



BOX gpi Universal Confirmations

Solution for SWIFT gpi Universal Confirmations

Revision 1

INTERCOPE



Table of Contents

- 1 INTRODUCTION 3**
- 2 GPI TRACKER, OBSERVER AND DIRECTORY 4**
 - The Tracker 4*
 - The Observer 4*
 - The Directory 4*
- 3 GPI UNIVERSAL CONFIRMATIONS 5**
- 4 BOX SUPPORTING GPI TRACKER UPDATES 6**
 - 4.1 MT 199 CONFIRMATIONS 6
 - 4.1.1 *Automated Straight-Through Processing (STP) 6*
 - 4.1.2 *Manual creation 6*
 - 4.1.3 *Batch Confirmations 7*
 - 4.1.4 *Automated straight-through processing (STP) 7*
 - 4.1.5 *Manual Creation 7*
 - 4.2 NEW ISO 20022 TRACKER MESSAGES 7
 - 4.3 TRACKER UPDATE INFORMATION IN BOX JOURNALS 7
 - 4.4 ERROR AND ALERT HANDLING 7
- 5 DISCLAIMER 8**

1 Introduction

With the introduction of 'SWIFT global payments innovation' (gpi) in 2016, a new standard for global payments and the optimisation of cross-border payments has been created.

Key improvements for payments of financial institutions and corporates having implemented gpi are

- increase of speed
- transparency of fees
- exchange rates and maturities
- end-to-end tracking of cross-border payments

To achieve these improvements, gpi customers must agree to adhere to the service-specific business rules and technical requirements captured in the 'SWIFT gpi Rulebook for Mandatory and Optional Services for Banks, Market Infrastructure and Corporates'.

These rules include

- gpi Customer Credit Transfer
- gpi Cover
- gpi Stop and Recall
- gpi Financial Institutions Transfer
- gpi Instant Payments
- gpi for Corporates
- gpi Case Resolution

Payment confirmation tracking and traceability, a service originally only available to gpi banks, is now open to all SWIFT participants. In 2018, adding the Unique End- to-End Transaction Reference (UETR) to all payments by SWIFT, was the first step to an end-to-end payment confirmation tracking and traceability. As a further step Universal Payment Confirmations (UC) are rolled out and become mandatory by November 2020.

2 gpi Tracker, Observer and Directory

SWIFT gpi central features are a Tracker, an Observer, and a Directory.

The Tracker

The Tracker enables end-to-end payment tracking. Its database gives an end-to-end visibility on the status of a payment transaction from when it is sent to its confirmation of reception.

SWIFT gpi banks can log in to the Tracker to check the status of the payments sent, in progress, and received. Due to the tracking, liquidity management is improved, and payments can be followed when they are in progress.

Stop and Recall immediately halts payments not yet credited and recalls payments already credited.

The Tracker database can be updated by FIN message or via API. It can be accessed through a GUI or by API calls to allow the service to be embedded in other back office systems.

Additionally, since 2019 the GUI 'Basic Tracker' allows non-gpi banks to manually confirm and track payments.

The Observer

SWIFT published a new Service Level Agreement (SLA) Rulebook for gpi.

A central service, the Observer, monitors the new SLA for all members, providing all gpi banks with a global view on gpi banks' adherence to the SLA Rulebook for gpi.

The Directory

Every gpi participating bank is listed in the Directory. The respective entries, sorted by BIC, consists of information about which bank can send and receive gpi payments and in which currencies, and which channels are used with what cut-off times. Entries also inform about whether a bank acts as an intermediary for gpi payments.

3 gpi Universal Confirmations

By the end of 2020, all SWIFT financial institutions are obliged to send a confirmation for every customer payment (MT 103 on FIN), where funds are credited to the end beneficiary account.

Universal Confirmations only apply to message types MT 103, MT 103 STP, and MT 103 REMIT. It is mandatory for the beneficiary bank to update the final payment status in the Tracker, which results in either a credit confirmation or an indication of payment rejection.

For all MT 103 payments received, updates of the payment's status must be sent to the Tracker.

Mandatory confirmations are:

- **Accept** - when funds reached the beneficiary account
- **Reject** - when payment could not be processed

Mandatory confirmations must provide a status, originator BIC, amount, currency, and date/time of credit to the beneficiary account or rejected payment.

