



Standards MT Release 2018 webinar

Mandatory changes in category 1 and category 2

SWIFT Standards
February 2018

Agenda

- **Why?**

- Enabling extended tracking within the SWIFT gpi service

- **What?**

- Mandatory Standards requirements
- FIN Messaging Interface requirements
- Field 111 and field 121 in Header Block 3
- Validation impact and correct standards usage

- **How?**

- Summary – Enabling payments tracking by mandating any bank on SWIFT to include UETR
- Example: pass on (unchanged) a received UETR

- **Additional Considerations**

- Test & Training
- More information
- Questions



Why?

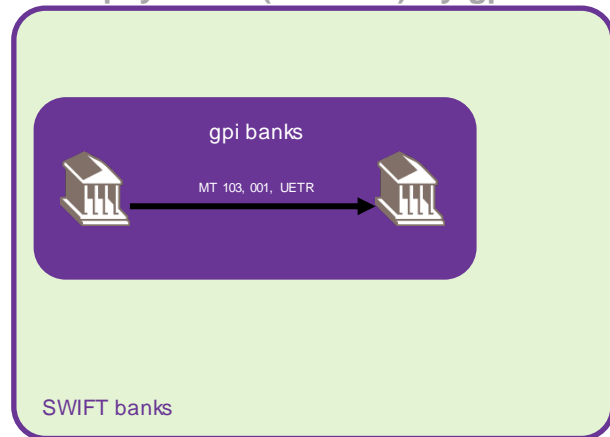


Enabling extended tracking within SWIFT gpi* service

Evolution towards tracking payments throughout the transaction lifecycle

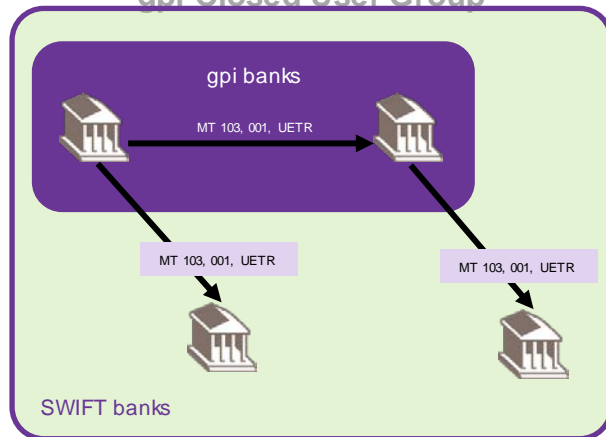
SR 2016

Track payments (and SLA) by gpi banks



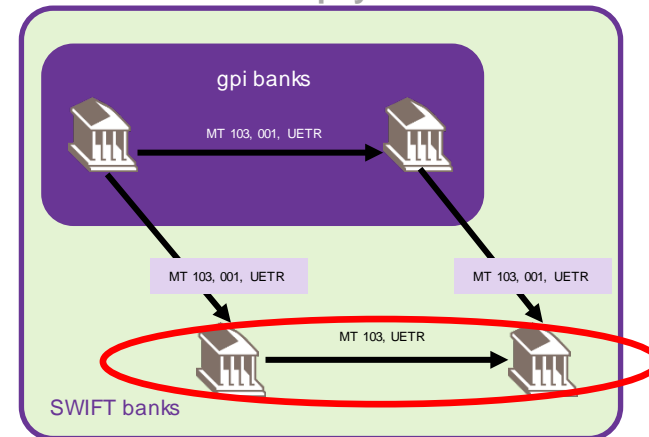
SR 2017

Track payments 1 leg outside gpi Closed User Group



SR 2018

Track all payments



SR 2018 change requests related to extended tracking

- Any SWIFT user: ability to **receive** field 111 (Service Type Identifier) and field 121 (Unique End to End Transaction Reference, UETR) in block 3 of any Category 1 and Category 2 FIN messages **CR 1337**
- Any SWIFT User mandated to **add** and **pass on** UETR (field 121) in all messages sent to SWIFT network for following MTs:
 - MT103, MT 103 STP, MT 103 REMIT
 - MT 202 and MT 205

CR 1339

CR 1340

CR 1338

Standards MT Maintenance Process



SR 2018 webinar: Mandatory changes in Category 1 and Category 2

What?



