



Austraclear System Release 17 SWIFT Enhancements

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Austraclear Service Release 17

Introduction

Austraclear is Australia’s leading settlement system and central securities depository for the wholesale debt market. ASX continually enhance the system. Learn more about Austraclear at www.asx.com.au/Austraclear.

Austraclear Service Release 17 includes the following SWIFT enhancements:

1. Enhanced MT564 Corporate Action Notification Message
2. New SWIFT MT578 Settlement Allegement Message

1. Austraclear MT564 Corporate Action Message Updates

Austraclear currently provides the MT564 SWIFT messaging service for Corporate Actions, covering payments of interest (INTR), partial redemptions (PRED), full early redemptions prior to final maturity (MCAL) and final maturity (REDM) payments.

The enhancements were developed through consultations with the market and in alignment with global standards, ensuring Participants receive essential corporate action information.

1.1. Summary of Changes

#	Impacted	Change
1	FIS Corporate Actions	<p>Unique Corp Code for FIS Corporate Actions for Coupon, Partial Redemption & Maturity Payments</p> <p>New MT564 message for FIS securities will include unique Corporate Action ID for each Corporate Action. Eg. Corporate Bond with Series ID TEST01 paying interest on 20 October 2023 tag will read. :20C::CORP//TEST011231020.</p> <p>Unique Identifier will be I - Interest, P – partial redemption, M – Maturity along with Corporate Action date. Subject to rule set this Unique ID will not change for the Corporate Action.</p> <p>No change for Corporate Action ID structure for DSS which will use Series ID and ISIN only as there will only be one Corporate Action at maturity.</p>
2	FIS Corporate Actions	Change of use of REPE vs REPL messaging to align with SMPG recommendations - See details in table below
3	FIS Corporate Actions	MT564 Message format does not have PSET Tag however the settlement location will be included as follows :94B::PLIS//EXCH/XASX
4	FIS – Coupons	Addition of Interest Rate Field :92A:INTR//4,125
5	FIS – Partial Redemption	Field 92A:: RATE// will show the distribution amount on a Rate Per Hundred basis to align with distribution bond factor in addition to Existing and New Bond Factors already included.

1.2. MT564 Message Sequencing - Prior to Record Date

When	Scenario	Message FUNC	CORP code – Field 20C Corporate Action ID
Initial CA Notification	New CA Benefit created - Initial Corporate Action Notification	Send NEWM	New 20C CORP Code which uniquely identifies Corporate Action benefit e.g. coupon/interest payment, partial redemption or maturity payment.
Before Record Date	Modification to existing CA benefit Example – Issuer or Calculation Agent advises an error in the calculation of interest amount or partial redemption.	Send REPL	Benefit CORP CODE will remain unchanged and replacement message will be sent to Participants. 1) After the initial notification of a NEWM where a Participant has newly acquired a portion in securities, a NEWM will be sent. 2) If a Participant sells the security position prior to the Record Date no CANC will be sent.
	Deletion of CA or CA benefit removed (e.g. when two benefits existed - INTR , PRED). Note that for interest and partial redemption payments Austraclear system creates a Corporate Action with an associated separate benefit for each . For Maturity payments a separate Corporate Action is generated with one benefit. Example – Issuer or Trust Manager on RMBS notifies that insufficient funds collected for partial redemption of securities.	Send CANC	Cancellation message referencing the CORP CODE associated with the particular benefit being cancelled will be the used in the CANC message. 1) In the event that a Participant has newly acquired a position in securities which is entitled to a benefit under the Corporate Action a NEWM will be sent to that Participant. 2) If a Participant exits the securities position prior to the Record Date no CANC will be sent.
On Record Date	Holder list created and again a MT564 is triggered	Send REPE	CORP CODE will be the same as the original CA benefit. 1) Austraclear will send REPE to Participants who have previously received NEWM or REPL in respect to the Corporate Action and are holding the relevant securities as at the Record Date 2) If a Participant sells the security position on or prior to the Record Date no CANC or REPE will be sent

