

Standards

Standards MT Release 2024

Discussion paper and Minutes Payments

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1 Introduction

Standards working group members:

Representing:

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Austria SWIFT User Group Austria SWIFT User Group Australia SWIFT User Group Australia SWIFT User Group Belgium SWIFT User Group Belgium SWIFT User Group Canada SWIFT User Group Canada SWIFT User Group China SWIFT User Group France SWIFT User Group Germany SWIFT User Group Germany SWIFT User Group Hong Kong SWIFT User Group Ireland SWIFT User Group Italy SWIFT User Group Italy SWIFT User Group Japan SWIFT User Group Japan SWIFT User Group Netherlands SWIFT User Group Netherlands SWIFT User Group

Nordic SWIFT User Groups Nordic SWIFT User Groups South Africa SWIFT User Group Spain SWIFT User Group Switzerland SWIFT User Group Switzerland SWIFT User Group Turkey SWIFT User Group Turkey SWIFT User Group

United Kingdom SWIFT User Group United Kingdom SWIFT User Group United States SWIFT User Group United States SWIFT User Group

Observer

June 2023

2 Overview of User Change requests

2.1 CR 002001: The sum of the settlement amount is not in line with original instructed amount and DEBT charges

Origin of request			
Requesting Country:	NL Netherlands		
Requesting Group:			
Sponsors			
Message type(s) impacted			
CB pacs.008, CB pacs.008 STP			
Complies with regulation			
None			
Business impact of this req	uest		
The change will justify the correctness of payment processing at receivers side			
Commitment to implement	the change		
Percentage of messages impacted: 100			
Commits to implement and when: At least the NL community and all receivers of ISO20022 pacs.008 messages			
2024			

Business context

In case the charge option DEBT is used, the sender can add an additional section to specify the charge amount. The charge amount is part of the settlement amount. This means that if the currency of settlement amount AND instructed amount AND charge amount are identical, the mentioned charges amount should be the difference between original instructed amount and settlement amount. However, in many situations there is a difference, the charges amount could be higher or lower. That means that if the receiver deduct the settlement amount with the received charge amount, the credit into the account of the beneficiary customer is lower then the instructed amount mentioned. In some cases the outcome of the settlement amount minus the charges amount ended in a negative credit amount for the beneficiary customer.

Below some examples:

Example 1: charge amount lower

<IntrBkSttImAmt Ccy="EUR">8947.21</IntrBkSttImAmt>

<IntrBkSttlmDt>2023-04-05</IntrBkSttlmDt>

```
<SttImPrty>NORM</SttImPrty>
<InstdAmt Ccy="EUR">8941.21</InstdAmt>
<ChrgBr>DEBT</ChrgBr>
<ChrgsInf>
 <Amt Ccy="EUR">3.00</Amt>
 <Agt>
   <FinInstnId>
     <BICFI>XXXXXXXXXXXXX/BICFI>
   </FinInstnId>
 </Agt>
</ChrgsInf>
Result: beneficiary could receive more (EUR 8944.21)
Example 2: charge amount higher
<IntrBkSttImAmt Ccy="EUR">15473.89</intrBkSttImAmt>
<IntrBkSttImDt>2023-04-11</IntrBkSttImDt>
<SttlmPrty>NORM</SttlmPrty>
<InstdAmt Ccy="EUR">15465.89</InstdAmt>
<ChrgBr>DEBT</ChrgBr>
<ChrgsInf>
 <Amt Ccy="EUR">15.00</Amt>
 <Agt>
   <FinInstnId>
     <BICFI>XXXXXXXXXXXXX/BICFI>
   </FinInstnId>
 </Agt>
</ChrgsInf>
Result: beneficiary could receive less (EUR 15458.89)
Example 3: amount ends as negative
<IntrBkSttImAmt Ccy="EUR">10.38</IntrBkSttImAmt>
<IntrBkSttlmDt>2023-04-07</IntrBkSttlmDt>
<SttImPrty>NORM</SttImPrty>
<InstdAmt Ccy="EUR">8.38</InstdAmt>
<ChrgBr>DEBT</ChrgBr>
<ChrgsInf>
 <Amt Ccy="EUR">12.00</Amt>
 <Agt>
   <FinInstnId>
     <BICFI>XXXXXXXXXXXX</BICFI>
   </FinInstnId>
```

