Question	Comments by Banks
Question 1. Do you agree with the guiding principles followed for setting the requirements, including the platform or network agnostic approach, the level of ambition and the future state orientation?	• The guiding principles are aimed at addressing the most prominent issues being faced currently in the cross-border payment ecosystem, primarily centred around SWIFT MT message types. • The guiding principles followed for setting the requirements which is focused on providing cost effective, speed, access and transparency of cross border payments. • The guiding principles are lacking in the area of impact of the implementation of ISO 20022 Standards for cross border payments on Domestic Financial Market. It is underlying fact that Cross Border Payments and respective Domestic Payments are dependent on each other as both have their impact on each other.
Question 2. Do you agree that the inconsistent use of messages can be adequately addressed through this requirement?	• The key factor to measure the effectiveness of this requirement will be message level validation which will prevent users from any kind of customisation of the messages and restrict usage to only for the intended purpose. • The consistent use of the messages and different message type for each business function in line with their intended scope as defined by the ISO 20022 standard is expected to improve the speed of cross-border payments as this will increase the processing efficiency and can also lead to straight through processing. • The inconsistent use of messages can be adequately addressed
Question 3. How could the risk of inconsistent use of messages or deviation from the business functions defined by ISO 20022 be mitigated? Would the proposed solution contribute to mitigating such risks and lead to improved efficiency of cross-border payments processing? Please explain.	• Universal adoption of the ISO 20022 message formats will definitely mitigate the risk of inconsistent message usage. However, relying only on advocacy efforts may not be effective in this regard. The message type validations should be designed in a manner, which will compel users to use messages for its intended purpose only. • The mandatory usage of ISO 20022 messages by the industry players will mitigate such risk and improve efficiency through a uniformed and consistent standard by way of Straight Through Processing or where that is not possible, reduce the number of manual touch points. • Risk of inconsistent use can be mitigated by adequate training of the members using these messages. However, the proposed solution is though a step to advise the members of the correct message type, however, as long as the payment would still continue

	to be processed by the correspondent, the member may continue to use the incorrect message type. • The risk of inconsistent use of messages are adequately addressed. For eg: - The return payments can be identified by usage of standard code i.e. message pacs 004 as against the regular credit transfer message (eg pacs.008 or pacs.009). • Risk of inconsistent use of messages or deviation from the business functions defined by ISO 20022 can be mitigated by using customised, rather than standardised, message implementations to identify the actual message function of a message, as opposed to the one expected per the message scope. • The proposed use of ISO 20022 messages identified as part of the core set for cross border payments in line with their scope as defined by the ISO 20022 standard for mitigating such risks and will lead to improved efficiency of cross-border payments processing • The proposed solution will improve the efficiency of cross border payments as less time will require to understand the transaction, and its settlement, and also with less manual intervention.

Question 4. How do you assess the level of effort that will be required to adopt the appropriate message as defined by the ISO 20022 standard?	• The ask is effort estimate for implementing the new message standard. • There is a huge level of effort to adapt to the new message type as the internal systems need to be developed to create the messages with rich text, and also to accept these messages from the correspondent for further processing. This would require both time and expenditure to achieve the same. • Technical and process level changes will be required for implementing the requirements. Cost and effort will be derived only once detailed analysis on the requirement will be performed. This will be a new development for Bank. • The ISO 20022 message scopes have been defined in line with the ISO 20022 methodology and processes, and have been endorsed by the standard's governance bodies. As a result, conforming with this requirement should not cause friction, but should be a matter of aligning practices with the globally recognised scope of a message • The usage of each type of message may be clearly defined by set of guidelines. The implementation of the same maybe a part of the Audit to prevent the deviation of the guidelines. Further, there is no defined criteria for the calculation of the level of effort as the technologies used in the financial market are not consistent between the market players. The efforts and cost can't be determined until set of tasks and respective man-hours to be defined properly.
Question 5. Would requiring the use of ISO 20022 externalised codes facilitate faster, cheaper and more transparent cross-border payments? How do you assess the implementation effort?	• The usage of ISO 20022 externalised codes will be a right step to bring in standardisation measures which will result in faster and more efficient payment management for cross border transactions. • Utilising free format information increases the likelihood of needing human intervention to understand the information and also reduces the opportunity for automating the process. The usage of consistent codes would certainly facilitate faster and transparent cross border payments. • Internal system level and process level changes will be required to accommodate ISO 20022 codes. The changes may be significant to implement a mapping between existing codes and ISO codes. • The externalised codes facilitate faster, cheaper and more transparent cross-border payments. • The level of effort required to implement this requirement could vary by market, and for markets

