



UK Funds Market Practice Group

Transfers

V3.0 Change Note

9/11/2015

1. Introduction

- 1.1 This document describes the changes to the UKFMPG Transfers Market Practice for the upgrade from version 2.2 to version 3.0.
- 1.2 The key change to the market practice is the decomposition into component parts. Separate market practice documents now exist for:
- Core Portfolio Transfers
 - GIA Transfers
 - ISA Transfers
 - Pension Transfers
 - Fund Transfers
 - Intermediate Unit Holder Transfers
- 1.3 This is described in the UKFMPG Transfers Overview document.
- 1.4 This change note covers all market practice documents and the affected documents are listed with each change.

2. Issue 10 – Partial Transfers – Core Portfolio Transfers

- 2.1 The following types of partial transfers will be supported:
- Specific unit amount of an individual asset
 - % of holdings within an individual asset
 - Specific value of an individual asset
- 2.2 Not all types of partial transfers will be supported for all asset and wrapper types. Only the following will be supported:
- All wrapper types
 - Uninvested Cash: % or specific value
 - Funds, CREST and other assets: % or specific unit amount
 - Pensions only
 - Funds, CREST and other assets: specific value

- 2.3 It will not be valid to request a partial transfer for an ISA including current tax year contributions (i.e. a transfer request for either 'current tax year' or 'both current and previous tax year' contributions).
- 2.4 Additional optional fields for 'partial unit amount', 'partial % of holdings', and 'partial cash value' will be included for each asset of type Uninvested cash, Funds, CREST registered securities, and Other Assets. These fields will be included in the Portfolio Transfer Request and echoed back in Portfolio Transfer Confirmation message.
- 2.5 Partial cash values will be defined in GBP except for 'Other assets' which may be in any currency.
- 2.6 Support for partial transfers will be optional. Requests for partial transfers that are not supported by a given participant may be rejected with an appropriate rejection reason.

Technical: Within the *PortfolioTransferInstruction* message (and echoed back in the *PortfolioTransferConfirmation* message): Add an optional extension element '*PdctTrf/PartialTransfer*' (which if included has a value of '*PerAsset*'). In addition, add an optional extension element to each asset '*PdctTrf/FinInstrmAsstForTrf/PartialTransfer*' which if included will contain either '*Identification||Units||1234.567890*', '*Identification||Percentage||12.34*', '*Identification||CashValue||CCY||1234.56*'. *Identification* as defined in the '*FinInstrmAsstForTrf/Identification*' field. CCY as defined by the ISO Currency Code list. Add rules indicating when to use the new extensions.

3. Issue 27 – Document Restructure – All document

- 3.1 As described above, the market practice documentation will be decomposed into its component parts.
- 3.2 The only impact on message content will be the use of the Market Practice Version field. This will now be used to specify the market practice component as well as the version. This will allow just an individual component to be changed in future market practice upgrades.

4. Issue 46 – Improved Cash ISA Support – ISA Transfers

- 4.1 Add support for Cash ISA account identifiers typically used by banks and building societies.
- 4.2 Add an optional 'sort code' field for Cash ISAs only. The new field will be included in Information Request, Information Response, Portfolio Transfer Request and Portfolio Transfer Confirmation messages.

Technical: Within *AccountHoldingInformationRequest*, *AccountHoldingInformation*, *PortfolioTransferInstruction* and *PortfolioTransferConfirmation* messages, a new optional extension element '*TrfrAcct/SortCode*' which contains a sort code '*123456*'. The sort code must be 6 digits without spaces or hyphens.

5. Issue 48 – Asset Type Discovery – Core Portfolio Transfers

- 5.1 The asset type will be explicitly identified in the Information Request message in a separate field rather than implied by the data content. (This is already the case for other portfolio messages.)

