



Best Practices in Bank Fee Reporting using camt.086 or TWIST

Account Numbers

Importance of the IBAN: The community has discussed the importance for some vendors to receive IBAN, BBAN, or at the very least a BIC for each account reported in a camt.086 file. Corporations like to be able to see their fees by country and without at least a BIC to identify the charges, this becomes an impossible task (or at least very difficult). The committee recommends that any bank currently in development for upgraded or new camt.086 generation use the IBAN wherever possible. When a country does not use IBANs, and only local account numbers, the bank should include the BIC as a best practice.

Account Structure Reporting

One frequent question is around the reporting of accounts by different groups or by entity. Banks are receiving requests from some corporates to report the fees by legal entity structure: a)– so costs can be allocated properly and b) to help facilitate research when a new account is identified. This is not an easy ask and there are significant challenges in reporting legal entity numbers and including this information in the billing files because this information is not stored or maintained in the bank billing system. To assist the corporates, however, some banks provide a separate report (in Excel) with the active accounts by Group structure on a periodic basis. It could also be possible to use the Summary, Intermediate, and Detail structuring within the camt.086 schema to report fees at different levels. One last option was to ‘cut’ the file generation to include only certain accounts (those tied to a specific entity). The CGI MP group agreed that banks all have different capabilities surrounding this. **The ‘best’ practice would be to build enough flexibility into the billing system to be able to ‘package’ the files with only specific accounts.** All agreed, however, that ultimately the software vendor used by the corporate should be the one to provide this visibility as the account structure is maintained in the software. While it may not help with point (b) above and the researching of a new account, a Bank Account Management system could help resolve that issue.

Reporting Taxes in Camt.086

The CGI-MP Workgroup 5 has compiled feedback on the different tax methods being used in the market to report tax expense within a camt.086 file. If you are a bank looking to implement camt.086, the following information may prove helpful to you before selecting the Tax Method to use in your system.

Much of the information relating to the Tax Method in the camt.086 file is not compulsory, however the CGI-MP group recommends that you define which Tax Calculation Method is being used in the Tax Calculation or Tax Region section of the file along with the relevant Service Detail and Tax Calculation information.

Method	Summary	Banks Using this Method	Comments
A (MTDA)	Line-by-line Tax Calculation and line-by-line settlement translation.	HSBC, Standard Chartered	Rounding errors introduced



B (MTDB)	Line by line Tax Calculation and summary settlement translation.	Deutsche Bank, BNPP, ING, SEB	Greater data richness and transparency for the client
C (MTDC)	Summary Tax Calculation Summary Settlement Translation (All tax calculations, currency translations and tax totals are reported in the TaxRegion section on a summary basis. The complete TaxRegion is required.)	BAML, Citibank	Useful for a lot of different complex banking structures with multiple tax regions/multiple currencies. Introduces the least amount of rounding errors.
D (MTDD)	Line-by-line Tax Calculation using Pricing currency throughout	BNPP, Commerzbank, Westpac, Societe Generale	Simplest but using same currency is not always feasible
Custom (UDFD)	Summary level calculation at the end of the invoice	Commerzbank	

BNP Paribas - French banks may report taxes either by Method B and/or D. Method B aligns to the bank practices while Method D aligns to how taxes are retrieved in France. Using more than one tax method is not preferred however information is retrieved differently by method. Billing in Portugal requires two different taxes to be applied.

Commerzbank is using method D (tax calculation line by line) and an undefined/custom method (tax calculation at summary level, if there are no tax details at the single service level). At the summary level it is very difficult to include tax in the camt.086. Issues such as rounding differences; tax included as calculation method 'Undefined' (UDFD).

BAML uses tax method C due to several factors including bank/vendor interpretation of the MUG at the time CAMT 086 solution was built along with the fact that the bank has complex account structures that include multiple currencies.

