
International Standard



7775/2

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Securities — Scheme for message types — Part 2: Order to buy/sell

Valeurs mobilières — Structure des types de messages — Partie 2: Ordre d'achat/de vente

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work.

Draft International Standards adopted by the technical committees are circulated to the member bodies for approval before their acceptance as International Standards by the ISO Council. They are approved in accordance with ISO procedures requiring at least 75 % approval by the member bodies voting.

International Standard ISO 7775/2 was prepared by Technical Committee ISO/TC 68, *Banking*.

Users should note that all International Standards undergo revision from time to time and that any reference made herein to any other International Standard implies its latest edition, unless otherwise stated.

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Securities — Scheme for message types — Part 2: Order to buy/sell

0 Introduction

ISO 7775/1 deals with instructions for receipt and delivery of securities and related messages. This part of ISO 7775 deals with orders to buy and sell and the respective confirmations and advices. At present orders are mostly transmitted by phone or telex and the confirmations and advices by telex or by forms. Standardized message types and formats would however facilitate cross-border transactions in particular with respect to the growing use of telecommunication from computer to computer.

1 Scope and field of application

This part of ISO 7775 describes message types [i.e. orders to buy and sell and the respective confirmations and advices (see clause 3)] for use in cross-border transactions, by all the institutions professionally engaged in the securities business, in particular banks and brokers, and supranational securities clearing institutions.

The message types defined in ISO 7775 are instructions which are generally used in writing, and transmitted either by forms, telex, or by data telecommunication. ISO 7775 applies to every one of these uses. However the conventions for the format of message fields described in clause 7 are limited to data telecommunication. There are additional requirements to be met in the cases of telex and data telecommunication messages, which relate to the transmission systems, but these requirements are not dealt with in ISO 7775.

~~ISO 7775 deals with single messages only. In practice there are often several individual messages grouped in one transmission. The method of grouping may be defined by the parties concerned. However, the text of the individual messages contained in the transmission should be in accordance with ISO 7775.~~

2 References

ISO 2014, *Writing of calendar dates in all numeric form.*

ISO 3166, *Codes for the representation of names of countries.*

ISO 4217, *Codes for the representation of currencies and funds.*

ISO 6166, *Securities — International securities identification numbering system (ISIN).*

3 Definitions

For the purpose of this part of ISO 7775 the following definitions apply.

3.1 message: A communication from a sender to a receiver containing a set of elements pertaining to a securities transaction.

3.2 Message types (MT)

3.2.1 order to buy: An instruction sent by the client, or his authorized representative, to buy a given quantity of an identified security under specified conditions.

NOTE — When settlement instructions are not given, standing instructions for delivery and payment apply. This message normally is the first one in a chain of events, therefore no facility is provided for referring to another message or transaction.

3.2.2 order to sell: An instruction sent by the client, or his authorized representative, to sell a given quantity of an identified security under specified conditions.

NOTE — When settlement instructions are not given, standing instructions for delivery and payment apply. This message normally is the first one in a chain of events, therefore no facility is provided for referring to another message or transaction.

3.2.3 confirmation of purchase or sale: Confirmation sent by the executing party providing for the accounting in detail for the securities as well as the payment side of the deal.

NOTE — Whether it is a purchase or sale is specified by a code in field 023 "Further identification". When an order to buy or an order to sell is executed in several parts, normally one confirmation of purchase or sale is to be sent for each day of execution, and within that day, for each deal price if all other details to be specified are identical.

3.2.4 advice of execution: A report sent by the executing party to give brief and early information about a securities deal.

NOTE — Whether it is a purchase or sale is specified by a code in field 023 "Further identification". To convey complete details when available, a confirmation of purchase or sale (MT 510) is used.

3.2.5 request for amendment message: A message used to modify a previous message.

NOTE — It is not permitted to change the contents of fields 35A "Quantity of securities", 35B "Identification of securities" and field 35E/35F "Certificate or serial number(s)" or to change more than one field of the original message using the amendment message (MT 578). In those cases the original message should be cancelled and re-issued. The quantity and identification of securities of the original message should be repeated unless the original message was of a type making such information irrelevant, for example statements. If the message to be amended included fields 023 "Further identification", 35A "Quantity of securities" and 35B "Identification of securities" these should also be included unchanged in the request for amendment. The request for amendment message is subject to acceptance by the receiver. The receiver should promptly inform the sender if the request is not accepted. For complete cancellation the cancellation message (MT 592) should be used.

3.2.6 request for cancellation message: A message used to cancel a previous message.

NOTE — The quantity and identification of securities of the original message should be repeated unless the original message was of a type making such information irrelevant, for example statements. A request

for cancellation message is subject to acceptance by the receiver. The receiver should promptly inform the sender if the request is not accepted.

3.2.7 query message: A message used to request further particulars about a previous message.

3.2.8 reply message: A reply to a request for amendment message, or to a request for cancellation message or to a query message.

3.3 Miscellaneous definitions

3.3.1 field code: A code used in place of the name of the field and independent of the language.

NOTE — It is always a three character code. The characters can be two figures and a leading zero or two figures and one capital letter in the third position. The presence of a small letter means that different options exist in using that code which are described in clause 7. A small "s" is used to indicate that different formats ("A" to "F") exist for one field.

3.3.2 format: An item that describes the limitations in the use of fields.

Scheme

