market Practice

2.2 Market Practice Rules

General Guidelines:

The Accounting Reconciliation Holdings message will be used by Investment Managers, account owners and other interested parties to reconcile their holdings information to the accounting agent's holdings information. Examples of business areas requiring holdings data include reconciliation groups, operations groups, fund administration groups, portfolio managers and trading desks.

Additional rules:

- The Accounting Reconciliation Holdings must define the basis – Trade date, Settle date, or Contractual.
- The working group recommends a daily accounting reconciliation and a monthly audited statement. Other frequencies of delivery are available and should be defined by the sender and receiver of the statement.
- Holdings information should be reported at either the position level or lot level.
- Sub balances are not applicable to the accounting statement.
- Delta statements are not recommended.
- Cancellations of the statement are not recommended.
- Long and short positions should be reflected utilizing an indicator.
- An indicator is required to define whether the statement is reporting on the consolidated or sub account level. This will support the Multi-managed account structure.

Tax Lot rules:

- Note: Functionality for inclusion of tax lot level data is introduced in SR 2010.
- An appropriate indicator must be included in the message to identify that the content includes tax lot level data. The ISITC RWG recommends that this field should be included for statements with tax lot level data.
- An Acquisition Date must be provided for each tax lot. The ISITC RWG recommends that this field should be included for statements with tax lot level data.
- The lot number should be included even if it is proprietary to the sender.

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

1. Trade Date basis accounting reconciliation: provides a portfolio valuation in which the positions are all based on the trade date. The statement will include positions that belong to the account owner regardless of whether or not the position is settled.
2. Settle Date basis accounting reconciliation: provides a portfolio valuation in which the positions are settled and owned at the time the statement is prepared. Settled positions are positions that have been credited into or debited out of the Safekeeping account.
3. Contractual basis accounting reconciliation: provides a portfolio valuation based on contractually settled and owned positions at the time the statement is prepared. Contractually settled positions are identified by the agreed upon settlement date of the transaction as opposed to actual settlement date.
4. Audited Statement: an accurate reflection of the holdings and valuations of an account for a specific statement date. It should adhere to standard accounting practices.
5. Multi Managed Accounts: from an Account services provider perspective, Multi-managed accounts can be represented by multiple account numbers on an accounting system, where each manager's portfolio has its own account. In order to see the entire portfolio as a whole, multiple accounts may be included within a statement.

3.0 Syntax Specific Market Practice

3.1 SWIFT MT535 Accounting Reconciliation Holdings

3.1.1 MT535 Reconciliation Holdings Message Layout

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

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FIELD	QUALIFIER	DEFINITION	Tag Presence
16S	FIA	End of Financial Instrument Attributes Sequence	M
End of Optional Subsequence B1a Financial Instrument Attribute			
22H	CAOP	Corporate Action Option Code	O
90a		Price (Indicative Price or Market Price)	O
94B	PRIC	Place / Source of price	O
98a	PRIC	Date/Time – Price Quotation Date/Time	O
93B		Balance	M
Repetitive Optional Subsequence B1b – SUB-BALANCE - Not to be included in the Accounting Version. Therefore the layout for Subsequence B1b – SUB-BALANCE is excluded here.			
99A	DAAC	Number of days accrued	O
19A	HOLD ACRU BOOK COVA	Holding Value, Accrued Interest Amount Book Value / Cost Basis, Eligible Collateral Value	O
92B	EXCH	Exchange Rate	O
70E	HOLD	Holdings narrative	O
Optional Repetitive Subsequence B1c Quantity Breakdown – This is to be used for Tax Lot Level Reporting			
16R	BREAK	Start of Quantity Breakdown Subsequence	M
13a	LOTS	Lot Number	O
36B	LOTS	Quantity of Financial Instrument In The Lot	O
98a	LOTS	Lot Date/Time	O
90a	LOTS	Book/Lot Price	O
22F	PRIC	Type of Price Indicator	O
19A		Amount(s)	O
16S	BREAK	End of Quantity Breakdown Subsequence	M
End of Optional Subsequence B1c Quantity Breakdown			
16S	FIN	End of the Financial Instrument Sequence	M
16S	SUBSAFE	End of the Sub-safekeeping Account Sequence	M
Repetitive Optional Subsequence C – ADDITIONAL INFORMATION			
16R	ADDINFO	Start of Additional Information Subsequence	M
95a	MEOR MERE	Party: Originator of Message and Recipient of Message	O
19A	HOLP HOLS TOVA	Amount: Total Holdings Value of Page, Total Holdings Value of Statement, Total Eligible Collateral Value	O
16R	ADDINFO	End of Additional Information Subsequence	M

