Standards

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Discussion paper and Minutes
Payments

July 2014

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Table of Contents

1 Introduction

The PMWG members:	Representing:
Mr. Sathya Ram, HSBC	Hong Kong SWIFT User Group
Ms. Sandra Levati, Intesa Sanpaolo S.p.A.	Italian SWIFT User Group
Mr. Laurent Lafeuillade, Société Générale	French SWIFT User Group
Mr. Geert Van Antwerpen, KBC	Belgian SWIFT User Group
Mr. Thomas Egner, Commerzbank	German SWIFT User Group
Mr. Olivier Bogaerts, JP Morgan	U.K. SWIFT User Group
Mr. Peter Hittinger, ABN Amro	Dutch SWIFT User Group
Mr. John McKessy, SWIFT National User Group Chair	U.S. SWIFT User Group
Ms. Elena Barabanova, VTB bank	Russian SWIFT User Group
Mr. Paul Inglis, ANZ	Australian SWIFT User Group
Mr. Paul Sutter, SIX Interbank Clearing Ltd	Swiss SWIFT User Group
Mr. Sylvain Debeaumont, European Central Bank	European Central Bank (Observer)
Ms. Gina Russo, Federal Reserve Bank of New York	Federal Reserve Bank (Observer)

Ms. Tinne Verschueren, SWIFT
Ms. Denyse Sainsbury, SWIFT –SR 2015 Project Manager

2 Overview of User Change requests

2.1 CR 000749: Allow non-financial institution BICs in MT 900

Origin of request	
Requesting Country:	CH Switzerland
Requesting Group:	SKSF, Switzerland

Sponsors
SKSF, Swiss NMUG

Complies with regulation
None

Business impact of this request
Change is only on SWIFT validation rules without impact on Members applications.
Inconsistency in MT 900 validation rule on field 52 and SCORE and SCORE Service Description

Commitment to implement the change
Number of messages sent and received: 2.5 Mio
Number of messages impacted: 300,000
Commits to implement and when: SCORE Customer in 2015

Business context
1. All Corporate client which send payment instructs (MT 101) to debit the account of their branches and entities from one central BIC and wish to receive MT 900
2. The MT 900 is allowed in bank to corporate message exchange as per SWIFT SCORE Service Description. However the usage rules of the MT 900 do not allow in field 52a the BIC of a non-financial Institution
NETWORK VALIDATED RULES:
Identifier Code must be a registered financial institution BIC (Error code(s): T27,T28,T29,T45).

Nature of change
Option 1) Add Field 50 A to the MT 900 to allow correct mapping from MT 101 (as in the MT 910)
Option 2) Network Validated Rules for MT 900 Field 52 A that the Identifier Code must be a registered financial institution BIC must be removed
Comments: Option 1 would be the correct and sustainable solution, however this has an impact on every

financial institution which uses MT 101 and MT 900 with Corporates as the field must be implemented in the businesses applications and the mapping from MT 101 enhanced Option 2 would require only a change in the validation rules and no change in the business application of the SWIFT participants
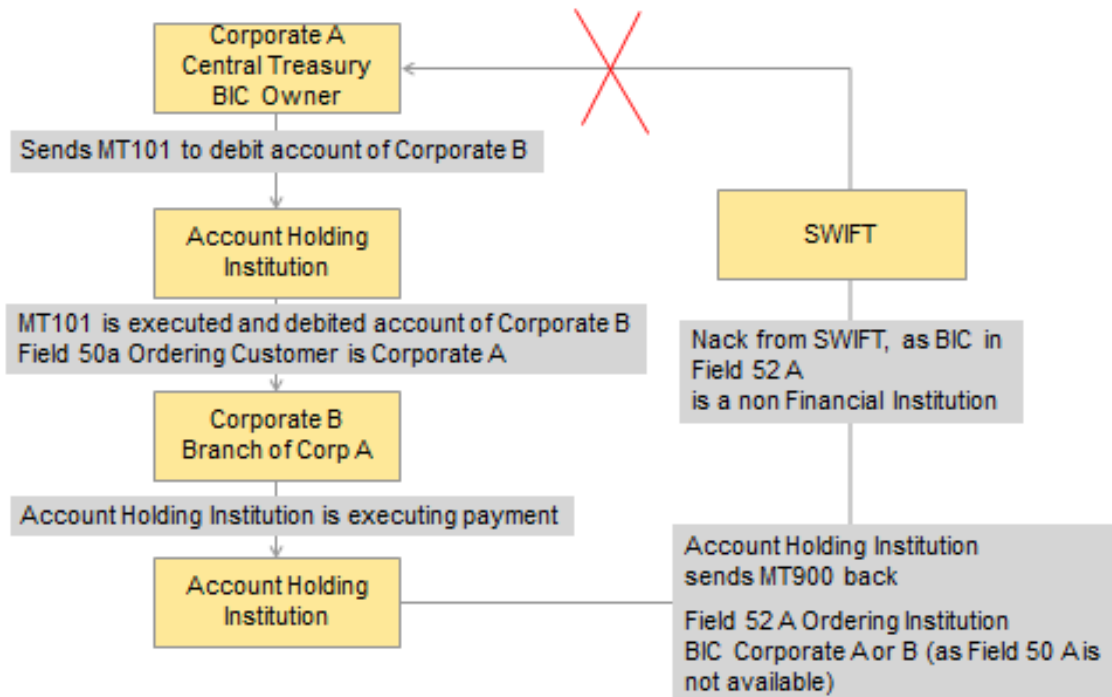
Message type(s) impacted

MT 900

Workaround

No workaround as MT 900 are NAKed

Examples

Flow MT101 - MT 900

SWIFT Comment

SWIFT wants to point out some issues/misuse described in the example that is given in the change request. The scenario described is called the 'relay' scenario in [SCORE](#). In the example of the change request, the concentration institution is not a financial institution, but a corporate (similar to case 3 in the SCORE MT guidelines.)

In the relay scenario, the correct use of the MT 101 is to indicate as ordering customer (field 50a) the account owner, not the concentrating institution (Corporate A can be optionally indicated as instructing party). In the debit confirmation message (MT 900), the party that you currently cannot indicate is the account owner (Corporate B) in this scenario. The account owner does not match the definition of field 52a in the MT 900:

Field 52a: Ordering Institution

This field identifies the institution <mark>*which instructed the Sender*</mark> *to execute the transaction resulting in this debit, when other than the Receiver.*

Even if the network validation in field 52a will be removed (as requested in the preferred option 2) of the change request), the use of field 52a as requested in the example is not a correct representation of the payments chain, because the role of the party indicated in field 52a is not matching the definition of the field.

The option 1), where the request is to add field 50a (similar to field 50a in MT 910) will increase consistency across the different MT messages and can cover the scenario described in the change request.

Please note that *CR 000761: Add field 13D (Date/Time Indication) to the MT 900 and MT 910* is also requesting an additional field in the MT 900.

Working Group Meeting

To be completed by Standards after the conference calls.

Discussion

Decision

2.2 CR 000761: Add field 13D (Date/Time Indication) to the MT 900 and MT 910

Origin of request	
Requesting Group:	US National Group

Sponsors
US National Group

Complies with regulation
To help subject FI's meet the Basel Committee on Banking Supervision's intraday liquidity monitoring requirements, particularly as concerns their external accounts.

Business impact of this request
HIGH - High Impact on business applications

Commitment to implement the change
Number of messages sent and received: 142.3 million MT 900 and MT 910 sent from/to the US in 2013.
Number of messages impacted: 28.4 million (20%)
Commits to implement and when: US National Group in 2015

Business context
1. All financial market participants that are subject to the BCBS intraday liquidity monitoring requirements whether they are building their own monitoring platform or asking a service provider to provide it for them.
2. The Liquidity Implementation Task Force, a group of 10 global broker dealers and their 17 service provider banks has developed a real-time liquidity reporting rulebook which recommends the use of the MT 900 and MT 910 as a means of updating an intraday cash position starting with the opening balance from the MT 950. Currently there is no means of time stamping the MT 900 or 910 with the date/time of the impact of the transaction on the intraday liquidity position, and adding an optional field 13D would provide this capability and facilitate meeting the BCBS requirements.

Nature of change
Add an optional field 13D to the MT 900 and MT 910.

We are aware that the definition in the UHB of the time in Field 13D is that of the time the report is generated. However, most, if not all, of the global transaction banks that will be asked by their customers impacted by regulatory requirements of the BCBS re: monitoring of intraday liquidity positions already have programmed their wire processing systems to transmit MT 900 and MT 910 messages in real-time when a payment instruction (debit) is released, or when a deposit (credit) is posted. The wire transfer systems routinely record these times when the liquidity position of the account is impacted, and so can supply those times into the proposed field 13D. Unlike the case of the MT 941 and MT 942, the MT 900 and MT 910, the real-time nature of the generation of these advices (aka "reports") and the fact that the processing systems can supply the exact time of the impact on the intraday position of the account, the use of field 13D is

completely consistent with the UHB definition of that field.

Workaround
Rely on a timestamp provided by the Receiver's SWIFT interface, which is unlikely to accurately reflect the actual time the intraday account position was updated.

Message type(s) impacted
MT 900, MT 910

Examples
Broker Dealer ABC needs to comply with its regulator's intraday liquidity monitoring requirements and demonstrate that at any given moment during the business day it knows what its cash position is.

ABC either builds its own technology solution and asks its 6 service provider banks to send it MT 900 and MT 910 messages reflecting subtractions and additions to the opening balances in the MT 950's it receives from them.

Or, alternatively, ABC asks its primary bank to build this platform for it, incorporating not only the accounts it maintains there, but also the accounts it maintains at its other banks. It requires these other banks to send MT 900's and MT 910's to its primary service provider on its behalf.

In order to accurately reflect the timing of the changes in the intraday account positions, ABC or its primary bank needs to be able to pinpoint the time the funds were added to or subtracted from the account opening balance. The date/timestamp in Field 13D would cater to this requirement.