	where ISO 20022 externalised code lists are not part of current market practices, significant effort could be required.
Question 6. Are there any limitations/challenges resulting from increased reliance on ISO 20022 codes? How difficult would it be to overcome these limitations/challenges?	• For the markets and players who are not using the codes presently, this will require changes at their end including enhancing the present system architecture. This may involve additional costs and effort and its magnitude will determine the severity of the challenge/limitation. Further there may be a need to enrich the codes database to include some market specific items that may not feature currently. • However, this should not pose a very significant challenge to overcome in the mid to long term in view of the efforts already underway for the transition to ISO 20022 message formats. • Challenges would be the non-use of these externalised codes. As these codes are not built in the system, the message would still go through if these codes are not used. • ISO 20022 standardized codes available publicly on its website to be explored for real time updation in the payment systems (any change) to ensure that the codes are updated in all channels across network & eliminate rejections on account of non-availability of codes. Also, today customers initiate cross border transactions from various bank channels with minimal required information, for ISO to be effective end to end, customers will also be required to change the way they initiate transactions and update responses. • Markets will need to adjust their practices and participants may need to make system and process changes to accommodate this requirement • Effort may be required initially for adjustment the current market practices and process changes. However, over the period of time the same shall be adopted. • The defined externalised codes will impact on the existing structure and methodologies used by the banks. The cost and efforts will definitely be a factor in the implementation. Further, the trainings and guidance will also be a factor for overcoming the issues in adopting the changes.
Question 7. Do you agree that identifying a payment as a cross-border payment should be required to enhance the processing efficiency of cross-border payments? Would such a flag facilitate	• In India, the cross-border payment and domestic payments are handled in different platforms. Thus, the need for identifying cross-border payments is less significant. However, as a future state model where you may have a unified system, a cross border identifier may help. We should explore whether the

compliance procedures including financial crime screening? Please explain.	remitter/beneficiary address data can be used for this purpose before introducing any cross-border identifier. • Certain compliance procedures are applicable to cross-border remittances only. An identifier will help in designing system-based transaction due diligences thereby improving efficiency, mitigate risk and will also result in reduction of cost of compliance. • Not Applicable, as different infrastructures and processes are used for both cross-border and domestic payments. • A cross border remittance warrants enhanced due diligence including compliance / sanctions screening. Identifying cross border payment through a defined code would assist in identifying the transactions required for screening and reporting purpose. System and process level changes will be required to incorporate this change. • Unambiguous identification of cross-border payments will facilitate, for example, financial crime screening and reporting processes. This, in turn, would improve the speed • and efficiency of cross-border payments and related processes, indirectly lowering their overall cost
Question 8. Do you agree that the use of an ISO 20022 external code (eg a Category Purpose) would be the most effective way to flag a payment as cross-border? Are there alternative approaches you would suggest?	• One alternative could be the using country information in remitter & beneficiary fields. • Identifying cross border remittance through defined code is the most effective way. The identification can be basis Service Level code and category purpose.
Question 9. How do you assess the level of cost and effort required for the implementation effort?	• It can be assessed depending on the internal consumption. It may differ bank to bank, but there would be a lot of cost and effort to keep the Backoffice systems ready. • Technical and process level changes will be required for implementing the requirements. Cost and effort will be derived only once detailed analysis on the requirement will be performed. • Identification of every cross-border payment through the use of an ISO 20022 external code list would require financial institutions to update their back-office processes, which would entail some meagre cost and effort. • Moderate costing shall be required to update back-office functioning.