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3.1.2 Sequence A layout and Market Practice

FIELD	QUALIFIER	FIELD NAME, INFORMATION, & RECOMMENDATIONS
Mandatory Sequence A – GENERAL INFORMATION		
16R	GENL	Start of General Information Sequence
28E		<p>Page number / Continuation indicator - Mandatory</p> <p>ISITC Reconciliation Working Group conforms to SWIFT tag usage rule with one addition for clarification purposes. The page number should increase incrementally by message (related to the same statement). Please refer to the appendix section.</p> <p>SWIFT RULE: This tag specifies the page number and continuation indicator code to identify only page, last page or additional pages to follow:</p> <p>Continuation Indicator Codes: LAST = last page MORE = intermediate page, more to follow ONLY = only page</p>
13a	STAT	<p>Statement Number – Optional</p> <p>ISITC Reconciliation Working Group recommends the use of this tag as a market practice. This tag should be used to indicate the number of statements for the same account. The number will increment each day. There will be no market practice set on when the statement number should be reset. It will be up to the institutions to decide. The U.S. has requested that the field size be increased to 5 digits. The Statement Number will be unique for each statement that is delivered. This is consistent with SWIFT standards.</p>
20C	SEME	<p>Sender's Reference Number - Mandatory</p> <p>ISITC Reconciliation Working Group conforms to SWIFT tag use rule with one addition for clarification purposes : This number must uniquely identify the message (the reference must be unique for each message sent).</p> <p><i>Note: the A1 Linkage (20C) with PREV codeword should be utilized to link multiple sender's reference numbers to one account.</i></p> <p>Please refer to the appendices section.</p>
23G	NEWM	<p>Function of the message - Mandatory</p> <p>ISITC Reconciliation Working Group conforms to SWIFT tag use rule.</p>
- - - - > (repetitive tag)		
98a	STAT PREP	<p>ISITC Reconciliation Working Group conforms to SWIFT tag use rule.</p> <p>Statement Date/Time Last calendar day should be used for STAT. Statement date is Mandatory and format options are A or C to reflect the Statement Date. Preparation Date/Time which may include a UTC indicator - Optional</p> <p>PREP - ISITC Reconciliation Working Group recommends use of the Preparation Date and the format options are A, C, or E for UTC date and time.</p>
- - - -		
- - - - > (repetitive tag)		
22F	SFRE CODE	<p>Indicators : All 4 qualifiers are Mandatory</p> <p>Statement Frequency – based on the Service Level Agreement (SLA), however :22F::SFRE//DAIL is preferred</p> <p>Completion – ISITC Reconciliation Working Group recommends only using :22F::CODE//COMP</p>

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FIELD	QUALIFIER	FIELD NAME, INFORMATION, & RECOMMENDATIONS
	STTY STBA	Statement Type – :22F::STTY//ACCT for accounting must be used. Statement Basis – : 22F::STBA//SETT for a 'settled based' statement : 22F::STBA//TRAD for a 'trade date based' statement : 22F::STBA//CONT for a 'contractual settled based' statement

----- > Repetitive Optional Subsequence A1 – LINKAGES ISITC Reconciliation Working Group recommends the use of this repetitive linkage block in the case of a multi-page document.		
16R	LINK	Start of Linkages Subsequence
13a	LINK	Linked Message – Optional ISITC Reconciliation work group conforms to SWIFT tag use rule.
20C	PREV RELA	Reference Number of Linked Transaction - Mandatory ISITC Reconciliation work group conforms to SWIFT tag use rule. The qualifier “PREV” is recommended to be mandatory in a multi-pages document. Please refer to the appendices section.
16S	LINK	End of Linkages Subsequence