Recommended (interim) confirmations of a pending payment or transferred payment outside FIN are:

- **Transferred** - when the receiver of the MT 103 is an intermediary
- **Pending** - when the receiver of the MT 103 is unable to send a final confirmation within the required timeframe

Generally, it is recommended to provide a confirmation at the time and with the date of a payment's reception, or, at the latest, within 2

business days after the payment's value date (or future value date).

Confirmations are available to previous agents of the payment's chain. All FIN users¹ receiving MT 103 will be measured by the timely provision of confirmations. The performance will become visible to all counterparties.

The confirmation can either be provided manually for gpi banks using the full 'gpi Tracker' or for non-gpi banks using the 'Basic Tracker'.

- Automated confirmations are generated by using an API call
- sending an MT199 on FIN
- batch confirmations (csv files) from Nov 2020 on
- sending one of the new ISO 20022 tracker messages beginning Nov 2021

All SWIFT financial institutions are then able to trace their payments on the Basic Tracker (free access).

¹ FIN users in user category Supervised Financial Institutions (SUPE) or Payments System Participants (PSPA).

4 BOX supporting gpi Tracker Updates

In BOX, tracker updates for gpi Universal Confirmations are managed by either sending MT 199 confirmation messages via the STP workflow or by manual MT 199 creation (manual operation).

In the BOX GUI, batches including the specified confirmation message data (SWIFT defined csv formats only) are imported either automatically or manually. Figure 1 gives a broad overview of the MT 199 flow within BOX.

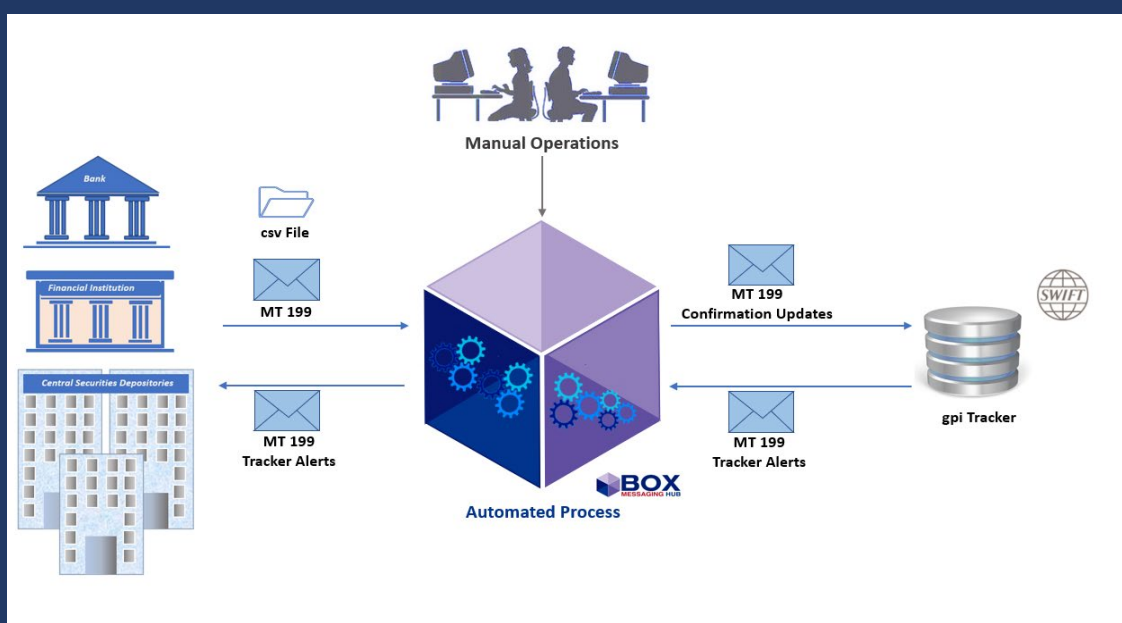


Figure 1 BOX Tracker Update Support: MT 199 Flow

4.1 MT 199 Confirmations

In BOX, MT 199 confirmation messages can either be processed automatically or created manually. Either way, MT 199 confirmation messages will be validated by BOX.

4.1.1 Automated Straight-Through Processing (STP)

MT 199 Confirmation Messages, issued from backend applications or market infrastructures and received by BOX, are marked as gpi confirmation messages upon reception, and routed to a dedicated gpi Universal Confirmations workflow.

Whilst passing through the workflow, the

related MT 103 is searched and its confirmation status updated, the MT 199 is validated and enriched with additional data, before it is sent out to the SWIFT Tracker.