</Agt>

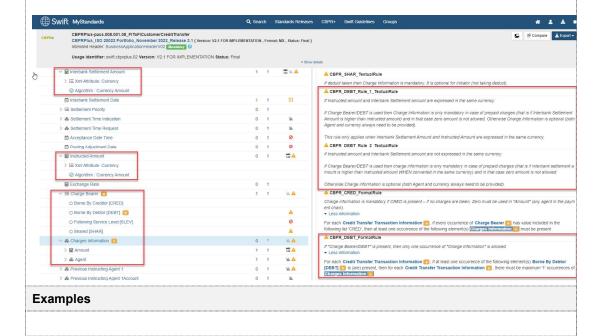
</ChrgsInf>

Result: receiver cannot execute because beneficiary could receive negative amount (EUR -2.38)

Nature of change

In case the currency of settlement amount AND instructed amount AND charges are the same, a network validation should be done to validate the sum of the amounts. If not correct, a NACK should be delivered to the sender of the pacs.008

SWIFT documentation -



SWIFT Comment

- If approved, would a SR2025 implementation be preferrable to avoid adding a new usage guideline during the co-existence phase?
- 19 countries represented at working group
- 14 provided feedback in advance of the meeting
- 6 in favour of this change request
- 6 not in favour of this change request
- 2 requires extra information
- "This has worked with no real issue for years in MT. This type of change would be a major system change and a change to our Product offerings for most ... banks."
- "- multiple conversions in the payment chain lead to charges being displayed in different currencies making a simple calculation/validation impossible"
- "- charge bearer serves as a point-to-point instruction in several markets, enabling different services, which lead to charges information being either a deduct or a prepayment"
- "- gpi tracker provides visibility on the charges taken by respective agent"
- "- the problem addressed with the CR affects very few messages only"
- "Given the above, the implementation of the validation becomes highly complex, requires potentially a change to the base standard (to include the fx-rate per charges information occurrence) and jeopardizes existing services."
- "Our community does not see the value of such an additional validation."
- "The idea is interesting only when "the currency of settlement amount AND instructed amount AND charges are the same" knowing gpi tracker already provides visibility on the charges taken by respective agent! We need additional information regarding the volume of the various situations"
- Is there real value and benefit to change the current practice?
- Have we considered all use cases?
- 2025 implementation to be reviewed in 2024 about total changes in 2025

Working Group Meeting

Discussion

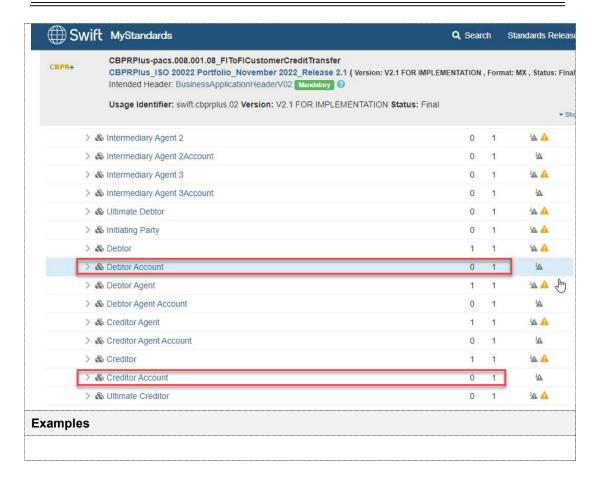
- PSWG considered various user cases that may make an implementation across the SWIFT network complex, the focus was a payment where the charges option was changed as it travelled through agents
- It was remarked that the issue may reduce as the CBPR+ usage guidelines have only been live for a few months with institutions still refining their outputs
- PSWG agreed to reject the CR at this stage however the payments industry should continue to monitor the volume of impacted payments
- If increasing the CR may be re-submitted for a later standards release

Decision

CR rejected

2.2 CR 002010: Mandating the Debtor & Creditor account number for pacs.008

Origin of request						
Requesting Country:	AE United Arab Emirates					
Requesting Group:						
Sponsors						
Message type(s) impacted	Message type(s) impacted					
CB pacs.008, CB pain.001						
Complies with regulation						
None						
Business impact of this request						
HIGH						
Commitment to implement the change						
Percentage of messages impacted: 100						
Commits to implement and when: Community using swift CBPR+ 2024						
Business context						
	nd DEIa in absence of account numbers					
To avoid non STPs, rejects and RFIs in absence of account numbers						
Nature of change						
To make the Debtor and Creditor A/c number mandatory						
/Document/FIToFICstmrCdtTrf/CdtTrfTxInf/DbtrAcct						
/Document/FIToFICstmrCdtTrf/CdtTrfTxInf/CdtrAcct						
SWIFT documentation –						