Mandatory standards requirements

Applies to ALL users of the indicated MT messages, irrespective if they are member of SWIFT gpi or not

1. Field 121 Unique End-to-end Transaction Reference (UETR) in header block 3 **mandatory in all** of following MTs:

- MT 103, 103 STP, MT 103 REMIT, MT 202, MT 202 COV, MT 205, MT 205 COV
- Indirect impact on Block 4 of MT 096 when original message is one of the above MTs

When sender is 'intermediary'

- UETR present in received message: UETR must be **passed, unchanged**, to field 121 of next MT in transaction chain

Otherwise, **new** UETR.

When **underlying customer credit transfer** was sent with UETR

- UETR must be **copied unchanged** in MT 202 COV

2. All users must be **able to receive** fields linked to SWIFT gpi service (**field 111** Service Type Identifier and **field 121**) in header block 3 of **all category 1 and category 2** MTs:

- Indirect impact on MT 096 when fields were present in original message.
- **Receiver: any MT category 1 or 2 user:**
 - **If not member of a SWIFT gpi service:**
 - **not allowed** to generate or forward **field 111** in messages sent.
 - only **processing obligation** on **field 121** in **MT 103, 103 STP, MT 103 REMIT, MT 202, MT 202 COV, MT 205, MT 205 COV** (see requirement 1 above).



FIN Messaging Interface requirements

Applies to ALL FIN Messaging Interfaces,
independently of gpi

- Ability to receive field 111 and/or 121 in header block 3, in all category 1 and category 2 messages and process it in line with the normal flow, including passing it on to back office
 - Interfaces must treat fields 111 and 121 as optional and rely on central FIN validation for the presence of these fields
- **If the application does not provide field 121, then the messaging interface must generate a random UETR and add it in header block 3 field 121 to the message.**
 - Configurable on the interface
- Make generated UETR information available to the back-office along with field 20
 - Configurable on the interface
- FIN Messaging Interfaces will be certified for the support of the above requirements.
 - Implementation must be available on all of the supported versions of the FIN messaging interface that support the Standards MT Release 2018.
- Interfaces not mandated to copy or pass on UETR unchanged from received (incoming) message into outgoing message:
 - correct standards usage requires change in customer application (back office). **Relying on the interface UETR generation in all scenarios will prevent to fully accomplish the goal of extended tracking!**



Field 111 and field 121 in Header block 3

- Service Type Identifier: field 111
 - Only **SWIFT gpi members** are allowed to send and forward this field
 - Format: **3!n**
 - Cannot be used without **field 121** (error code U12)
- UETR (Unique end-to-end transaction reference): field 121
 - Contains **Universally Unique Identifier (UUID)** compliant with IETF standard RFC4122* using **version 4** of the generation algorithm
 - Format: **36!x** composed of 32 hexadecimal characters, displayed in 5 groups separated by hyphens
 - xxxxxxx-xxxx- 4xxx-yxxx-xxxxxxxxxxxx
 - x = any lowercase hexadecimal character y = one of 8,9,a or b
 - No central co-ordination
 - Designed to be **globally unique**, without risk of repetition over time
 - Mandatory to **pass on unchanged** throughout interbank chain in any **MT 103, MT 103 STP, MT 103 REMIT, MT 202, MT 205, MT 202 COV and MT 205 COV**

```
{1:F01KWHKHKHHAXXX0135007653}
{2:I103BNPAFRPPXXXU3003}
{3:{108: MC7653} {111:001}{121:3fad5ba3
748b-44ba-80a4-ee32507b8e35}}
{4:
:20:PAY09
:23B:CRED
:32A:170211EUR650000,00
:50K:/1234567
MR LEE
10 QUEENSWAY
HK – Hong Kong
:57A:BNPAFRPPCAN
:59:/123456787
MR DUPONT
6 RUE LAFAYETTE
FR-Cannes
:70:/INV/52
:71A:SHA
-}
{5: {CHK:51E8BF7284A6}}
```



Validation impact + correct standards usage

- Validation

Error code	Error text
G27	Use of field tag 111 is restricted to the SWIFT gpi Closed User Group(CUG).
U12	Invalid syntax, or format, or incorrect order of field tags 111 and 121, or field 111 is present without field 121.
U13	Mandatory field tag 121 is missing from header block 3 of the message, or field 121 is used in a message where it is not allowed , or field tag 121 is incorrectly formatted. Field tag 121 must be formatted as xxxxxxxx-xxxx-4xxx-yxxx-xxxxxxxxxxxx where x is any hexadecimal character (lower case only) and y is one of 8, 9, a, or b.