Technical: Within *AccountHoldingInformationRequest*, a new mandatory extension element (for ISIN based assets) *'PdctTrf/FinInstrmAsstForTrf/DlvrgAgtDtls/PlcOfSttIm'* must be populated with either *'Identification||BIC||FMBIC'* where FMBIC is that of the Fund Manager, *'Identification||BIC||CRSTGB22'* for CREST or *'Identification||Name||FMName'* where FMName is the name of the Fund Manager (if the BIC is unknown), restricted to 35 characters BasicLatin as per equivalent field within *InformationResponse*.
Identification as defined in the *'FinInstrmAsstForTrf/Identification'* field.

6. Issue 49 – External Investment Account – Core Portfolio Transfers

- 6.1 Add a new Other Asset type of 'External Investment Account' for non-discretionary investment accounts operated outside the control of the portfolio account servicer.
- 6.2 This will be an additional valid value for the existing Other Asset type field.

Technical: Update the Data Type *OtherAssetType* to include *'ExternalInvestmentAccount'*.

7. Issue 50 – Non-CREST Equities – Core Portfolio Transfers

- 7.1 Add a new field for 'Other Assets' to allow asset identifiers (e.g. ISIN) to be given separately from the description. The new field will be included in Information Request, Information Response, Portfolio Transfer Request and Portfolio Transfer Confirmation messages.

Technical: Within *AccountHoldingInformationRequest*, *AccountHoldingInformation*, *PortfolioTransferInstruction* and *PortfolioTransferConfirmation* messages, add optional extension element *'PdctTrf/FinInstrmAsstForTrf/AdditionalOtherIdentifier'* which should contain *'Identification||AdditionalIdentifier'* (where *Identification* is as per the *'PdctTrf/FinInstrmAsstForTrf/Id'* field).

8. Issue 51 – Non-GBP Cash – Core Portfolio Transfers

- 8.1 Change the 'Other asset' type name from 'Cash on deposit' to 'Other cash holding'.
- 8.2 Add clarifications to the document that any cash holding in currencies other than GBP should be specified as 'Other cash holding'.

Technical: Update the Data Type *OtherAssetType* as above.

9. Issue 54 – Ceding IUH BIC

- 9.1 Add new fields for the ultimate Ceding IUH BIC so that the Acquiring IUH knows the party from whom received assets are being delivered. This requires two changes:
 - Add a new field for each asset line in the Portfolio Transfer Confirmation message for the ultimate Ceding IUH BIC.
 - Similarly, add a new field to the IUH Transfer In Instruction for the ultimate Ceding IUH BIC.

Technical: Within *PortfolioTransferConfirmation* message, allowed usage of 'PdctTrf/FinInstrmAsstForTrf/DlvrgAgtDtls/Ptyld' to provide either a BIC or a Name for the ultimate Ceding party. In addition, within *TransferInInstruction* message, allowed usage of 'SttlmDtls/SttlmPtiesDtls/DlvrgAgtDtls/Ptyld' to provide either the BIC ('BIC||CedingBIC') or a Name ('Name||CedingName') for the Ceding party (as identified by the Ceding party).

Supporting notes:

- 9.2 *When an acquiring IUH receives a transfer in instruction, there is currently no detail in the message indicating who the ceding party is. When they receive confirmations from the fund manager, this lack of information can make reconciling the confirmation difficult.*
- 9.3 *It is therefore proposed that a BIC identifier for the ultimate ceding party (the party instructing the fund manager) is included in all fund related transfer in instructions sent to an IUH.*
- 9.4 *To facilitate this change, a BIC will need to be included in the portfolio transfer confirmation message for all in-specie fund transfers to allow the ceding party to identify the ultimate ceding party (which may be their own BIC or that of a sub custodian) to the acquiring party.*
- 9.5 *Where the transfer includes a v1 market practice ceding party, the Transfer In Instruction will include the Ceding Party's Bic as any Ceding IUH will not be known by the Acquiring party.*

10. Issue 58 – Zero Payment Advice – Core Portfolio Transfers

- 10.1 An account may contain some un-invested cash at the time of transfer confirmation but this could be exhausted (through charges or subsequent user activity) before the transfer completes. This can result in the Acquiring Party waiting for a Payment Advice that is never sent. In this case the Ceding Party should send a Payment Advice with a zero value.