SWIFT Comment

- In a scenario where a party may be paying funds to a financial or non-financial institution represented by a BIC in the Creditor element will a mandatory Creditor Account element make this type of payment more difficult?
- If approved, would a SR2025 implementation be preferrable to avoid adding a new usage guideline during the co-existence phase?
- 19 countries represented at working group
- 14 provided feedback in advance of the meeting
- 14 not in favour of this change request

Working Group Meeting

Discussion

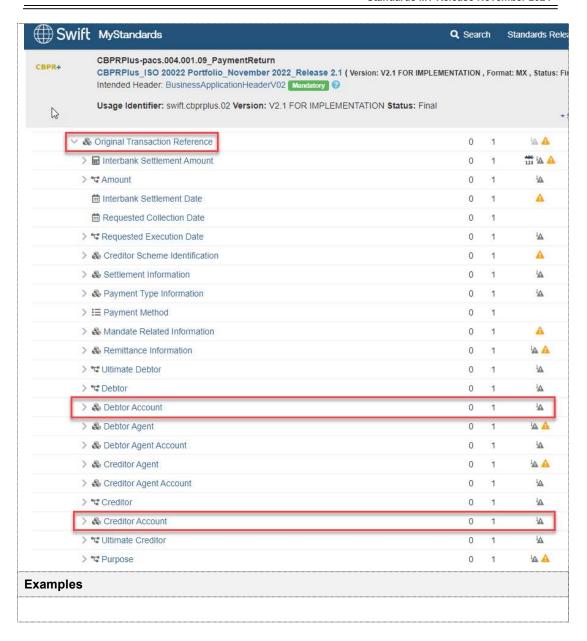
 There were no further comments, based on the advance feedback PSWG agreed to reject the CR

Decision

CR rejected

2.3 CR 002029: Mandating the Debtor & Creditor account number under original transaction reference of pacs.004 return msg

Origin of request					
Requesting Country:	AE United Arab Emirates				
Requesting Group:					
Sponsors					
Message type(s) impacted					
CB pacs.004					
Complies with regulation					
None					
Business impact of this rec	quest				
HIGH					
Commitment to implement the change					
Percentage of messages impacted: 100					
Commits to implement and when: Community using swift CBPR+ 2024					
Business context					
To avoid non STPs, rejects and RFIs in absence of account numbers					
Nature of change					
To make the Debtor and Creditor A/c number mandatory under Original Transaction Reference block					
/Document/PmtRtr/TxInf/OrgnITxRef/DbtrAcct					
/Document/PmtRtr/TxInf/OrgnITxRef/CdtrAcct					
SWIFT documentation –					



SWIFT Comment

- Many pacs.009s see Debtor and Creditor identified via BIC with no account present, where a pacs.004 is a return of a pacs.009 this may make the pacs.004 more difficult
- If approved, would a SR2025 implementation be preferrable to avoid adding a new usage guideline during the co-existence phase?
- 19 countries represented at working group
- 14 provided feedback in advance of the meeting
- 14 not in favour of this change request

Working Group Meeting

Discussion

 There were no further comments, based on the advance feedback PSWG agreed to reject the CR

Decision

CR rejected

2.4 CR 002032: Currency of DEBT charges (ISO20022) not equal to currency Settlement amount

Origin of request					
	NL Netherlands				
Requesting Country:	NE Netherlands				
Requesting Group:					
Sponsors					
Message type(s) impacted					
CB pacs.008, CB pacs.008 S	TP				
Complies with regulation					
None					
Business impact of this rec	uest				
LOW					
The change will justify the co	rrectness of payment processing at receivers side				
Commitment to implement	the change				
Percentage of messages impacted: 100 Commits to implement and when: At least the NL community and all receivers of ISO20022 pacs.008 messages 2024					
Business context					
In case charge option DEBT is used, the sender can add an additional section to specify the charge amount. The charges amount is part of the settlement amount. In case that the currency of DEBT is not equals to the currency of the settlement amount, the receiver cannot credit beneficiary customer for the correct amount. <intrbksttlmamt ccy="USD">40821.57</intrbksttlmamt> <intrbksttlmdt>2023-03-24</intrbksttlmdt>					
•	<sttimprty>NORM</sttimprty>				
•	<instdamt ccy="USD">40800.00</instdamt>				
<chrgbr>DEBT</chrgbr>					
<chrgsinf></chrgsinf>					
<amt ccy="EUR">20.00</amt> <agt></agt>					
<fininstnid></fininstnid>					
<bicfi>XXXXXXXXXXX/BICFI></bicfi>					

