Report on the Results from Part II of the Consultation Process on SPS 2022

Swiss Payment Standards

Version 1.0, valid from 16 July 2021

Introduction

SIX Interbank Clearing is involved in committees and commissions that deal with standardization issues in national and international payment traffic. It helps to ensure that Swiss financial institutions can set up their products and services in a timely manner on solid platforms that are networked in line with the market, thus ensuring a continued smooth flow of payment traffic.

The Swiss Payment Standards 2022 (SPS 2022) include Business Rules, Implementation Guidelines for camt Messages, Implementation Guidelines for Credit Transfer, and Implementation Guidelines for Status Report, as well as other standards. They are issued under the leadership of SIX Interbank Clearing and are periodically subject to further development.

For the purpose of broad coordination and preliminary information, SIX Interbank Clearing publishes planned changes to the "Swiss Payment Standards" (SPS) at an early stage and invites interested parties to submit their opinions on these planned changes as part of the consultation process.

In view of the more significant changes resulting from switching schemas, two consultation processes will be conducted as an exception. The first consultation process addresses the high-level information on the planned changes. The second consultation process covers the usual detailed information.

Part II of the consultation process on SPS 2022

As usual, the second part of the consultation process comprises detailed information on the planned changes under SPS 2022.

A total of 24 planned modifications were published:

- Implementation Guidelines for Credit Transfer: 7 planned modifications
- Implementation Guidelines for Status Reports: 10 planned modifications
- Implementation Guidelines for Cash Management: 7 planned modifications

A total of six market participants (banks and software partners only) took part in the second part of the consultation process. Their comments and explanations will be incorporated into subsequent work and development.

For three modifications, four of the six parties expressed opposition. For one modification, two of the six parties expressed opposition. For another six modifications, one of the six parties expressed opposition in each case. In addition, four further comments were submitted as part of the opposing feedback, two related to the IG Credit Transfer and two to the IG Cash Management.

One of the six parties expressed approval for four planned modifications. In addition, one further comment was submitted as part of the approving feedback. This related to the IG Status Report.

Additionally, the option of "Return of a transfer (if the originator account is not known)" was included, which was not part of the change documentation.

Unanimously accepted modifications without any comments are not discussed in the report.

Implementation Guidelines for Credit Transfer

Within the framework of the discussion of the comments, it was asserted by the participants of the banking bodies, that the topic "Return of a transfer (in case of ignorance of the ordering party's account)" had not yet been fully specified. The implementation is based on the SEPA IG. To make such a repayment, the <CtgyPurp> element must use code "RRCT". To identify the original payment, the "Account Servicer Reference" must be included in <CdtrAcct>/<Id>/<Othr>/<Id>. This modification was not included in the change documentation.

For item 2.2, Payment types, the approving feedback included a request that the table should still contain descriptions of the different variants of payment types. This request will not be fulfilled on the basis that this information is not required to determine the payment type.

Within the scope of item 2.3, Use of address information / structured address, one party addressed the specified tolerance ranges. The participants reinforced the statement in the report on the first part of the consultation process that this feedback will be taken into account for any further development. The circumstance that QR-bills with street names and building numbers in the street field would not be accepted at the counter was addressed again. It should therefore be clearly noted that any rejections of QR-bills are addressed in the Implementation Guideline for QR-bill and are not connected with the Implementation Guideline for Credit Transfer (pain.001).

In relation to the <Nm> element and its schema extension to 140 characters, one party requested details of the specific allowed character limits for each of the various market practices. This is not considered necessary, as only the schema will be extended to 140 characters. The business rule that restricts use to 70 characters will remain in force. This is already the case for all <Nm> elements in the currently applicable IG in the detailed table under "General definition".

One party also expressed the view in the approving feedback for item 2.3 that messages should not be rejected if more information is provided than is strictly necessary. The status of all address fields is "O", which means that they may be supplied optionally.

Feedback for item 3.1, New elements

With regard to the <CtctDtls>/<Othr> element, two parties expressed the view that no rejection should take place due to this element. It should be made clear here that a rejection will only take place if there is a schema error. In the case of the <CtctDtls>/<Othr> element, this could occur if the sub-elements are not used correctly. If the <CtctDtls>/<Othr> element is not used, this will not lead to a rejection. If the <CtctDtls>/<Othr> element is used less than the maximum four times permitted, this will not lead to the message being rejected either. At this point, it should be mentioned that financial institutions are at liberty to react in different fashions to any schema errors on the basis on the validations implemented in each case.