97a	SAFE	Safekeeping Account – Mandatory ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
----- > (repetitive tag)		
17B	ACTI AUDT CONS LOTS	Activity Flag – Mandatory ISITC Reconciliation Working Group recommends that a statement should be delivered/received for all active accounts even if the account represents zero positions Audited Statement Flag - Optional ISITC Reconciliation Working Group recommends the use of the optional field :17B::AUDT (audited statement flag). Whereby, the AUDT/Y flag represents an audited statement versus AUDT/N for an unaudited statement. Sub-safekeeping Statement Flag - Mandatory Statement reporting on sub-safekeeping accounts. This flag must be at Y when more than one safekeeping account is reported. See appendix for more clarifications. Statement includes Tax Lots ISITC Reconciliation Working Group recommends the use of this optional flag when Tax lot level information is included.

16S	GENL	End of General Information Sequence A

Accounting Reconciliation Market Practice

3.1.3 Sequence B layout and Market Practice

FIELD	QUALIFIER	FIELD NAME
16R	SUBSAFE	Start of the Sub-safekeeping Account Sequence
97a	SAFE	Safekeeping Account ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
94a	SAFE	Place of Safekeeping ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
17B	ACTI	ISITC Reconciliation Working Group conforms to SWIFT tag use rule. It is recommended that the flag not be used in Sequence B unless sub-safekeeping accounts are referenced. See appendices for more clarifications.
- - - - > repetitive optional subsequence B1 Financial Instrument		
16R	FIN	Start of the Financial Instrument Sequence
35B		Identification of the Financial Instrument - Mandatory Recommendation: ISIN When a non-ISIN number is used, one of the following codes must be used in narrative: /2!a/ two digit ISO Country Code, followed by national numbering scheme. For example : /GB/ followed by Sedol /US/ followed by Cusip /TS/ followed by ticker symbol /XX/ followed by any proprietary security number <u>Note:</u> If an identifier is not available, the country code for the security and all zero's should be populated. <u>Note:</u> Known issue within the industry remains with the lack of standard security identifiers for physical securities such as Gold and Silver bars.
Optional Subsequence B1a Financial Instrument Attributes		
16R	FIA	Start of the Financial Instrument Attribute Sequence
94B	PLIS	Place of Listing – Optional It is recommended that this information be provided for further identification on Multi Listed Securities. It can also be provided for all for all other securities but it's not necessary.
- - - - > (repetitive tags)		
22F		Indicator – Optional This information may be provided but it is not necessary to provide the data to meet market practice.
- - - -		
- - - - > (repetitive tags)		
12a		Type of Financial Instrument – Optional This Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B. Code word 'STF' should be used for STIF balances.
- - - -		
- - - - > (repetitive tags)		
11A	DENO	Currency of Denomination – Optional This information may be provided but it is not necessary to provide the data to meet market practice.
- - - - > (repetitive tag)		
98A		Date – Optional The qualifiers MATU and ISSU for this Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B. MATU – Maturity Date ISSU – Issue Date
- - - -		
- - - - > (repetitive tags)		

Accounting Reconciliation Market Practice

FIELD	QUALIFIER	FIELD NAME
92A		Rate – Optional The qualifier INTR for this Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B. INTR – Interest Rate

----- > (repetitive tags)		
13a		Number Identification – Optional The qualifier POOL for this Tag should be populated if there isn't a valid Industry Identifier provided in tag 35B and the security is a mortgage pool or index related bond security. POOL – Pool Number

----- > (repetitive tags)		
17B		Flag – Optional This information may be provided but it is not necessary to provide the data to meet market practice.

----- > (repetitive tags)		
90a		Price – Optional This information may be provided but it is not necessary to provide the data to meet market practice.

