



SETTLEMENT AND ISO 15022 STANDARDS: **POLAND** MARKET PRACTICE

Issued on behalf of the Polish Market Practice Group.

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I. Introduction:

The purpose of this document is to define a basis of field usage principals for the SWIFT messages associated with the settlement of securities transactions in the Polish market. The current version of this document represents the Polish market practice standard including the changes of SWIFT release 2012. The content of this document represent an iteration of information discussed within the forum of the National Market Practice Group Settlement & Reconciliation and is now present for common consensus acceptance of the previously mentioned group.

II. Principals:

The contents of this document have been based on the settlement procedures typically associated with the performing transactions in the Polish market.

III. Scope:

The scope of this document has set out to cover the majority of the messages in the Settlement & Reconciliation Message User Groups. This document provide minimal requirement for messages from client to agent.

IV. Settlement Instruction:

A. OTC:

Settlement instructions in the Polish market should contain all the SWIFT mandatory fields and SWIFT optional fields which are mandatory required for matching.

Matching fields are:

Business elements	Field	Example
Securities	:35B: ISIN	:35B: ISIN PLKGHM000017
Settlement Date	:98A::SETT//	:98A::SETT//20130523
Trade Date	:98A::TRAD//	:98A::TRAD//20130520
Settlement Amount (for vs. payment transactions)	:19A::SETT//	:19A::SETT//PLN100,02
Quantity	:36B::SETT//	:36B::SETT//UNIT/100, or :36B::SETT//FAMT/1000,
Counterparty ^[1]	:95(P/R): DEAG / REAG	:95P::DEAG//ABCDPLPXXXX or :95R::DEAG/KDPW/0924
Buyer/Seller	:95(P/Q): BUYR/ SELL + :97A::SAFE	:95P::BUYR//XYZZGB2LXXX :97A::SAFE//0123456789 or :95Q::BUYR//ABC FUND :97A::SAFE//0123456789

^[1] Please notice that for local counterparties having one BIC CODE and two different KDPW codes clients should instruct using option 95R in REAG/DEAG only.

Mandatory field which must be present in the instruction message:

Business elements	Field	Example
Sender's Reference	:20C::SEME//	:20C::SEME//MESSAGE123
Safekeeping account	:97A::SAFE//	:97A::SAFE//100123456700
Settlement Conditions	:22F::SETR//	:22F::SETR//TRAD
Place of Settlement	:95P::PSET//	:95P::PSET//KDPWPLPW
Function of the Message	:23G:	:23G:NEWM :23G:PREA :23G:CANC
Previous Reference (mandatory for cancellation messages only)	:20C::PREV//	:20C::PREV//MESSAGE123

Examples:**MT542**

:16R:GENL	
:20C::SEME//INS00001	Sender's reference
:23G:NEWM	Function of the Message
:16S:GENL	
:16R:TRADDET	
:98A::SETT//20130523	Settlement Date
:98A::TRAD//20130520	Trade Date
:35B:ISIN PLKGHM000017	Identification of the Financial Instrument
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/1000,	Quantity of Financial Instrument to be Settled
:97A::SAFE//0123456789	Safekeeping Account
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Type of Settlement Transaction Indicator
:16R:SETPRTY	
:95P::BUYR//XYZZCHZZ	Buyer
:97A::SAFE//9876543210	Account
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//ABCDPLPX	Counterparty
:16S:SETPRTY	
:16R::SETPRTY	
:95P::PSET//KDPWPLPW	Place of Settlement
:16S::SETPRTY	
:16S::SETDET	

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:16R:GENL	
:20C::SEME//INS0001	Sender's reference
:23G:NEWM	Function of the Message
:16S:GENL	
:16R:TRADDET	
:98A::SETT//20130523	Settlement Date
:98A::TRAD//20130520	Trade Date
:35B:ISIN PLKGHM000017	Identification of the Financial Instrument
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/1000,	Quantity of Financial Instrument to be Settled
:97A::SAFE//0123456789	Safekeeping Account
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Type of Settlement Transaction Indicator
:16R:SETPRTY	
:95P::SELL//XYZZCHZZ	Seller
:97A::SAFE//9876543210	Account
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//ABCDPLX	Counterparty
:16S:SETPRTY	
:16R::SETPRTY	
:95P::PSET//KDPWPLPW	Place of Settlement
:16S::SETPRTY	
:16R::AMT	
:19A:SETT//PLN12345,67	Settlement Amount
:16S::AMT	
:16S::SETDET	

B. BSB/REPO:

From 24th of April 2017 the NDS will settle Sell/Buy-Buy/Sell Back and REPO transactions based on ‘Two Messages Market Practice’ requires individual instruction for each leg.

