How Corporates can Standardize and Simplify the Global Language of Payments

(An Introduction to the CGI-MP XML V09 Implementation Guidelines)

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Agenda

- Background
- Introducing a change of mindset
- Material benefits to the corporate community
- The updated CGI-MP documentation
- Structured Address – the HOT topic

Common Global Implementation Market Practice Group: Who We Are.

Bank of America
Bank of China (HK)
Barclays
BBVA
BNP Paribas
BNY Mellon
Citibank
Commerzbank AG
Danske Bank
Deutsche Bank
DZ Bank
Erste Group Bank
First Abu Dhabi Bank (fka. First Gulf Bank)
HSBC
ING Bank
J.P.Morgan
LLOYDS Bank
Nordea Bank
Payments Canada
Raiffeisen Bank International
Royal Bank of Scotland
Santander
SEB
SMBC
South African Reserve Bank
Standard Chartered Bank
Swiss Re
Sydbank A/S
UniCredit Bank
Wells Fargo

Accredited Standards Committee X9
ACI Worldwide
AFP
AFTE
AITI
Aperam
ArcelorMittal Treasury
Axletree
Azzana
Backbase
BASF
Bottomline Technologies
CBI Consortium
Cegid
Citizen Can
Daimler AG
Deutsche Post
Dion Global
e5 Solutions
EastNets
EFiS
Electrolux Group
Exalog
FIS
Finastra
FINANCEKEY
Fiserv
General Electric
HCL
Hoffmann-La Roche
IKEA
Infor
ION
KPMG
Kyriba
LPA
Merck Group
Movitz
Neofi

NIKE
Nordson
NOMENTIA
Nth Exception
NTT DATA Luweave Corporation
OpenText GXS
Omikron Systemhaus
Pay.UK
Payyxtron GmbH (fka. Wuerth)
PPI
Redbridge
SAP SE
SERRALA
Siemens
SIX Interbank Clearing
Statoil ASA
Storck
SunTec
Swift
Tembit
ThyssenKrupp
Tieto Sweden AB
TIS
UNIFITS
UTSIT
Valantic Financial Services Automation (fka. Dion)
Verband Deutscher
Visma Software International AS
Volante Technologies
Vorwerk
Wall Street Systems
XMLdation
Zanders

In total 150 Institutions are the CGI-MP Members

5 Working Groups

WG1 Credit Transfer & Payment Status Report
WG2 Cash Management Reporting
WG3 Direct Debit & Mandates
WG4 Bank Account Management
WG5 Bank Services Billing

Background

- **The key driver**: the shift from the legacy MT messages to the rich & structured ISO 20022 messages.

- **MIs** are adopting the newer versions of ISO 20022, providing a further incentive for the corporate community to migrate from existing pain.001 V03 to the newer version (V09).

- **CGI-MP** began in 2020 to review the ISO 2019 version release to align with the industry initiatives where the consensus within the group to upgrade from ISO 2009 version to 2019 version.

- **The review of Appendix B** and a broader pain.001 message provides the opportunity to remove some of the current frictions and proprietary workaround exist in the ISO 2009 versions.

"A corporate can use the same message structure for all their payments with all of their transaction banks reaching any payment system across the globe."
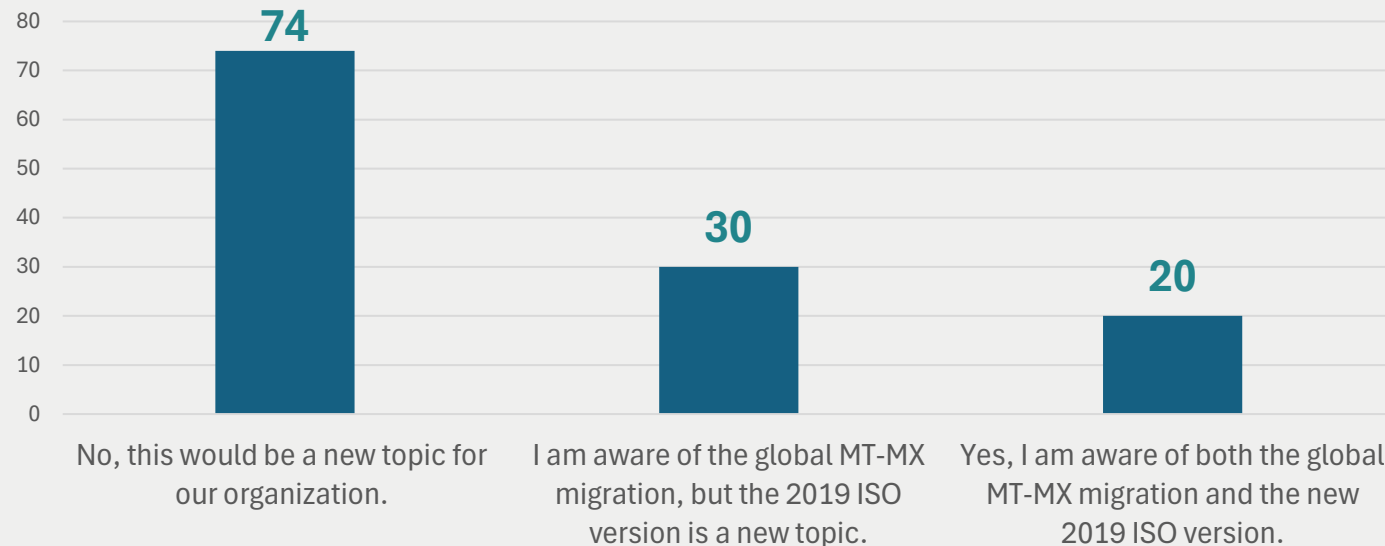
Poll Question 1