Question 10. Do you agree with the restricted character set for cross-border payments as described above? If not, which alternative character sets or additional characters should be included?	• Agree with the restricted character set for cross-border payments to have uniformity. • Restricted character set will eliminate the rejection of messages on account of special characters not accepted in the eco-system. Agreeing to a common character set for cross-border payments will assist participants in defining the restriction parameter in transaction initiating platform to avoid rejection in the transaction cycle. • It will provide uniformity across the industry, and will reduce the risk of misinterpretation. It will also help in process automation.
Question 11. Do you agree that requiring times in ISO 20022 messages to be stated either in UTC or in local time with UTC offset will enhance the transparency and efficiency of cross-border payments? If not, please explain.	• Agree that requiring times in ISO 20022 messages to be stated either in UTC or in local time with UTC offset will enhance the transparency and efficiency of cross-border payments. • The use of a standardised approach to indicate times will increase transparency in cross-border payments' & will also assist in identifying the time taken for processing between cross-border payment initiation (i.e., debiting the debtor account) and crediting the creditor account).
Question 12. Do you agree that requiring the use of UETR for all cross-border payments will have a positive impact on the transparency, speed and cost of cross-border payments? If not, please explain.	• Agree that requiring the use of Unique End-to-end Transaction Reference (UETR) for all cross-border payments will have a positive impact on the transparency, speed and cost of cross-border payments • The required use of UETR in cross-border payments will enable easier tracking and thereby improve transparency in cross-border payments. It will also simplify investigation and exception handling process. Using UETR, through SWIFT GPI customers and all involve parties can track the cross-border payments.
Question 13. How do you assess the effort required to implement this requirement?	• No much effort required as the UETR is usually generated automatically by system, and most of the banks have already developed their internal systems to send the payments with the UETR. • The required use of UETR in cross-border payments will enable easier tracking and thereby improve transparency in cross-border payments. It will also simplify investigation and exception handling process. Using UETR, through SWIFT GPI customers and all involve parties can track the cross-border payments. • Use of the UETR could entail some meagre cost and effort
Question 14. Do you believe that the requirement for inclusion of the time of	• This will help the creditor in noting the time taken for end-to-end (e2e) fund transfer. The feature will

debit of the debtor will increase transparency on the time it takes to complete the processing of cross-border payments? What improvements would the requirement bring to the end user experience?	surely help the banks involved to ascertain bottlenecks and take corrective action to improve the overall turnaround time (TAT). • However, from the buyer perspective, there is still no visibility as to when the creditor is receiving the payment. Instead, the UETR can be used by the parties involved to ascertain the status of the fund on real time basis using Application Programming Interface (API) call. • The inclusion of the time of debit of debtor will increase transparency on the time it takes to complete the processing of cross border payments. • Carriage of time stamp in the message will assist end user to identify the time taken for processing the transaction end-to end • The inclusion of processing time (time stamping) for a cross-border payment will ensure full transparency on the time it takes between the initiation of a cross-border payment (ie when the debtor is debited) and its completion (ie when the creditor is credited). • The inclusion of a timestamp showing when the debtor was debited will increase • transparency on cross-border payments processing times. It will also help to identify lags and enable benchmarking and measurement of progress. This may lead to greater competitiveness in cross-border payment services due to greater visibility of processing times and an enhanced ability of end users to differentiate between service providers. Time zone difference need to be taken care while implementation of this requirement.
Question 15. How do you assess the difficulty of adopting usage of the *Acceptance Date Time* data element as a requirement for cross-border payments? Would the implementation effort and impact on the transparency needs of end users differ by message type?	• Acceptance Date Time in message will be beneficial for the beneficiary customer. • Acceptance date and time may be incorporated in pacs.008, but need not be incorporated in pacs.009 which is a FI to FI transfer. Similarly, it may also not be used other related messages • Current Time stamp will be in local time and mapping it to universal time coordinated (UTC) will be a system change. Acceptance & adoption of UTC across network is the key to success for this requirement. • Adopting usage of the acceptance date time data element has the difficulty of implementation as there is no common time zone available in the systems located in different countries. • The implementation effort and impact on the transparency needs of end users are vary by different message type. • Same may be implemented with minimal modifications in internal systems.

