

# NATIONAL PAYMENTS SYSTEM STRAIGHT THROUGH PROCESSING AUTOMATION GUIDE

---

Revised 2003-10-13

## INTRODUCTION

Using S.W.I.F.T. message standards in the correct way helps automate the processing of messages and decreases the likelihood of investigations afterwards. This may lead to lower fees charged and improve the service offered to customers.

---

## Straight Through Processing

Straight Through Processing (STP) is the term used to describe the electronic execution of a S.W.I.F.T. payment instruction by the receiver. If a payment instruction can be processed by the receiver's system, with no manual intervention, the message is said to have passed Straight Through. STP can therefore also be termed automation.

A correctly formatted message adheres to both S.W.I.F.T. and STP Standards. The minimum requirements for all domestic banks to achieve this in future will be referred to as STP Standards. While S.W.I.F.T. standards are applicable world wide, and specify the structure in which information is presented, STP standards specify content requirements applicable to the local domestic market.

In developing their SAMOS and ZAPS systems South African participant banks were urged to ensure that their systems were made STP compliant as it was foreseen that charges would be levied where manual intervention was required. **This meant the correct formatting of fields 53a, 57a, 58a, 59 and 72 in both SAMOS and ZAPS payments instructions in both MT103 and MT205 payment messages.**

---

## Aim of this Manual

- To reach consensus amongst local banks for valid and enforceable payment processing according to the STP Standards.
  - To enable South Africa, by virtue of these standards, to become a payments processor and/or STP player in the "first world".
  - To start a process of recovering operational expenditure incurred in rectifying messages by charging for non-compliance with agreed payment and/or STP standards.
- 

## Scope of this Manual

This manual defines STP Standards applicable to ZAR MT103 and MT205 messages exchanged between local NPS participants

---

## Definitions, Assumptions and Fees

- This manual applies only to ZAR payments.
- The parties affected will be any NPS Participant using the SAMOS or ZAPS systems to effect payments. This includes the SARB when acting in the role of an NPS participant.
- **Repair charges** are levied where a payment has failed automatic processing in the receiver's system due to incorrect formatting and the receiver is required to manually intervene in order to process the payment.
- Repair charges will be levied and will be inclusive of VAT.
- **Handling charges** are levied in instances where straight through processing is not possible due to unavoidable circumstances. For example the beneficiary does not hold an account and a cheque is to be issued or the funds collected. Handling charges may be levied by the receiving bank at their discretion but where charges are for the account of the applicant ("OUR") these may be waived at the discretion of the paying bank

## STP Rules for MT103 and MT205 Messages

The templates shown below define the STP rules governing each field within the MT103 and MT205 message types. Banks should construct their payment messages in these formats, some possibly originating from their domestic systems. Others may be as a result of payment instructions received from their corporate bank customers and still others could be from their Vostro account banks. In the local market the MT103 message type may be used where either the ordering or beneficiary customer is not a Financial Institution, and the MT205 may be used where the beneficiary is a Financial Institution.

### MT 103 Format Specifications

**N.B. WHILE SOME FIELDS IN THE MT103 ARE OPTIONAL IN TERMS OF S.W.I.F.T. RULES, CERTAIN OF THESE ( SEE M/O BELOW ) HAVE BEEN MADE MANDATORY FOR THE PURPOSE OF SAMOS AND ZAPS PAYMENTS.**

#### MT 103 Single Customer Credit Transfer.

Status	Tag	Field Name	Content/Options
M	20	Sender's Reference	16x
O	13C	Time Indication	/8c/4!n1!x4!n
M	23B	Bank Operation Code	4!c
M/O	23E	Instruction Code	4!c[/30x]
O	26T	Transaction Type Code	3!a
M	32A	Value Date/Currency /Interbank Settled Amount	6!n3!a15d
O	33B	Currency/Instructed Amount	3!a15d
O	36	Exchange Rate	12d
M	50a	Ordering Customer	A or K
O	51A	Sending Institution	[/1!a]/[34x]4!a2!a2!c[3!c]
C/O	52a	Ordering Institution	A or D
M/O	53a	Sender's Correspondent	A,B or D
O	54a	Receiver's Correspondent	A,B or D
O	55a	Third Reimbursement Institution	A,B or D
O	56a	Intermediary Institution	A,C or D
M/O	57a	Account With Institution	A,B,C or D
M	59a	Beneficiary Customer	A or no letter option
C/O	70	Remittance Information	4*35x
M	71A	Details of Charges	3!a
O	71F	Sender's Charges	3!a15d
O	71G	Receiver's Charges	3!a15d
M/O	72	Sender to Receiver Information	6*35x
O	77B	Regulatory Reporting	3*35x
O	77T	Envelope Contents	9000z

M = Mandatory

O = Optional

C/O and M/O = Optional or Conditional in terms of S.W.I.F.T. rules but mandatory or conditional for SAMOS and ZAPS payments

C = Conditional



line 2. Note that the BIC is mandatory where the "A" option is used in any S.W.I.F.T. message.