SWIFT Comment

If this field will be added to the MT 900/910, the proposed new definition for field 13D is:
This field indicates the date, time and time zone at which the confirmation was created.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

2.3 CR 000750: Add Chinese CNAPS clearing code in existing MT clearing code lists

Origin of request	
Requesting Country:	CN China

Sponsors
NATIONAL MEMBER GROUP OF CHINA

Complies with regulation
None

Business impact of this request
LOW – Low Impact on business applications
Although currently CN code is not published in SWIFT standards User handbook, CNAPS clearing code has been used by many SWIFT users now when they do RMB payments.

Commitment to implement the change
Number of messages sent and received: ESTIMATE about 8 million RMB payment messages sent and received globally in 2013. And about 5.4 million MT 103 and MT 202 messages sent and received globally
Number of messages impacted: ESTIMATE about the same number of messages listed in the above cell will be impacted by the change
Commits to implement and when: All swift users are highly recommended to use the code when their payments relate to RMB clearing or settlement or when their payments relate to CHINA. IN 2015

Business context
1. SWIFT users in every country will benefit from the changes. The number of RMB payments is increasing very fast, according to the RMB TRACKER, the RMB is top10 payments currency. As more and more users in the world begin to do RMB business with Chinese banks, this change will benefit all the users. 1) The benefits For Chinese banks are to reduce manual process, and improve STP. 2) The benefits for foreign banks outside China is to make the payments reach the beneficiary's account exactly, as all Chinese banks have their own unique CN clearing code even though it is a very small bank or bank's branch in china. Meantime, this will also reduce the errors and reduce the returns. **Background:** In RMB payments, the RMB clearing in china will go through CNAPS system which is owned by the PEOPLE'S BANK OF CHINA, and each Chinese clearing bank has their own CNAPS clearing code. 2. Purpose for change: The overall benefit is to improve STP, reduce cost and make the operation more convenient. Detailed as follows: 1) CN clearing code will more clearly identify the Chinese bank just like BIC code. As some Chinese banks do not have BIC code but they have CN clearing code. 2) It will be more convenient to mapping the field between SWIFT message and CNAPS message. And now, some banks outside China have used CN CNAPS codes, but they must have agreement with Chinese banks. When CN code published as standards, any

bank will use this easily.

3) It will improve bank's STP, especially for the members of the CNAPS system. For example, if the message identified the clearing bank's CN code, the receiver does not need to do special manual processing.

NOTES: Now, customers can look up CN code from their bank. And at the end of 2014, CNAPS II will be launched for all Chinese banks in China, and each bank will have one CN clearing code for centralized clearing with CNAPS system, so it will be easier to look up banks' CNAPS clearing code in public.

Nature of change

Add CHINESE CNAPS clearing code:
CN 12…14n
In SWIFT message field : 52a、56a、57a、58a，95R(Only for MT 370、MT 670、MT 671)

Workaround

Chinese banks already recommended their counter parties to use the mentioned format '//CN12...14n' for CNAPS clearing code in those fields. Today it is (should be) based on bilateral agreements.

When this code is published in the UHB, no bilateral agreements are needed anymore as the code list is global. Today, participants still need to check with their CN correspondent to get the CNAPS code, but after the communication between Chinese commercial banks and the supervision faculties, which is under process, hopefully a CNAPS code list may be produced.

Message type(s) impacted

MT 101, MT 102, MT 102STP, MT 103, MT 103STP, MT 103 REMIT, MT 104, MT 107, MT 110, MT 111, MT 112, MT 200, MT 201, MT 202, MT 202 COV, MT 203, MT 204, MT 205, MT 205 COV, MT 207, MT 210, MT 256, MT 900, MT 910, MT 670, MT 671, MT 370, MT 559

Examples

Example1:
57A: //CN123456789012
    BKCHCNBJ

Example2:
57C: //CN123456789012

Example3:
57D: //CN132435469012
     BANK OF CHINA, XUZHOU BRANCH
     NO. 41 PANTAOSHAN ROAD
     ECON TECHNOLOGIC DEVELOPMENT AREA
     XUZHOU JIANGSU, CHINA

SWIFT Comment

Many SWIFT users have contacted SWIFT in the past about the lack of a reference regarding Chinese clearing code in the user handbook. Adding the code will increase visibility and stimulate global use.

Working Group Meeting

To be completed by Standards after the conference calls.

Discussion

Decision

2.4 CR 000751: Apply IBAN format and syntax validation in field 59a for country code HR

Origin of request	
Requesting Country:	HR Croatia

Sponsors
Croatian SWIFT National User Group

Complies with regulation
IBAN is mandatory account identification in all transactions (as of 1st June 2014)

Business impact of this request
MEDIUM - Medium Impact on business applications
Institutions sending payments to Croatia will have to implement additional checck (new country code)

Commitment to implement the change
Number of messages sent and received: 1.500.000 sent, 2.000.000 received
Number of messages impacted: 100%
Commits to implement and when: All banks in Croatia in 2014 (1st June)

Business context
1. The receiving banks will be able to process incoming payments in STP
2. The IBAN is the only allowed account identification of accounts in Croatian banks and is mandatory since 1st June 2014 in all transactions (national, cross-border and international). Without this change, the banks sending the payments could still use other formats and our banks need to enter the conversion processes.

Nature of change
The nature of the change is to add HR (Croatia) code into the above list.
Technical side: Add HR (Croatia) code to the D19_CC list of country codes and apply Validation Rule 119 (D19) to the extended list of codes.
Explanation:
See UHB Standards MT Category 1 – Customer Payments and Cheques. The Network Validation Rule C10 for MT103+ (C11 for MT102+) states:
If the country codes of the Sender's and the Receiver's BICs are within the following list: AD, AT, BE, BG, BV, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GF, GI, GP, GR, HU, IE, IL, IS, IT, LI, LT, LU, LV, MC, MQ, MT, NL, NO, PL, PM, PT, RE, RO, SE, SI, SJ, SK, SM, TF and VA, then the following applies:
• If field 57A is not present, the IBAN (ISO-13616) is mandatory in subfield Account of field 59a (Error code(s): D19).
• If field 57A is present and the country code of the financial institution BIC in 57A is within the above list of country codes, the IBAN (ISO-13616) is mandatory in subfield Account of field 59a (Error code(s): D19).
• In all other cases, the presence of the IBAN (ISO-13616) is optional and its format is not

validated in subfield Account of field 59a.

In other words, when MT103+ (MT102+) messages are sent between banks from the above list and a beneficiary bank (if different from Receiver) also is within the above list then the IBAN is mandatory in Account subfield of field 59a.

Message type(s) impacted
MT 102 STP, MT 103 STP

Examples
NA

SWIFT Comment

A similar request was received in SR 2013 for Israel and accepted by the PMWG.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

2.5 CR 000752: Usage rule for multiple occurrences of code word /INS/ in field 72

Origin of request	
Requesting Country:	NL, The Netherlands
Sponsors	
Dutch user community	
Complies with regulation	
None	
Business impact of this request	
MEDIUM - Medium Impact on business applications	
Commitment to implement the change	
Number of messages sent and received: Appr. 380 000 messages per month Number of messages impacted: 75 000 messages per month Commits to implement and when: NL community and the RBS Organisation in 2015	
Business context	

Summary:

When processing MT 103 Customer Transfer messages from FI Partner Banks there's often important data in the messages received from the counterparties that has to be retained and passed on in the payment sent on to clearing, partner banks or the final Receiver bank.

The current message standards give some guidance and structure re the use of the tag 72 Sender to Receiver Information field and the options available. The rules need enhancing so that they give clear guidance on how the standards are to be used when mapping important information from the Incoming MT 103 into the Outgoing payment.

One clear area of weakness relates to the use of code-word /INS/. Whilst the standards describe how to use INS from a formatting perspective they do not stipulate how many times it can be used. Or if there's a hierarchy when there's   multiple INS codes due to there being one in the MT 103 received and another INS having to be created as part of the outbound processing. Retaining all of the data and parties involved in the payment instruction ensures that the end to end payment chain is complete in the event of any regulatory enquiry.

- Due to the lack of formal standards and structure the above is open to misuse as there are clear no rules that say categorically that more than one code is allowed
- There are no guidelines re the sequencing of INS codes when there's more than one in the message chain
- The lack of clarity also leaves banks open to possible non STP claims for perceived misuse of tag 72
- From a compliance perspective the Usage rules need reinforcing to ensure that banks can retain all of the parties within messages when acting as a provider of Payment Services to other financial institutions

A change to the message standards would ensure full transparency re the end to end flow of

payment instructions

Nature of change

The proposal is to add the following text in the Usage rules of field 72:

The use of multiple /INS/ Codes is allowed in field 72. In case multiple /INS/ Codes are used, they should be sequenced as follows (see Business scenario example)

First INS Code – Instructing Institution, namely, the Ordering Bank in tag 52

Last INS Code – Instructing Institution , namely, the party from whom the sender of this MT 103 received the previous MT 103

Message type(s) impacted

MT 103

Examples
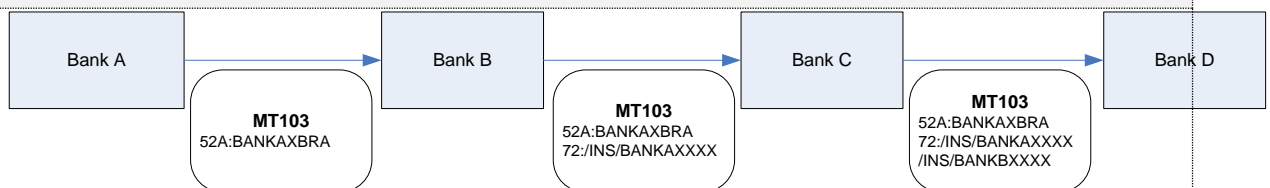
Background:
Bank C holds an account for another bank, Bank B
Bank C provides Bank B with payment processing services
Bank B in turn has a banking relationship with Bank A and provides payment services to Bank A

Scenario:
Bank A sends a MT 103 to Bank B.
The MT 103 has the branch of Bank A in tag 52A.