Example of Method C (same provided by BAML)

The tax designation is included at the detail service level (highlighted in yellow) which the client can use to identify which of the services are taxable for the account. The total tax amount for the account is shown in the Tax Region section which shows both the host currency and the settlement currency of the account (in green).

```

_ <Svc>
_ <SvcDtl>
_ <BkSvc>
  <Id>03600</Id>
  <Desc>CP CONNECT IR PDR ITEM</Desc>
_ <CmonCd>
  <lssr>AFP</lssr>
  <Id>INF12000</Id>
  </CmonCd>

```



```

<SvcTp>DR</SvcTp>
  </BkSvc>
<Vol>268</Vol>
  </SvcDtl>
= <Pric>
  <Ccy>USD</Ccy>
= <UnitPric>
  <Amt Ccy="USD">0.00000</Amt>
  <Sgn>true</Sgn>
  </UnitPric>
  <Mtd>UPRC</Mtd>
  </Pric>
  <PmtMtd>BCMP</PmtMtd>
= <OrgnlChrgPric>
  <Amt Ccy="USD">0.00000</Amt>
  <Sgn>true</Sgn>
  </OrgnlChrgPric>
= <OrgnlChrgSttlmAmt>
  <Amt Ccy="AUD">0.00000</Amt>
  <Sgn>true</Sgn>
  </OrgnlChrgSttlmAmt>
= <BalReqrAcctAmt>
  <Amt Ccy="USD">0.00000</Amt>
  <Sgn>true</Sgn>
  </BalReqrAcctAmt>
= <TaxDsgnt>
  <Cd>TAXE</Cd>
  <Rgn>GB</Rgn>
  </TaxDsgnt>
</Svc>

```

```

Tax<TaxRgn>
  <RgnNb>GB</RgnNb>
  <RgnNm>GB</RgnNm>
  <CstmrTaxId /> FR33333370959</CstmrTaxId>
  <PtDt>2018-10-31</PtDt>
= <SndgFI>
  <VATRegnNb>GB 245 1224 93</VATRegnNb>
  </SndgFI>
  <InvcNb>619</InvcNb>
= <SttlmAmt>
  <Amt Ccy="EUR">17.65000</Amt>
  <Sgn>true</Sgn>
  </SttlmAmt>
= <TaxDueToRgn>

```



```
<Amt Ccy="GBP">15.65000</Amt>
```

```
<Sgn>true</Sgn>
</TaxDueToRgn>
</TaxRgn>
```

Example of a custom method (provided by Commerzbank)

In Commerzbank, for some invoices the tax is not calculated at the single service level, but only at the overall invoice level. There are no tax details at the single service level apart from the tax designation flag. For this reason tax calculation method **UDFD** is used. The tax designation (including tax region and tax reason) is specified at the service level (highlighted in yellow) which the client can use to identify which of the services are taxable. The total tax amount is shown both in the compensation section and in the tax region section (highlighted in green).

```
<AcctChrtcs>
...
<Tax>
  <ClctnMtd>UDFD</ClctnMtd>
</Tax>
```

specification of tax calculation method

```
<AcctSvcrCtct>
...

```

```
<Compstn>
  <Tp>
    <Cd>SCBT</Cd>
  </Tp>
  <Val>
    <Amt Ccy="EUR">219.90</Amt>
    <Sgn>true</Sgn>
  </Val>
  <CcyTp>PRCG</CcyTp>
</Compstn>
```

```
<Compstn>
  <Tp>
    <Cd>TXSC</Cd>
  </Tp>
  <Val>
    <Amt Ccy="EUR">35.00</Amt>
    <Sgn>true</Sgn>
  </Val>
  <CcyTp>PRCG</CcyTp>
</Compstn>
```

total value of all taxable service charges

```
<Compstn>
  <Tp>
    <Cd>TXTS</Cd>
  </Tp>
  <Val>
    <Amt Ccy="EUR">6.65</Amt>
```

total tax amount



```

    <Sgn>true</Sgn>
  </Val>
  <CcyTp>PRCG</CcyTp>
</Compstn>
<Compstn>
  <Tp>
    <Cd>CTND</Cd>
  </Tp>
  <Val>
    <Amt Ccy="EUR">226.55</Amt>
    <Sgn>true</Sgn>
  </Val>
  <CcyTp>PRCG</CcyTp>
</Compstn>
<Compstn>
  <Tp>
    <Cd>SCDB</Cd>
  </Tp>
  <Val>
    <Amt Ccy="EUR">226.55</Amt>
    <Sgn>true</Sgn>
  </Val>
  <CcyTp>STLM</CcyTp>
</Compstn>