Technical: Allow a value of 0.00 in a Payment Advice message.

Pension Specific Changes

11. Issue 59 – Pension drawdown status – Pension Transfers

- 11.1 Replace the pension drawdown indicator in the Information Response and Portfolio Transfer Confirmation messages with a drawdown status field with values of: No Drawdown, Full Drawdown, Partial Drawdown. This applies only to the scope of the requested transfer.

Technical: Within *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages, replace the existing 'PdctTrf/Prtfl/Prtfl/PolicyInDrawdown' true/false indicator with a more specific extension: 'PdctTrf/Prtfl/Prtfl/PolicyDrawdown' with values of 'None', 'Partial', and 'Full'.

12. Issue 60 – Pension Sharing and Earmarking– Pension Transfers

- 12.1 Replace the Sharing Order Indicator in the Information Response and Portfolio Transfer Confirmation messages with two separate fields: Pension Sharing Indicator and Earmarking Order Indicator.

Technical: Within *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages, remove the existing 'PdctTrf/Prtfl/Prtfl/SharingOrder' indicator, and introduce two new indicators: 'PdctTrf/Prtfl/Prtfl/PensionSharing' and 'PdctTrf/Prtfl/Prtfl/EarmarkingOrder' with values of 'true' or 'false'.

13. Issue 61 – Pension LTA indicator– Pension Transfers

Remove the LTA Protection indicator from the Information Response and Portfolio Transfer Confirmation messages.

Technical: Within *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages, remove the existing 'PdctTrf/Prtfl/Prtfl/LTAProtection' indicator.

14. Issue 62 – Pension Retirement Age Protection – Pension Transfers

- 14.1 Add a new 'Retirement Age' field to the Information Response and Portfolio Transfer Confirmation messages only to be set when the Block Transfer Indicator and Retirement Age Protection Indicator are set.

Technical: Within *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages, introduce a new extension 'PdctTrf/Prtfl/Prtfl/RetirementAge' containing age in years. Add rules to define usage (only when Block Transfer and Retirement Age Protection).

15. Issue 63 – Pension Tax Free Cash Protection – Pension Transfers

- 15.1 Add two new fields to the Information Response and Portfolio Transfer Confirmation messages: Tax Free Cash Amount as at 05/04/2006 in GBP; Value of Policy as at 05/04/2006 in GBP. These fields only to be set when the Block Transfer Indicator and Tax Free Cash Protection Indicator are set.

Technical: Within *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages, introduce two new extensions 'PdctTrf/Prtfl/Prtfl/TaxFreeCashAmountAt2006-04-05' and 'PdctTrf/Prtfl/Prtfl/ValueOfPolicyAt2006-04-05' both containing cash value (e.g. 1234.56) in GBP to 2 decimal places. Add rules to define usage (only when Block Transfer and Tax Free Cash Protection).

16. Issue 64 – Pension ring-fenced tranches – Pension Transfers

- 16.1 Add a Ring-fenced Drawdown Assets Indicator field to the Information Response and Portfolio Transfer Confirmation messages. This should be set where one or more drawdown tranches with ring-fenced assets are present within the scope of the requested transfer.

- 16.2 Change the Pension Transfer documentation to state that drawdown tranches with ring-fenced assets *may* be transferred as separate portfolios rather than *must* be. This decision is to be made by the Acquiring Party.

Technical: Within *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages, introduce new extension field: 'PdctTrf/Prtfl/Prtfl/ContainsRingfencedDrawdownAssets' with value of 'true' or 'false'. Add rules to define usage (only when PolicyDrawdown is Partial or Full).