8. Field 59 - the beneficiary's account number must be inserted on the first line of field 59, preceded by a slash (/) with no special characters as part of the account number (e.g. "-" or "/") and the name must be inserted in line 2 as this is mandatory in terms of S.W.I.F.T. rules.
9. Field 70 – is conditional for all SAMOS and ZAPS transactions.
  - a) It is optional and specifies details of the transaction which information is to be transmitted to the beneficiary customer. If used it should have at least one line of information. This information should be written to the beneficiary's statement to enable them to identify the transaction,
  - b) If the transaction is a return of funds and the first three characters of the sending banks transaction reference number, field 20, were "EFT" the format of field 70 is as follows, the sending banks field 20 followed by a two digit return code for EFT transactions.
10. Field 71A – This field specifies which party will bear the charges for the transaction.

CODES: - BEN	The transaction charges are to be borne by the beneficiary customer.
OUR	The transaction charges are to be borne by the ordering customer.
SHA	The transaction charges on the Sender's side are to be borne by the ordering customer and the transaction charges on the Receiver's side are to be borne by the beneficiary customer.
11. Field 72 is mandatory for all SAMOS and ZAPS messages and must reflect the code /REC/ followed by the applicable code word, DTCUS, NTNRC or DTROF , e.g. " /REC/DTCUS/ " which indicates the underlying nature of the transaction to the receiving bank.
12. Field 77B – This is a optional field and is intended to carry a Balance of Payment category.

## MT 205 Format Specifications

**N.B. HERE AGAIN WHILE SOME FIELDS IN THE MT205 ARE OPTIONAL IN TERMS OF S.W.I.F.T. RULES, CERTAIN OF THESE (SEE M/O BELOW) HAVE BEEN MADE MANDATORY FOR THE PURPOSE OF SAMOS AND ZAPS PAYMENTS.**

### MT 205 Financial Institution Transfer Execution

Status	Tag	Field Name	Content/Options
M	20	Transaction Reference Number	16x
M	21	Related Reference	16x
M	32A	Value Date, Currency Code, Amount	6!n3!a15d
M	52a	Ordering Institution	A or D
M/O	53a	Sender's Correspondent	A only
O	56a	Intermediary	A or D
O	57a	Account With Institution	A only
M	58a	Beneficiary Institution	A or D
M/O	72	Sender to Receiver Information	6*35x

M = Mandatory

O = Optional

C/O and M/O = Optional or Conditional in terms of S.W.I.F.T. rules but mandatory or conditional for SAMOS and ZAPS payments

C = Conditional

**It is important to ensure that fields 20 and 21 within MT205s reflect reference numbers that will facilitate automatic reconciliation of amounts by banks' back office functions.**

- Field 20 specifies the reference assigned by the sender to unambiguously identify the message.
- Field 21 contains the reference number of the corresponding payment instruction.
- Field 52 is a mandatory field.
- Field 53a is mandatory for all SAMOS and ZAPS messages exchanged between NPS participants, that is, Payment Instructions, but not for messages to settlement agents SAMOS and ZAPS, that is, Settlement Instructions. An "A" option must be used and will either reflect SARBZAJ2 if settlement is via SAMOS or SARBZAJJACB if settlement is via ZAPS.
- "A" options reflecting valid BICs should be used at all times in fields 53a, 56a, 57a and 58a.
- Field 58a - the beneficiary's account number must be inserted on the first line of field 58A preceded by a slash (/). Where the account number is not furnished by the Vostro bank the beneficiary bank's default account will be credited. Where no BIC is available, the "D" option may be used with the name of the bank in free text, however the account number in this case is mandatory and must appear in line 1 as stated above with no special characters as part of the account number (e.g. "-" or "/").
- Field 72 is mandatory for all SAMOS and ZAPS messages and must reflect the code /REC/ followed by the applicable code word, e.g. /REC/DTBNK/, which indicates the underlying nature of the transaction to the receiving bank. Note that DTCUS and NTNRC are not acceptable code words for this message type when used as a Payment Instruction.