For the Corporate participants, are you aware of the potential file format changes linked to the global Swift MT to MX migration in the cash management space and have you already received any information about the new ISO 20022 version 2019 (pain.001.001.09 – Version 09 etc.)?

1. No, this would be a new topic for our organization.

2. I am aware of the global MT-MX migration, but the 2019 ISO version is a new topic.

3. Yes, I am aware of both the global MT-MX migration and the new 2019 ISO version.

Results of Poll Question 1

For the Corporate participants, are you aware of the potential file format changes linked to the global Swift MT to MX migration in the cash management space and have you already received any information about the new ISO 20022 version 2019 (pain.001.001.09 – Version 09 etc.)?
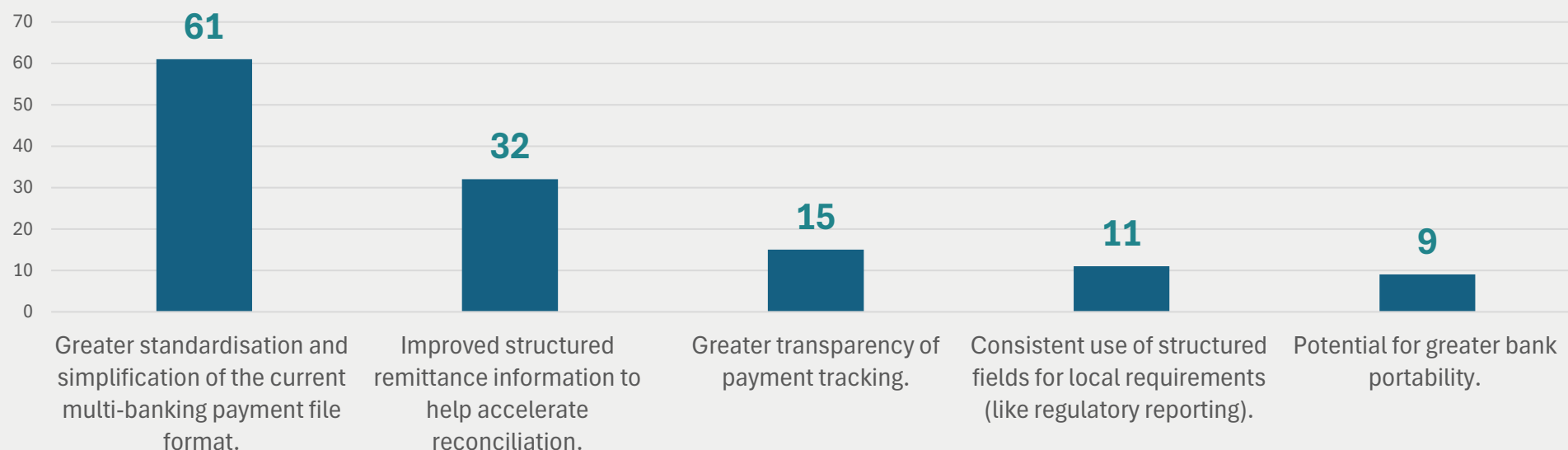

Total 124 Responses

Poll Question 2

Whilst there is currently no formal requirement for corporates to migrate onto the XML V09, which is the single greatest benefit which will provide additional motivation to consider a migration from your current format?

