

Business Terms and Conditions for bank accounts managed by the MNB and for settlements in forint and foreign exchange transactions

**Annex 13**

Budapest, 28/06/2019

SWIFT MESSAGES RELATED TO IG1 CREDIT LINE AND REQUIRED RESERVE ALLOCATION

**1. IG1 CREDIT LINE ALLOCATION REQUESTED WITH THE MT298 SMT560 SWIFT MESSAGE**

The intraday credit line shall be shared between the processing of instant clearing and the ICS (IG1) night-time clearing.

The intraday credit line unallocated for IG1 outstanding at the end of the day serves as the allocated credit line of instant clearing (in the case of the institutions that are monetary policy customers).

When the Customer authorised to create a credit line sends an MT298 SMT560 SWIFT message to the MANEHUHBXXX BIC code of the MNB and requests the allocation of the IG1 credit line, the MNB sends an MT298 SMT560 SWIFT reply message on the allocation. Only one allocation shall be accepted each day, and the system rejects the messages that arrive after the accepted one and those that are sent after the cut-off time.

In the case of insufficient securities collateral, a non-standard method of completion or a credit line allocation request received outside the specified period, the request shall be rejected, and the Customer shall be informed in an MT298 SMT560 SWIFT reply message (indicating the reason for rejection in the reference field).

**Field specification of the MT298 SMT560 message**

M/O	Field	Field name		Content
M	20	Transaction Reference Number	16x	
M	12	Sub-Message Type	3n	560
M	77E	Proprietary Field Tag		
M	32A	Value Date, Currency Code, Amount	[N]6n3a15number	
M	79	Sender to Receiver Information	6*35x	/IG1LIMIT/

**Field 12: Sub-type of message**

The field has to contain the number 560.

**Field 32A: Settlement date, Currency code, Amount**

The settlement date is the day when the message was sent.

The amount of the credit line allocation requested shall be specified in HUF, with a comma after it.

**Field 79: Sender receiver information**

The first line should contain the code word /IG1LIMIT/.

**MT298 SMT560** reply message on the **acceptance/rejection** of the creation of the IG1 credit line

M/O	Field	Field name		Content
M	20	Transaction Reference Number	16x	
M	12	Sub-Message Type	3n	560
M	77E	Proprietary Field Tag		
M	21	Related Reference	16x	Original credit line creation request MT298 SMT560 Field 20
M	32A	Value Date, Currency Code, Amount	[N]6n3a15number	
M	79	Sender to Receiver Information	6*35x	/IG1LIMIT/ACCEPTED or REJECTED and the reason for rejection

The code word /IG1LIMIT/ is followed by the word "ACCEPTED" when the IG1 credit line allocation request is accepted and by the word "REJECTED" when it is rejected, and, in the next line, the code of the reason for rejection.

The code of the reason for rejection and its meaning may be as follows:

**INVALID VALUE DATE:** Wrong value date

**INVALID CURRENCY:** Wrong currency

**INVALID AMOUNT:** Wrong amount (e.g. the amount contains fillers, too)

**INVALID CODEWORD:** Wrong code word

**CUT-OFF TIME:** The request for IG1 credit line allocation was sent after the stipulated cut-off time

**INSUFFICIENT FUND:** Insufficient collateral

**DUPLICATE MESSAGE:** Duplicate received

**FORMAT ERROR:** Format error

**PROCESS ERROR:** The request has already been processed successfully

**Example for IG1 credit line allocation:**

At the end of 2 July 2019, Budapest Bank dedicates HUF 10,000,000 for its IG1 credit line from the free collateral value of its securities blocked for the MNB.

Explanation	Format
Sender	BUDAHUHB
Message Type	298
Receiver	MANEHUHB
Message Text	
Transaction Reference Number	:20:12345
Sub-Message Type	:12:560
Proprietary Field Tag	:77E:
Value Date, Currency Code, Amount	:32A:190702HUF10000000,

Sender to Receiver Information	:79:/IG1LIMIT/
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**Example for the rejection of IG1 credit line allocation in the case of insufficient securities collateral:**

Explanation	Format
Sender	MANEHUHB
Message Type	298
Receiver	BUDAHUHB
Message Text	
Transaction Reference Number	:20:IG1VISSZA
Sub-Message Type	:12:560
Proprietary Field Tag	:77E:
Related Reference	:21:12345
Value Date, Currency Code, Amount	:32A:190702HUF10000000,
Sender to Receiver Information	:79:/IG1LIMIT/REJECTED INSUFFICIENT FUND

**2. REQUIRED RESERVE ALLOCATION FROM THE MIDNIGHT BALANCE OF THE INSTANT CLEARING ACCOUNT REQUESTED WITH AN MT298 SMT 570 SWIFT MESSAGE**

Credit institution customers that are required to hold reserves are entitled to initiate an allocation from the midnight balance of their instant clearing account to meet the reserve requirement.

Such credit institutions may initiate the allocation with an MT298 SMT570 SWIFT message submitted for the MNB's BIC code MANEHUHBXXX. Customers are informed about the acceptance or the rejection of the request in an MT298 SMT570 SWIFT reply message, indicating the reason for rejection in the reference field.

