



## UK Funds Market Practice Group

### Transfers

### V2.2R2 Change Note

10/03/2015

#### 1. Introduction

- 1.1 This document describes the changes to the UKFMPG Transfers Market Practice for the upgrade from version 2.1 to version 2.2.
- 1.2 Version 2.2 is intended for live use from Sunday 29<sup>th</sup> November 2015.

#### 2. Issue 5 – Encash All

- 2.1 An 'Encash All' flag is to be added as an extension field in the Portfolio Transfer Request message and will apply to all types of portfolios. No asset data will be included if the flag is set.
- 2.2 If set, the ceding party should sell all assets and forward all proceeds to the acquiring party.

**Technical:** Within the *PortfolioTransferInstruction* message, relaxed the *MinOccurs* of the *Financial Instrument Assets For Transfer* element to 0. Added the optional extension element '*PdctTrf/EncashAll*' (which if included has a fixed value of 'true'). Added a rule indicating when to use the *EncashAll* extension element.

#### 3. Issue 8 – Cash ISAs

- 3.1 Market practice document to be updated to state that all Cash ISAs are in scope (whereas previously bank deposit Cash ISAs were specifically excluded). This simply allows participants to support bank deposit Cash ISAs if they wish rather than place any obligation on them to do so.

#### 4. Issue 9 – Pension Types

- 4.1 Pension types to be changed to: "SIPP", "Group SIPP" (implying workplace SIPP), "SSAS", "Individual Stakeholder", "Group Stakeholder", "Personal Pension", "Group Personal Pension", "Section 32", "Section 32A", "Retirement Annuity", "Occupational DC", "EPP", "FSAVC", "AVC".
- 4.2 This will affect the *PensionSchemeType* extension field in the Information Request, Information Response, Portfolio Transfer Request and Portfolio Transfer Confirmation messages.

**Technical:** Updated the Data Type *PensionSchemeType* as above

## 5. Issue 21 – Character Set

- 5.1 Market practice document to state that all characters in free text fields will be restricted to the 'Basic Latin' character set.

## 6. Issue 22 – Reference Use

- 6.1 Market practice document to define a new constraint that prohibits a given portfolio discovery reference being used for any subsequent portfolio instruction unless it relates to the same account transfer and the discovery was successful.

## 7. Issue 23 – Account Validation

- 7.1 Account Validation rules (for Information Request and Portfolio Transfer Instruction messages) to be changed as follows:

- Individual account holder fields:
  - Forename to be mandatory and include first name only (middle names not to be used) and validated by ceding party
  - Surname to be mandatory and validated by ceding party
  - DoB (Date of Birth) to be mandatory and validated by ceding party if held
  - NINO (National Insurance Number) to be:
    - GIA: Optional
    - Pension: Conditional – Must be given if the customer has a NINO and may only be omitted if the sender has confirmed that the customer does not have a NINO.
    - ISA: Mandatory – Where the sender has confirmed that the customer does not have a NINO then the universal dummy (XX999999X) should be used.
  - NINO to be validated if held and to comply with the regular expression  $^{[A-Za-z]{2}[0-9]{6}[A-Za-z]{1}}\$$  (example format 'AB123456C')
- Organisation account holder fields
  - Organisation name to be mandatory (for corporate accounts) and validated by ceding party
- Postcode to be mandatory for UK country code and must be validated if specified. Standard postcodes must include a space (example format 'AB12 3CD') but the format is not constrained by a regular expression so that BFPO and other non-standard formats may be used. (The postcode for the registered address should be used for ISAs.)
- When validating accounts with multiple holders the primary account holder must match, and the secondary holders must all be present but may appear in any order (Applies to GIAs only)
- Names that are longer than the specified field length (typically 35 chars) should be simply truncated and not abbreviated in any other way.

- Requests/instructions may be rejected where no exact match is found for the above fields but may alternatively be subjected to some more relaxed matching process (perhaps manual checking by admin staff) according to ceding party policies and accepted. The ceding party would accept liability for a mismatch in this case.

**Technical:** Changed *MinOccurs of BirthDate* within *Primary* and *Other Individual Investor* within *Account Holding Information Request*, *Account holding Information*, *Portfolio Transfer Instruction* and *Portfolio Transfer Confirmation* messages to be 1 and removed *DateOfBirthRule* rule (as necessary previously where DOB was mandated for pensions)

Updated usage guidelines text for all relevant elements to capture decisions above within *Account Holding Information Request*, *Account holding Information*, *Portfolio Transfer Instruction* and *Portfolio Transfer Confirmation* messages.