1. Greater standardisation and simplification of the current multi-banking payment file format.

2. Improved structured remittance information to help accelerate reconciliation.

3. Consistent use of structured fields for local requirements (like regulatory reporting).

4. Potential for greater bank portability.

5. Greater transparency of payment tracking.

Results of Poll Question 2

Whilst there is currently no formal requirement for corporates to migrate onto the XML V09, which is the single greatest benefit which will provide additional motivation to consider a migration from your current format?

Total 128 Responses

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CGI pain.001 V03 Implementation Challenges – Lessons Learned

1. Bank flavored Implementations

- Significant implementation timelines

- Multiple flavors of pain.001 e.g.,
    - Payment Type Codes
    - Initiating Party Identification
    - Address Logic
    - Reference Information
    - Batching rules

2. Data-Overpopulation

- The core principles to accept and ignore excess data

- Challenges in banks accepting excess data

- Resulting in greater implementation complexity on the corporate side

3. Unstructured Data Fields

- Low usage of structured data tags

- High usage of unstructured data tags

- Low standardization across the banks e.g., regulatory reporting

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CGI pain.001 V09 Implementation Approach – "Change of Mindset"

1. Bank Standard Implementations

- Reduce implementation timeline
- Reduce implementation complexity
- How ?
    - More prescriptive logic
    - Standardised Payment Codes
    - Standardised Regulatory reporting
    - Structured Postal Address logic

2. Provision of Additional Data

- Potentially accept additional data subject to bilateral agreement:

    - Initiating Party Identification
    - Category Purpose
    - Structured Remittance Info
    - Non-conflicting data (e.g., Agent BIC & clearing code)
    - Does not apply to proprietary codes.

3. Structured Data

- Structured data first principle going forward

- Corporates to get richer Remittance Information for auto-reconciliation (if supported by clearing)

- Opportunity for the banks to provide value add services, e.g., Remittance advice service

A Big Thank You to All Contributors to the XML V09 Implementation Guidelines !

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Appendix B: The Country Level Detail

pain.001.001.09 Country	Payment Type	Clearing (for info)	Service Level Code[1]	Local Instrument	Local Language	Regulatory Information	Withholding Tax	Creditor Identification	Creditor Account	Creditor Country of Residence	Category Purpose	Purpose (non-regulatory)	Creditor Account Type
Australia	Domestic Urgent	RITS	URGP										
	International	SWIFT	URGP										
	Instant Payments	NPP	INST										
	Domestic non-urgent	BECS	NURG									Yes	
China	Domestic Urgent	CNAPS / SHEC / BJEC	URGP		Yes	Yes							
	International	SWIFT / CIPS	URGP			Yes							
	Instant Payments	IBPS	INST										
	Domestic non-urgent	BEPS	NURG		Yes	Yes							
Hong Kong	Domestic Urgent	CHATS	URGP										
	Instant Payments	FPS	INST						Yes[4]		Yes		
	International	SWIFT	URGP		Yes								
	Domestic non-urgent (auto credit)	FPS (BCT)	NURG								Yes		
India	Domestic Urgent	RTGS	URGP[5]										
	Net Settlement	NEFT	URNS	Yes									Yes
	Instant Payments	IMPS	INST	IMPS					Yes[4]				
	Instant Payments	UPI	INST	IUPI					Yes[4]			Yes	
	International	SWIFT	URGP			Yes				Yes			
	Domestic non-urgent	NACH	URNS	Yes									
Indonesia	Domestic Urgent	BI-RTGS	URGP			Yes							
	International	SWIFT	URGP			Yes							
	Domestic non-urgent	SKN	NURG			Yes							
	Instant Payments	BI-FAST	INST										

- Over 40 countries covered by a regional view with the key datapoints required by the clearing systems
- Clear definition of Service Level Codes to be used to identify the payment type
- Deeper dive into more complex data requirements

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Appendix B: Regulatory Reporting – A Global Structured Approach

Below regulatory requirements are for information only to provide guidance on the usage of ISO elements. Please reach out to your bank resp. the publications of the respective regulatory authority regarding latest regulatory require