1.3. MT564 Message Sequencing - Post Record Date

When	Scenario	Message FUNC	CORP code – Field 20C Corporate Action ID
On or After Record Date	Modify existing CA benefit - No change to Record Date or Payment Date Example – Change in Interest Rate for the Coupon due to an error by the Calculation Agent.	Send REPE	CORP CODE will be the same as the original CA benefit
On or After Record Date	Delete CA or CA benefit Example – Issuer or Trust Manager on RMBS notifies that insufficient funds collected for partial redemption of securities that was previously notified.	Send CANC	CORP CODE will be the same as the old CA. Austraclear will send CANC to Participants who have previously received NEWM or REPE in respect to the Corporate Action and were holding the relevant securities as at the Record Date
On or After Record Date	Change in Record Date for CA. Clone or Manual creation of CA to change the RD and no changes to Payment Date. Example: Error from Issuer or Calculation Agent in Business Days and requirement to move Record Date but the Payment Date remains unchanged and as a result the Participants entitled to the CA benefit may change.	Send CANC for original MT564 Send NEWM for new CA	Austraclear will delete the old CA which automatically triggers sending of CANC MT564 to Participants holding relevant securities at original Record Date. New CA will be created on Austraclear which will have a new CORP CODE. New CORP CODE rule will append “-1” to the original CORP CODE.
On or After Record Date	Clone or Manual creation, CA Change any attribute on the CA except Record Date Example – Change in Interest Rate for the Coupon due to an error by the Calculation Agent.	Send REPE	CORP CODE will be the same as the old CA
On or After Record Date	Clone or Manual creation which changes both the Record Date and Payment Date of the CA. Scenario: Additional business holiday e.g. 2022 National Day of Mourning for Her Majesty Queen Elizabeth II	Send CANC for original MT564 Send NEWM for New CA	Austraclear will delete the old CA which automatically triggers sending of CANC MT564 to Participants holding relevant securities at original Record Date. New CA will be created on Austraclear which will have a new CORP CODE.

1.4. SR17 Implementation Weekend

For Corporate Actions where the period between the Initial Notification Date and the Benefit Payment Date that spans across the Service Release 17 Implementation weekend of 6-8 July 2024 a REPE or NEWM, as applicable, will be sent to Participants with a new Corporate Action Code using the revised unique Corporate Action Code methodology along with a link to the original Corporate Action Code.

2. New SWIFT MT578 Allegement Message

A new SWIFT MT578 allegement message will be introduced to enhance information flow and drive improvements in settlement process.

2.1. Timing and Rules for NEWM, REMO & CANC

	Trade Date (T)	Trade + 1	T+2 - Settlement Date
Austraclear Open - 8.30am	<p>(1) Austraclear Checks for Unmatched Settlement Trade Instructions submitted via SWIFT MT541/2/3/4 by Trade counterparties and sends NEWM MT578</p> <p>(2) For any Trades that move to "Matched" status, Austraclear will send out an MT578 REMO message to withdraw the MT578</p> <p>(3) For any Trades which are cancelled and MT578 has previously been sent, Austraclear will send out an MT578 CANC</p>	<p>(1) Austraclear Checks for Unmatched Settlement Trade Instructions submitted via SWIFT MT541/2/3/4 by Trade counterparties and sends NEWM MT578</p> <p>(2) For any Trades that move to "Matched" status Austraclear will send out an MT578 REMO message to withdraw the MT578</p> <p>(3) For any Trades which are cancelled and MT578 has previously been sent Austraclear will send out an MT578 CANC</p>	<p>(1) Austraclear Checks for Unmatched Settlement Trade Instructions submitted via SWIFT MT541/2/3/4 by Trade counterparties and sends NEWM MT578</p> <p>(2) For any Trades that move to "Matched" status Austraclear will send out an MT578 REMO message to withdraw the MT578</p> <p>(3) For any Trades which are cancelled and MT578 has previously been sent Austraclear will send out an MT578 CANC</p>
Austraclear Close - 4.28pm			Note: Trades must be Matched and on the RITS queue by 4.28pm for same day Settlement (unless evening agreed)
Austraclear Close (Winter 6.55pm AEST / Summer 8.55 pm AEST)			Austraclear Sends Cancellation MT578 CANC for all "Unmatched" Trades at end of day with that Settlement Date to failing counterparty
EOD - Session - 10.45pm			