- Correct standards usage

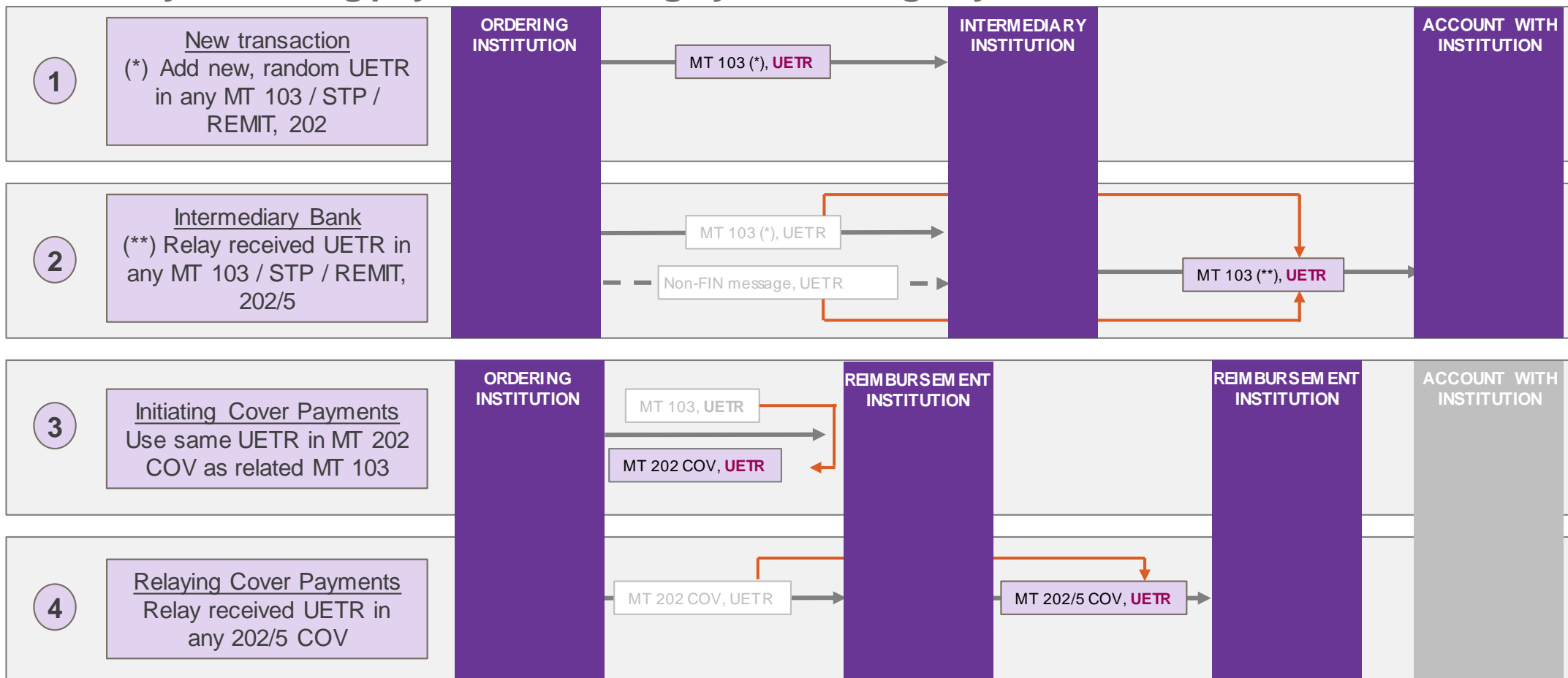
- As **intermediary**: if a UETR was present in the received message it must be passed, unchanged, to the next message in the transaction chain.
- When the **cover method** is used for a customer credit transfer, the originating bank must:
 - copy the UETR, in the user header block of the MT 103 unchanged into field 121 in the user header block of the related MT 202 COV.
- Where an **inward MT 202 COV** results in an **onward MT 202 COV or MT 205 COV**, the following must be taken into account:
 - the reference from field 121 in the user header block of the inward message must be passed, unchanged, in field 121 in the user header block of the onward message.



