

RTGS and CLM: Main reasons for updates to messages in UDFS V2.0 and future updates to messages in the next UDFS version

**TARGET Consolidation Contact Group
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I. Background and aim of the presentation

- **Between UDFS V1.1.1 and 2.0 there were several updates on message usage guidelines (explained and detailed in the presentation of BDI colleagues: „Common Components Messages Activities“)**
- **In addition to that presentation we will give a brief overview on updates triggered by HVPS+ on RTGS and CLM usage guidelines to be found in the UDFS V2.0**
- **Furthermore we will briefly inform you about further updates which are planned for the next UDFS version (non-exhaustive)**
 - Message usage guidelines
 - New subgroup for Common Components (CoCo) on MyStandards (MyS)

II. Changes on usage guidelines for UDFS V2.0 in RTGS and CLM (I)

- **Changes triggered by HVPS+ (only pacs message usage guidelines)**
 - Pacs.008 RTGS
 - Due to CBPR+ alignment activities: inter alia several (proprietary code) elements were requested to be opened, field lengths and elements multiplicity to be adjusted
 - Adjustments could not be finalised before delivery date of UDFS V2.0 (task for next UDFS)
 - Main changes for UDFS V2.0 were:
 - Introduction of elements
 - <ClearingSystem/Code>
 - <Department>
 - <SubDepartment>
 - <AddressLine> for Agents and non agents available in FIN MT
 - <Proxy> for Agents and non agents accounts
 - <Purpose/Proprietary>

III. Future updates on usage guidelines for next UDFS version

- **Overview (I)**

- Due to ongoing development activities for the backend application there are several needs for improvements on message usage guidelines identified (A)
 - Camt.025 schema update (A1)
 - Updated concept for business validation rules (A2)
 - Overall quality improvements on annotations and updates on message examples (A3)
- Due to ongoing HVPS+ alignment activities on basis of CBPR+ needs there are several updates on message usage guidelines necessary (B)
- Due to recent decision on separate UDFS documents for Common Components (e.g. CRDM, Billing, BDM) there is the need to introduce a dedicated MyS sub group Common Components (CoCo) within the T2 group for all common component message usage guidelines for T2 (C)

III. Future updates on usage guidelines for next UDFS version

- **Overview (II)**
 - Agreement on 4CB and ECB level on new BIC pattern (D)
 - Change of Multiplicity of <SettlementPriority> to meet URD (E)

Camt.025 schema update (A1) I

- The Receipt message is used outbound as a response message for several inbound messages (exception: inbound case for RTGS AS business)
- To improve the schema setup of the outbound receipt message new codes will be launched in <RequestType> for outbound (Rct/MsgHdr/ReqTp/Prtry/Id)

• RTGS

- VSTS – validation status
- SSTS – settlement status
- XSTS – execution status

• CLM

- VSTS – validation status
- SSTS – settlement status
- XSTS – execution status

Receipt V05 (camt.025.001.05)		
Message Header	1	1
Message Identification	1	1
Creation Date Time	0	1
Request Type	0	1
Proprietary	1	1
Identification	1	1
Validation Status [VSTS]		
Settlement Status [SSTS]		
Execution Status [XSTS]		

Updated concept for business validation rules (A2)

- **In RTGS an CLM there are business validation rules implemented which have three different sources**
 - Business validation rules of RTGS and CLM (1)
 - Validation rules of ISO 20022 (2)
 - Business validation rules of HVPS+ (3)
- **The next UDFS version (and message usage guidelines) will include these three different sources of business validation rules and IDs mainly for maintenance and transparency reasons (current IDs will be discarded)**
- **Also Error codes will follow this approach**
- **Implementation of ISO 20022 validation rules in the backend applications is necessary because of switched-off network validation services**
- **Examples:**
 - (1) VR00010 and Error code E001
 - (2) IV00050 and Error code X050
 - (3) HV00860 and Error code Y086

Overall quality improvements on annotations and updates on message examples (A3)

- Improvement of message scope description i.e. clearly focus on the purpose and use of the message within the T2 component
- Annotations in the message usage guidelines are cleaned up i.e. remove of all comments, reminders or current PM or HAM use
- Textual annotations are replaced by business validation rule IDs
- Introduction of annotations to flag whenever content of a message element is not used for settlement purposes in RTGS or CLM but kept in message because of HVPS+ alignments
- Remove Common Component annotations and replace them with “Not used for RTGS and CLM” in the common schema usage guidelines
- Message examples need to be amended following the new schema specifications (always schema compliant)

Update: 4CB will provide examples based on business scenarios, i.e. using same references and attributes