Question 16. What are the implications of requiring all those involved in cross-border payments to provide complete information on amount, conversions and charges?	• From a customer standpoint, this is definitely a welcome move. Based on the final amount received by the creditor, one may understand the total quantum of charges deducted. But details of such charges including which entity in the payment chain levied the fees are often not known. This principal will surely address the issue. Further, any conversions will be beneficial in ascertaining the exact foreign currency remitted by the debtor which can help in proper accounting with respect to say, export bills. We have scenarios wherein a bill is in a particular currency; however, payment is made in equivalent different currency. • Although it would create transparency related to charges, it would rather be difficult for Banks if the conversion that has to be disclosed includes Bank's internal margin details. Also, customers would negotiate for minimum or the least margin if it is disclosed. • If the conversion only includes the currency conversion rate at which customer account is debited, it would provide more clarity and can be accepted. • Providing complete information on amount, conversion and charges would enhance the transparency of cross-border payments. The inclusion of complete and structured information i.e., amount instructed by the payer, currency conversions (if any) applied to that amount and any charges of the financial institutions involved in the end-to-end cross-border payment chain will give clarity on associated deductions to end user. Apart from banks, there would be a system, process and behaviour change required by the customers to adopt and leverage benefits of ISO20022 e.g. logics to consume ISO20022 codes • Increased transparency could also have an indirect impact on costs as end clients gain • greater awareness about the costs of using different financial institutions for cross-border payments. • Charges deducted by any Financial Institution during the cross-border payment chain may be incorporated.
Question 17. Are there any technical, legal or other hurdles that could impede the inclusion of complete information on amount, conversions and charges in cross-border payments?	• Implementation of these features is based on commercial judgement between the banks. However, we do not have any comment on these. • The rebate arrangement offered by the nostro banks could prove as a hurdle, as the revenue stream may stop after all the charges levied at each stage are disclosed.

	• System changes & standardization across the network will be required to capture the information of conversion and associated charges across the chain. • Requiring cross-border payments to include complete information on amount and charges could require financial institutions to update their systems. Moreover, complete • transparency on amount and charges could have major implications for business models and competition among financial institutions providing cross-border payment services. • The disclosure of information like Currency Conversion, Amounts and Charges will definitely provide a competitive market but on the contrary, it will raise the risk of disclosure of Sensitive information which may impact the performance of the market player. The market players may have bilateral agreements / arrangements for charges and other fees. The disclosure of the information should be agreed by both parties and it may have impacted by disclosure of this information.
Question 18. Would the introduction of a CPMI service level code in ISO 20022 to track adherence to the CPMI guidance and harmonisation requirements facilitate improvements to cross-border payments processing?	• The introduction of a CPMI service level code in ISO 20022 to track adherence to the CPMI guidance and harmonisation requirements will facilitate improvements to cross-border payments processing. • CPMI service level code is a uniform indicator which will facilitate verification by all involved in the end-to-end processing and reporting to payer and payee that a cross-border payment was sent and processed in line with the CPMI guidance
Question 19. How would the availability of a CPMI service level code in ISO 20022 messages impact the business models/strategies of financial institutions providing cross-border payment services?	• CPMI service level flag would be seen as a quality label on cross-border payments indicating they would be expected to be processed in line with the CPMI guidance which covers timestamp, complete information on amount, conversion and charges etc leading to transparency and speed. The CPMI service level code will enable o Monitoring of improved efficiency o Transparency in cross-border payments o Support automated validation during processing of cross-border payments o Improve straight through processing. o This would indirectly increase the overall speed of cross-border payments, reducing related costs. o It will improve automation and STP.