## MT103 and MT205 Examples

### EXAMPLE 1.

#### Customer transfer between local NPS Participant banks on behalf of SA residents

P Smith orders ABSA Bank Johannesburg to pay ZAR5,000.00 to Nedbank Durban North branch for the account of J Jones in respect of a local payment.

#### S.W.I.F.T. Message – **Payment Instruction**

Explanation	Format
Sender	ABSAZAJJ
Message Type	103
Receiver	NEDSAZJJ
Message text	
Transaction reference number	:20: 010815ABSAPI1234
Bank Operation Code	:23B: CRED
Instruction Code	:23E: BONL
Value date, currency code, amount	:32A: 010815ZAR5000,00
Ordering customer	:50: P Smith 20 Main Street Johannesburg
Ordering Institution	:52a://ZA632005 ABSAZAJJ
Sender's correspondent	:53A: SARBZAJJACB
Account with institution	:57A: //ZA135226 NEDSAZJJ
Beneficiary customer	:59: /13528765 J Jones 15 West Street Durban
Remittance Information	:70: Gift
Details of Charges	:71A: OUR
Sender to receiver information	:72:/REC/DTCUS/ (NTNRC)
Regulatory Reporting	:77B: (501)

The reference number in field 20 of the above example must be carried forward to field 21 of the corresponding MT205 to BankServ.

#### S.W.I.F.T. Message - **Settlement Instruction**

Explanation	Format
Sender	ABSAZAJJ
Message type	205
Receiver	SARBZAJJACB
Message text	
Transaction reference number	:20:010815ABSASI5678
Related reference	:21:010815ABSAPI1234
Value date, currency code, amount	:32A:010815ZAR5000,00
Ordering institution	:52A:ABSAZAJJ
Sender's correspondent	:53A:SARBZAJJACB
Beneficiary institution	:58A:NEDSAZJJ
Sender to receiver information	:72:/REC/DTCUS/

Messages generated by the BankServ/SAMOS System in response to the MT205 settlement instruction.

The SAMOS system must carry field 20 of the MT205 forward to field 21 of the MT900.

**S.W.I.F.T. Message - Confirmation of Debit**

Explanation	Format
Sender	SARBZAJJ
Message type	900
Receiver	ABSAZAJJ
Message text	
Transaction reference number	:20: 010815SARBCB9883
Related Reference	:21: 010815ABSASI5678
Account Identification	:25: 50111338
Value date, currency code, amount.	:32A: 010815ZAR5000,00
Ordering Institution	:52A: ABSAZAJJ
Sender to receiver information	:72: /REC/DTCUS/MRT/5111/GCD/20010815
	/BKB/NEDSZAJJ/PDT/20010815/
	/PTM/095849/DCD/ABSAZAJJ

The BankServ/SAMOS system must carry field 21 of the MT205 to field 21 of the MT910.

**S.W.I.F.T. Message - Confirmation of Credit**

Explanation	Format
Sender	SARBZAJJ
Message type	910
Receiver	NEDSZAJJ
Message text	
Transaction reference number	:20: 010815SARBCB9883
Related Reference	:21: 010815ABSAPI1234
Account Identification	:25: 53214741
Value date, currency code, amount.	:32A: 010815ZAR5000,00
Ordering Institution	:52A: ABSAZAJJ
Intermediary	:56A: ABSAZAJJ
Sender to receiver information	:72: /REC/DTCUS/MRT/5111/GCD/20010815
	/ORF/OPO2982NP/BKB/NEDSZAJJ/
	/PDT/20010815/PTM105015
	/DCD/NEDSZAJJ D/NEDSZAJJ

**Reconciliation**

MT103 to agent bank Field 20 = MT205 to SARB/BankServ Field 21  
 MT205 to SARB Field 20 = MT900 from SARB/BankServ Field 21  
 MT205 to SARB Field 21 = MT910 from SARB/BankServ Field 21

## EXAMPLE 2.

### Bank to bank transfer on behalf of a Non-Resident Rand Account holder.

Nedbank receives an MT202 from National Westminster Bank, London (TRN 010815NWBLTT0562) ordering them to pay ZAR10,000,000.00 to ABSA Bank for the account of Deutsche Bank Frankfurt. Nedbank will originate an MT205 to ABSA based on National Westminster's instruction. They will also originate an MT205 to SARB in respect of the settlement.