```

...

```

<Svc>
  <SvcDt1>
    <BkSvc>
      <Id>DIMDE000PVE-26062004</Id>
      <SubSvc>
        <Issr>
          <Cd>SEQN</Cd>
        </Issr>
        <Id>01AB12CD34EF56GH/01534L2GHAMLZGWT</Id>
      </SubSvc>
      <Desc>DE: Electronic Banking Remote Maintenance, Flat Fee</Desc>
      <CmonCd>
        <Issr>AFPGLB</Issr>
        <Id>ACT63000</Id>
      </CmonCd>
      <BkTxCd>
        <Domn>
          <Cd>ACMT</Cd>
          <Fmly>
            <Cd>MDOP</Cd>
            <SubFmlyCd>CHRG</SubFmlyCd>
          </Fmly>
        </Domn>
      </BkTxCd>
    </BkSvc>
  </SvcDt1>
  <Vol>1</Vol>

```



```

</SvcDtl>
<Pric>
  <Ccy>EUR</Ccy>
  <UnitPric>
    <Amt Ccy="EUR">10.00</Amt>
    <Sgn>true</Sgn>
  </UnitPric>
  <Mtd>FCHG</Mtd>
</Pric>
<PmtMtd>PVCH</PmtMtd>
<OrgnlChrgPric>
  <Amt Ccy="EUR">10.00</Amt>
  <Sgn>true</Sgn>
</OrgnlChrgPric>
<TaxDsgnt>
  <Cd>TAXE</Cd>
  <Rgn>DE</Rgn>
  <TaxRsn>
    <Cd>VAT</Cd>
    <Expltn>Value Added Tax</Expltn>
  </TaxRsn>
</TaxDsgnt>
</Svc>

```

tax designation at single service level

...

```

<TaxRgn>
  <RgnNb>DE</RgnNb>
  <RgnNm>Germany</RgnNm>
  <CstmrTaxId>DE000000123</CstmrTaxId>
  <PtDt>2018-11-01</PtDt>
  <SndgFI>
    <VATRegNb>DE114103514</VATRegNb>
    <TaxRegNb>DE114103514</TaxRegNb>
  </SndgFI>
  <InvcNb>CB1234567890ABRDC2</InvcNb>
  <SttlmAmt>
    <Amt Ccy="EUR">6.65</Amt>
    <Sgn>true</Sgn>
  </SttlmAmt>
  <TaxDueToRgn>
    <Amt Ccy="EUR">6.65</Amt>
    <Sgn>true</Sgn>
  </TaxDueToRgn>
</TaxRgn>

```

total tax amount in settlement currency

total tax amount in host currency



Displaying Rates in the Camt.086

There could be some confusion on the required number of digits when displaying a rate in the camt.086 format. It appears that a rate in the BSB should be no more than 11 positions, including the decimal and whole-number rate positions. It was agreed between the CGI members that 11 is not always required but the maximum number of digits.

For example can 10.5% be represented as `<Val>10.50000000</Val>` which is 10 total digits with 8 decimal digits or must it be output as `<Val>10.500000000</Val>` which is 11 total digits with 9 decimal digits. Must the number of decimal digits be filled in to ensure that the total output is always 11 positions?

For both camt.086 “Rate” formats (BaseOneRate and PercentageRate), 11 is the maximum number of digits. You can also use fewer digits and don't have to fill in the decimal digits. In your example it would be sufficient to represent the 10.5% this way: `<Val>10.5</Val>`

This usage is camt.086 scheme (xsd) compliant.

Proper Use of Delayed Debit Field

We have identified and reviewed a mistake in the camt.086 documentation that is causing inconsistencies and confusion in reporting the Delayed Debit Date tag. In the camt.086.001.01_MUG.doc, the documentation states:

DelayedDebitDate `<DelydDbDt>` TWIST: `<delayedDebitDate>`

Presence: [0..1]

Definition: The future date on which the named account will be automatically debited for charges and taxes due.

Notes: This element is typically used if the *Compensation Method* is **DBTD Debited** or **DBBT DelayedDebit**

In the ISO20022_MDRPart2_BankServicesBilling_2018_2019_v1.pdf the field is listed as DelayedDebitDate `<DelydDbtDt>` [0..1] Date 33 with an added 't'.

IT IS THE POSITION OF THE CGI-MP WORKING GROUP THAT THE MDR IS CORRECT. DelayedDebitDate SHOULD BE reported as `<DelydDbtDt>` (with the additional t). This has not yet been corrected on the ISO website but we are actively working on this. The Excel MUG as well as the MDR both use this spelling of the field and ONLY the PDF version of the MUG uses the `<DelyDbDt>`.

Version	Publication Date	Author
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