Bank B processes this MT 103 and forwards a MT 103 to Bank C
The MT 103 has a branch of Bank A in tag 52A (11 digit BIC) and the Head Office BIC of Bank A in tag 72, with an INS code-word (eight digit BIC)

Bank C processes the message as a Cross Border payment (MT 103, MT 103/MT202COV) and sends an outbound MT 103 to Bank D.
When mapping the Outbound MT 103 the tag 52A from the payment received is retained and mapped into tag 52A
Bank A is mapped as received into tag 72, with /INS/
Bank C has to map Bank B into the message as well from an end to end transparency perspective so a second INS code-word and BIC is added on line two of tag 72 /INS/
Tag 72 in the MT 103 now has two INS codes on two separate lines

72: /INS/BANKAXXXX
/INS/BANKBXXXX

SWIFT Comment

If the PMWG accepts this change request, SWIFT proposes the below updates:

Proposed Usage rule:

The code INS may be repeated to specify all previously involved financial institutions in the transaction chain.

Instructing institutions should be indicated in the order in which they were involved in the transaction chain, that is,

- *the first occurrence specifies the financial institution that received the instruction from the ordering institution and passed it on to the next institution in the transaction chain;*
- *the last occurrence always indicates the institution that instructed the sender of this message to execute the transaction.*

Proposed update to the definition of the code INS:

> INS   Instructing Institution   The instructing institution which instructed the sender or previous institution in the transaction chain, to execute the transaction.

The code INS is not only used in MT 103. The PMWG should consider implementation of the usage rule and the updated definition also in MT 103 REMIT, MT 102, MT 202, MT 202 COV, MT 203, MT 205, MT 205 COV.

The definition of the code INS in the MT 102 STP and MT 103 STP should not be replaced, because in these messages, a network validation rule limits the use of the code INS to maximum 1 occurrence:

If the code /INS/ is present at the beginning of a line, it must not be used again at the beginning of any other line (Error code(s): T47).

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

2.6 CR 000753: Make remittance information mandatory

Origin of request	
Requesting Country:	RU Russian Federation

Sponsors

Russian National SWIFT Member and User Group (ROSSWIFT)

Complies with regulation

Regulation of the Central Bank of Russian Federation "On the Bookkeeping Rules for the credit organizations located on the territory of the Russian Federation" No 385-P dd July 16 2012;

Regulation of the Central Bank of Russian Federation "On Funds Transfer Rules" dd June 19 2012 No 383-P;

 Regulation of the Central Bank of Russian Federation "On the Bank of Russia Payment System" dd June 29 2012 No 384-P;

Letter of the Central Bank of Russian Federation without number explaining the usage of field «Remittance information».

Business impact of this request

HIGH - High Impact on business applications

Improve the quality of the data transmitted and of the end-to-end payments' processing

Commitment to implement the change

Number of messages sent and received: For 14/04/2014 per year Russia have sent 48 487 604 MT 103 messages and received 43 726 546. And for MT202COV related figures are following – 2 171 349 and 1 749 946. And in total – 50 658 953 (sent) + 45 476 492(received)=96 135 445.

Number of messages impacted: 100%

Commits to implement and when: All SWIFT Users of Russian Federation in 2015

Business context

1. All SWIFT Users where national rules prescribe remittance information as mandatory.
2. The suggested change is a reflection of current practice and business logic. In accordance with regulations of many countries, Remittance information is mandatory to be present in the payment, being part of AML Requirements. In Russian Federation Remittance information is mandatory for payment orders which are overwhelming majority used and considered to be settlement documents equivalent to MT103.
3. This change will also help to avoid inquiries in case Remittance Information is missing and will lead to more transparency.

Nature of change

Change field 70: status from optional to mandatory

Message type(s) impacted

MT 103, MT 202 COV

Examples

> :70:CONTRACT NO 123 DD 130815

SWIFT Comment

Field 70 is not only used in the MT 103 and MT 202 COV. It's use is consistent across the MT 101, MT 102, MT 102 STP, MT 103, MT 103 REMIT, MT 103 STP, MT 104, MT 107, MT 202 COV and MT 205 COV.

There would be a major impact of this change for all SWIFT users. Not all messages require remittance information. This seems to be a very specific Russian requirement, because the request was not received from other communities and SWIFT would recommend a clearly defined Russian market practice.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion
Decision

2.7   CR 000755: Add a third mandatory subfield to field 71F: Sender's Charges

Origin of request	
Requesting Country:	RU Russian Federation

Sponsors
Russian National SWIFT Member and User Group (ROSSWIFT)

Complies with regulation
None

Business impact of this request
HIGH - High Impact on business applications
Add a third mandatory subfield to field 71F to include SWIFT BIC of a party which deducted the commission shown in the repetition of this field.

Commitment to implement the change
Number of messages sent and received: For 14/04/2014 per year Russia have sent 48 487 604 MT 103 messages and received 43 726 546. And in total – 92 214 150.
Number of messages impacted: 100%
Commits to implement and when: All SWIFT Users of Russian Federation. 2016

Business context
All users who use BEN/SHA charges codes for MT 103 and field 71F eventually;
This change will allow more transparency in the payment chain to show which party deducted certain commission. This change will also ensure decrease of customer inquiries initiated in respect of unknown/unrecognizable commissions.

Nature of change
Add a third mandatory subfield to field 71F to include SWIFT BIC of a party which deducted the commission shown in the repetition of this field.

Message type(s) impacted
MT 103

Examples
:71F:USD10, VTBRRUMM

SWIFT Comment

Adding the BIC in field 71F will have a big impact, but will increase transparency. PMWG members are asked to verify in their respective communities the number of issues encountered for unknown/unrecognizable commissions and the related cost. This will help to decide if the implementation cost of this additional subfield would outweigh the benefit.

For the code BEN, correct use of the standards, should always allow to give a correct representation of the deducted charges in the payment chain, based on the combination of:

- the network validated rule C14 *(If field 71A contains BEN, then at least one occurrence of field 71F is mandatory and field 71G is not allowed (Error code(s): E15)*
- the usage rule on field 71F *(This field may be repeated to specify to the Receiver the currency and amount of charges taken by preceding banks in the transaction chain. Charges should be indicated in the order in which they have been deducted from the transaction amount, that is, the first occurrence of this field specifies the charges of the first bank in the transaction chain that deducted charges; the last occurrence always gives the Sender's charges.)*
- PMPG market practice (http://www.swift.com/assets/swift_com/documents/about_swift/PMPG_Charges_Claiming_Process_v1_0.pdf) *payment charging codes BEN, SHA and OUR remain unchanged from the ordering to the beneficiary customer.*

For the code SHA, the PMWG can considered to add a usage rule in field 71F to clarify the network validated rule C14 (*If field 71A contains SHA, then field(s) 71F is(are) optional and field 71G is not allowed (Error code(s):D50).*

Proposed text for the usage rule:
In case the code SHA is used in field 71A, an occurrence of field 71F should be present per preceding financial institution in the transaction chain that is able to claim charges on this transaction, except for the ordering institution.

Field 71F is not only used in the MT 103. The PMWG is also asked to consider the change in MT 102, 102 STP, 103 STP and MT 103 REMIT.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion
Decision

2.8   CR 000760: NAK Payments messages which have commodities codes in currency fields and subfields

Origin of request	
Requesting Country:	GB United Kingdom

Sponsors
Precious Metals Working Group

Complies with regulation
None

Business impact of this request
MEDIUM - Medium Impact on business applications

Commitment to implement the change
Number of messages sent and received: 16,000 RECEIVE   Number of messages impacted: 500-750 RECEIVE   Commits to implement and when: Precious Metals Working Group in 2015

Business context
The Precious Metals Working Group and all those users of the correct Category 6 messages for the delivery and notice to receive for a commodity will benefit from this change.   Currently, the MT 202 & MT 210 are incorrect for the delivery and notice to receive for commodities eg Gold, Silver, Palladium & Platinum. This is incorrect usage of the messages and causes matching issues with the clients that are using the correct messages, that is the MT 604 Commodity Transfer/Delivery Order & MT 605 Commodity Notice to Receive.   Ensuring that everyone that uses SWIFT for Commodities adheres to using one message type MT 6** across the market.   Future Commodity workshops would be flawed when discussing and implementing changes in the MT 6** messages when we are still able to use other SWIFT message types for commodity currencies as potential workarounds for mandatory changes in the MT 6** Messages.

Nature of change
There will be a Network Validated Rule implemented that will not allow the use of XAU, XAG, XPD or XPT in the currency field (in both the MT 202 & MT 210 in field/s 32A or 32B) in the MT 202 & MT 210 messages

Message type(s) impacted
MT 202, MT 210

Examples
There is specific fields in the MT 604/605 that describes if the metal is unallocated or allocated and the location of the metal where at the moment in the MT 202/210 this can only be advised

in FIELD 72.

Old incorrect usage of the MT202

Explanation	Format
Sender	`CRESCHZZ`
Message Type	`202`
Receiver	`SMCOGB2L`
Message Text	
Transaction Reference Number	`:20:F345260`
Related Reference (1)	`:21:CRESZZ3605DEUTFF`
ValueDate, CurrencyCode, Amount	`:32A:910124XAU2000,`
Beneficiary Institution	`:58A:DEUTDEFF`
End of Message Text/Trailer	

(1) The common reference of the related MT 600.

New correct usage of the MT604

Explanation	Format
Sender	`CRESCHZZ`
Message Type	`604`
Receiver	`SMCOGB2L`
Message Text	
Commodity and Commodity Account	`:26C:/LONDON/UNALLGOLD9999`
Value Date	`:30:910124`
Transaction Reference Number	`:20:F345260`
Related Reference (1)	`:21:CRESZZ3605DEUTFF`
Further Identification	`:23:TRANSFER`
Quantity of the Commodity	`:32F:FOZ2000,`
Beneficiary of the Commodity	`:88A:DEUTDEFF`
End of Message Text/Trailer	

(1) The common reference of the related MT 600.