2.2. Rules for Distribution of MT 578 Allegement Message

- Only trades initially entered via SWIFT will trigger MT578 processing and not GUI or HTHL entered trades.
- MT578 NEWM Message will be sent immediately in real-time and one time only. If the message is modified in the GUI or via HTHL after the initial MT578 NEWM message is sent, no further messages will be sent.
- The original MT54X may include the full settlement chain to be transferred into the MT578 – Austraclear is not able to modify or enrich the data and will merely transmit the settlement chain information as received.
- UTI will be received and repeated in the MT578 if contained in the MT54X message but will not be stored in the Austraclear database or GUI.
- Removal of MT578 allegement REMO message will occur in real-time when trades move to "Matched" or "Paired" status. If the REMO allegement has been sent when it was paired, another REMO will not be sent when the trade state changes to Matched.
- An allegement message will not be sent when trades in a paired state move to pending cancellation.

- Unmatched Trades at the end of day on the settlement date will be updated to "Failed" status and removed from Austraclear and an MT578 CANC cancellation message will be sent to the failing counterparty.
- REMO and CANC MT578 will be generated along with our MT548 and Settlement Confirmation messages.
- Initially the fee will be established at \$0.30 per SWIFT message and is subject change. Participants will be notified of any adjustments through the usual process.
- To receive the MT578 messages, Participants must send a request to subscribe to the Austraclear and ASX Collateral Service Desk at Austraclear@asx.com.au

Note: For modifications, the standard market practice entails cancelling the trade instruction and sending a new one via SWIFT. Accordingly Austraclear is not able to capture and process MT543/541 AMND instructions

2.3. When are the Allegements sent

Trade State/Sub State	Allegation (Y/N)	Comments
Paired (Need Auth)	Y	REMO is sent
Unmatched (Need Auth)	Y	NEWM is sent
Unmatched (Authorised)	Y	NEWM is sent
Failed	Y	CANC is sent
Pending Cancel	N	
Rejected	Y	CANC is sent (DSS)
Cancelled	Y	CANC is sent
Matched (Prev status Unmatched)	Y	REMO is sent
Matched (Prev status Paired)	N	

2.4. Allegement Message Flows

MT541 Message

MT 541 format	Comments
:16R:GENL	
:20C::SEME//AUT220304NK6WYI4	Sender reference
:23G:NEWM	
:16R:LINK	
:20C::RELA//fixed repo 541	UTI
:16S:LINK	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//20220304	Settlement Date
:98A::TRAD//20231115	Trade date
:90A::DEAL//YIEL/5,09	
:35B:ISIN AU3SG0001993	ISIN
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//FAMT/5000000,	
:97A::SAFE//TEST30	
:16S:FIAC	
:16R:REPO	

:98A::TERM//20220708	
:92A::REPO//4,3800	
:70C::SECO//100,00	
:16S:REPO	
:16R:SETDET	
:22F::SETR//REPU	Type of Trade
:16R:SETPRTY	
:95R::DEAG/ACLR/TEST40	<u>Delivrey Agent</u>
:16S:SETPRTY	
:16R:SETPRTY	
:95R::SELL//Seller	The settlement party chain
:95R::DECU//Delivery Custodian	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//ACLR/20	Place of Settlement
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//AUD5200000,00	Settlement Amount
:16S:AMT	
:16S:SETDET	

MT543 Message

MT 543 format	Comments
:16R:GENL	
:20C::SEME//AUT220304NK6WYI4	
:23G:NEWM	
:16R:LINK	
:20C::RELA//Fixed repo 541	
:16S:LINK	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//20220304	Settlement Date
:98A::TRAD//20220304	Trade date
:90A::DEAL//YIEL/100,0001	
:35B:ISIN AU000XCLWU3	ISIN
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//FAMT/5000000,00	
:97A::SAFE//TEST20	
:16S:FIAC	
:16R:REPO	