How?



Summary– Enabling payments tracking by mandating any bank on SWIFT to include UETR



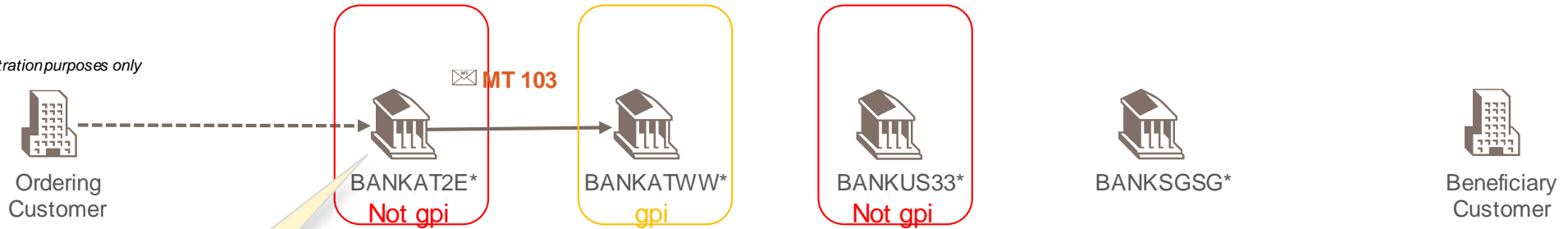
- As of 18 Nov 2018, field 121 (UETR) is mandatory in all MTs 103 / STP / REMIT, 202/5, 202/5 COV.
- All users must be able to receive field 111 (in combination with field 121) in any category 1 & 2 message, but only gpi banks are allowed to send or forward field 111.

Example of a valid UETR:
77e8367b-d3e7-4dfc-8100-7f041c4058d3



Example: pass on (unchanged) a received UETR

* BICs for illustration purposes only



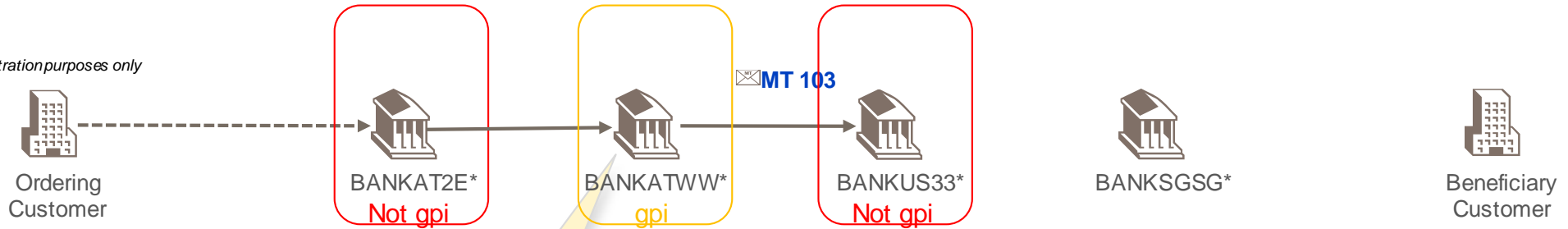
```
{1:F01BANKAT2EAXXX0135007653}
{2:I103BANKATWWXXXU3003}
{3:{108: MC7653}{121:ef95ea06-6d5d-4fa9-
bd64-cbd71e885927}}
{4:
:20:PAY/006
:23B:CRED
:32A:180828USD850,
:50F:/942267890
1/FRANZ HOLZAPFEL GMBH
2/GELBSTRASSE, 13
3/AT/VIENNA
:56A:BANKUS33
:57A:BANKSGSG
:59F:/729615-941
1/C.WON
2/PARK AVENUE 1
3/SG
:70:JULY 2009 EXPENSES
:71A:SHA
-}
{5: {CHK:CHECKSUMOFMT103}}
```