----- > (repetitive tags)		
36B		Quantity of Financial Instrument – Optional

----- > (repetitive tags)		
35B		<p>Identification of the Financial Instrument – Optional</p> <p>Tag is repeatable: This field identifies the underlying financial instrument. The format of the tag is as follows: [ISIN1!e12!c] Identification of Security [4*35x] Description of Security</p> <p>Network Validation Rules: At a minimum either the security identifier or description needs to be present. The ISIN must be composed of upper case letters only.</p> <p>Usage Rules: The financial instrument field (35B) in the Financial Instrument Attribute subsequence must only be used for the identification of the underlying instrument of a derivative. When used in Description of Security, codes must not start and end with a slash '/'. When ISIN is not used, it is strongly recommended that one of the following codes be used as the first four characters of the Description of the security:</p> <ul style="list-style-type: none"> [/2!a/] The ISO two-digit country code, followed by the national scheme number. [/TS/] Followed by the ticker symbol. [/XX/] Bilaterally agreed or proprietary scheme which may be further identified by a code or short description identifying the scheme used. <p>It is strongly recommended that ISIN be used.</p>

70E	FIAN	Financial Instrument Attribute Narrative – Optional It is recommended that this field not be populated.
16S	FIA	End of Financial Instrument Attribute Sequence
End of Subsequence B1a Financial Instrument Attribute		
22H	CAOP	Corporate Action Option Code – Optional ISITC Reconciliation Working Group conforms to SWIFT tag use rule

Accounting Reconciliation Market Practice

FIELD	QUALIFIER	FIELD NAME
90a	INDC MRKT	Price (Indicative Price or Market Price) – Optional ISITC Reconciliation WG Best Practice: Mandatory for Accounting version (if Sequence B is used)
94B	PRIC	Place / Source of price – Optional ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
98a	PRIC	Price Quotation Date/Time – Optional ISITC Reconciliation WG recommends : <ul style="list-style-type: none"> • This field to be mandatory. • The date to be close of business by client profile (SLA Bi-Lateral agreement) • The format option that should be utilized is <u>Option A</u> - Reports qualifier PRIC with date.
- - - - > (repetitive tags)		
93B		Balance – Mandatory <ul style="list-style-type: none"> • Can be repeated to allow both codes AMOR and FAMT to be used. • Quantity type ‘AMOR’ to be utilized to reflect the current face amount for factored securities. • Quantity type ‘FAMT’ to be utilized to reflect the original face amount. • Use the number of contracts for derivative securities traded like contracts, use Par for derivative securities not traded like contracts (SWAPs). • STIF should be included as an aggregate balance to assist the Investment Managers balance out STIF. Any Non-Security type transactions will follow the normal process of being included as an aggregate balance. Use of code word ‘FAMT’ is recommended. • Since Unitized Bonds are held in units (not par), the share amount should be reflected in this tag. Additionally, the quantity type code of “UNIT” should be used for these assets. The same would be true in tag 93a of the sub-balance block.
- - - -		
- - - - > repetitive optional subsequence B1b – Sub-Balance: Not to be included in the Accounting Version.		
- - - -		
... repetitive optional subsequence B1 Financial Instrument continued ...		
99A	DAAC	Number of days accrued – Optional ISITC Reconciliation Working Group conforms to SWIFT tag use rule
- - - - > (repetitive tag)		
19A	HOLD	Holding Value - ISITC Reconciliation Working Group Market Practices that HOLD is Mandatory for the Accounting version.
	ACRU	Accrued Interest Amount - should be used.
	BOOK	Book Value / Cost Basis - (The cost associated with the holding) should be included if it's available. This is needed for tax liability purposes in some countries.
	COVA	Eligible Collateral Value
- - - -		
92B	EXCH	Exchange Rate – Optional ISITC Reconciliation Working Group recommends: <ul style="list-style-type: none"> • That the field be mandatory • For the accounting, the standard convention for reporting exchange rate should be local over base.