Country	General CGI-MP Usage Rules	BAHRAIN	China	China	France	India
Requirement		Central Bank of Bahrain requires POP for international transactions outbound from BAH, inbound to BAH and transiting through BAH for BOP reporting.	Domestic non-urgent RMB payments (Peoples Bank of China): Purpose of payment is required for payments to individuals. Current practice is free format - no code structure. Examples include salary and bonus payments. Domestic urgent RMB payments (Peoples Bank of China): Beneficiary (creditor) residency status is required. The bank derives the status from the Creditor Country of Residence information (Cdtr/CtryOfRes), which is required	International and Foreign Currency payments within China (if BOP information is provided via pain.001 V09 depending on bilateral bank service). SAFE (State Administration of Foreign Exchange) requires BOP code/description.	Transactions outside the SEPA zone larger than 50 000 EUR (or equivalent) from resident to non-resident require a declaration of an economic code (ECO code, 3 char). This is for the balance of payments statistics from the Banque de France.	As a regulatory requirement in India, any foreign remittance that is being made out of an India based account, need to have supporting documentation which is OUTSIDE the actual payment process. However, for A2 Payments – Cross Border Fund Transfer for availing services there is a requirement for a purpose code.
Regulatory Reporting						
Debit Credit Reporting Indicator						
CRED	Not used (refer to tab Reg Rpt In)					
DEBT	Required. Reg. information applied to the debit side. i.e. requirements in the country, where the debiting account is held (where the money comes from).	DEBT	DEBT	DEBT	DEBT	DEBT
BOTH	Not used					
Authority						
Name	Optional					
Country	Optional					
Details (first occurrence)						
Type	Conditional (if required by a country). Applicable codes are stated, with the explanation in brackets.	R code "PURP" (Purpose of Payment)	R code "PURP" (Purpose of Payment)	R code "PURP" (BOP Purpose of Payment)	R code "PURP" (Purpose of Payment)	R code "PURP" (Purpose of Payment)
Date	Not used					
Country	Conditional (if required by a country)					
Code	Conditional (if required by a country)	R CBB payment purpose code e.g. "GDE" = Goods sold (Exports) "STS" = Sea Transport "IGD" = Dividends Intragroup Full / latest code list will be available from your bank or the regulator.		R BOP purpose code (numeric), if bilaterally supported. e.g. "121010" = General Trade "121020" = Processing with imported material "121030" = Logistics goods imported into or exported from a particular customs territory or a bonded premises Full / latest code list will be available from your bank or the regulator.	R Economic Code (3 char) e.g. "E01" = Goods "E02" = Transport Services "E03" = Computer and Communication Services Full / latest code list will be available from your bank or the regulator. source: https://www.banque-france.fr/sites/default/files/media/2016/12/10/liste-des-codes-crp.pdf	R Purpose of payment code e.g. "S0001"= Indian investment abroad in equity capital (shares) "S0002" = Indian investment abroad in debt securities "S0003" = Indian investment abroad in branches Full / latest code list will be available from your bank or the regulator.

- New approach to capture Regulatory reporting information
- New codes invented to help standardise regulatory reporting information
- Additionally include inbound reporting, e.g., China and UAE

Appendix B: Proxy/Tokenisation: Supporting the Rise of Instant Payments

Region	Country	Payment Type	Creditor Account Requirement	tag in V09 (CGI-MP guideline)
Asia Pacific	Hong Kong	Instant Payments	Tokenisation and proxy are supported. Where a mobile number, email address or alternative account identification is provided, the following logic should be followed to ensure schema compliance.	<CdtrAcct><Id><Othr><Id>NOTPROVIDED <Prxy><Tp>(<Cd>OR<Prtry>)<Id>

- New approach to capture proxy
- New Service Level Code "INST" for Instant Payment Service (except for SEPA)
- Standardised way of providing proxy type codes, e.g., mobile number, email address

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Key Benefits to the Corporate and Banking Community

- Remove the frictions between the banks.
- Reduce costs by more standardised implementation.
- Corporates - Richer data enable better reconciliations (STP/STR*).
- Banks - Higher payment automation and compliance check processing rates.
- Potential greater portability due to the bank-agnostic format.
- Dedicated tags for Regulatory Reporting, Tax, UETR, LEI, Proxy.
- Improved AML compliance and counter-terrorist financing (CTF) screening.
- Structured Remittance Information as supported by the Banks & Market Infrastructures End to End.