Question 20. How do you assess the difficulty of adopting a CPMI service level code?	• Adopting CPMI service level code depends on technical feasibility of respecting bank. • System changes & standardization across the network will be required to capture the information on CPI service level code. • For adopting a CPMI service level code, Payment systems and financial institutions would need to update systems to enable use of the new CPMI service level code for cross-border payments.
Question 21. Do you agree that the use of account identifiers (or account proxies), to the extent possible, would have a positive impact on the speed and cost of cross-border payments? Please explain.	• The account identifier will definitely impact speed and cost of cross border payments in a positive way. It will help in Straight Through Processing and reduce TAT. • There is no unique account identifier across banks and hence standardizing and implementing this model will be a challenge. • Correct account information will reduce the number of returns and misapplied payments and will result in fewer exceptions and investigations, potentially leading to reduced cross border payment costs. • The account identifiers will reduce the frequency of return of fund due to wrong account number.
Question 22. Do you agree that uniquely identifying all financial institutions involved in cross-border payments in an internationally recognised and standardised way would enhance cross-border payments? Please explain.	• The usage Bank Identifier Code (BIC) is the right approach since it is widely adopted by Financial Institutions (FIs) worldwide and perfectly poised to be the Global standard for FI identification. • Standardized way of identifying FIs involved in the cross-border payment via BIC Code/LEI ID will enhance the data and assist in reducing manual intervention for processing the payments. • A common use of the BIC to identify FIs would increase the speed of processing cross-border payments Elimination of ambiguity over FI identification directly improves the transparency of a cross border payment. Indirectly, the cost of cross-border payments could decrease as it is expected that manual interventions to identify FIs would become less frequent.
Question 23. Do you agree with the proposed solution of requiring the use of the BIC to identify all financial institutions? Why or why not?	• The usage of BIC should be help in FI identification in a transaction. This is currently adopted by a large section of the payments ecosystem and will have minimum challenges in developing as the industry standard compared to any other alternatives. • Having the use of BICs will help in sanction screening and faster processing of payments without having the

	need to search the organisation ids in different database • There is need for standardization for identifying Fis involved in the transaction either by BIC Code or swift code or LEIDs which will further result in fewer exceptions and investigations, potentially leading to reduced cross-border payment costs • A common use of the BIC to identify FIs would increase the speed of processing cross-border payments. It should be implemented in a way that we will be able to identify the corporates and financial institutions clearly. • The use of BIC will reduce the frequency of returning of fund due to errors in name and address of the FI, if present in the message
Question 24. What would you assess to be the level of effort required by your jurisdiction: (a) to only use the BIC to identify financial institutions in ISO 20022 messages; and (b) for all financial institutions that currently do not have a BIC to register for one?	• Indian market already uses BIC as a primary source for FI identifier for cross border payment. • Most of the banks in India routing cross border payment do have BIC Code and the same can be used for uniquely identifying the financial institute. • 24(a). A common use of the BIC to identify FIs would increase the speed of processing cross border payments • 24(b). Lower BIC registration rates at present, would encourage for the same. • Registration of all FI on BIC shall improve efficiency and STP.
Question 25: Do you agree that requiring participants to identify all entities involved in a cross-border payment in a standardised and structured way would enhance the processing efficiency of cross-border payments? Please explain.	• In view of the criticality associated with the Sanction/AML due diligence involving Cross-Border remittances, having all parties identified in a payment message will greatly assist in leveraging technology to perform necessary due diligence with greater accuracy in a timely and error free manner. This will also aid in reducing cost through automation. • Additional information such as BIC or LEI would help in identification of the customer, and help to remove false positives • Standardized and structured way of identifying all the entities involved in cross border payment will enhance the processing efficiency of cross border payments by easily interpretable by screening filters, reduction in false match and increase in straight through processing. • Requiring payment messages to identify all entities involved in a cross-border payment in a standardised

	and structured way could support more automated straight through processing • The same will increase the STP as well as screening process in a cross-border payment chain.
Question 26: Do you agree with the proposed use of structured identifiers such as the LEI, if they exist, to complement the recommended minimum data requirements to identify the legal entities involved in cross-border payments? Are there alternative approaches that you would suggest?	• Legal Entity Identifier (LEI) is fast developing as internationally accepted standard for entity identification. Hence, we are supportive of its choice as the standard for complementing the recommended minimum data requirements to identify legal entities. • With the regulatory requirement to include LEI numbers for payments above a certain threshold, it becomes more important to make the use of LEI mandatory than to simply complement with the BIC and address details • Additional structured identifiers like LEI can be brought into the model to complement the recommended minimum data requirement. However, making it mandatory will lead to challenges in geographies where LEI is not defined. Additional info via LEL can be a compliment data to take decisions during screening process. • The setting of minimum data requirements facilitates the validation of the existence (though not necessarily quality) of the minimum required data. Taken together, minimum data requirements factor should have an indirect positive impact on cost. • The use of Structured identifiers will surely enhance the compliance of the various guidelines. This may impact the Turnaround time for completing the payment but may be beneficial to prevent the misutilization of cross border payment system for various illegal / unauthorised activities by unreliable parties.