Accounting Reconciliation Market Practice

FIELD	QUALIFIER	FIELD NAME
70E	HOLD	Holdings narrative – Optional ISITC Reconciliation Working Group conforms to SWIFT tag use rule
----> repetitive optional subsequence B1c Quantity Breakdown –To be used for Tax Lot Level Reporting		
16R	BREAK	<i>Start of Quantity Breakdown Subsequence</i>
13a	LOTS	Lot Number
36B	LOTS	Quantity of Financial Instrument In The Lot
98a	LOTS	Lot Date/Time
90a	LOTS	Book/Lot Price
22F	PRIC	Type of Price Indicator
19A		Amount(s)
16S	BREAK	<i>End of Quantity Breakdown Subsequence</i>
----/ End of repetitive optional subsequence B1c Quantity Breakdown		
16S	FIN	<i>End of the Financial Instrument Sequence</i>
16S	SUBSAFE	<i>End of the Sub-safekeeping Account Sequence</i>

Accounting Reconciliation Market Practice

3.1.4 Sequence C layout and Market Practice

FIELD	QUALIFIER	FIELD NAME
16R	ADDINFO	<i>Start of Additional Information Subsequence</i>
- - - - > (repetitive tag)		
95a	MEOR MERE	Party: Originator of Message and Recipient of Message – Optional ISITC Reconciliation Working Group conforms to SWIFT tag use rule.
- - - -		
- - - - > (repetitive tag)		
19A	HOLP HOLS TOVA	Total Amounts : Optional Total Holdings Value of Page Total Holdings Value of Statement Total Eligible Collateral Value ISITC Reconciliation Working Group recommends that both qualifiers HOLP and HOLS should be used. This tag will report the value of the holdings of each page and the total market value of the statement. If the statement only has 1 page to report holdings, both HOLP and HOLS should be used (both should report the same holding amount). If the statement has more than one page, at the end of each page HOLP must be present and the last page of the statement should report both HOLP and HOLS. Please refer to the appendix section.
- - - -		
16R	ADDINFO	<i>End of Additional Information Subsequence</i>

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

4.0 APPENDICES

4.1 APPENDIX A – Multiple Pages Statement

MT535 Statement of Holdings Multiplespages Statement Clarification

1 - Overview

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

Accounting Reconciliation Market Practice
2 - Statement Number (Field 13A in Sequence A)