Old incorrect usage of the MT210

Explanation	Format
Sender	`DEUTDEFF`
Message type	`210`
Receiver	`SMCOGB2L`
Message text	
Transaction reference number	`:20:4534567`
Value Date	`:30:910124`
Related reference (1)	`:21:CRESZZ3605DEUTFF`
Currency code and amount	`:32B:XAU2000,`
Ordering institution	`:52A: CRESCHZZ80A`
Intermediary (2)	`:56A: MGTCGB2L`
End of message text/trailer	

New correct usage of the MT605

Explanation	Format
Sender	`DEUTDEFF`
Message Type	`605`
Receiver	`SMCOGB2L`
Message Text	
Transaction Reference Number	`:20:4534567`
Commodity and Commodity Account	`:26C:/LONDON/UNALLGOLD9999`
Value Date (1)	`:30:910124`

Related Reference (2)	`:21:CRESZZ3605DEUTFF`
Further Identification (3)	`:23:TRANSFER`
Quantity of the Commodity	`:32F:FOZ2000,`
Instructing Party (4)	`:82A:CRESCHZZ80A`
Deliverer of the Commodity (5)	`:87A:MGTCGB2L`
End of Message Text/Trailer	

(1) Field 21 of the incoming funds transfer. In this case, the reference contained in field 21 is a common reference from the related foreign exchange transaction. It will also appear in field 21 of the related funds transfer instruction.

(2) The financial institution from which the funds will be received.

(1) The date on which the Receiver is to receive the commodity.

(2) The common reference of the related MT 600.

(3) The code indicating that the commodity is to be transferred.

(4) The financial institution instructing the deliverer of the commodity to transfer the commodity to the Receiver.

(5) The financial institution which is to transfer the commodity to the Receiver in favour of the Sender.

SWIFT Comment

In SR 2012, a similar request was received for the MT 300. This was accepted and resulted in the following network validated rule in the SWIFT Userhandbook:
C7 In fields listed below, the codes XAU, XAG, XPD and XPT are not allowed, as these are codes for commodities for which the category 6 commodities messages must be used (Error code(s): C08):
Subsequence B1 Amount Bought, field 32B Currency Amount,
Subsequence B2 Amount Bought, field 33B Currency Amount,
Sequence C Optional General Information, field 71F Broker's Commission,
Sequence D Split Settlement Details, field 32B Currency Amount.

The proposed network validated rule for the MT 202/MT 210 is:
C7 In field 32A, the currency codes XAU, XAG, XPD and XPT are not allowed, as these are codes for commodities for which the category 6 commodities messages must be used (Error code(s): C08):

For consistency across the different payments MT messages and depending on the likelihood of misuse and impact, the PMWG can consider adding the network validated rule to more (or all) MT payments messages.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion
Decision

2.9   CR 000762: Claim charging settlement exception processing

Origin of request	
Requesting Country:	US United States of America

Sponsors
USNG

Complies with regulation
None

Business impact of this request
HIGH - High Impact on business applications

For all MT 202 messages the proposed change is to add field 70 (Remittance Information). This field specifies either the details of the individual transaction or a reference to another message containing the details which are to be transmitted to the beneficiary customer.

For claim settlement the actual intended beneficiary of the MT 202 is the settlement claiming bank in a MT 191 which in the claimed payment is the beneficiary of the funds. Thus the receiver of the remittance information in the MT 202.

The addition of field 70 would be an optional field in the MT 202.

The addition of field 70 will carry the use of the current code words accepted in field 70 and the addition of the current code words used in the MT 191 claiming message. The MT 191 claiming code words would be used to identify the claim exception type and the exception amount.

Code   Definition of Code

OURC   OUR charge - Charge for receipt of a customer payment (1XX type payment) with charging option OUR in Field 71A.

NSTP   Non-STP charge - Charge for a payment that required an intervention during processing.

AMND   Amendment charge - Charge for changes made to a payment order following a request from (original) sending bank or as a result of receiving amended information from (original) sending bank.

INVS   Investigation charge - Charge for an investigation or request for information required to complete payment processing.

CLEF   Clearing charge - Charge for standard processing of financial institution type transfers.

CANF   Cancellation charge - Charge for cancellation of payment.

 ex: "/NSTP/USD25 not valid claim" or information related to the exception ex; " /OURC/USD25 paid at cap amount". The amount quoted is the amount paid/cap amount.

Commitment to implement the change
Number of messages sent and received: 97 000 000
Number of messages impacted: 6 500 000

Commits to implement and when: USA, SWIFT user community in 2015

Business context

The business rationale for this change is to address exception processing related to the settlement of MT 191 claims. Claims paid via a MT 202 lack the required field to communicate the exception while not generating a counter NSTP claim or a manual reconciliation inquiry.

In addition this change will allow the claiming banks (Cross-Border Beneficiary Bank) who are not able to modify their claiming systems by bank to maintain their current claiming amounts and manage the exceptions.

The change request is to automate the settlement of claims paid from a MT 191 that currently require exception processing. Claims received and paid today are actually at times paid at an amount different from the claiming amount. These exceptions are generating new claims for NSTP and a manual exception reconciliation process thus increasing funds transfer investigations volumes.

Claims paid can require exception processing if any of the following occur;

- Multiple claims can be received in a MT-191. Valid claim formatting allows for claims formatted in field 71B on multiple lines ex; LINE 1:"/OURC/USD35" and LINE 2: "/NSTP/USD15". If the Originating Bank does not honor and pay both claims and exception is created.
- The Originating Bank only honors a claim up to their designated cap amount, which is less that the claimed amount. This also generated an exception inquiry outgoing to the claiming bank and possibly back to the paying bank.

Today, the originating bank will pay claims via MT 202 and advise the claiming bank of the exception by one of two means;

- Add code word /ACC/ or /INT/ in swift field 72 with details of the exception.
- Send an MT 199 or MT 299 message to claiming bank with exception details.

NEGATIVE EFFECT OF THE CURRENT EXCEPTION PROCESS

When claims are paid with code words /ACC/ and /INT/ counter "NSTP" claims are generated from the Claiming bank, thus creating NSTP claims on the actual payment of claims. In this case the original /OUR/ payment has generated two claims, /OUR/claim and a /NSTP/ claim.

The practice of sending a MT 199/299 creates unnecessary funds transfer inquires and a reconciliation difference that requires a manual correction for the claiming bank. This also increases the volume of SWIFT messages to the originating bank and the cost associated with the additional volume. The manual exception process also increases FTE time allocated for claim management on both sides of the claim.

Nature of change

The proposed change is to add field 70 (Remittance Information) to the MT 202 message type. The actual intended beneficiary of the MT 202 is the claiming bank which in the claimed original payment is the beneficiary of the funds. Thus the receiver of the remittance information.

The addition of field 70 would be an optional field in the MT 202.

The addition of field 70 will carry the use of the current field 70 code words listed below and the addition of the current code words used in the MT 191 claiming message. The MT 191 claiming

code words would be used to identify the claim exception type and the exception amount.

ex: "/NSTP/USD25 not valid claim" or information related to the exception

ex: " /OURC/USD25 paid at cap amount". The amount quoted is the amount paid/cap amount.

Current code words in field70:

INV Invoice (followed by the date, reference and details of the invoice).
IPI Unique reference identifying a related International Payment Instruction (followed by up to 20 characters).
RFB Reference for the beneficiary customer (followed by up to 16 characters).
ROC Ordering customer's reference.
TSU Trade Services Utility transaction. The code placed between slashes ('/') must be followed by the TSU transaction identifier, a slash ('/'), the invoice number, a slash ('/') and the amount paid.

MT 191 CLAIMING CODE WORDS
Code   Definition of Code
OURC   OUR charge - Charge for receipt of a customer payment (1XX type payment) with charging option OUR in Field 71A.
NSTP   Non-STP charge - Charge for a payment that required an intervention during processing.
AMND   Amendment charge - Charge for changes made to a payment order following a request from (original) sending bank or as a result of receiving amended information from (original) sending bank.
INVS   Investigation charge - Charge for an investigation or request for information required to complete payment processing.
CLEF   Clearing charge - Charge for standard processing of financial institution type transfers.
CANF   Cancellation charge - Charge for cancellation of payment.

Workaround

CURRENT EXCEPTION PROCESS
Today the originating bank will pay claims via MT 202 and advise the claiming bank of the exception by one of two means;
- Add code word /ACC/ or /INT/ in SWIFT field 72 with details of the exception in the settlement payment
- Send a MT 199 or MT 299 message to claiming bank with exception details.

NEGATIVE EFFECT OF THE CURRENT EXCEPTION PROCESS
When claims are paid with code words /ACC/ and /INT/ counter "NSTP" claims are generated from the Claiming bank, thus creating NSTP claims on the actual payment of claims. In this case the original /OUR/ payment has generated two claims, /OUR/claim and a /NSTP/ claim.
The practice of sending a MT 199/299 creates unnecessary funds transfer inquires and a reconciliation difference that requires a manual correction for the claiming bank. This also increases the volume of SWIFT messages to the originating bank and the cost associated with the additional volume. The manual exception process also increases FTE time allocated for claim management on both sides of the claim.

Message type(s) impacted

MT 202
Examples
Bank A sends a SWIFT MT 103 to Bank B in favour of ABC Company by order of 123 corp with field 71A as OUR. *Bank B sends an MT 191 claim payment to Bank A claiming "/OURC/USD25" and "NSTP/USD25".* *Bank A does not honour the NSTP claim or only pays a cap amount of the /OUR/ amount claimed.* *Bank A pays claim via MT 202 for /OURC/USD25 and in field 70 enters: "/NSTP/USD25" which represents the exception not paid on the "NSTP" claim.* *Bank B can now reconcile the paid claim for /OURC/USD25 and the exception for "/NSTP/USD25".*

SWIFT Comment

If the request is recognised by the PMWG members, SWIFT recommends adding a specific field for the details of the charges, instead of field 70, which is today only used in 'customer' messages (information potentially for non-financial institutions).
The new field can be field 71B (equivalent to the field used in the MT 191, but optional in the MT 202), called *'Details of Charges Remitted'*.

FORMAT: *6*35x   (Narrative)*

In addition to narrative text, the following line formats may be used:
Line 1   /8a/[3!a13d][additional information]   (Code)(Currency)(Amount)(Narrative)
Lines 2-6   [//continuation of additional information]   (Narrative)
*   or   or*
*   [/8a/[3!a13d][additional information]]   (Code)(Currency)(Amount)(Narrative)*

In field 72 of the MT 202, the code BNF would be better placed than the code INT or ACC as indicated as current workaround in the change request. Another existing alternative today is to query the charges in the MT 191 via an MT 195.