Should a validation error occur, the respective MT 199 is then routed to an error queue for manual correction.

4.1.2 Manual creation

It is possible to create a MT 199 confirmation message by selecting the respective template in BOX's MessageEntry mask.

BOX journals can also be used to generate an MT 199 confirmation message for different status updates after selecting an MT 103.

4.1.3 Batch Confirmations

If backend applications export confirmation message data in the SWIFT defined csv batch format (basic and advanced csv), BOX offers two ways of importing these files.

Please note, gpi banks must use the 'advanced csv' format, whereas non-gpi banks can use both formats.

4.1.4 Automated straight-through processing (STP)

BOX offers an automated import of csv files containing the necessary confirmation message data.

The BOX creation process of the MT 199 confirmation messages checks after the csv import, if all expected data is available or can be searched from the related MT 103 data already received by BOX.

If UETR information is missing, it is added from the related MT 103.

The confirmation update status of the MT 103 is also updated, which is visible in the BOX journals.

The MT 199 messages are routed via a special confirmation workflow to the Tracker, and in case of an error to an error queue and after repair to the Tracker.

4.1.5 Manual Creation

Within the BOX GUI it is possible to manually upload csv files. After uploading the confirmation data an MT 199 will be created, routed via the confirmation message workflow, and sent out to the Tracker.

4.2 New ISO 20022 Tracker Messages

BOX supports Universal Confirmations using the new SWIFT defined ISO 20022 tracker messages as soon as they become available. They will be implemented in BOX for the go-

live in November 2021. These messages are:

- Tracker Payment Status Update (trck.001)
- Tracker Alert Notification (trck.003)

4.3 Tracker Update Information in BOX Journals

The comprehensive BOX journals based on the BOX FIN Warehouse are expanded to provide an overview of the current Tracker update status of received payment messages (MT 103).

The SWIFT defined Status Code together with a Reason Code of the latest related MT 199 confirmation message will be displayed in the message journals.

It is also possible to display all Tracker update messages and their data, which are sent and are received for a payment message, which has been received.

In the future Payment Warehouse, these functionalities will also be implemented.

4.4 Error and Alert Handling

SWIFT does not provide a dedicated network validation for the confirmation MT199, although a correct handling of these messages is mandatory. To support BOX customers, Intercope has implemented an error and alert procedure for gpi confirmations in BOX.

BOX validation detects invalid MT 199 messages, and the implemented workflow dispatches the erroneous messages to a dedicated Error and Repair Queue for further manual processing.

Tracker alert messages received from SWIFT are made available in an Error Queue, displaying all expected information and, if possible, including a reference to the related MT 199.

5 Disclaimer

INTERCOPE International Communication Products Engineering GmbH (Intercope) and the stylized logo is the registered trademark of Intercope and its subsidiaries, in Germany and certain other countries. All other trademarks mentioned in this document are the acknowledged property of their respective owners.

Intercope provides this publication "as is" without warranty of any kind, either express or implied, including, but not limited to, the implied warranties of non-infringement, merchantability or fitness for a particular purpose.

This information could include technical inaccuracies or typographical errors. Changes are periodically made to the information herein; these changes will be incorporated in new editions of the publication. Intercope may make improvements and/or changes in the product(s) and/or the program(s) described in this publication at any time without notice.

This information may contain sample application programs in source language, which illustrate programming and implementation techniques. You may copy, modify, and distribute these samples programs in any form without payment to Intercope, for the purposes of developing, using, marketing or distributing application programs for which the sample programs are written. These examples have not been thoroughly tested under all conditions. Intercope, therefore, cannot guarantee or imply reliability, serviceability, or function of these programs. The sample programs are provided "AS IS", without warranty of any kind. Intercope shall not be liable for any damages arising out of use of the sample programs.

Intercope grants the right to reproduce, distribute and display these publications solely within your enterprise provided that all proprietary notices are preserved. Intercope does not allow derivative works of these publications, or to reproduce, distribute or display these publications or any portion thereof outside your enterprise, without the express consent of Intercope.

Without written permission of Intercope no part of this publication may be modified and/or reproduced in any way.

INTERCOPE GmbH

Himmelstrasse 12-16,
22299 Hamburg,
Germany

+49 40 514 52 0
info@intercope.com

<https://www.intercope.com>

Copyright © 2020 INTERCOPE International Communication Products Engineering GmbH.

All Rights Reserved.