Although I am a non-gpi bank, I am the first in the transaction chain. Therefore, I must generate a random **UETR** for this transaction. (*)



Example: pass on (unchanged) a received UETR

* BICs for illustration purposes only



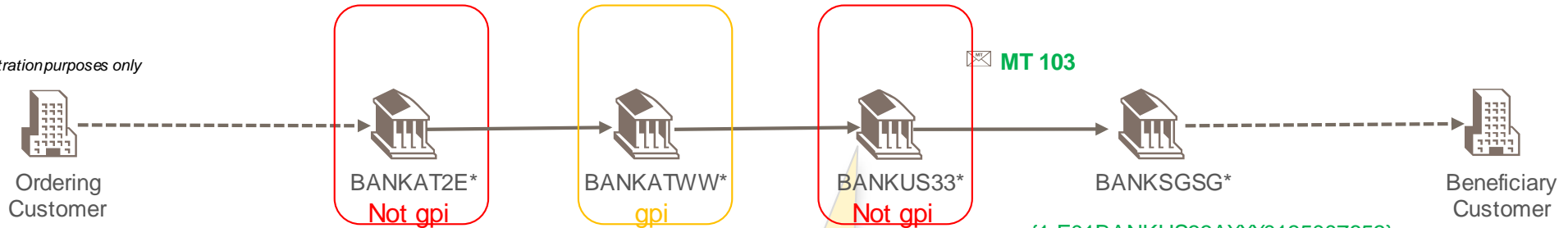
I am a gpi bank and want to track this payment, therefore I send it in the SWIFT gpi service. I must forward the **UETR** unchanged and add **field 111 Service Type Identifier**.

```
{1:F01BANKATWWXXX0135007653}
{2:I103BANKUS33XXXU3003}
{3:{108: MC7655} {111:001} {121:ef95ea06-6d5d-4fa9-bd64-cbd71e885927}}
{4:
:20:494938/DEV
:23B:CRED
:32A:180828USD840,
:33B:USD850,
:50F:/942267890
1/Franz HOLZAPFEL GMBH
2/GELBSTRASSE, 13
3/AT/VIENNA
:52A:BANKAT2E
:57A:BANKSGSG
:59F:/729615-941
1/C.WON
2/PARK AVENUE 1
3/SG
:70:JULY 2009 EXPENSES
:71A:SHA
:71F:USD10,
-}
{5: {CHK:CHECKSUMOFMT103}}
```



Example: pass on (unchanged) a received UETR

* BICs for illustration purposes only



I am a non-gpi bank. I must forward the **UETR** unchanged. However, I cannot forward the **field 111 Service Type Identifier**.

```

{1:F01BANKUS33AXX0135007653}
{2:I103BANKSGSGXXXU3003}
{3:{108: MC7659} {121:ef95ea06-6d5d-4fa9-
bd64-cbd71e885927}}
{4:
:20:MESS103180828
:23B:CRED
:32A:180828USD825,
:33B:USD850,
:50F:/942267890
1/Franz Holzapfel GmbH
2/Gelbstrasse, 13
3/AT/Vienna
:52A:BANKAT2E
::59F:/729615-941
1/C.WON
2/Park Avenue 1
3/SG
:70:JULY 2009 EXPENSES
:71A:SHA
:71F:USD10,
:71F:USD15,
:72:/INS/BANKATWW
-}
{5: {{CHK:CHECKSUMOFMT103}} }
    
```



