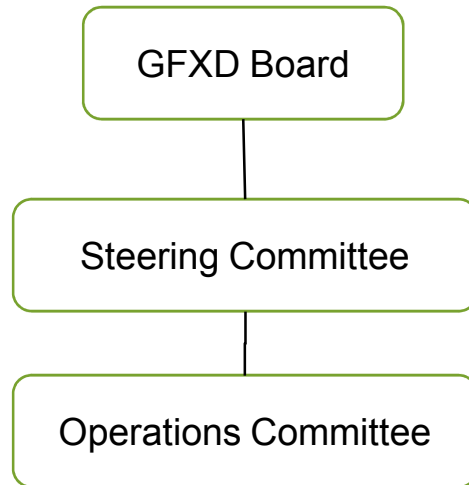# SSI WORKING GROUP
VENDOR OUTREACH
DISCUSSION DOCUMENT

Global Foreign Exchange Division

Global FX Division

Background

- Formed in June 2010 to represent FX dealers on a global basis

- Currently 22 members representing the largest global FX dealers and accounting for over 90% market share of the Euromoney survey

- The Division represents the FX interests of the Global Financial Markets Association (GFMA) bodies

  - AFME – Association for Financial Markets In Europe

  - SIFMA – Securities Industry and Financial Markets Association

  - ASIFMA – Asia Securities Industry and Financial Markets Association

- Desire to represent a truly Global Association representing the industry in multiple locations

  - London, New York and Hong Kong

- Key work areas

  - Advocacy, comment and communication

  - Operational workflow and implementation discussions / vendor forum

  - Implementation of best practice

  - Global co-ordination of industry comment

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Global FX Division Governance

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        │     GFXD Board      │
        └─────────────────────┘
                   │
        ┌─────────────────────┐
        │ Steering Committee  │
        └─────────────────────┘
                   │
        ┌─────────────────────┐
        │ Operations Committee│
        └─────────────────────┘
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┌─────────────────────┐        ┌─────────────────────┐
│  SSI Working Group  │        │ Other working groups│
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SSI working group

Objectives

- Promote common industry standards in respect of SSI implementation and usage

- Foster dialogue and discussion with a wide range of market participants and vendors

- Provide a forum for feedback and discussion of topics e.g. data quality rules, change requirements etc

Background

- Original SSI working group set up under the Bank of England to assist revised NIPS code publication

- Workstream now complete and group moved under the auspices of the GFMA FX Division

  - However, issues regarding SSI best practice remain with the BoE

- Working group chaired by Dalbir Sahota (UBS) and comprises buy / sell-side members

Purpose of today's meeting

- Present common themes from industry best practice (NIPS code etc)

- Discuss views on key requirements & potential methods for promoting industry standards

- Generate dialogue and debate with industry participants to inform further work

- Invite industry participants to interact with the SSI working group on a regular basis, as desired

SSI Working Group Members
BAML
Barclays
Blackrock
BNP Paribas
Citibank
Credit Suisse
Deutsche Bank
Goldman Sachs
HSBC
MUSI
J P Morgan
Legal & General
Lloyds
Morgan Stanley
Nomura
RBS
Standard Chartered
Societe Generale
State Street Global Advisers
State Street
UBS
UBS GAM
WAMCO

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Best practice – core themes

Drawn from Bank of England NIPS code and ECB best practices

Secure Electronic Exchange Methodology	▪ SSI messages shared and received through secure messaging service ▪ Cover new, amends, deleted and future effective
Standard Swift Formatting & On Line Help Facility	▪ On data entry clear reference is made to applies SWIFT Field i.e. Field 56.
Data Validation	▪ Upfront prompts to prevent submission of invalid BIC ▪ Mandatory fields controls in place
Audit Controls	▪ Time Date and user of upload and verifier of SSI captured and available to end users.
SSI Reporting	▪ Ability to query and extract SSI data for a specific IM and fund.