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

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

Must be the same across Messages

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

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

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

Must uniquely identify the Message

Accounting Reconciliation Market Practice

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

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

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

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

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

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

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

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



4.2 APPENDIX B - Sub-Safekeeping Account

Consolidated Statement / Non-Consolidated Statement

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

Accounting Reconciliation Market Practice

MT 535 - Case 1 - CONSOLIDATED Statement

Message	Comments								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence A - General Information</td> <td> 16R:GENL .../... 97A::SAFE//ACCTABCGENERIC 17B::CONS//Y 17B::ACTI//Y 16S:GENL </td> </tr> </table>	Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCTABCGENERIC 17B::CONS//Y 17B::ACTI//Y 16S:GENL	<p>Master account is ACCTABCGENERIC It is a consolidated statement (CONS flag Y) There is activity to be reported (ACTI flag Y)</p>						
Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCTABCGENERIC 17B::CONS//Y 17B::ACTI//Y 16S:GENL								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safeguarding Account - ACCT000A</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US000000000001</td> <td> 16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US000000000003</td> <td> 16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN </td> </tr> <tr> <td colspan="2">16S:SUBSAFE</td> </tr> </table>	Sequence B - Sub-safeguarding Account - ACCT000A	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y	Sequence B1 - FIN - US000000000001	16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN	Sequence B1 - FIN - US000000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN	16S:SUBSAFE		<p>First occurrence of sequence B - First account (ACCT000A)</p> <p>There is activity to be reported on this account First occurrence of sub-sequence B1 (first security held by account ACCT000A)</p> <p>Second occurrence of sub-sequence B1 (second security held by account ACCT000A)</p>
Sequence B - Sub-safeguarding Account - ACCT000A	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y								
Sequence B1 - FIN - US000000000001	16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN								
Sequence B1 - FIN - US000000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN								
16S:SUBSAFE									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safeguarding Account - ACCT000B</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000B 17B::ACTI//N 16S::SUBSAFE </td> </tr> </table>	Sequence B - Sub-safeguarding Account - ACCT000B	16R:SUBSAFE 97A::SAFE//ACCT000B 17B::ACTI//N 16S::SUBSAFE	<p>Second occurrence of sequence B - Second account (ACCT000B)</p> <p>There is no activity to be reported on this account Therefore no occurrence of sub-sequence B1</p>						
Sequence B - Sub-safeguarding Account - ACCT000B	16R:SUBSAFE 97A::SAFE//ACCT000B 17B::ACTI//N 16S::SUBSAFE								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safeguarding Account - ACCT000C</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000C 17B::ACTI//Y </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US000000000002</td> <td> 16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/4000, .../... 16S:FIN </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US000000000003</td> <td> 16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/6000, .../... 16S:FIN </td> </tr> <tr> <td colspan="2">16S:SUBSAFE</td> </tr> </table>	Sequence B - Sub-safeguarding Account - ACCT000C	16R:SUBSAFE 97A::SAFE//ACCT000C 17B::ACTI//Y	Sequence B1 - FIN - US000000000002	16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/4000, .../... 16S:FIN	Sequence B1 - FIN - US000000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/6000, .../... 16S:FIN	16S:SUBSAFE		<p>Third occurrence of sequence B - Third account (ACCT000C)</p> <p>There is activity to be reported on this account First occurrence of sub-sequence B1 (first security held by account ACCT000C)</p> <p>Second occurrence of sub-sequence B1 (second security held by account ACCT000C)</p>
Sequence B - Sub-safeguarding Account - ACCT000C	16R:SUBSAFE 97A::SAFE//ACCT000C 17B::ACTI//Y								
Sequence B1 - FIN - US000000000002	16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/4000, .../... 16S:FIN								
Sequence B1 - FIN - US000000000003	16R:FIN 35B:US0000000003 .../... 93B::AGGR//UNIT/6000, .../... 16S:FIN								
16S:SUBSAFE									

MT 535 - Case 2 - NON CONSOLIDATED Statement

Message	Comments								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence A - General Information</td> <td> 16R:GENL .../... 97A::SAFE//ACCT000X 17B::CONS//N 17B::ACTI//Y 16S:GENL </td> </tr> </table>	Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCT000X 17B::CONS//N 17B::ACTI//Y 16S:GENL	<p>Account is ACCT000X</p> <p>It is NOT a consolidated statement (CONS flag N)</p> <p>There is activity to be reported (ACTI flag Y)</p>						
Sequence A - General Information	16R:GENL .../... 97A::SAFE//ACCT000X 17B::CONS//N 17B::ACTI//Y 16S:GENL								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B - Sub-safekeeping Account - ACCT000X</td> <td> 16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US0000000001</td> <td> 16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN </td> </tr> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence B1 - FIN - US0000000003</td> <td> 16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN </td> </tr> <tr> <td></td> <td>16S:SUBSAFE</td> </tr> </table>	Sequence B - Sub-safekeeping Account - ACCT000X	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y	Sequence B1 - FIN - US0000000001	16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN	Sequence B1 - FIN - US0000000003	16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN		16S:SUBSAFE	<p>ONLY occurrence of sequence B - ONLY 1 account (ACCT000X)</p> <p>There is no need to mention the account anymore (see sequence B) the field becomes optional</p> <p>There is activity to be reported on this account</p> <p>First occurrence of sub-sequence B1 (first security held by account ACCT000X)</p> <p>Second occurrence of sub-sequence B1 (second security held by account ACCT000X)</p>
Sequence B - Sub-safekeeping Account - ACCT000X	16R:SUBSAFE 97A::SAFE//ACCT000A 17B::ACTI//Y								
Sequence B1 - FIN - US0000000001	16R:FIN 35B:US0000000001 .../... 93B::AGGR//UNIT/1000, .../... 16S:FIN								
Sequence B1 - FIN - US0000000003	16R:FIN 35B:US0000000002 .../... 93B::AGGR//UNIT/3000, .../... 16S:FIN								
	16S:SUBSAFE								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; vertical-align: middle;">Sequence C - Additional Information</td> <td> 16R:ADDINFO .../... 16S:ADDINFO </td> </tr> </table>	Sequence C - Additional Information	16R:ADDINFO .../... 16S:ADDINFO							
Sequence C - Additional Information	16R:ADDINFO .../... 16S:ADDINFO								

Accounting Reconciliation Market Practice

4.3 APPENDIX C – Asset Type Matrix

NOTE : Please refer to the ISITC Classification code list on the Market Practice page for the current list of asset types.