## 8. Issue 30 – Drawdown Changes

8.1 The following changes will be introduced in support of changes to pension regulations:

- Add a UFPLS (Uncrystallised Funds Pension Lump Sums) indicator flag to a new extension field in the Information Response and Portfolio Transfer Confirmation messages (in addition to the existing Drawdown indicator flag)
- Replace the drawdown type 'Flexible Drawdown' with 'Flexi-Access Drawdown' in the DrawdownTranche extensions field in the Drawdown message.
- Replace the %LTA used extension field in the Transfer Complete message with a new extension field to be repeated for each Benefit Crystallisation Event (BCE) and containing: Date, Currency, Amount and %LTA Used
- Add "Drawdown triggered date" field for each Flexi-Access Drawdown tranche in the Drawdown Information message
- Add "Money Purchase Annual allowance rules triggered" indicator and "Money Purchase Annual allowance rules triggered date" field (to be set only when the indicator is true) to the Portfolio Transfer Confirmation message
- Rename "Dependents drawdown" indicator to "Beneficiary drawdown" indicator in the Drawdown Information message and add the following fields:
  - Beneficiary type, one of "Dependant", "Nominee", "Successor" (applicable only when the "Beneficiary drawdown" indicator is set)
  - "Member under 75 at death" indicator (applicable only when the "Beneficiary drawdown" indicator is set)

**Technical:** Added new UFPLS extension field '*PdctTrf/Prtfl/Prtfl/UFPLS*' of type *YesNoIndicator* to *AccountHoldingInformation* and *PortfolioTransferConfirmation* messages.

Renamed drawdown type *Flexible* to *FlexiAccess* within the *DrawdownTranche* extension element of the *TransferInstructionStatusReport* message.

Added new repeating *BenefitCrystallisationEvent* extension element '*StsRpt/Sts/BCE*' to the *TransferInstructionStatusReport* message with format '*YYYYMMDD||GBP||12345.67||25.00*'. Each BCE record provides an event date, the currency (specified as GBP) and amount crystallised (to 2 decimal places) and the percentage of the lifetime allowance used by the

event (specified as a percentage value of 0-100 to 2 decimal places). Added *BCERule* indicating when to use the new repeating extension element. Removed the *PercentageOfLTAUsed* extension element and associated rule from the *TransferInstructionStatusReport* message.

Added *DateFlexiDrawdownWasTriggered* within the *DrawdownTranche* extension element of the *TransferInstructionStatusReport* message.

Added new extension fields

'*PdctTrf/Prtfl/Prtfl/MoneyPurchaseAnnualAllowanceRulesTriggered*' of type *YesNoIndicator* and '*PdctTrf/Prtfl/Prtfl/MoneyPurchaseAnnualAllowanceRulesTriggeredDate*' with the format 'YYYYMMDD' to the *PortfolioTransferConfirmation* message.

Renamed *DependentsDrawdown* indicator to *BeneficiaryDrawdown* indicator within the *DrawdownTranche* extension element of the *TransferInstructionStatusReport* message, and added new *BeneficiaryType* (one of "Dependant", "Nominee", "Successor", only to be specified if *BeneficiaryDrawdown* is true) and new *MemberUnder75AtDeath* indicator of type *YesNoIndicator* to the same element (only to be specified if *BeneficiaryDrawdown* is true)

## 9. Issue 32 – Manual asset re-registration

9.1 The address of the acquiring party nominee account will be added to each fund asset to be re-registered in:

- The Portfolio Transfer Instruction message sent from the acquiring party to the ceding party (and echoed back in the corresponding Portfolio Transfer Confirmation)
- The Transfer Out Instruction sent from the ceding party to their intermediate unit holder

9.2 This will allow the ceding party and ceding intermediate to generate paper stock transfer forms for non-electronic fund managers. This field will only be used for generating paper forms and will not be used to validate electronic instructions. Fund managers will ignore the field in all cases.

**Technical:** Added mandatory extension element

'*PdctTrf/FinInstrmAsstForTrf/TrfeeAcct/AccountAddress*' to the message *PortfolioTransferInstruction*. The extension contains the ISIN of the asset, and associated account address using a double pipe as the separator, per the following example:  
*GB0012345670||1 High Street||London|||||||W1 2EH||GB*

The address details should be specified as address lines 1 to 5, postcode and country code. Items will be separated by a double pipe even where an element is not provided (as shown in the example above). Individual address Lines should be limited to 35 characters (truncated rather than abbreviated as necessary). For UK addresses PostCode is mandatory. Standard postcodes must include a space (example format 'AB12 3CD') but the format is not constrained by a regular expression so that BFPO and other non-standard formats may be used. Country Code should be from the ISO 3166-1 Alpha-2 code set.

The field has also been added to the *PortfolioTransferConfirmation* and should echo the value received in the instruction message.

Added extension element '*SttlmDtls/SttlmPtiesDtls/RcvrDtls/AccountAddress*' to message *TransferOutInstruction*. The extension is to be mandatory when instructing an intermediate unit holder to transfer a fund. The element should not be included otherwise. The extension contains the account address using a double pipe as the separator, per the following example:  
*1 High Street||London|||||||W1 2EH||GB*

The address details should be specified as address lines 1 to 5, postcode and country code. Items will be separated by a double pipe even where an element is not provided (as shown in the example above). Individual address Lines should be limited to 35 characters (truncated rather than abbreviated as necessary). For UK addresses PostCode is mandatory. Standard postcodes must include a space (example format 'AB12 3CD') but the format is not constrained by a regular expression so that BFPO and other non-standard formats may be used. Country Code should be from the ISO 3166-1 Alpha-2 code set.