Additional Considerations



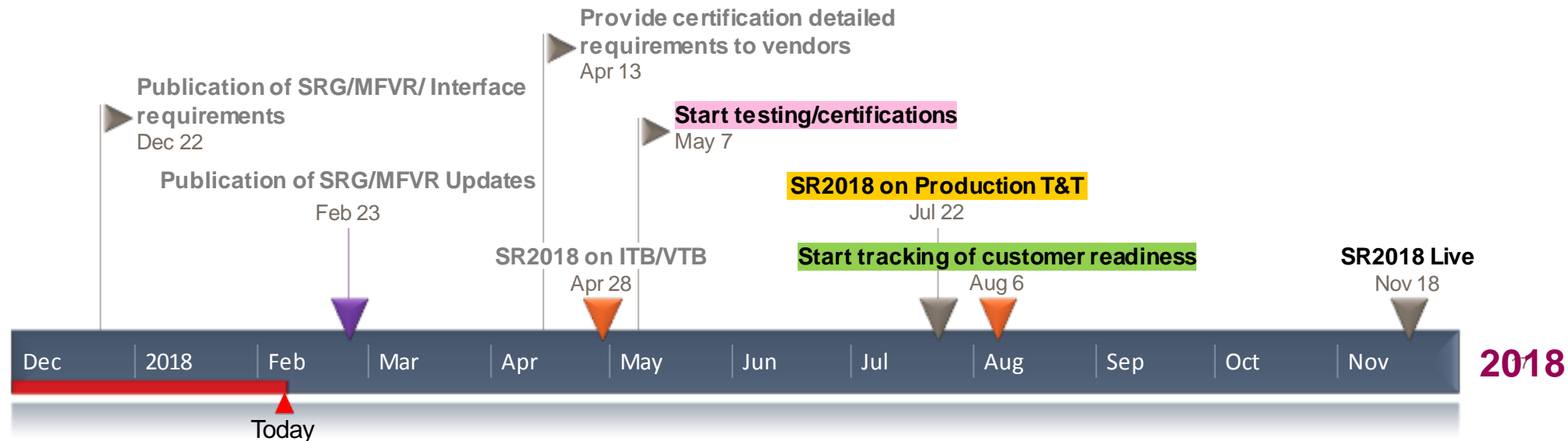
Test & Training – Awareness campaign – Monitoring readiness

Test and Training system available **as of 22 July 2018**:

- **Tank file messages**

FIN has a repository of sample messages known as the tank file. A Test and Training user can access the tank file through local test mode, and request FIN to generate and output a sample of FIN current or future user-to-user Test and Training messages.

SWIFT will add sample messages which contain the new gpi data to the tank file. You can request these messages by sending an MT 073 Message Sample Request. **More information: [FIN Service Description](#)**



More information

- [Standards MT Release Guide 2018:](#)
 - [Standards Release Guide](#)
 - [FIN Service Description Advance Information](#)
 - [FIN Operations Guide Advance Information](#)
 - [FIN Error Codes Advance Information](#)
 - [FIN System Messages Advance Information](#)
 - [SR 2018 Impact on Messaging Interfaces: Mandatory presence of field 121 Unique End-to-end transaction reference \(UETR\)](#)
- [Standards MT Release 2018 timeline + article](#)
- [SWIFTSmart module on SR 2018](#)

SWIFT gpi: www.swift.com/gpi

Additional webinars to learn more about SWIFT gpi and how to also benefit from tracking SR 2018 payments

[Tuesday, 6 March 2018 at 09:00 – 16:00 SGT](#)

[Thursday, 8 March 2018 at 16:30 – 10:30 EST](#)

To receive more information on the benefits of joining gpi directly, please contact us on swiftforbanks@swift.com.



Questions?

Frequently asked questions on SR 2018: Mandatory changes in category 1 and category 2

Impact on back-office

Impact on FIN Messaging Interfaces

Impact on Payments Market Infrastructures (PMI)

What is the impact on corporates?

What is SWIFT gpi?

But also

- What is the rule around use of UETR when bulking MT103s to MT102s or MT202s to MT203s?
- Are different use cases published by SWIFT?
- When the messages will be loaded through a message partner into interface, it must add the UETR if the UETR is not within the message?
- Will field 121 appear in header block 3 of the ACK/NAK?
- Will it be mandated to use the same UETR when a payments is rejected/returned?
- What is the difference between header field 108 and header field 121 in block 3?
- Does the receiver need to validate that the UETR is valid?
- Are vendors aware of the requirements?
- If we received a message NAK (not linked to the format of the UETR), can we update the message and reuse the same UETR?
- What about the upcoming migration to ISO20022?
- What can non-gpi banks do with the UETR?



Thank you



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