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

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



Accounting Reconciliation Market Practice

4.4 APPENDIX D – Short Sale Examples

4.4.1 Scenario 1: Short position less than the long position

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

```
...  
:16R:GENL  
:28E:00001/ONLY  
:13A::STAT//100  
:20C::SEME//B213I28200189001  
:23G:NEWM  
:98A::PREP//20051201  
:98A::STAT//20051130  
:22F::SFRE//DAIL  
:22F::CODE//COMP  
:22F::STTY//ACCT  
:22F::STBA//TRAD  
:97A::SAFE//4673847  
:17B::ACTI//N  
:17B::AUDT//N  
:17B::CONS//N  
:16S:GENL  
:16R:FIN  
:35B:/US/123456789  
ABC Company  
:16R:FIA  
:12A::CLAS//ISIT/CS  
:16S:FIA  
:90B::MRKT//ACTU//USD35,  
:98A::PRIC//20051130  
:93B::AGGR//UNIT/200,  
:19A::HOLD//USD7000,  
:19A::ACRU//USD60,  
:19A::BOOK//USD2193,45  
:92B::EXCH//USD/USD/1,  
:16S:FIN  
:16S:SUBSAFE  
:16R:ADDINFO  
:19A::HOLP//USD7000,  
:19A::HOLS//USD7000,  
:16S:ADDINFO  
:16S:SUBSAFE  
...
```



Accounting Reconciliation Market Practice

4.4.2 Scenario 2: Short position equal to the long position

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

```
...
:16R:GENL
:28E:00001/ONLY
:13A::STAT//100
:20C::SEME//B213I28200189001
:23G:NEWM
:98A::PREP//20051201
:98A::STAT//20051130
:22F::SFRE//DAIL
:22F::CODE//COMP
:22F::STTY//ACCT
:22F::STBA//TRAD
:97A::SAFE//4673847
:17B::ACTI//N
:17B::AUDT//N
:17B::CONS//N
:16S:GENL
:16R:FIN
:35B:/US/123456789
ABC Company
:16R:FIA
:12A::CLAS//ISIT/CS
:16S:FIA
:90B::MRKT//ACTU/USD35,
:98A::PRIC//20051130
:93B::AGGR//UNIT/0,
:19A::HOLD//USD0,
:19A::ACRU//USD60,
:19A::BOOK//USD2193,45
:92B::EXCH//USD/USD/1,
:16S:FIN
:16S:SUBSAFE
:16R:ADDINFO
:19A::HOLP//USD0,
:19A::HOLS//USD0,
:16S:ADDINFO
:16S:SUBSAFE
...
```



Accounting Reconciliation Market Practice

4.4.3 Scenario 3: Short position greater than the long position

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

```
...
:16R:GENL
:28E:00001/ONLY
:13A::STAT//100
:20C::SEME//B213I28200189001
:23G:NEWM
:98A::PREP//20051201
:98A::STAT//20051130
:22F::SFRE//DAIL
:22F::CODE//COMP
:22F::STTY//ACCT
:22F::STBA//TRAD
:97A::SAFE//4673847
:17B::ACTI//N
:17B::AUDT//N
:17B::CONS//N
:16S:GENL
:16R:FIA
:12A::CLAS//ISIT/CS
:16S:FIA
:90B::MRKT//ACTU/USD35,
:98A::PRIC//20050908
:93B::AGGR//UNIT/N200,
:19A::HOLD//USDN7000,
:19A::ACRU//USDN60,
:19A::BOOK//USDN2193,45
:92B::EXCH//USD/USD/1,
:16S:FIN
:16S:SUBSAFE
:16R:ADDINFO
:19A::HOLP//USDN7000,
:19A::HOLS//USDN7000,
:16S:ADDINFO
:16S:SUBSAFE
...
```