If the PMWG accepts to add a field to the MT 202, the MT 205 and the MT 203 should also be considered for consistency across the different MT messages.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion
Decision

2.10 CR 000767: Add an optional code word to identify consumer credit transfers

This is a resubmission of CR 000352, submitted for SR 2013 and 'Conditionally Accepted'. In SR 2014, the condition was not yet met and was postponed. The condition will not be met and the request in SR 2015 is to accept the change, without the condition of a market practice paper.

Origin of request	
Requesting Country:	US United States of America

Sponsors
USNG

Complies with regulation
Section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act added a new Section 919 to the Electronic Funds Transfer Act ("EFTA"). http://www.opencongress.org/bill/111-h4173/show The guidance document has been published by the Consumer Finance Protection Board (CFPB) http://www.consumerfinance.gov/regulations/final-remittance-rule-amendment-regulation-e/ Revision of the Payment Services Directive (PSD2) by the European Commission IP 13/730 24/07/2013: http://europa.eu/rapid/press-release_IP-13-730_en.htm?locale=en For further guidance, see: Memo 13/719 24/07/2013: http://europa.eu/rapid/press-release_MEMO-13-719_en.htm IP 13/415 08/05/2013: http://europa.eu/rapid/press-release_IP-13-415_en.htm

Business impact of this request
MEDIUM - Medium Impact on business applications
Code word is optional and identifies the transaction as requiring special handling as identified by bilateral service levels for principal availability, both amount and time, are met. In addition, the code word identifies the transaction for error resolution inquiries.

Commitment to implement the change
Number of messages sent and received: Of total U.S. sent traffic: MT 103 accounts for 13.7%, and 10.5% is Dodd Frank 1073 eligible (80 million estimate for U.S. alone).Inability to determine which MT 103s are commercial or consumer makes a precise analysis impossible.
Number of messages impacted: USA, SWIFT user community
Commits to implement and when: USNG 2015

Business context
1. The primary goal of this proposal is to enable Transparency for consumer payments in the open network supported by the SWIFT eco-system where bilateral agreements prevail. All

banks in the payment chain will have ability to readily identify the transactions which are subject to these bilateral agreements.

2. Payment processing via "open" correspondent networks necessitates bilateral arrangements between counterparties. When payments require processing by multiple parties with different service levels between each, information about how the payment will be processed is difficult to compile and report (e.g. total amount of fees deducted, time the funds will be made available to the beneficiary, etc.)

3. Because open network processing involves bespoke bilateral arrangements, increasing governmental and client demand for complete transparency over all data elements of a payment throughout the entire payment chain require industry collaboration. To ensure the original sending institution discloses valid payment information at the time a payment is made, a method to identify a transaction which requires special treatment by the receiver is needed.

4. By creating a standard method for payments which require special handling to maintain transparency, receivers will not be required to accommodate multiple processes (both for payment processing and resulting inquiries) for different senders.

5. The inclusion of a code word within the SWIFT User Guide will mitigate the risk of transaction volume shifting to other networks or mechanisms which also offer a mechanism to ensure transparency.

Nature of change

Update to the User Guide to include in the UHB the code word "CCT" in field 26T of the MT 103 to signify that this is a Consumer Credit Transfer. Optional usage of the code word in field 72 should be mentioned.

Workaround

Today some banks have agreed to bilaterally recognize this code word in field 72. However, if used without a bilateral agreement in place, this can result in NSTP charges.

Message type(s) impacted

MT 103, MT 103+, MT 103 REMIT, MT 102, MT 102+, MT 104, MT 107

Examples

- U.S. consumer, Mr. Jones, wishes to send USD 1000 to Mr. Smith in country B. Mr. Jones' bank will need to disclose certain fees, including intermediary bank and in some cases beneficiary bank fees before the transfer is made. The banks will also need to disclose the currency Mr. Smith will receive and the exchange rate at which the amount will be converted. In the event a non-USD currency is sent, full details must be provided to Mr. Jones. Mr. Jones' bank will advise actual delivery date to the account of Mr. Smith (e.g. 2 days).
- The code word in field 26T:CCT (Consumer Credit Transfer) advises all banks in the chain that this is a consumer originated transaction subject to special service level requirements.
- Mr. Jones asserts to his bank that the beneficiary received a different amount/availability date than what was disclosed to him. Mr. Jones' bank initiates an inquiry with the receiving bank related to the original payment requiring special handling that can be identified by the code word 26T:CCT.

SWIFT Comment

The format of field 26T today in the SWIFT User Handbook is "3!c" and does not prevent to use the code "CCT" already today. It is up to the PMWG to decide if they want the code word to be explicitly mentioned in the SWIFT User Handbook for general awareness.

The proposed code word and explanation for field 26T in SR 2013 was:

CODES
CCT   Consumer Credit Transfer   This is a consumer originated transfer and may require special processing, subject to bilateral or multilateral service level agreements.

In SR 2013, the processing requirements related to the Dodd Frank regulation and the use of the code 'CCT' were not clear for all PMWG members. The Payments Market Practice Group (PMPG) was working on a paper to clarify the processing requirements, but decided not to finalise/publish a real market practice paper. A white paper does exist on the PMPG website.

SWIFT does not support to put a credit transfer code in a direct debit message (MT 104, MT 107) or to put any code word in field 72 if that can be used in a more appropriate field in the message. Please refer to the current text in the usage rules for field 72 in the SWIFT User Handbook: "*Field 72 must never be used for information for which another field is intended.*"

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

2.11 CR 000768: Sanction / compliance message identification and prioritisation

This change request contains a reference to the CR000659 that was accepted in SR 2014.

Origin of request
Requesting Country: US United States of America

Sponsors
USNG

Complies with regulation
None

Business impact of this request
HIGH - High Impact on business applications

For all category 1 and 2 n95, n96, and n99 messages that are initiated because of sanctions screening results, compliance-related matters, and suspicion of fraud, *priority routing codes or tags to designated operational departments or systems will require a mechanism to help identify and route the messages.*

- Use Field 113 in Header Block 3 to expedite routing to a "special handling" queue, thereby isolating these inquiries from the vast pool of routine UTA, BCNR, Amendment and Cancellation inquiries.

Indicate in Field 113 one of the following banking priority codes:

- SANC (for sanctions)
- CMPL (for compliance)
- FRAD (for fraud)

Commitment to implement the change

Number of messages sent and received: Compliance assistance is key in SWIFT 2015 strategy. Review by SWIFT and members is recommended for these message types. Number of messages is expected to be low but due to the sanctions nature of the message, they will be of high priority.

Number of messages impacted: /

Commits to implement and when: USA, swift user community in 2015

Business context

The business rationale for this change addresses two current industry concerns;

1. BAFT (Bankers Association for Finance and Trade) is undertaking a global Cross-regional Payments Initiative that is focused on the growing concerns related to fraudulent payments. This concern has come out of the BAFT Asia and European Councils. In particular, they have highlighted a lack of awareness in regards to cross-border payments frauds. Some of their suggested solution include;

   - They are interest in developing a way to disseminate information / inquiries about payments frauds in a "Fraud Alert" mailer.
   - They would like to see a possible new SWIFT message type developed for this

purpose.

- o The use of the current BAFT Compensation indemnity between banks for "live" transactions. The message has been used for the indemnity has always been the MT199 and MT299 which allows for the verbiage required for the issuance of an authenticated indemnity.

BAFT did like the idea of the use of the existing 113 header field in the n99, n95 and n96 messages as a way of expediting these time critical inquiries / notifications.

2. The continuation of the approved SR2014 change related to Sanction, Fraud and Compliance related inquiries has prompted request for the additional changes. While supporting the changes approved in the SWIFT SR2014 see below;

QUOTE

For a request to cancel a fraudulent payment, a usage rule for the code "FRAD", which is used at present in ISO 20022 messages, will be added in November 2014 to the existing field 79 in the MT n92 (Request for Cancellation):

USAGE RULES
"When the request for cancellation is sent due to a fraudulent payment the code FRAD, placed between slashes, may be used at the start of the first line in this field and may be followed immediately by a narrative description of the original message.

If /FRAD/ is the only information in this field, then a copy of at least the mandatory fields of the original message must be present."

For sanctions related queries and answers, codes will be added to the existing field 75 in the MT n95 (Queries) and field 76 in the MT n96 (Answers).
Field 75 in MT n95:
"52   The payment is blocked due to a sanctions screening hit. Please prioritise this query and provide the following details (1)"

Field 76 in MT n96
"33   The requested details are (1)"
UNQUOTE

We would request that due to the extremely high volume of the MT n99 messages related to sanctions and fraudulent transactions, including inquiries where the intermediary bank are requesting a version of a guarantee (Hold-Harmless). The changes submitted be considered for SR 2015. The rationale for the change is as follows;

1. All Financial Institutions and Corporations on SWIFT that process transactions that are subject to sanctions screening are impacted.

2. The business process today is that a query is generated by the receiving bank due to a potential sanctions violation. That query and response are sent via an N95, 96 or 99 messages between the originating/receiving banks. The messages enter a general queue because they cannot be prioritized. Prioritizing the messages through the use of a code within the header block will expedite action by both parties in this critical regulatory area.

3. This change is being requested to help reduce the turn-around time and identification of sanctions / compliance related investigations. The change should reduce the time that payments are held and not paid to the beneficiary awaiting clarification on sanctions / compliance related details.

4. The change is needed because today most large financial institutions average between 2,500 and 5,000 messages per month which get distributed into the normal investigation cases (Unable to Apply, Bene Claims Non-Receipt etc…). These messages are the SWIFT message types MT n99's, MT n95' and MT n96's queries sent and the responses. Looking at the top 5 clearing institutions the volume would be well over 25,000 messages per month.

5. Currently the average Sanctions / Compliance related investigation take 8 days to complete with some taking as long as 30 days. The hope is that creating an automated means to identify these messages and having them routed to the correct department (Compliance or Legal) or person for prioritisation would improve the turn-around time.

6. Reduce the amount of additional inquiries (Bene Claims Non-Receipt) related to the delay in payments held for possible sanctions.

Nature of change

Suggest that the PMWG and SWIFT Standards provide an industry acceptable solution on SWIFT message types MT n99's, MT n95' and MT n96's.