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Suggested requirements

SSI Themes	#	High Level Requirements
Secure Electronic Exchange Methodology	1	Functionality which allows sharing of SSI's through electronic means, primarily through MQ, HTTP or alike, and secondary GUI retrieval. Note: Email not considered as electronic for purposes of these requirements.
	2	Clear notification structure which defines a new, amend or delete SSI.
Standard Swift Formatting & On Line Help Facility	3	Transparent SSI labelling and formatting, that is aligned and consistent to Swift payment standard or MT670/671 series: - Product Segregation: FX CASH, FX CLS, Money Markets - Data attribute labels i.e. Field 57, 58, 59 depending and explanation of field - A data field that capture if SSI coverts to MT202 or MT103 (including covered or uncovered) - Logical sequence of data entry/capture.
	4	Custodian interface allowing custodian community to update model level data to be used by Buy Side and Sell Side.
	5	Future Effective SSI capturing, with future SSI only replaces current SSI once future date arrives.
	6	A online help facility for all users groups (Buy and Sell Side), containing: - rules explanations - examples - areas to be cautious of i.e. complex rules.
	7	Enforced mandatory 4 eye check before SSI's are released to Market

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Suggested requirements (cont.)

SSI Themes	#	High Level Requirements

Data Validation	8	Local currency rule validation & mandatory fields controls: where rules are not MET, prompts are raised to ensure entry is right first time ahead of distribution to market.
		
		AED - IBAN is mandatory
		EUR - IBAN is mandatory for payments in Europe
		GBP - Sort Code is mandatory
		ILS:
		   - Field 59
		   - IBAN is mandatory for MT103 payments over ILS1mio where the beneficiary maintains the ILS account in Israel.
		   MT202 payments are out of scope but it is good practice to use the IBAN where possible.
		   Field 72
		   A payment reason is now also mandatory on payments over ILS50mio or between a Resident and Non-Resident.
		
		INR via MT103:
		   - Remitting institution must provide additional KYC information, in addition to the payment order itself when paying as an MT103 (i.e favour an 'ultimate nonbank beneficiary'.
		* Potentially Not Mandatory Across Market.
		
		KZT:
		The following are mandatory
		Field 58 or 59

	9	No free data formatting for Critical Path SSI data i.e. agent bank should not be allowed to be entered in Free Format Field.
	10	Only active and valid BIC codes permitted for body of SSI and non SWIFT compliant characters are not permitted within SSI Data.
	11	On periodic basis Buy and Sell Side participants are notified to review SSI data. Data quality initiatives are promoted and SSI's not meeting Swift formatting standards are made dormant and are alerted for data quality correction.
	12	Account level data consists of: - Acronyms and Short Codes - Full Funds Names and LEI (sourced from legal entity databases where possible) - Broker Internal Code (Support SSI STP) - Custodian Information: It would be useful if operational contact information was available within the portal - Participants should be prevent from deleting an account and removed broker internal code, this often causes issues in the market.

Suggested requirements (cont.)

SSI Themes	#	High Level Requirements
Audit Control	13	Available audit trail from entry to release of SSI to Market, available to bank and buy side community. Time Date and user of upload and verifier of SSI captured and available to end users.
	14	The participant who is sharing the SSI data has the ability to decide which participants will receive the SSI data.
SSI Reporting	15	User friendly GUI, where user has flexibility in defining the SSI query. i.e. all SSI where Custodian = ARTBIS22XXX
	16	Extraction of data in formats such as MS Excel, CSV, Text File.
	17	An advanced search functionality e.g. the ability to query partial fund name or sounds like e.g. FUND_A
Other	18	Legal Indemnity - will the vendor clearly indemnify the client if an incorrect or out of date SSI is published?

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Next steps

- Consider key requirements and provide feedback to the group e.g.
    - Are they the right requirements in the context of the existing best practice guidelines?
    - Are there any missing elements?
- Helpful to receive feedback by Friday 12th October

- Working group to consider feedback and next steps

- Working group available to discuss any implementation / change request issues (ongoing)

- Key contacts:
    - Dalbir Sahota (UBS) dalbir.sahota@ubs.com
    - Matt Lewis (GFMA) mlewis@gfma.org

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