

RTGS and CLM: Information about CSLD validation approach for Active or Historic Currency and Amount validation

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I. Background and aim of the presentation

- Owing to the fact that RTGS and CLM are NSP agnostic, both settlement services have to replace network validations and SWIFT MVAL with respective validations in the backend application
- ISO allows, for some elements in pacs messages, active as well as historic currencies and for amount fields requires the validation of decimal places according to the used currency:

ActiveOrHistoricCurrency

The Currency Code must be registered, or have already been registered. Valid active or historic currency codes are registered with the ISO 4217 Maintenance Agency, consist of three (3) contiguous letters, and may be or not be withdrawn on the day the message containing the Currency is exchanged.

CurrencyAmount

The number of fractional digits (or minor unit of currency) must comply with ISO 4217.

Note: The decimal separator is a dot.

- XML Message schemas offer mainly two data types for amount and currency fields:
 - ActiveOrHistoricCurrencyAndAmount and
 - ActiveCurrencyAndAmount
- Neither SWIFT Bank Directory plus services nor ISO 4217* can provide required information to RTGS and CLM to validate historic currency minor units (decimal places)
- 4CB asks the TSWG to confirm the replacement of ActiveOrHistoricCurrencyAndAmount with ActiveCurrencyAndAmount as currently no useful historic information can be provided by ISO/SWIFT in an automated manner

*ISO 4217 is a standard first published by ISO, which delineates currency designators, country codes, and references to minor units in three tables:

Table A.1 – Current currency & funds code list

Table A.2 – Current funds codes

Table A.3 – List of codes for historic denominations of currencies & funds

II. Details and Way forward (I)

- During the implementation, 4CB recognised that SWIFT Services do not provide any information for historic currencies according to ISO 4217 (e.g. as part of Bank Directory Plus services). Only active currency information is provided by SWIFT
- In addition, SWIFT MVAL does not check historic currency decimal places
- The Maintenance Agency for ISO 4217 does provide an excel and XML repository (table A.3) for historic currencies but without decimal places, on their website (i.e. no subscription service like Bank Directory Plus service by SWIFT)
- RTGS and CLM cannot perform validation on historic currencies on inbound messages because: 1) there is no possibility to automatically access data from a reliable source and 2) the available list “A.3 historic currencies” does not provide the relevant decimal places
- In practice this would mean that, for example, an inbound message could transport in field <InstructedAmount> up to 5 decimal places for an historic currency, where the historic currency was limited to 2 decimal places when it was previously active.

II. Details and Way forward (II)

- These gaps and inconsistencies in the documentation and data sources were addressed to SWIFT Services and ISO; their response was that the issues will not be tackled at short notice.
- As the use of historic currencies is not likely for RTGS and CLM and in order not to delay the implementation, 4CB defined a way forward:
 - 4CB is going to reject inbound messages with a currency which is not on the table of active currencies
- Note: From an HVPS+ point of view, the restriction will not impact RTGS and CLM UGs' compliance with HVPS+ recommendations
- To implement this way forward, the approach chosen is: the ActiveOrHistoricCurrencyAndAmount data type will be replaced with ActiveCurrencyAndAmount data type where applicable, e.g. <InstructedAmount>
- RTGS and CLM are using ActiveCurrencyAndAmount for settlement relevant fields only, e.g. <InterbankSettlementAmount>

III. Delivery date

- **4CB is going to deliver the updated UGs with UDFS v2.0.1.**

Thank you for your attention.