For all category 1 and 2 n95, n96, and n99 messages that are initiated because of sanctions screening results, compliance-related matters, and suspicion of fraud, priority routing codes or tags to designated operational departments or systems will require a mechanism to help identify and route the messages.
- Use Field 113 in Header Block 3 to expedite routing to a "special handling" queue, thereby isolating these inquiries from the vast pool of routine UTA, BCNR, Amendment and Cancellation inquiries.

Indicate in Field 113 one of the following banking priority codes:
- SANC (for sanctions)
- CMPL (for compliance)
- FRAD (for fraud)

1. Within the text of the inquiry message itself (field 79 / narrative), use existing and new query codes to pinpoint the exact party the inquiry is about. Currently the query codes are utilized for different parties and only speak to "Regulatory Requirement" which does not address all potential priority reasons. We want to change the existing query codes to be party/field specific. The changes we request are to the existing query codes and request new query codes as listed below.

- Existing query codes and new field specific identification in field 75 of n95/96.:
  - 48: Field 59 Beneficiary
  - 49: Field 50 Ordering Customer
  - 50: Field 72 Sender to Receiver Information
  - 51: Field 52 Ordering Institution

New query codes:
  - 52: Field 53 Sender's Correspondent
  - 53: Field 56 Intermediary Institution
  - 54: Field 57 Account With Institution
  - 55: Field 58 Beneficiary Institution
  - 56: Field 70 Remittance Information
  - 57: Potential Fraud. Your immediate attention and response is required.

The text that the code refers to is always to be understood as
"Payment is pending execution unless noted differently.

NEW TEXT
"Payment is pending execution unless noted differently. For reasons of **(Compliance, Fraud or Sanctions)** requirements, we request further information on the account number, the name/address, the institution, person, vessel or other unique identifier of the party identified in Field XX."

This change will allow the codeword in field 113 to match the narrative in field 79. The sender picks from **Compliance, Fraud or Sanctions** when completing the narrative in field 79.

Existing Field 75 Query Codes and narrative.
48: Payment is pending execution. For reasons of regulatory requirements we request further information on the account number or unique identification of the party identified in field (1).
49: Payment is pending execution. For reasons of regulatory requirements we request further information on the name and/or address of the party identified in field (1).
50: Payment has been executed. For reasons of regulatory requirements we request further information on the account number or unique identification of the party identified in field (1).
51: Payment has been executed. For reasons of regulatory requirements we request further information on the name and/or address of the party identified in field (1).
 Current workaround:
Today some banks have an investigation system that perform string parsing of the text to help identify these messages but this does not provide industry solution.

Message type(s) impacted

MT n99, MT n95 and MT n96

Examples

- Bank A sends a SWIFT MT 103 to bank B to pay bank C in favour of ABC Company by order of 123 corp
- Payment is sanction scanned at Bank B and is stopped for compliance review for OFAC or other sanctions list possible violation.
- Bank B sends SWIFT n95, n96 or n99 to Bank A for clarification of possible violation
- Bank A contacts 123 Corp for further information and sends n95, n96 or n99 to Bank B advising they are reviewing and will get back to them.
- Bank A sends n95, n96 or n99 to Bank B advising them of requested information.

This process takes on the average 8 days to complete for possible sanctions violations and sometimes as long as 30 days on Compliance / Proprietary questions. This one scenario included 3 MT n95, n96 or n99 messages that would benefit from the additional routing and identification suggested in this change request.

SWIFT Comment

Header field 113 is currently defined at the SWIFT operation guide. This can contain any 4 character code and is only bilateral agreed. In the 'message reference guides' for the MT

categories, there is no explicit reference to header field 113 codes and this request was not supported by the PMWG in SR 2014 discussions.
Please note that a duplicate solution (header info + specific code in the common group messages) contains a risk of having 'contradictory' info.

The existing codes in field 75/76 of the MT n95/n96 are intended to be common to all MT categories (common group messages). SWIFT doesn't indicate the specific field, because for example, field 59 is not present in all categories, and even in category 1 not all MT messages can have a field 59…

CODE:
48   Payment is pending execution. For reasons of regulatory requirements we request further information on the account number or unique identification of the party identified in field (1).

Numbers in brackets, for example, (1), mean that supplementary information is required. This supplementary information must be the first information following the Query Number.

Example in MT 195
:75:48/59

In SR 2014,the code 52 was added in field 75 for sanctions screening with the following text:
52   The payment is blocked due to a sanctions screening hit. Please prioritise this query and provide the following details (1) ...

There is currently only in the MT n92 a code for fraud. If the PMWG members recognise the need, a similar code for fraud and compliance can be added in the MT n95.

The scope of the MT n99 clearly states that the message is used to send or receive information for which another message type is not applicable. The MT n99 was intentionally designed as a free format message so that it would only be used when no other message existed for a particular business need. SWIFT, therefore, does not support this request as there are applicable messages for investigations, namely the MT n95 Queries and the MT n96 Answers.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion
Decision

3 Overview of SWIFT Change requests

3.1   CR 000756: Change format (validation) for reason codes in Payment Reject/Return Guidelines

This is a resubmission of CR 000657, which was rejected by the PMWG in SR 2014.

Origin of request	
Requesting Group:	SWIFT

Sponsors
PMPG/High Value Payments Task Force

Complies with regulation
None

Business impact of this request
HIGH - High Impact on business applications
This changes the network validation. So if the interfaces are set up using the current network validation, there need to be changes.

Commitment to implement the change
Number of messages sent and received: NA
Number of messages impacted: NA
Commits to implement and when: NA

Business context
Changing the format to align with the ISO 20022 format for reason codes will support co-existence and migration. A complete Exceptions and Investigations chain in the community, whether B2B or B2C will be a mix of different standards/formats and we should ensure interoperability. Also, this will ensure a true "like for like" mapping between FIN and XML (both directions) which is a requirement expressed by High Value Payments communities.

In ISO the return codes are defined by an external code list. This external codelist has a fix length of 4 characters. The codes can be a mixture of alphabetic and numeric characters, but it is not forced to end with exactly 2 numeric characters, as the MT format does.

Over the years codes with only alphabetic characters were accepted and added in the ISO external codelist, like for example :

ARDT	AlreadyReturnedTransaction
CNOR	Creditor bank is not registered
CURR	IncorrectCurrency
CUST	RequestedByCustomer

DNOR	Debtor bank is not registered			
FOCR	Following Cancellation Request			

Nature of change

Current format validated for field 72 or field 79

Line 1	/REJT/ or /RETN/	2!n[1!a][/2c]	M	/**REJT**/ means a reject and is followed by the identification of the field causing the reject or /**RETN**/ means a return and is followed by the identification of the field causing the return.
Line 2	/2!c2!n/	[29x] (for field 72) or [44x] (for field 79)	M	Reason Code (see below), optionally followed by a text description of the preceding reason code.
Line 3	/MREF/	16x	M	Sender's Reference, that is, field 20 of the original message (Transaction Reference Number or File Reference).
Line 4	/TREF/	16x	O	Transaction reference, that is, field 21 of the actual transaction, for example an MT 102 or MT 104.
Line 5	/CHGS/	3!a15d	O	ISO currency code and charges amount. This may contain relevant, levied reject/return charges, that is, charges that have been applied to the rejected/ returned transaction (for example, deducted from the returned principal).
Line 6	/TEXT/	29x (for field 72) or 44x (for field 79)	O	Some further narrative details.

Requested change is to replace the highlighted format with /4!c/

And to delete the network validation on the codelist:

The actual reason code ~~must~~ may be one of the following codes ~~(Error code(s) T80)~~:

Code Type Reason

AC01	Account Number	Format of the account number specified is not correct.
AC02	Account Number	Format of the account number specified is non-numeric.
AC03	Account Number	Format of the account number specified is not valid for local sort/national clearing code.
AC04	Account Number	Account number specified has been closed on the

		receiver's books.
AC05	Account Number	Account number specified is not a valid account at the Account With Institution.
AC06	Account Number	Account specified is blocked, prohibiting posting of transactions against it.
AM01	Amount	Specified transaction/message amount is equal to zero.
AM02	Amount	Specified transaction/message amount is greater than allowed maximum.
AM03	Amount	Specified transaction/message amount is in a nonprocessable currency outside of existing agreement.
AM04	Amount	Amount of funds available to cover specified transaction/ message amount is insufficient.
AM05	Amount	This transaction/message appears to have been duplicated.
AM06	Amount	Specified transaction amount is less than agreed minimum.
AM07	Amount	Amount specified in transaction/message has been blocked by regulatory authorities.
AM08	Amount	Specified charges amount is not as agreed between sender and receiver.
BE01	Beneficiary	Specification of beneficiary is not consistent with associated account number.
BE02	Beneficiary	Beneficiary specified is not known at associated sort/ national clearing code.
BE03	Beneficiary	Beneficiary specified no longer exists in the books. BE04 Beneficiary Specification of beneficiary address, which is required for payment, is missing/not correct.
BE05	Beneficiary	Party who initiated the transaction/message is not recognised by the beneficiary.
AG01	Agreement	No agreement is on file at the receiver for affecting associated transaction/message.
AG02	Agreement	Bank Operation code specified in the transaction/ message is not valid for receiver.
DT01	Date	Invalid date (for example, wrong settlement date).
MS01	General	Reason has not been specified due to sensitivities.
PY01	Party	Unknown Account-With Institution.
RF01	Reference	Transaction reference is not unique within the

		message.
RC01	Routing Code	Routing code specified in the transaction/message has an incorrect format.
RC02	Routing Code	Routing code specified in the transaction/message is not numeric.
RC03	Routing Code	Routing code specified in the transaction/message is not valid for local clearing.
RC04	Routing Code	Routing code specified in the transaction/message refers to a closed branch.
RR01	Regulatory Requirement	Specification of the ordering customer's account or unique identification needed for reasons of regulatory requirements is insufficient or missing.
RR02	Regulatory Requirement	Specification of the ordering customer's name and/or address needed for regulatory requirements is insufficient or missing.
RR03	Regulatory Requirement	Specification of the beneficiary customer's name and/or address needed for regulatory requirements is insufficient or missing.
TM01	Receipt Time	Associated transaction/message was received after agreed processing cut-off time.
~~X1!c2!n~~	~~Bilateral~~	~~Refers to a reject/return code whose specification and meaning has been bilaterally agreed to by Sending and Receiving parties.~~

Current workaround:

Define for all ISO external code values an equivalent bilateral code, respecting the current X1!c2!n format.