The field has also been added to the *PortoflioTransferConfirmation* and should echo the value received in the instruction message.

## **10. Issue 36 – Preferred Payment Reference**

- 10.1 Add a new optional 'Preferred Payment Reference' extension field to the Portfolio Transfer Instruction message.
- 10.2 The market practice document to state that the ceding party should use the preferred payment reference for payments to the acquiring party where practicable but is under no obligation to do so.

**Technical:** Added optional extension element '*PdctTrf/Prtfl/PreferredPaymentReference*' to the *PortfolioTransferInstruction* and *PortfolioTransferConfirmation* messages.

## **11. Issue 37 – Timezone Usage**

- 11.1 Market practice document to state that the timezone should always be explicitly stated in time fields.

## **12. Issue 39 – Nominee Account Validation**

- 12.1 This change has been introduced to reduce the number of rejected transfer out instructions.
- 12.2 The fund manager should not validate the acquiring party account name. This applies to the acquiring party account name in the Transfer Out Instruction and, for fund manager to nominee transfers, to the acquiring party account name in each asset line in the Portfolio Transfer Request.
- 12.3 The only change to the market practice is to the commentary on these two fields to specify that the field should not be validated. The field is still mandatory and is still completed and passed in the message. The fund manager should continue to validate the ceding party account name and obviously the ceding and acquiring account numbers.

**Technical:** Relevant usage guidance updated in *PortfolioTransferInstruction* and *TransferOutInstruction* messages.

### **13. Issue 41 – Non-electronic Exchanges**

- 13.1 Market practice document to clarify the following.
- 13.2 Ideally all parties would communicate electronically but in practice some parties will not be capable of electronic messaging and even where both parties are electronic there may be practical reasons why some exchanges cannot be achieved electronically.
- 13.3 Where an instruction or request is received electronically then the corresponding response should also be sent electronically.
- 13.4 Conversely, parties should not respond electronically if the original instruction or request was not received electronically (e.g. was received by post or fax).
- 13.5 The above will apply to:
- Information Requests and the corresponding Information Response, Rejection or Delay
  - Portfolio Transfer Requests and the corresponding Portfolio Confirmation, Rejection, Delay, Payment Advice, Drawdown Advice, and Completion
  - Transfer Out Instruction and the corresponding Transfer Out Confirmation and Transfer In Confirmation (other than in the exception described below)
  - Transfer In Instruction and the corresponding Transfer In Confirmation
- 13.6 Different phases of the overall portfolio transfer process should be treated separately. For example, a Ceding Party may receive requests from the Acquiring Party electronically but issue instructions to a Fund Manager manually.
- 13.7 When responding to a Transfer Out Instruction received electronically, a Fund Manager may send the Transfer In Confirmation manually where the Acquiring Party is manual. When responding to a Transfer Out Instruction received manually, a Fund Manager should also send the Transfer In Confirmation manually regardless of whether the Acquiring Party is capable of handling electronic messages. This is recommended as reference numbers received on paper may not be relied on to match transactions.
- 13.8 A BIC simply identifies a party and should not be used to infer that a party is capable of electronic messaging.
- 13.9 A BIC might be used to identify a manual party in the following instruction messages (and corresponding responses):
- Transfer Out Instruction - Acquiring Party BIC
  - Portfolio Transfer Request - Acquiring IUH BIC
  - Transfer Out Instruction and Transfer In Instruction to an IUH – Fund Manager BIC

#### **14. Issue 42 – Funds on CREST**

- 14.1 Market practice document to clarify that funds (TA registered mutual funds and not ETFs) should always be classified in the portfolio message as 'funds' rather than 'CREST registered securities' regardless of whether one or both parties choose to settle the fund via CREST. This applies to Information Request, Information Response, Portfolio Transfer Request and Portfolio Transfer Confirmation messages.

#### **15. Issue 43 – ISA Registered Address**

- 15.1 Market practice document to clarify use and validation of ISA Registered Address. All address details held for the ISA registered address should be included in the Portfolio Transfer Confirmation message by the ceding party. On receiving the Portfolio Transfer Confirmation message, the acquiring party should only validate that at least one of the address fields is completed.

#### **16. Issue 45 – Pensions Estimated Value**

Add "Estimated transfer amount" for pensions in an extension field on the Portfolio Transfer Confirmation message. The Ceding Party should use the last known valuation and does not need to undertake a new valuation.

**Technical:** Added optional extension element '*PdctTrf/Prtfl/Prtfl/EstValue*' to the *PortfolioTransferConfirmation* to be specified as '*GBP*' followed by the estimated value to two decimal places separated by a double Pipe character. E.g. '*GBP||25000.00*'. The extension is to be mandatory for Pension transfers and not present otherwise.

#### **17. Market Practice Version**

The Market Practice Version stated in all messages will be changed from UKTRANSFERS201311 to UKTRANSFERS201511.