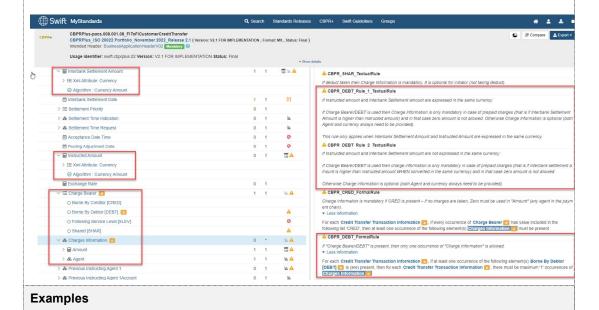
</Agt>

</ChrgsInf>

Nature of change

The currency of DEBT should be the same as the currency of the settlement amount. If not, a NACK should be delivered to the sender of the pacs.008 message.

SWIFT documentation -



SWIFT Comment

- If approved, would a SR2025 implementation be preferrable to avoid adding a new usage guideline during the co-existence phase?
- 19 countries represented at working group
- 14 provided feedback in advance of the meeting
- 6 in favour of this change request
- 7 not in favour of this change request
- 1 requires extra information
- "The idea is interesting only when "the currency of settlement amount AND instructed amount AND charges are the same" knowing gpi tracker already provides visibility on the charges taken by respective agent! We need additional information regarding the volume of the various situations"

Working Group Meeting

Discussion

- The CR submitter confirmed this CR was designed to facilitate CR 2001
- As CR 2001 has been rejected at this stage PSWG agreed it would not make sense to progress this CR either

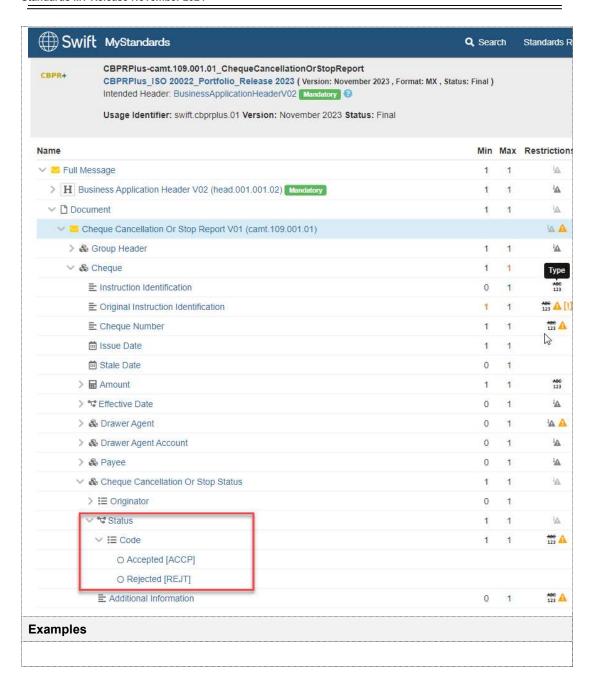
Decision

CR rejected

3 Overview of SWIFT Change requests

3.1 CR 002044: Correction of code values for Status code in camt.109

Origin of request							
Requesting Country:							
Requesting Group:	CBPR Plus						
Sponsors							
Message type(s) impacted							
CB camt.109	CB camt.109						
Complies with regulation							
None							
Business impact of this rec	uest						
LOW							
Commitment to implement	the change						
Percentage of messages impacted: 100 Commits to implement and when: FINplus For payment (CBPR Plus) 2024							
Business context							
Need to correct the 4 letters of	code use for code values "Rejected" and "Accepted."						
Nature of change							
Need to correct the 4 letters code use for code values "Rejected" and "Accepted."							
Code Rejected (REJT) is proposed to change to Rejected Cancellation or Stop Cheque Request (RJCR)							
Code Accepted (ACCP) is proposed to change to Accepted Cancellation or Stop Cheque Request (ACCR)							
SWIFT documentation:							



##ILLUSTRATION##

SWIFT Comment

- 19 countries represented at working group
- 14 provided feedback in advance of the meeting
- 14 are in favour of this change request

Working Group Meeting

Discussion

 There were no further comments, based on the advance feedback PSWG agreed to deem the CR valid

Decision

• CR approved

End of document

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