Message type(s) impacted

• MTs 102, 103, 104, 107, 110, 200, 201, 202, 202 COV, 203, 204, 205, and 205 COV for field 72
• MTs 195 and 295 for field 79 or, alternatively, field 72 when present in the appended copy of the underlying message.
• MTs 199 and 299 for field 79.

Examples

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Working Group Meeting

To be completed by Standards after the conference calls.

Discussion
Decision

3.2   CR 000757: Add codes to field 13C in payments messages

Origin of request	
Requesting Group:	SWIFT

Sponsors
The full TARGET2 community has already implemented the codes

Complies with regulation
None

Business impact of this request
LOW – Low Impact on business applications
There is no impact on the MT use, the information should just be added in MT to ensure 'like for like' (taking the UHB content) when migrating to MX

Commitment to implement the change
Number of messages sent and received: NA
Number of messages impacted: NA
Commits to implement and when: Already implemented, but not explicitly mentioned in the SWIFT user handbook yet.

Business context
The High Value Payment Market, including Target 2 and EBA Euro 1, are currently preparing their migration from FIN to ISO 20022 for their High Value transactions.
In order to minimize the impacts on business during this important migration, and as a temporary solution, it has been unanimously decided to take a "Like For Like" approach, meaning that the use of ISO 20022 functionalities will be strictly limited to those offered in FIN.
SWIFT, together with a PMPG High Value Payments Task Force, has prepared ISO 20022 implementation/usage guidelines and mapping tables from FIN to ISO 20022. The starting point was the UHB documentation and known use of the MT messages in the High Value Payments world for the following portfolio of messages: MT 103, MT 103+, MT 202, MT 204, MT 900, MT 910.
In this exercise a gap is identified between the general use of field 13C and what is documented in the SWIFT Userhandbook. And especially because in ISO 20022 the equivalent of these codes is incorporated in the structure of the base messages (in SettlementTimeRequest).
For clarity reasons and completeness (because other TARGET2 specific codes like, SNDTime, RNCTIME are already present in the UHB) it is recommended to align the codes. It will also ensure that this content can be easily transformed/mapped in a 'Like – for – Like' scenario.

Nature of change
Add 3 codes to field 13C:
TILTIME   Till Time   Time until when the payment instruction is requested to be settled.

FROTIME	From Time	Time as from when the payment instruction is requested to be settled.
REJTIME settled.	Reject Time	Time by when the payment instruction will be rejected if not yet

Message type(s) impacted
MT 102, MT 102 STP, MT 103, MT 103 STP, MT 103 REMIT, MT 202, MT 202 COV, MT 205, MT 205 COV
Examples
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Working Group Meeting
To be completed by Standards after the conference calls.

Discussion
Decision

4 Change requests linked to decisions taken in SR 2014

4.1 CR 000653:
PART 1: Introduce option F in field 59a in SR 2015,
PART 2: In a later release, remove free format options from fields 50a and 59a

This change request was submitted by France in SR 2014 with the proposed title '*Make the country code of place of residence mandatory in field 50K and 59'*, but during the PMWG SR 2014 discussion, an alternative approach was agreed.

Meeting minutes of SR 2014

While some PMWG members agreed with the approach, some expressed the need for full impact assessment including the implementation cost and time and the time needed to assess and update existing customer databases.

The PMWG would also like to observe new regulation as there may be additional requirements other than indicating the country of residence.

There was also a question about how to define the place of residence, for example, some customers have multiple addresses.

NL proposed an alternative approach – to add a structured option F to field 59a and to remove the free format option K from field 50a and to remove the free format, no-letter option from field 59a. It was agreed to hold a supplementary meeting so that the members could first consult with their communities on this new proposal.

MINUTES of the supplementary meeting

SWIFT advised that as per the MT maintenance process, the initial change had a 50/50 split decision and this requires Standards to advise the Board Banking and Payments Committee (BPC) of the discussions.

DE was not present on the call but had submitted comments and these were presented to the group by SWIFT. The DE community supported the proposal but stressed the fact that the change would have a heavy impact on systems and the related costs would be high. The FR representative pointed out that the cost of non-compliance with embargo requirements was also very high. The implementation costs would be offset against the reduction in costs for non-compliance.

AU did not see a need for any change to fields 50a and 59a change.

RU advised that rouble payments are highly automated on codes that are implemented in the free format options and therefore could not support the request to remove the free format options.

With the exception of AU, the group agreed to the introduction of the new option F in field 59a, with a similar format and similar set of network validated rules to those that are present today in the F option in field 50.

With exception of AU, RU and US the group approved the removal of the free format options at a

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later stage, namely 2016 or 2017.

This timeline was approved:
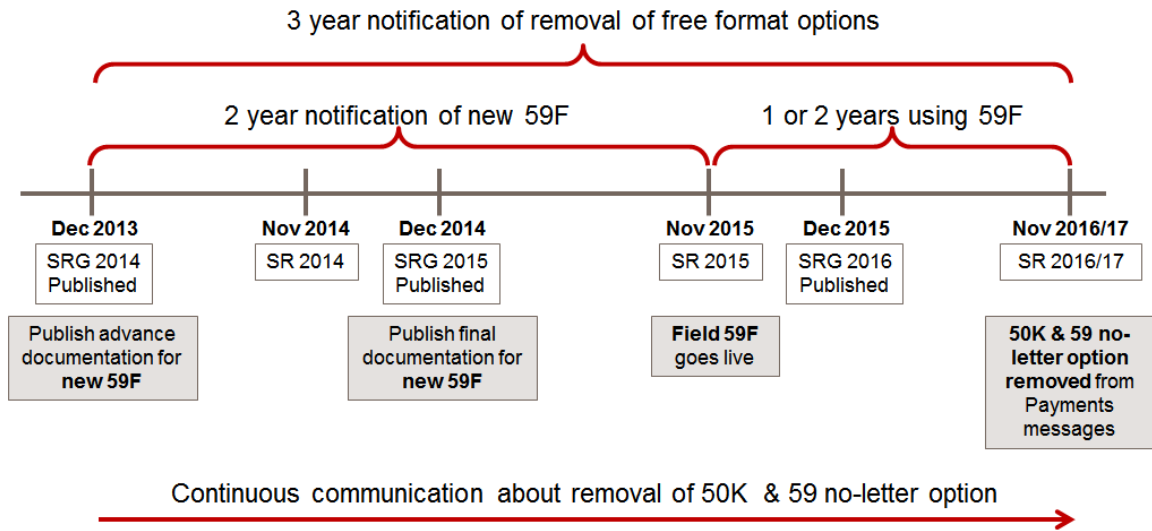
Decision in SR 2014

ACCEPTED new option F to field 59a with a similar format and similar set of network validated rules to those that are present today in the F option in field 50

ACCEPTED the removal of the free-format options from fields 50a and 59a in either SR 2016 or SR 2017

SR 2014 Country Vote

It was decided to let the community vote on the 'concept' of removing the free format options, not on the implementation release, as there was no agreement reached on the date by the PMWG and because the PMWG wanted to get a feeling of the industry's willingness to remove the free format options.

CR 000653:

PART 1: Introduce option F into field 59a in SR 2015 Yes: **91,35 % -** No: **8,65 %**

PART 2: In a later release, remove free format options from fields 50a and 59a Yes: **72,8 % -** No: **27,2 %**

Published Field 59F Advance Information

FORMAT

No letter option	[/34x]	(Account)
	4*35x	(Name and Address)
Option A	[/34x]	(Account)
	4!a2!a2!c[3!c]	(Identifier Code)
Option F	[/34x]	(Account)
	4*(1!n33x)	(Number)(Name and Address Details)

PRESENCE
Mandatory

DEFINITION
This field specifies the customer which will be paid.

CODES

Account may contain one of the following codes, preceded by a double slash '//': CH		6!n	CHIPS Universal Identifier

CODES

In option F, Number must contain one of the following numbers (Error code(s): T56):

1	Name of the Beneficiary Customer	The number followed by a slash, '/' must be followed by the name of the beneficiary customer.
2	Address Line	The number followed by a slash, '/' must be followed by an Address Line (Address Line can be used to provide, for example, street name and number, building name or post office box number).
3	Country and Town	The first occurrence of number 3 must be followed by a slash, '/', the ISO country code, and optionally a slash '/' followed by additional details. The second occurrence of number 3 must be followed by a slash and the continuation of additional details. Additional details can contain Town, which can be complemented by postal code (for example, zip) and country subdivision (for example, state, province, or county). It is preferred that the country code and town indicate the country and town of residence, as provided by the ordering customer.

NETWORK VALIDATED RULES

Identifier Code must be a registered BIC (Error code(s): T27, T28, T29, T45).

In option F (Number)(Name and Address Details):
• The first line must start with number 1 (Error code(s): T56).
• Numbers must appear in numerical order (Error code(s): T56).
• Number 2 must not be used without number 3 (Error code(s): T56).
• The first occurrence of number 3 must be followed by a valid ISO country code (Error code(s): T73).

USAGE RULES

At least the name or the BIC of the beneficiary customer is mandatory.

If a non-financial institution BIC is specified, it must be meaningful for the financial institution that services the account for the beneficiary customer.

If the account number of the beneficiary customer is known, it must be stated in Account.

In option F, line numbers may be repeated.

In option F, if number 2 is present, the first occurrence of number 3 must include the town in additional details.

Message type(s) impacted

MT 101, MT 102, MT 102+, MT 103, MT 103+, MT 202 COV, MT 205 COV, MT 103 REMIT, MT 910

SWIFT Comment

Based on feedback received, two small amendments are needed to the published 59F details:

- MT 910 is not impacted for 59F (only for the potential removal of 50K)
- The format is missing a slash: 4*(1!n/33x)

Working Group Meeting

To be completed by Standards after the conference calls.