Question 27. Do you agree that requiring participants to identify all persons involved in a cross-border payment in a standardised and structured way would enhance the processing efficiency of cross-border payments? Please explain.	• This will enhance the processing efficiency of cross border payments. However, we feel additional data elements apart from Name & PIN Code will be key in having the desired benefits. National ID could be an important element in this regard. However, this may lead to additional information to be provided by applicants while applying for a cross border remittance. This may entail certain additional efforts in certain jurisdictions. • Structured postal address information can help enhance the processing efficiency, however address formats and conventions vary across jurisdiction; hence standardizing and defining it under structured manner will be a challenge. • The use of structured addresses will speed up overall processing of cross-border payments, especially where it will prevent the need for manual interventions (e.g. for sanctions checks).

Question 28. Do you agree that a requirement not to use unstructured postal address information and to use only structured postal address information can help enhance the processing efficiency of cross-border payments? Please explain.	• This will help in reducing manual efforts for transaction due diligence and help in reducing number of "false positives" thereby improving TAT and reducing cost of processing payments. • - • Structured postal address information can help enhance the processing efficiency, however address formats and conventions vary across jurisdiction; hence standardizing and defining it under structured manner will be a challenge. • The use of structured addresses will speed up overall processing of cross-border payments, especially where it will prevent the need for manual interventions (e.g., for sanctions checks).
Question 29. Do you agree with the minimum required postal address information consisting of the Country and Town Name fields? Should any additional fields be required?	• PIN Code/ZIP Code can be added. • Additional field may be made available to capture details which cannot be covered in the given fields. The Pin codes/ Zip codes can be included so as to identify the distinct location. • Address formats and conventions may vary across jurisdiction, however in addition to country and Town fields, state/provinces and PIN code should also be considered for minimum required postal address.

Question 30. Do you believe that setting minimum end-to-end expectations with respect to the carrying of remittance information can improve the processing efficiency of cross-border payments?	• Such initiative will help for the end customer to bring in efficiencies in reconciliation of records. • By defining minimum end-to-end expectations with respect to the carrying of remittance information will assist the end user to perform straight through reconciliation basis credits and information available in the message. Hence introduction of this field will be useful for end user.
Question 31. To what extent would the ability to include references to separately sent remittance-related information (eg through inclusion of hyperlinks or other references) be helpful to process a cross-border payment? Are there obstacles (eg legal, regulatory, supervisory limits) to including reference to separately sent remittance information in your jurisdiction/community?	• It is advisable that the required information's to be captured in the original message in appropriate field instead of giving the details as hyperlink. This is where standardisation may help. Also, apart from Bank level IT task, the hyperlink may have issues with operability under the law as well as AML concern for any gap in required information. • System and process change will be required to cater to this requirement. There is no obstacles to include reference to separately sent remittance information in jurisdiction, however the message needs to flow through screening modules as per the regulatory requirement. • Usage of reference information through hyperlinks to provide minimum remittance information could necessitate feasibility checks in individual user communities is helpful in • cross border payment. • Although such practice is currently uncommon in correspondent banking arrangements, an option to use hyperlinks to provide remittance information could fulfil specific needs to include additional data (e.g., trade data) as part of a payment message.

Question 32. Is the timing envisaged for the requirements to take effect in line with industry expectations?	• Challenges would be to develop the internal systems capable of generating the messages with the ISO20022 structures, and having the capability to process these messages in a STP manner. • As it factors parallel run between MT and ISO, time required by banks & other parties to change systems/processes and adoption by customers and all parties involved • Member FIs to update their systems and procedure accordingly within time frame.
Question 33. Do the requirements provide clarity on how harmonised implementation of ISO 20022 can contribute to achieving the G20 targets?	Overall, the requirements are clearly understood. However, we need greater clarity with possible use cases for Requirement # 9. Yes, it articulates objective and benefits (speed, transparency and accuracy) and mitigates the possibility of financial crimes. The requirement also covers approach, message types, and expected system/process changes.