*Straight Through Processing (STP) / Straight Through Reconciliations (STR)

All Important Views from the Corporates:
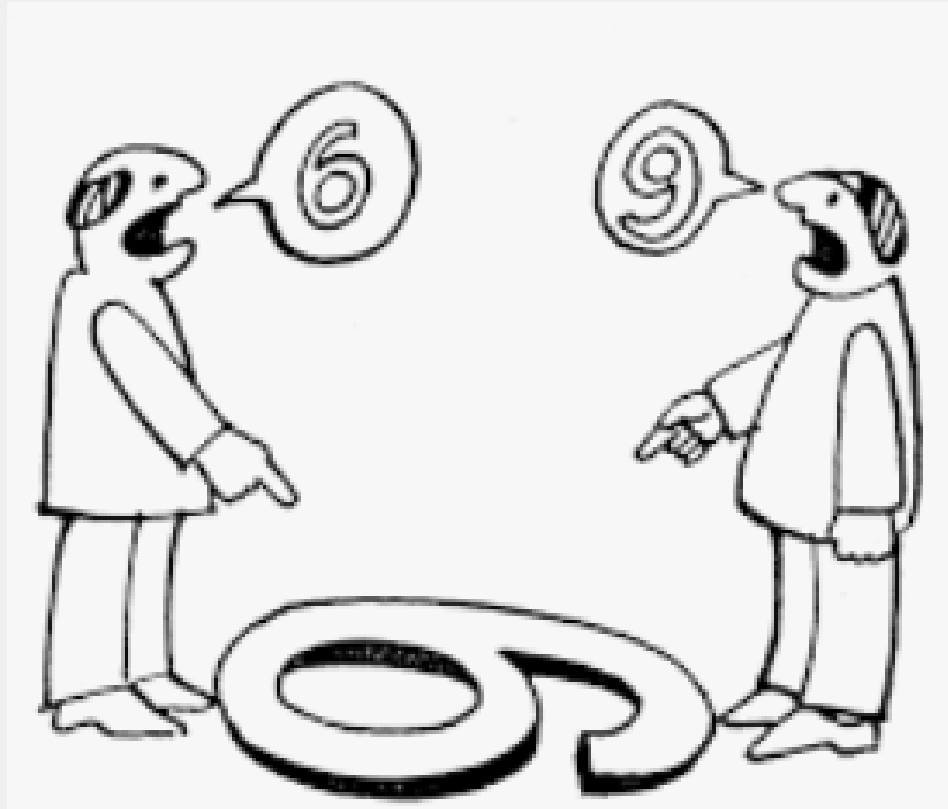
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New way of accessing the CGI-MP Guidelines on MyStandards

User Handbook

CGI-MP Guidelines

CGI-MP Rules and Guidelines are available for community adoption

MyStandards

MyStandards: https://www2.swift.com/mystandards/#/group/CGI-MP

New CGI Implementation Guidelines e.g. pain.001 V09 International and Urgent Domestic Payments (link)

- Includes comments and rules to prescribe the usage of the tags

- The pain.001 International and Urgent Domestic Payments Guideline must be used in conjunction with **Appendix B**

- More guidelines to come (domestic ACH payments, SEPA during 2024)

CGI-MP User Handbook with Illustrations

- Greater clarity around the end-to-end workflows

- Clarification of different status codes and sequence

- More examples of pain.001 and pain.002 usage guidelines

Poll Question 3

Considering the presentation content, what are your current plans around adopting XML V09?

    1. We plan to implement as soon as our partner banks are ready to proceed.

    2. We are currently planning to implement by Nov 2025 (hybrid address is available).

    3. We are currently planning to implement by Nov 2026 (end of unstructured address).

    4. We are information gathering and have no plans to migrate at this stage.

Results of Poll Question 3

Considering the presentation content, what are your current plans around adopting XML V09?