Discussion

Decision

4.2   CR 000758: Align field 50F with PMWG decisions taken for the field 59F

Origin of request	
Requesting Group:	SWIFT

Sponsors

PMWG during the 59F discussions

Complies with regulation

None

Business impact of this request

LOW – Low Impact on business applications

Commitment to implement the change

Number of messages sent and received: NA

Number of messages impacted: NA

Commits to implement and when: NA

Business context

Increase consistency within the FIN MT messages.

Nature of change

Update 50F in the Userhandbook with the published 'Advance Information for 59F', as follows:

In option F, ~~when Name and Address is present,~~ Number must contain one of the following numbers (Error code(s): T56):

1	Name of the Ordering Customer	The number followed by a slash, '/' must be followed by the name of the ordering customer ~~(where it is recommended that the surname precedes given name(s)).~~
2	Address Line	The number followed by a slash, '/' must be followed by an Address Line (Address Line can be used to provide for example, street name and number, ~~or~~ building name, or post office box number).
3	Country and Town	The first occurrence of number 3 must be ~~number~~ followed by a slash, '/', ~~must be followed by~~ the ISO country code, and optionally a slash '/' ~~and~~ followed by additional details. The second occurrence of number 3 must be followed by a slash and the continuation of additional details. Additional details can contain Town ~~(Town can be~~ which can be complemented by postal code (for example zip), and country subdivision (for example state, province, or county). It is preferred that the country code and town indicate the country and town of residence, as provided by the ordering customer.

NETWORK VALIDATED RULES
- Numbers ~~3,~~ 5, 6 and 7 must be followed by a valid ISO country code (Error code(s): T73), a slash '/' and additional Details (Error code(s): T56).
- The first occurrence of number 3 must be followed by a valid ISO country code (Error code(s): T73).
- Numbers ~~3,~~ 4, 5, 6, 7 and 8 must not be repeated (Error code(s): T56).

USAGE RULES
- If the account number of the ordering customer is ~~present~~ known, it must be stated in Account.
- In option F, subfield 2 (Name and Address): Numbers 1, ~~and~~ 2 and 3 may be repeated.

In option F, if number 2 is present, the first occurrence of number 3 must include the town in additional details.

Message type(s) impacted

MT 101, MT 102, MT 103, MT 102STP, MT 103 STP, MT 103 REMIT, MT 202 COV, MT 205 COV, MT 910, MT 210

Examples

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Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

4.3 CR 000754: Reverse the decision to cancel the removal of free format options for fields 50a and 59a

Origin of request
Requesting Country: RU Russian Federation

Sponsors
Russian National SWIFT Member and User Group (ROSSWIFT)

Complies with regulation
Federal Law 115-FZ On Countering Legalization (Laundering) of Proceeds of Crime and Terrorism Financing and including amendments to it put into effect by Federal Law № 121-FZ dd 03.06.2009.

Business impact of this request
LOW – Low Impact on business applications
Preserve free format options for fields 50a"Ordering Customer" and 59a "Beneficiary Customer". As option K for field 50 and no letter option for field 59 currently exist, there should be no impact on business applications.

Commitment to implement the change
Number of messages sent and received: Sent – 48487604,
Received – 43726546.
Number of messages impacted: 60% (expert estimate)
Commits to implement and when: All SWIFT Users of Russian Federation. Undefined, as the date for removal has not been announced yet.

Business context
The common banking practice in the Russian market, prescribes that banks should provide originator or beneficiary information in as much detail as possible. This practice is fully based on the provisions of the current Russian legislation, and is essential for the purposes of compliance and foreign exchange control because it helps Russian banks monitor customer activities more effectively and cost-efficiently. For example:

   1. In accordance with Federal Law 115-FZ and amendments to it put into effect by Federal Law № 121 introduced Article 7 which requires Russian banks and federal postal services organizations to fulfil the following obligations when performing noncash settlements and funds transfers:
The bank which services account of the ordering customer should ensure monitoring of presence, completeness, transmission as part of settlement documents, conformity to the data held at the bank disposal as well as the storage in accordance with clause 4 article 7 of the following information:
      o On the payer – individual person, individual entrepreneur or individual person engaged in private practice in accordance with the order established by the Russian Federation Legislation: Last name, first name, patronymic (if applicable), bank account number, taxpayer identification number, if available, or address of place of residence (registration) or of place of temporary

residence;

  o On the payer –legal person: name, bank account number, taxpayer identification number or foreign enterprise code;

2. As per Bank of Russia's Regulation № 383-P "On Fund Transfers Execution Rules", the Russian payment order format allows using up to 160 characters to describe details of the Ordering Customer, 160 characters of the Beneficiary Customer, and up to 210 characters can be used for Payment Details. From the international perspective, it ultimately leads to a substantial decrease in the amount of compliance requests, and adds more transparency to commercial payments.

In order to meet the requirements of the Russian legislation, the Russian banking community worked out a fixed structure for fields 50K and no letter 59, which helps process Russian Rouble MT103s automatically. The deletion of fields 50K and no letter 59 from the SWIFT UHB, will impact a whole of the automatic processing of MT103 Rouble messages and may cause delay in payments and increase operational risks. The issue in question will also adversely affect our numerous foreign FI clients who route their Rouble payments through Russian clearing agents, and surely expect that their instructions would be effected instantly and efficiently.

Much to our knowledge, this practice is also common for several other countries with strict foreign exchange control and compliance regulation, for example, most of the CIS states.

As compliance and cost-efficiency are nowadays extremely vital for financial institutions in any country, deletion of fields 50K and no letter 59 may urge Russian banks to search for alternative communication channels to transmit this information losslessly, which may eventually result in reduction of the overall SWIFT traffic generated by the Russian banking community.

Deletion of fields 50K and no letter 59 from the UHB, would definitely turn into a serious issue for Russian banks. As European/US banks are not likely to be comfortable with fields 50K and no letter 59, we suggest amending the Usage Rules for fields 50 and 59 in the way that would allow for these fields to be used in exceptional circumstances only, e.g. in Rouble payments. it will be vital for the Russian banking community to preserve these fields.

Nature of change

To preserve option K for field 50 and no letter option for field 59 which will reverse Country Voting Results for CR000653 Part 2 "In a later release, remove free format options from fields 50a and 59a".

Message type(s) impacted

MT 103

Examples

The following structure is applicable for RUB environment:

```
 /34x                    (Account number)
[3!a12n[.3!a9n]]         (INN or KIO).(KPP)
3*35x                   (Name)
```

SWIFT Comment

With respect to the Russian Regulation needs, field 50F/59F could fit the requirements. As already indicated by the SWIFT-RUR6, the information given in the example can be put in field 50F: (http://eng.rosswift.ru/doc/SWIFT_RUR6_Eng_09_April_2013_NPS.pdf)

:50F: /34x (Account)
[1/3!a12n[.3!a9!n]] (INN or KIO).(KPP)
1/33x (Ordering Customer's name)
1/33x (Number)(Details)
1/33x (Number)(Details)

INN: Identification Number of the Tax Payer
KIO: Foreign Corporate Code
KPP: Reason of Tax Registration

Although this recommendation for 50F is already published, SWIFT Standards would recommend to use a line starting with '6/' for indicating the information concerning (INN or KIO).(KPP) instead of '1/' and when the address is present, use a line starting with '2/' and '3/'.

For 59F, no line starting with '6/' is foreseen (to indicate potentially INN or KIO). In that case, RU can decide to take '1/' or request number 6 to be added for field 59F.

This puts Russia in a similar position as other countries where 50K and 59 no letter option are heavily used. Changing the implementation of the data towards the more structured letter option will be a serious impact and can only be beneficial/increase STP when the implementation is given enough time. SWIFT therefore recommends the PMWG to incorporate this change request more in the discussion of *CR 000759 Delay removal of free format options 50K and 59 (no letter option)*.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

4.4   CR 000759: Delay removal of free format options 50K and 59 (no letter option)

Origin of request	
Requesting Country:	GB United Kingdom

Sponsors

UK National Member and User Group (SWIFT UK Ltd) and SWIFT UK BPC

Complies with regulation

None

Business impact of this request

HIGH - High Impact on business applications

High impact on UK community if delay of removing free format is not agreed.

Commitment to implement the change

Number of messages sent and received: All MT messages using free format fields 50K and 59 (no letter option).

Number of messages impacted: As above.

Commits to implement and when: UK community and others. UK community seeking a delay of the removal of the free format fields 50K and 59 (no letter) option until SR 2018.

Business context

The UK community have raised concerns with SWIFT and PMPG around the removal of the free format option fields 50K and 59 (no letter) as originally approved in CR00653 Vote 2 for SR 2014. CR00653 proposed that these free format fields would be removed in SR 2016 or SR 2017. Our concerns are around the extensive impact to numerous systems like channels, back office, payments, reconciliations and other applications impacted by the removal.

The UK community continue to agree with the introduction of the formatted field 59F to help meet recommendations of FATF 16 but as regulation is still taking shape our community would like to propose at least a year's delay to the removal of 50K and 59 (no letter) option until SR 2018 in order to meet all the other mandatory changes we face and to get a clearer picture of how to meet the EU Funds Transfer Regulation and larger window for the migration from free format to formatted order party and beneficiary data.

Nature of change

Delay the current proposed removal for free format fields 50K and 59 (no option) from SR 2016/2017 until SR 2018 earliest.

Message type(s) impacted

Cat 1, Cat 2, Cat 9

Examples

Banks to start migration to formatted fields 50F and 59F within the wider window for change

SWIFT Comment

Discussion of this change request depends on the outcome of *CR 000754: Reverse the decision to cancel the removal of free format options for fields 50a and 59a.*

SWIFT Standards received a similar paper from ESA, the European SWIFT Alliance group. Click on the icon below to see the paper.

SR2015_cat129_ESA
-BPC_LetterOfObject

This valuable feedback shows that these communities are not against the removal of the free format fields, but that the implementation impact is bigger than initially expected.

The paper also called for a cost/benefit analysis to be performed. Such an analysis can only be conducted by the community, but SWIFT is willing to coordinate this effort if it is felt to be necessary.

Working Group Meeting
To be completed by Standards after the conference calls.

Discussion

Decision

End of document