HVPS+ alignment activities caused by CBPR+ needs (B) I

- **Cross Border Payments and Reporting working group (CBPR+) is sponsored by PMPG mainly to support the smooth migration of still MT-based correspondent banking payment message traffic to ISO 20022 messages**
- **To enable its interoperability with high value payment message traffic, HVPS+ works in close cooperation with CBPR+ to align message usage guideline recommendations and rules on both sides**
- **The tight timeline for the preparation of the next UDFS version and the level of changes in the message schemas force the 4CB take step-by-step approach for the implementation of the new HVPS+ recommendations and rules**
- **Changes based on this work stream are subject to CSLD CR0027**

Update: To align with HVPS+, future RTGS and CLM UGs will cover time offset

HVPS+ alignment activities on basis of CBPR+ needs (B) II

- **Impacted messages are:**
 - pacs.008/009/002 and 004 (and pacs.010 for consistency reasons)*
 - camt.056/029/053 and 054
 - head.001
- **For some schema updates MIB decision needed as several market comments were received supporting to introduce unstructured elements (e.g. <AddressLine>)**
- **Next common HVPS+ and CBPR+ alignment call is scheduled for pacs.004 and 002 on 10th September 2019**
- **Finalisation of remaining message usage guidelines scheduled by HVPS+ by end of October 2019**

*only pacs messages are taken into account for next UDFS version

Update: <AddressLine> will be supported and final HVPS+ Pacs UGs published on 4th Oct

MyS sub group for Common components UDFS (C)

- **The introduction of separate UDFS documents for Common Components is accompanied by the introduction of a new sub group of the T2 group in MyS for Common Components message usage guidelines for T2**
- **New sub group “CoCo” is on same level of RTGS and CLM sub groups**
- **Common component message usage guidelines which were provided in RTGS and/or CLM sub groups so far will move to the new sub group**
- **In case of common schema (camt.011/012/048) the known approach will be maintained, i.e. common schema but different usage guidelines**
- **Common components usage guidelines will be removed from RTGS and CLM sub-groups (except common schema)**
- **New customer community to access CoCo will be introduced to share usage guidelines to interested customers (users have to request access to the new community)**

New BIC pattern (D)

- **With ISO release 2018/2019 ISO introduced a new BIC pattern which allows new combinations**
- **The new BIC pattern was not introduced overall the ISO message repository**
- **SWIFT as BIC registration authority will not allocate BICs of the new generation till all ISO 20022 messages are switched to changed BIC pattern**
- **Old BIC pattern** ([A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1})
- **New BIC Pattern** ([A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1})
- **4CB and ECB agreed on using the new BIC pattern in all ISO messages, where the new BIC pattern was introduced with the latest ISO release**
 - New BIC pattern in RTGS, CLM and Common Components
- **Nevertheless a dedicated risk form will be opened for T2S since T2S is not shielded for inbound BICs of the new generation**

Multiplicity of <SettlementPriority> (E)

- The pacs message schema of RTGS and CLM considered <SettlementPriority> as mandatory so far
- According to URD RTGS.UR.HVP.PAYT.040.010 the settlement priority shall be optional. In case of no priority class is selected, RTGS will process payment orders with settlement priority “normal”
- This requirement (<SettlementPriority> optional) will be applied to CLM pacs message schema as well

Thank you for your attention.

Appendix

Camt.025 schema update (A1)

<RequestType> and inbound message mapping

- **VSTS**

- RTGS: Business validation error report for all cases
- CLM: Business validation error report for all cases

- **SSTS**

- RTGS: camt.050
- CLM: camt.050

- **XSTS**

- RTGS: camt.007, camt.011, camt.012, camt.029, camt.048, camt.049
- CLM: camt.048, camt.049, ModifyCreditLine (camt.998),
InsertBalanceMinimumReserve (camt.998),
AuthorizePenaltyMinimumReserve (camt.998),
InsertValueMinimumReserve (camt.998)

Overall quality improvements on annotations and updates on message examples (A3)

- **Message examples will**
 - Assist the user in understanding the business usage text in MyS and in the UDFS
 - Make use of consistent data input (i.e BIC, Acct, Validation rule ID)
 - Guide the user to see all mandatory elements
 - Guide the user to see the population of useful, commonly used optional elements
- **Message examples are not intended to be**
 - Provided to cover every possible element combination
 - A guide to instruct a complete business message for a particular use
 - A replacement for describing a business usage case or process

HVPS+ alignment activities on basis of CBPR+ needs (B)

- **Main changes on the schema of pacs.008 and pacs.009**
 - <ClearingSystem> with fixed value code „TGT“ mandatory
 - <ServiceLevel/Proprietary> optional
 - <LocalInstrument/Proprietary> optional
 - <CategoryPurpose/Proprietary> optional
 - <ChargeBearer/Code/SLEV> allow new code SLEV
 - <AddressLine> allow for agents and non agents available in FIN MT*
 - <InstructionForNextAgent> optional*
 - <RelatedRemittanceInformation> optional (1 occurrence)**
- **Rules**
 - Add rule that related remittance information and remittance information are mutually exclusive

*MIB decision needed, several market comments received supporting to introduce the unstructured element

**only pacs.008