Instruction for opening of the repo/reverse repo:

- The instruction will be identified as being the settlement of a repo operation by using Sequence E field **22F indicator SETR//REPU**.
- The instruction will be identified as being the settlement of a reverse repo operation by using Sequence E field **22F indicator SETR//RVPO**.

Instruction for closing of the repo/reverse repo:

- The instruction will be identified as being the settlement of a repo operation by using Sequence E field **22F indicator SETR//REPU**.
- The instruction will be identified as being the settlement of a reverse repo operation by using Sequence E field **22F indicator SETR//RVPO**.

Both messages do NOT need to be released at the same time.

Instruction for opening /closing Sell/Buy-Buy/Sell Back transaction:

- A sell/buy back transaction will be identified by using Sequence E field **22F indicator SETR//SBBK**. The direction of the securities (delivery or receive) will indicate if it is the sell (opening) or the buy back (closing) operation.
- A buy/sell back transaction will be identified by using Sequence E field **22F indicator SETR//BSBK**. The direction of the securities (receive or delivery) will indicate if it is the buy (opening) or the sell back (closing) operation.

Both messages do NOT need to be released at the same time.

The SETR indicator should be filled according to the diagram below:

Two leg transaction	Message	
	Type	Type of Settlement Transaction
Repo opening	543	REPU
Reverse repo opening	541	RVPO
Triparty repo opening	543	TRPO
Triparty reverse repo opening	541	TRVO
Sell-buy back: sell	543	SBBK
Buy-sell back: buy	541	BSBK
Repo closing	541	REPU
Reverse repo closing	543	RVPO
Triparty repo closing	541	TRPO
Triparty reverse repo closing	543	TRVO
Sell-buy back: buy back	541	SBBK
Buy-sell back: sell back	543	BSBK

Note: This is also applicable to MT 540 and 542 for free of payment scenarios.

C. ON-EXCHANGE:

There are some business scenarios in the Polish market where clients are instructing for trades which do not need to be instructed to CSD. Those transactions are instructed for CSD settlement directly by the exchange. In order to reconcile on-exchange trades on client side the Place of Trade should be used only by clients who are remote exchange members executing on this exchange:

Business elements	Field	Example
Place of Trade	:94B::TRAD//	:94B::TRAD//EXCH/XWAR

This code is used for WSE regulated markets. For other markets the following codes should be used:

- ◆ for RRP transactions: TRAD/EXCH/RPWC
- ◆ for ATS BondSpot transactions: TRAD/EXCH/BOSP
- ◆ for ATS WSE transactions: TRAD/EXCH/XNCO

D. TREASURY BONDSPOT POLAND (formerly MTS Poland)

Transaction executed on Treasury Bondspot Poland should be identified by following Place of Trade:

Business elements	Field	Example
Place of Trade	:94B::TRAD//	:94B::TRAD//EXCH/TBSP

E. COMMERCIAL SECURITIES LENDING

The trades related to commercial securities lending should be identified by following Type of Settlement Transaction Indicator:

Two leg transaction	Message	
	Type	Type of Settlement Transaction
Securities lending initiation	543	SECL
Securities borrowing initiation	541	SECB
Securities lending return	541	SECL
Securities borrowing return	543	SECB

Note: This is also applicable to MT 540 and 542 for free of payment scenarios.

F. PORTFOLIO TRANSFERS

The trades related to portfolio transfers (without change of beneficial owner) should be identified by following Type of Settlement Transaction Indicator:

Business elements	Field	Example
Type of Settlement Transaction Indicator	22F::SETR//	22F::SETR//PORT