Another party felt that the <CtctDtls>/<Othr> element is irrelevant. The software and version should also be sufficient. It was also felt that transmission of the SPS version would make no sense. The status of the <CtctDtls>/<Othr> element is "R," which means that use is recommended but is not mandatory. Each party is also at liberty to decide how many of the four possible entities it would like to use and what information it would like to transmit.

Three parties reported that use of the <LEI> element was not clear and that the field was not needed. In this context, one of the three parties proposed that the status should be changed from "O" to "BD". The banking committee participants reject this proposal. The ambiguities regarding use are noted and will be incorporated in the subsequent revision of the documentation. While it is correct that LEI is currently used primarily in securities, there are cases abroad where LEI is already used in payment traffic. The field needs to be available to those that wish to use it.

Regarding the <ReqdExctnDt> element, two parties provided negative feedback.

One party feels that elements that need to be clarified with the financial institution should be included as an AOS (additional optional service). The banking committee participants currently see no need for an AOS, since the selection of the respective sub-element is directly dependent on the service offered.

Another party makes the correct assumption that it is only permitted to supply one of the two sub-elements in each case. The same party requested further details about why there are two options available for the "Requested Execution Date" field, a field which is essential for a pain.001 message. It is proposed that each financial institution should support both variants, provided that the financial institution should be free in the case of <DtTm> to take account of only the date and use it for processing. The reasons for providing both elements are to be found in the different capabilities and offerings of the financial institutions. Use of the <Dt> element must be accepted by all financial institutions without consultation. For financial institutions and software partners that can offer time-based booking of payment instructions, there is to be the option – following consultation – of using this service with <DtTm>.
The proposal that each financial institution must support both elements is rejected. As explained above, <DtTm> is to be available to those that would like to use it. Financial institutions that cannot or do not want to offer <DtTm> should not be obliged to carry out any additional implementation work.

Two parties commented on the <Prxy> element. One party reported that if the field is not to be used, it should not be part of the standard. Here, the relevant banking committee takes the view that the field is to be available to those that want to use it. The second party asked how the <Prxy> element is to be used and whether SIX will use logic to identify the type of proxy. The party also proposed changing the status of the <CdtrAcct>/<Prxy> element from "BD" to "O." The precise definition and use of the <Prxy> field is still being developed, and the banking committee participants will include feedback in the further development of this topic. The type of proxy is defined via the <Tp> sub-element. The request to change the status of the <CdtrAcct>/<Prxy> element to "O" will be met.

Regarding the <UETR> element, one party reported that this field should not lead to rejections if it is supplied anyway. The status of the <UETR> element is "BD," which by definition means that if there is no agreement regarding the element, its content will be ignored. In this context, ignoring means that the information will not be processed and will not be transmitted.
The concerns of the party in question are therefore already dealt with by the "BD" status.

One party reported that use of the <IntrmyAgtAcct1> element should not lead to rejection if it is supplied. The status of the element is "BD," which by definition means that if there is no agreement regarding the element, its content will be ignored. The concerns of the party in question are therefore already dealt with by the "BD" status.

One party asked what the <CdtrAgtAcct> element is needed for. The element contains information about the creditor agent's account and is mostly used in international payment traffic.

Another party felt that the <RltdRmtInf> element should be included as AOS and not be part of the standard. The element is now available because of the alignment with CBPR+ and is to be available to those that would like to use the element. The recording of a new AOS for this element is refused by the banking committee participants.

One party also suggested that the <TaxRmt> element needs to be described more precisely and the <GrnshmtRmt> element should not be part of the standard. Both elements are new and will be available because of the alignment with CBPR+. Neither element is currently used in Switzerland or Liechtenstein. A more precise description will not be provided since both elements contain information that is exchanged between debtors and invoice issuers. Financial institutions and software partners must ensure that the information contained therein is transmitted. The "S" payment type constitutes the exception for which neither element is supplied.

Regarding the <TaxRmt> and <GrnshmtRmt> elements, another party expressed the wish that these be restricted to X and S payment types if the elements are not used for domestic payments. It should be noted here that it is not permitted to supply either element for the "S" payment type. The banking committee participants have decided not to adjust the payment types. Both elements shall retain the status "O." The explanation that the content, if any, will not be used but will be transmitted was added to the description for the "D" payment type.

One party provided the following feedback for item 3.2, Modified elements:

The <LclInstrm> element is to be removed as it would no longer be needed. As described in the amendment document, the element's status will be changed from "D" to "BD." It is not permitted to use the element for payment type "D". The <LclInstrm> element is still permitted for all other payment types, as it is still permissible and is used in foreign payment traffic.