#### S.W.I.F.T. Message - **Payment Instruction**

Explanation	Format
Sender	NEDSAZJJ
Message type	205
Receiver	ABSAZAJJ
Message text	
Transaction reference number	:20: 018015NEDSBT7112
Related reference	:21: 010815NWBLTT0562
Value date, currency code, amount	:32A: 010816ZAR10000000,00
Ordering institution	:52A: NWBKGB2L
Sender's correspondent	:53A: SARBZAJ2
Beneficiary institution	:58A: /898077 DEUTDEFF
Sender to receiver information	:72: /REC/NTNRB/

Field 21 of the above message contains the reference number contained in field 20 of the MT202 received from National Westminster Bank.

#### S.W.I.F.T. Message - **Settlement Instruction**

Explanation	Format
Sender	NEDSAZJJ
Message type	205
Receiver	SARBZAJ2
Message text	
Transaction reference number	:20: 010815NEDSBT7118
Related reference	:21: 010815NEDSBT7112
Value date, currency code, amount	:32A: 010816ZAR10000000,00
Ordering institution	:52A: NWBKGB2L
Beneficiary institution	:58A: ABSAZAJJ
Sender to receiver information	:72: /REC/NTNRB/

Field 20 of the above message contains the reference number allocated by Nedbank to their MT205 to SARB.

Field 21 of the above message contains the reference number allocated by Nedbank to their MT205 message to ABSA (field 20).

Messages generated by the BankServ/SAMOS System in response to the MT205 settlement instruction.

The SAMOS system must carry field 20 of the MT205 forward to field 21 of the MT900.

**S.W.I.F.T. Message - Confirmation of Debit**

Explanation	Format
Sender	SARBZAJ2
Message type	900
Receiver	NEDSZAJJ
Message text	
Transaction reference number	:20: 010815SARBNT0679
Related Reference	:21: 010815NEDSBT7118
Account Identification	:25: 53964122
Value date, currency code, amount.	:32A: 010816ZAR10000000,00
Ordering Institution	:52A: NEDSZAJJ
Sender to receiver information	:72: /REC/NTNRB/MRT/4250/GCD/20010815
	/BKB/NEDSZAJJ/PDT20010815/
	/PTM/103355/DCD/NEDSZAJJ

The BankServ/SAMOS system must carry field 21 of the MT205 to field 21 of the MT910.

**S.W.I.F.T. Message - Confirmation of Credit**

Explanation	Format
Sender	SARBZAJ2
Message type	910
Receiver	ABSAZAJJ
Message text	
Transaction reference number	:20: 010815SARBNT0679
Related Reference	:21: 010815NEDSBT7112
Account Identification	:25: 52986693
Value date, currency code, amount.	:32A: 010816ZAR10000000,00
Ordering Institution	:52A: NEDSZAJJ
Intermediary Bank	:56A: NEDSZAJJ
Sender to receiver information	:72: /REC/NTNRB/MRT/4250/GCD/20010815
	/ORF/010815NEDSBT7112/BKB/ABSAZAJJ
	/PDT/20010815/PTM103515/DCD/ABSAZAJJ

**Reconciliation**

MT202 from foreign bank Field 20 = MT205 to agent bank Field 21  
 MT205 to agent bank Field 20 = MT205 to SARB Field 21

MT205 to SARB Field 20 = MT900 from SARB Field 21  
 MT205 to SARB Field 21 = MT910 from SARB Field 21

### **EXAMPLE 3.**

Interbank Foreign Exchange spot and forward trades between NPS Participants where the market has agreed that no payment instructions need be exchanged, similar to the global market for trades done with mutual account holders.

An NPS Participant does a forex deal with another NPS Participant e.g. Standard Bank Johannesburg sells Rand to ABSA Johannesburg, which settlement of the Rand leg must be done via the SAMOS System.