:98A::TERM//20220708	
:92A::REPO//1,6500	
:92A::SHAI//100,00	
:16S:REPO	
:16R:SETDET	
:22F::SETR//REPU	Type of trade
:16R:SETPRTY	
:95R::DEAG/ACLR/TEST30	Delivery Agent
:16S:SETPRTY	
:16R:SETPRTY	
:95R::BUYR//Buyer	The Settlement party chain
:95R::RECU//Receiving Custodian	
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//AUD5200000,00	Settlement Amount
:16S:AMT	
:16S:SETDET	

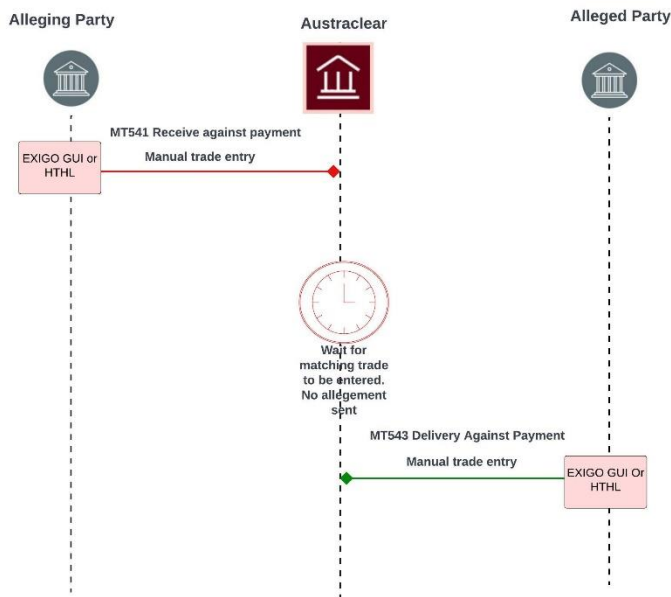
2.5. MT578 Process Flow

Swift messages on both Sides



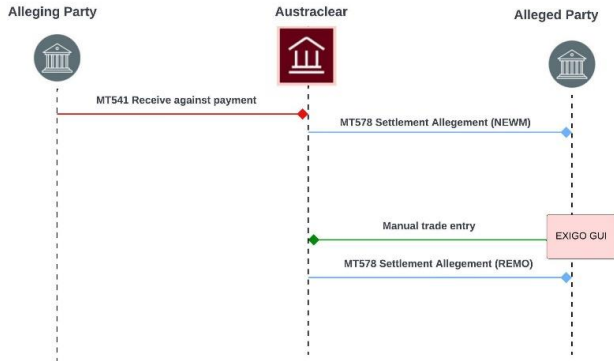
Note : Allegements are sent only when they are subscribed to