One valid SWIFT message may be submitted on each value date. No allocation shall be performed for the value dates on which no allocation request accepted by the MNB is received. If the SWIFT message contains an allocation amount greater than the balance of the instant clearing account, the whole balance of the instant clearing account shall be allocated.

**2.1. Field specification of the MT298 SMT570 SWIFT message on the allocation of required reserves**

M/O	Field	Field name		Content
M	20	Transaction Reference Number	16x	
M	12	Sub-Message Type	3n	570
M	77E	Proprietary Field Tag		
M	L04	Correspondent Member BIC	6a5a	
M	32A	Value Date, Currency Code, Amount	[N]6n3a15number	
M	79	Sender to Receiver Information	6*35x	/KOTTART/

**Field 12: Sub-type of message**

The field has to contain the number 570.

**Field L04: BIC code of the account holding member**

BIC code of the member required to hold reserves and having a direct instant clearing account.

**Field 32A: Settlement date, Currency code, Amount**

The settlement date is the value date when the midnight balance of the instant clearing account shall be allocated for required reserves.

The amount to be allocated for required reserves shall be specified in HUF, with a comma after it.

**Field 79: Sender to receiver information**

The first line should contain the code word /KOTTART/.

**2.2. Field specification of MT298 SMT570 on the acceptance/rejection of a request for required reserve allocation**

M/O	Field	Field name		Content
M	20	Transaction Reference Number	16x	MNB identifier number
M	12	Sub-Message Type	3n	570
M	77E	Proprietary Field Tag		
M	21	Related Reference	16x	Original MT298 SMT550 Field 20
M	L04	Correspondent Member BIC	6a5a	
M	32A	Value Date, Currency Code, Amount	[N]6n3a15number	from original message
M	79	Sender to Receiver Information	6*35x	/KOTTART/ACCEPTED or REJECTED or PARTIAL ACCEPTANCE  code of the reason for rejection, or the amount of the partial execution

**Field 79: Sender to receiver information**

1. Line: The code word /KOTTART/ is followed by the word "ACCEPTED" when the required reserve allocation request is accepted and by the word "REJECTED" when it is rejected.
2. Line: code of the reason for rejection, or the amount of the partial execution.

In the case of partial execution, "PARTIAL ACCEPTANCE" is shown, with the amount of the partial execution in the next line. The amount shall be followed by a comma!

The code of the reason for rejection and its meaning may be as follows:

**INVALID VALUE DATE:** Wrong value date

**INVALID CURRENCY:** Wrong currency

**INVALID AMOUNT:** Wrong amount (e.g. the amount contains fillérs, too)

**INVALID CODEWORD:** Wrong code word

**CUT-OFF TIME:** The request for required reserve allocation was sent after the stipulated cut-off time

**FORMAT ERROR:** Format error

**INVALID BIC:** Wrong BIC code

**PROCESS ERROR:** The request has already been processed successfully

### 2.3. Example for required reserve allocation

On 2 July 2019, Budapest Bank submits a required reserve allocation request for HUF 1,000,000,000 on the closing balance of its instant clearing account on the value date of 1 July 2019.

Explanation	Format
Sender	BUDAHUHB
Message Type	298
Receiver	MANEHUHB
Message Text	
Transaction Reference Number	:20:12345
Sub-Message Type	:12:570
Proprietary Field Tag	:77E:
Correspondent Member BIC	:L04: BUDAHUHBXXX
Value Date, Currency Code, Amount	:32A:190701HUF1000000000,
Sender to Receiver Information	:79:/KOTTART/

The request for required reserve allocation has been accepted, and the bank is informed in an MT298 SMT 570 message.

Explanation	Format
Sender	MANEHUHB
Message Type	298
Receiver	BUDAHUHB
Message Text	
Transaction Reference Number	:20:KOTTART00010
Sub-Message Type	:12:570
Proprietary Field Tag	:77E:
Related Reference	:21:12345
Correspondent Member BIC	:L04: BUDAHUHBXXX
Value Date, Currency Code, Amount	:32A:190701HUF1000000000,
Sender to Receiver Information	:79:/KOTTART/ACCEPTED

The request was received after the cut-off time for required reserve allocation, therefore it is rejected.

Explanation	Format
Sender	MANEHUHB
Message Type	298
Receiver	BUDAHUHB
Message Text	

Transaction Reference Number	:20:KOTTART00011
Sub-Message Type	:12:570
Proprietary Field Tag	:77E:
Correspondent Member BIC	:L04: BUDAHUHBXXX
Related Reference	:21:12345
Value Date, Currency Code, Amount	:32A:190701HUF1000000000,
Sender to Receiver Information	:79:/KOTTART/REJECTED CUT-OFF TIME

The requested amount is greater than the closing balance of the bank's instant clearing account on 1 July 2019 (HUF 800,000,000), therefore a partial execution is performed.

Explanation	Format
Sender	MANEHUHB
Message Type	298
Receiver	BUDAHUHB
Message Text	
Transaction Reference Number	:20:KOTTART00011
Sub-Message Type	:12:570
Proprietary Field Tag	:77E:
Related Reference	:21:12345
Correspondent Member BIC	:L04: BUDAHUHBXXX
Value Date, Currency Code, Amount	:32A:190701HUF1000000000,
Sender to Receiver Information	:79:/KOTTART/PARTIAL ACCEPTANCE 800000000,