### **CURRENT MARKET PRACTICE DICTATES THAT NO PAYMENT INSTRUCTION NEEDS TO BE SENT TO ABSA BY STANDARD BANK.**

#### **S.W.I.F.T. Message - Settlement Instruction**

<b>Explanation</b>	<b>Format</b>
<b>Sender</b>	<b>SBZAZAJJ</b>
<b>Message type</b>	<b>205</b>
<b>Receiver</b>	<b>SARBZAJ2</b>
<b>Message text</b>	
<b>Transaction reference number</b>	<b>:20: 010711IDOBND1234</b>
<b>Related reference</b>	<b>:21: ABSAJJ4897SBZAJJ</b>
<b>Value date, currency code, amount</b>	<b>:32A: 010711ZAR5000000,00</b>
<b>Ordering institution</b>	<b>:52A: SBZAZAJJ</b>
<b>Beneficiary institution</b>	<b>:58A: ABSAZAJJ</b>
<b>Sender to receiver information</b>	<b>:72: /REC/FPZAR/</b>

Field 21 of the MT205 must be the same as field 22C, Common Reference, of the MT300 exchanged by the parties to the trade.

Messages generated by the SAMOS System in response to the MT205 settlement instruction.

The SAMOS system must carry field 20 of the MT205 forward to field 21 of the MT900.

**S.W.I.F.T. Message – Confirmation of Debit**

Explanation	Format
Sender	SARBZAJ2
Message type	900
Receiver	SBZAZAJJ
Message text	
Transaction reference number	:20: 010711SARBSS0199
Related reference	:21: 010711IDOBND1234
Account Identification	:25: 50101277
Value date, currency code, amount	:32A: 010711ZAR5000000,00
Ordering institution	:52A: SBZAZAJJ
Sender to receiver information	:72: /REC/FPZAR/MRT/5111/GCD/20010711 / ORF/0047STD/BKB/SBZAZAJJ/PDT / 010711/PTM/081451/DCD/SBZAZAJJ

The SAMOS system must carry field 21 of the MT205 to field 21 of the MT910.

**S.W.I.F.T. Message – Confirmation of Credit**

Explanation	Format
Sender	SARBZAJ2
Message type	910
Receiver	ABSAZAJJ
Message text	
Transaction reference number	:20: 010711SARBSS0199
Related reference	:21: ABSAJJ4897SBZAJJ
Account Identification	:25: 50102350
Value date, currency code, amount	:32A: 010711ZAR5000000,00
Ordering institution	:52A: SBZAZAJJ
Sender to receiver information	:72: /REC/FPZAR/MRT/5111/GCD/20010711 /ORF/0047STD/BKB/SBZAZAJJ/PDT /010711/PTM/081451/DCD/SBZAZAJJ

**Reconciliation**

MT205 to SARB      Field 20 = MT900 from SARB Field 21  
 MT205 to SARB      Field 21 = MT910 from SARB Field 21

---

## Compliance by Foreign Banks serviced by NPS Participant Banks

It is recommended that NPS participant banks communicate the above compliance requirements to the foreign banks maintaining Rand Accounts in their books. This will allow for automated mapping of messages received from foreign banks to match the STP requirements of the South African market. The ZA bank sort codes in the S.W.I.F.T. BIC Database Plus directory should be used by banks to complete field 57a.

---

### Glossary of Terms.

<b>SAMOS</b>	South African Multiple Option Settlement system operated by the South African Reserve Bank where Immediate Settlement is obtained by NPS participant banks.
<b>ZAPS</b>	The South African Payment System operated by BankServ where settlement is only obtained on submission of the net settlement obligations for each ZAPS participant to the SAMOS system for final settlement. This takes place at approximately 16h00 each settlement cycle date and at approximately at 12h00 on Saturdays.
<b>NPS Participant</b>	Financial Institution that has been accepted by the Payments Association of South Africa (PASA) as a participant in the National Payments Settlement (NPS) Payments Clearing House (PCH) Immediate Settlement Stream.
<b>Payment Instruction</b>	An MT100 or MT205 despatched by an NPS Participant to another NPS Participant instructing them to make a payment to the beneficiary contained in Field 59 of the MT100 and 58a of the MT205.
<b>Settlement Instruction</b>	An MT205 despatched to either the SAMOS or ZAPS Settlement System instructing the operator to debit the despatching bank's settlement account and to credit the NPS Participants' settlement account contained in field 58a of the MT205.
<b>PASA</b>	The Payments Association of South Africa recognised as the payment system management body in terms of the National Payment System Act 78 of 1998.

### EFT Reason Codes

<u>Code Number</u>	<u>Detail</u>	<u>Explanation</u>
06	Account frozen	as in divorce etc., no credits allowed
08	Account in sequestration	for a private individual
10	Account in liquidation	for a company
12	Account closed	with no forwarding details
16	Account transferred	account transferred to another local bank
18	Account holder deceased	deceased estate account, no credits allowed
26	No such account	Account number not used