GUI Or HTHL trades on both Sides

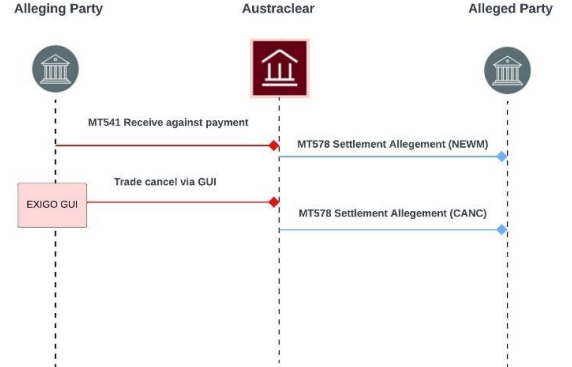


Alleging using SWIFT and Alleged using GUI

New and removal of Allegement

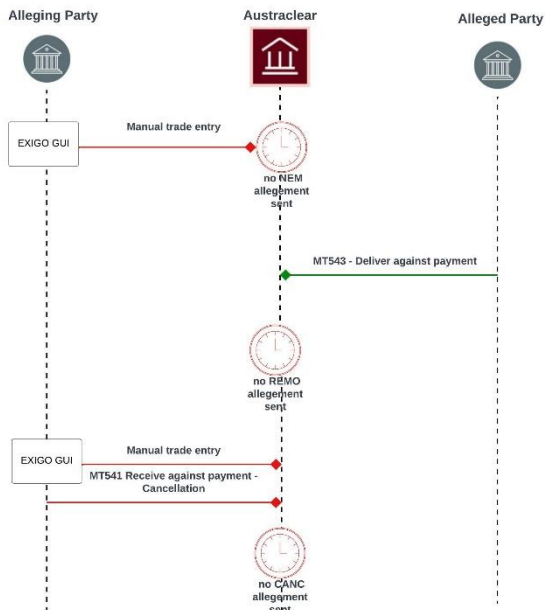


Cancellation of Allegement

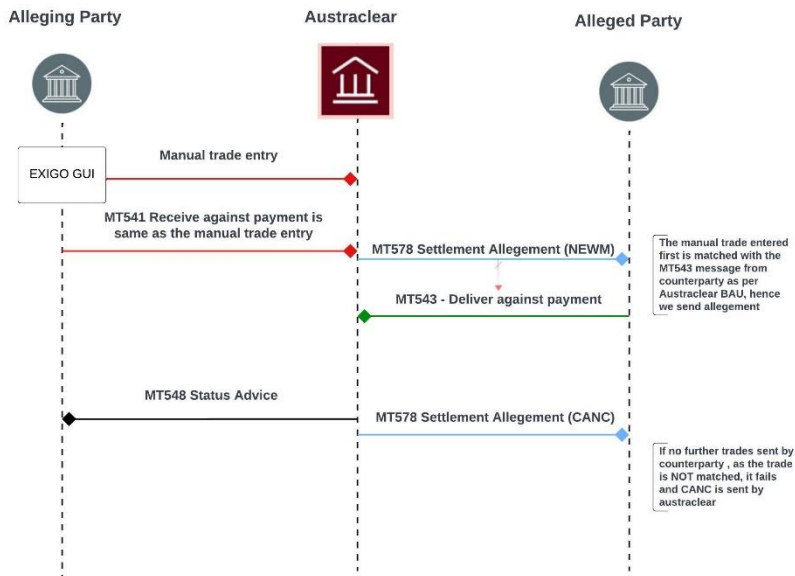


Note : Allegements are sent only when they are subscribed to
MT548 is sent only when subscribed by participants

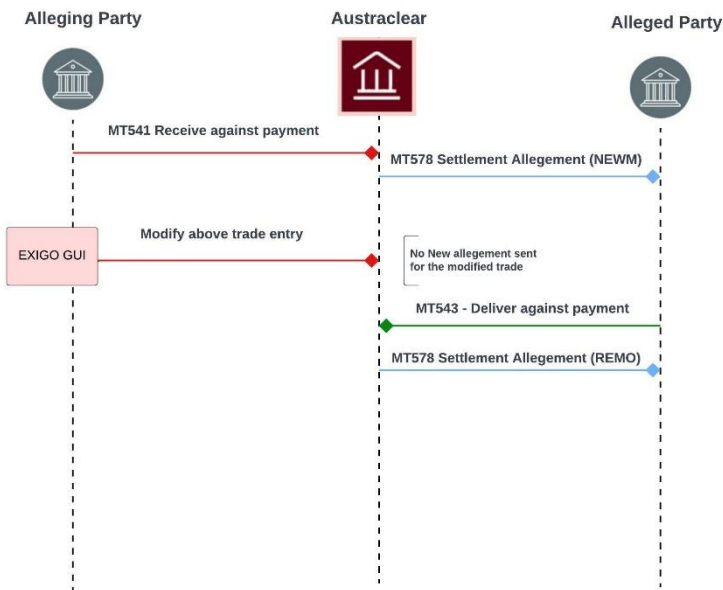
Alleging using GUI and Alleged using SWIFT



Multiple trades entered together by same party/cp combination



Modify the trade via GUI



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