Message Exchange ISO 15022

VPS uses the international standard for the exchange of electronic messages between participants in the securities markets, ISO 15022. This allows participants in the settlement system to apply the same standard for their communications with both customers and VPS.

The ISO 15022 messaging product is principally relevant to settlement participants in the VPS system, but some features of the product will also be useful for account operators. In addition, VPS has developed specific message types for Corporate Actions.

Our service, known as VPS Message Exchange ISO 15022, represents a material enhancement of the efficiency of the settlement cycle. Improved efficiency will result in faster transaction processing throughout the value chain, together with a greater degree of automation for the back-office function that in turn will lead to fewer manual errors.

**Message types**

MT540 – MT543 Instructions (trading transactions) are sent by customers to VPS on a continuous basis, and include buying and selling instructions with or without payment.

MT544 – 547 Confirmations are created automatically the moment that settlement at Norges Bank has been approved.

MT548 Status update messages will be generated automatically by VPS and sent to the party that input the trade instruction in question every time the status of the transaction changes. These messages will include all types of error notification and status update that may apply to a trading transaction before the settlement book entries take place. The events that trigger these messages occur throughout the day.

MT578 An allegement message is produce when one of the parties to a trade has registered a transaction, but the counterparty to the trade has failed to register the transaction. The system automatically sends a message to the party that has not submitted its registration.

MT586 Statement of Settlement Allegements can be requested by submitting a MT549 Request
message, and the statement will list all transactions that have not yet been confirmed.

MT535 – MT537 Statements can either be requested by the party that administers a securities account by submitting a MT549 Request message, or are sent out automatically by subscription. Statements available include information on holdings, settled transactions and transactions that are awaiting settlement.

MT598 Final messages provide confirmation that settlement entries have been completed, and this message is sent to a participant when the VPS system has completed its production of messages.

MT564 Notifications are produced on the basis of information registered in the Corporate Action systems, VPS Company Services and VPS FIXIN, and these messages are generated when the date for the publication of this information in VPS is reached.

MT566 Confirmation messages are in principle generated on the basis of the same criteria as for MT564 messages. MT566 messages are produced for securities when amounts are credited/debited to the VPS account, and are produced for payments on the same day that the payment file is sent to Nets.

**Technical requirements for participants to use the new standard**

Customers can use IBM WebSphere MQ or SWIFTNet in their communication of messages with VPS.