The party also thought that the <ChrgsAcct> element should be defined as an AOS. The banking committee participants opposes recording an AOS. The element is to be available to the parties that would like to use it.

For the <RgltryRptg> element, it was noted that a precise description of the countries for which it is needed must be produced. As in the currently applicable IG, all the information needed is included under "General information."

The Party also noted that the <RmtInf>/<Strd>/<CdtrRefInf> element must be used in conjunction with the QR IBAN. It should be noted here that only amendments or innovations are described in the amendment document for the consultation process. No amendments will be made to the use of <CdtrRefInf> in conjunction with the QR IBAN.

Regarding item 4, ISR/IS removal, one party asked whether a definition needs to be provided of how an ISR return is to be handled following the removal of the ISR/IS process. The banking committee participants disagree with the proposition, as a return is just a normal credit transfer. The ISR participation number is not used for booking.

Two other parties reported in additional comments that the standard should be kept as simple as possible. It was noted that many modifications are to be implemented, which financial institutions might implement independently. This will not help with the establishment of a Swiss standard and will make implementation of such a standard more complicated. In the credit transfer area, it is not just a matter of supporting a minimum scope but rather taking account of the different needs and offerings of the financial institutions and software partners.

The Swiss Payment Standard (SPS) represents the basis for all participants in the Swiss financial market. For this reason, the exchange of cross-border messages and the underlying standards and market regulations will also be taken into account for all areas.

Implementation Guidelines for Status Reports

With regard to item 3.1, New elements, one party asked whether there is an option for returning a UETR generated by the bank in the status report (pain.002), which could be used instead of the UETR originally supplied by the debtor agent. The party noted that the UETR must be clear and expressed concerns that financial institutions will not be able to track whether the submitting party uses the same UETR for several banks under certain circumstances. The banking committee participants pointed out that if the UETR is generated in compliance with SWIFT and/or the standard, then it will be unique in every case. It must also be noted that there is currently no field in pain.002 that is envisaged for a UETR generated by the bank. There is only the <OrgnlUETR> element, which is designed for the original UETR generated by the debtor agent. In this context, participants would also like to note that the UETR is to be used in pain.001 only in consultation with the respective financial institution.

In approving comments, another party expressed the desire that "as little as possible, as much as necessary" is to be sent in pain.002. In the context of the SPS, pain.002 messages must still be sent only in negative cases with transaction details. Nevertheless, the status report must be able to cover the entire scope of the credit transfer (pain.001). It must also be noted that a specific pain002 schema will not be published as from SPS 2022, meaning that the ISO schema must be used.

Implementation Guidelines for Cash Management

For item 1.1, Status, one party reported that the current description of the status is incorrect for camt. The party proposed revising the descriptions to clarify the significance of the status in the IG for Cash Management. The proposal is agreed upon.

With regard to item 1.2, Usage principles (amounts), one party feels that a definition is also needed for the "Contract Identification" element. The party proposed that this be updated. The banking committee participants agree to this proposal and the ISO definition will be added to the entry.

One party also noted in approving feedback that item 1.2 was not sufficiently clearly described and there were no examples of use, which is why it is not relevant. It should be noted here that this is not a new chapter. It is already available, including examples, in the currently valid IG for SPS 2021. The amendment document for the consultation process contains only information on the new additional elements

With regard to item 1.3, New Business Case codes, one party reported in approving feedback that Instant Payment is still not supported. It is correct that Instant Payment for Swiss payment traffic is still currently in development. The additional BTC codes take account of the SCTInst already used in SEPA.

The following feedback was received within the scope of item 1.4, Editorial amendments:

With regard to the item "Designation of the parties of a payment," two parties reported that the content is not suitable for use in camt. This is correct and is an error in the amendment document. The relevant chapter for camt follows in italics:

For payments, the parties involved are named as follows:

Description	*Comment*	*ISO 20022*
Original debtor		*Ultimate debtor*
Debtor	*Is a customer of the debtor agent*	*Debtor*
Debtor agent	*Maintains the debtor's account*	*Debtor agent*
Intermediary institution	*Manages the creditor agent account, if applicable*	*Intermediary agent*
Creditor agent	*Maintains the creditor account*	*Creditor agent*
Creditor	*Is a customer of the creditor agent*	*Creditor*
Ultimate creditor		*Ultimate creditor*

Table 1:   Designations of parties in credit transfers

The parties highlighted in gray in the table are financial institutions (agents), the parties highlighted in white are the other parties (parties).

The identification of the agents and parties in the "camt" messages is handled via their own specific data structures, which are generally described in the subsequent chapters.