Bar chart with values:
- We are information gathering and have no plans to migrate at this stage: **79**
- We plan to implement as soon as our partner banks are ready to proceed: **20**
- We are currently planning to implement by Nov 2026 (end of unstructured address): **11**
- We are currently planning to implement by Nov 2025 (hybrid address is available): **5**
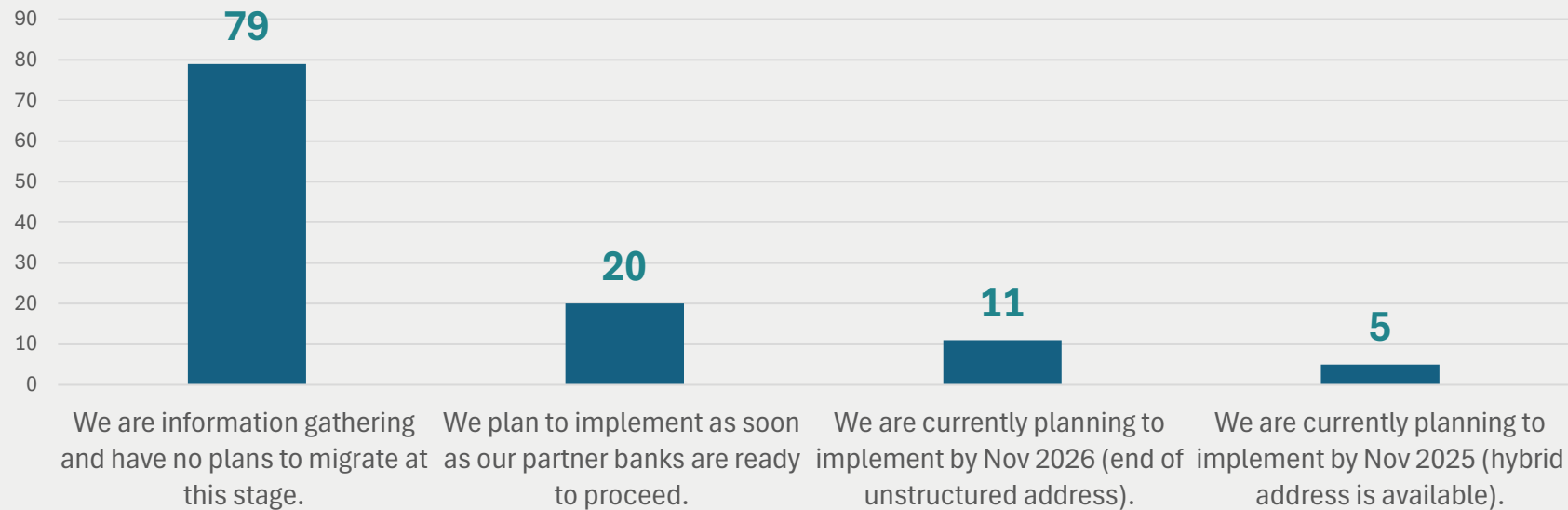
Total 115 Responses

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International and Urgent Domestic Payments Hybrid Postal Address from November 2025
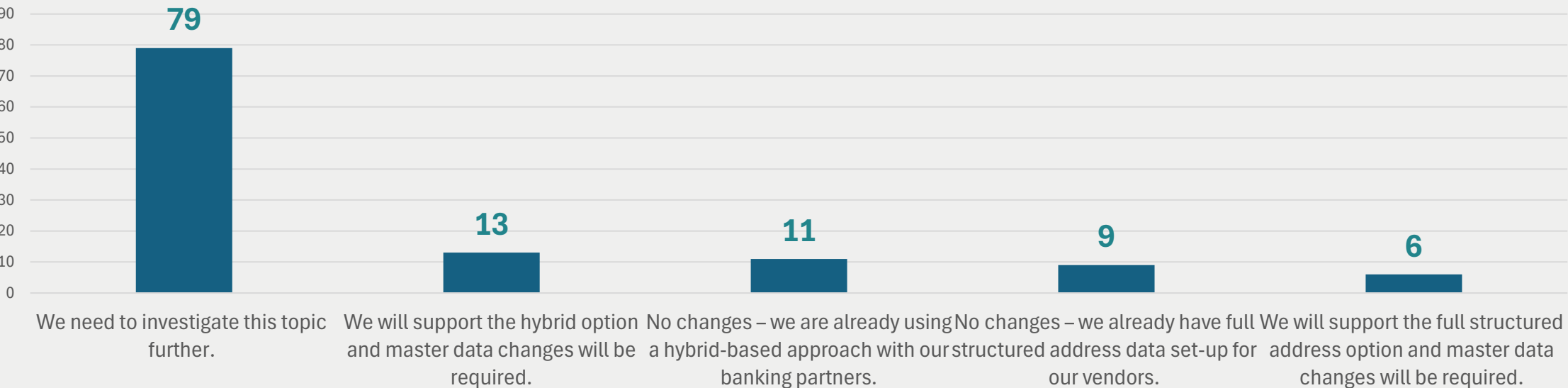
Poll Question 4

Considering the address options available and considering how you currently have your vendor master data set-up, which of the options below relates to your preferred approach?

1. No changes – we already have full structured address data set-up for our vendors.

2. No changes – we are already using a hybrid-based approach with our banking partners.

3. We will support the full structured address option and master data changes will be required.

4. We will support the hybrid option and master data changes will be required.

5. We need to investigate this topic further.

Results of Poll Question 4

Considering the address options available and considering how you currently have your vendor master data set-up, which of the options below relates to your preferred approach?

Total 118 Responses

Questions?