

Report of the TC68/SC4-Chairman

1. Secretariat of ISO TC68/SC4

Mrs Heidi Ehrensberger was appointed as the new SC4 secretary as of March 1st 2004. Her contact data is available on the following website: <http://isotc.iso.ch/livelink/livelink>.

2. Plenary Meetings of SC4

The 2004 meeting was held in Seoul on September 20th & 21st. In 2005 the plenary meeting will be hosted by SWIFT in Brussels. The chinese delegation has volunteered to host the 2006 meeting in China.

3. Ballot of change of name of TC68/SC4 and reorganisation of TC68

At the last TC68-meeting a reorganisation of the TC was agreed. The main changes in the organisation are the creation of an additional SC "Core Banking" and the move of ISO 20022 from SC4 to TC68. Taking into account this reorganisation, I proposed to discuss the change of name/scope of SC4 at the plenary meeting in Seoul, in order to check whether such a change is still appropriate. The decision of the plenary was then to keep the present name.

4. ISO 20022

4.1 Change of reference number and name of ISO 15022, 2nd edition

The change of reference number and name of ISO 15022, 2nd edition has been accepted by the SC4-membership with a large majority.

4.2 Balloting of the ISO 20022 Technical Specifications

The 3 technical specifications have been successfully balloted. Therefore ISO 20022 consists of 5 parts.

5. ISO 15022 – Scheme for Messages

5.1 Status

ISO 15022 has become a key standard for the securities industry and is in use by most banks world-wide. The messages developed under ISO15022 cover diverse business areas like: Collateral Management, Corporate Actions, Depot Management, Inter-Depository messages, Loan/Deposit messages, Settlement Instructions, Settlement Confirmation, Lending and Borrowing.

5.2 Market Data Providers project:

At their general meeting hold in Brussels on June 9th, the SWIFT shareholders accepted the Market Data Providers as a further SWIFTNet participants category. The Market Practice in use by the Information Providers is the global one. In addition, the major providers have agreed on a set of guidelines and rules for maintaining their corporate action messages (MT 564 and 568).

5.3 Cooperation with UN/CEFACT

Since December 2003 the discussions between ISO TC68/SC4 and UN/Cefact - TBG5 continued to progress and it became clear that ISO 20022 should be assigned to TC68 since its scope covers the entire financial industry.

At the CAG-Meeting held in Paris on May 6th, the TC68-Chairman and the CAG members expressed their approval to move ISO 20022 to the TC level.

The cooperation with UN/Cefact-TBG5 was also recognized as being an essential objective. Following a resolution taken at the TC68 plenary meeting on June 15, 2004, a cooperation agreement has been jointly signed by TC68, TBG5 and SWIFT as the ISO 20022 Registration Authority.

6. ISO 6166 – International Securities Identification Number

5.1. Requested revision of ISO 6166

An ANNA task force has investigated the problem raised by the USA, the UK and Italy relating to the international debt issues and proposed a solution to the ANNA General Meeting held in Oslo on June 3-4, 2004. The proposed solution was adopted as reflected by a resolution of the ANNA General Meeting.

5.2. ISIN licensing fees

Resolution 483: ANNA was asked to include details of the relationship between ANNA and the NNAs and between ANNA and SC4 in their annual report.

7. ISO 18773 and 18774 – Financial Instrument Short Name

The “Financial Instrument Short names” and the “Abbreviations” standards have been successfully balloted as D.I.S. by May 5th, 2004 and will be now circulated as F.D.I.S.

Before balloting them as a FDIS there is major problem to solve. The standards drafts recommend ANNA as the Registration Authority for both of them. However it was uncertain whether ANNA is willing to take over the RA function for these two standards. The ANNA board expressed many times concerns with the ability of the numbering agencies to maintain additional data elements.

After an exchange of views with the ANNA chairman and the general secretary, the 2004 plenary meeting of SC4 voted the following resolution:

Resolution 498: SC4 welcomed the commitment in principle by ANNA to act as Registration Authority for ISO 18773 and 18774 pending operational review and that negotiation with ISO will now commence.

Resolution 499: It was resolved that the ANNA board will conduct a study to have a clear implementation plan in compliance with ISO Directive Annexe H1 for ISO 18773 & 18774.

8. ISO 19312 – Market Data Model

An important component of the securities industry is Financial Instrument Attributes and other Market Data. Specific market data items are used in virtually every business process of the securities industry. Defining them progressively, at the time each business process and related messages are modeled, includes the risk of having many inconsistencies at the data elements level.

The preferred approach is to define a whole Market Data data model with the help of experts in the field and the agreement of the community at large. This pre-defined model would be fed into the ISO 15022 Data Dictionary for the benefit of all subsequent ISO 15022 message developments.

This is indeed an important work item and I am happy to state that WG11 is progressing rapidly toward an international standard draft.