Deviations from the general rules for individual parties are described in chapter 4 "Technical specifications" for the respective party.

Note: *The scope and type of the data provided on the respective parties depend on the availability of data at the financial institution that creates the "camt" messages.*

Three parties commented on the item "References." One party asked whether only the graphics had been changed or whether the content had also been amended. The changes to the content have already been implemented and only the graphics were made complete. Another party reported that the UETR should also be included in the graphics that highlight the different use for references. The banking committee participants agree to the UETR also being added to the graphics. With regard to the <AcctSvcrRef> reference added to one graphic, another party reported that this is important in the Swiss financial market and should always be supplied. The banking committee participants support this statement and agree to tighten the description of the element. However, the element will retain its "O" status.

One party provided feedback on several elements of item 2.1, New elements.

It felt that the receiver does not need the information in the <TechInptChanl> and <TxDtls>/<AmtDtls>/<PrtryAmt> elements. While the "Technical Input Channel" element is not mandatory for the receiver, the banking committee participants agree that this information can be of major benefit for migrations and changes, among other things. Currently, it is only

Switzerland and Liechtenstein that do not use the <PrtryAmt> element. However, if this element is present, it must be displayed in camt.

The same party also reported that the <TxDtls>/>BkTxCd>/<Prtry> element does not make sense since it gives financial institutions the option of using their own BTC, which is not consistent with the purpose of a standard. However, at present, only BTCs for payment traffic are standardized. There are no standardized codes for all other transaction types (such as securities, card transactions, etc.). Because of this, financial institutions are given the option of using proprietary codes through this element.

The party also asked whether it was correct that potentially 14 additional addresses could be supplied by using <Rltdpties>/../<Pty>. This assumption is not correct. It is computationally possible for one new address element to be supplied for the newly available <TradgPty> element. An address can already be supplied now for all other sub-elements affected. As is explained in the amendment document, the sub-elements will be merely restructured.

Four parties commented on issues relating to item 2.2, Modified elements.

Two parties reported that the <StmtPgntn> element in CBPR+ is mandatory and is needed because of a possible file splitting. It was suggested that the status could be changed from "ND" to "M". In actual fact, the <StmtPgntn> element is already not used in the currently valid IG for SPS 2021. This is due to the regulation in Swiss payment traffic that a message is to contain a statement. The cardinality of the element is defined in the context of CBPR+ at [0..1], which is not regarded as mandatory. The <GrpHdr>/<MsgPgntn> element, which has not been adjusted, is still used to identify pages of a message.

Two parties also provided feedback on the <NtryRef> element. One party asked why the description had been removed. This is not the case. Only the part of the description, which will be amended, was published in the amendment document. The remaining existing description is being retained and will not be amended. The question was also raised as to which party is responsible in the case of a QR-bill paid from abroad for verifying the QR-reference with 27*0. The reference is set by the intermediary bank, which sends the order to SIC. The requisite modifications in the pacs message were made within the scope of SIC IG 2021.

There was further feedback on the QR-reference with 27*0 from abroad. Two other parties reported their understanding that such a payment is to be processed like a single booking. This is correct, and more information on this topic will follow in a separate circular in July 2021. Two parties also reported that the description regarding the 27*0 in the <NtryRef> element was distracting and unclear. It should be noted here that, as described in the amendment document, all information on this topic will be removed from the description of the <NtryRef> element.

For the <Strd>/<CdtrRefInf>/<Ref> element, two parties reported that they do not feel that the information regarding the 27*0 of a QR-reference from abroad is suitable. It was suggested that the information be removed. The banking committee participants agree to this proposal.

In other comments, one party felt that the fields/references in camt.05x should have the same status as in the pain.001 message. The <LEI> or <UETR> fields, which are also given "BD" status instead of "O" status in camt.05x, were listed as an example. The suggestion is based on the desire for a consistent status across the board. The banking committee participants reject this proposal. As part of IG Cash Management, all data must be capable of being transmitted and

displayed. This relates not only to the pain.001 messages that the financial institution receives from customers but potentially any other message it receives.

In another comment, one party noted that in IG Cash Management, only elements that are also useful should be included. It seems that many elements from securities are now included in the IGs and the party felt that this should not be the case. These are incomprehensible and the connection is not clear. In the area of Cash Management, the financial institution is required to be able to pass on all information received. This requirement leaves little opportunity for refinement or restriction. The Swiss Payment Standard (SPS) represents the basis for all participants in the Swiss financial market. For this reason, the exchange of cross-border messages and the underlying standards and market regulations were also taken into account for all areas.