



International Securities Association For Institutional Trade Communication

**MT103 – Single Customer Credit Transfer
Market Practice Guideline**

Presented by the United States Settlements/Cash/Treasury Working Group

**Final Version 1.1
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DISCLAIMER

This market practice document has been developed by the International Securities Association for Institutional Trade Communication (ISITC) as a statement of professional practices recommended by ISITC. Institutions providing the information recommended in this document will benefit from the efficiencies inherent in a more automated transaction process. Although all institutions are encouraged to act consistently with this document, none are required to do so, and a failure to do so is not, in and of itself, evidence of negligent or inappropriate conduct.

Document Revision History

Version Number	Date	Who	Description
1.0	05/24/2006	Jason Brasile	Initial draft of usage for MT103 for US market.
1.1	05/24/2006	Jason Brasile	Update of comments from Chris Brown and Peter Moon <ol style="list-style-type: none">1. Recommendation to use CRED in field 23B2. Statement regarding fee charge in field 71 stated in introduction3. Addition of fields 53 and 54 to be reviewed

I. Introduction and Scope

The MT103 is described in the Swift User Manual as a message designed to be sent by or on behalf of the financial institution of the ordering customer, directly or through (a) correspondent(s), to the financial institution of the beneficiary customer. **It is used to convey a funds transfer instruction in which the ordering customer or the beneficiary customer, or both, are non-financial institutions from the perspective of the Sender.**

This message may only be used for clean payment instructions. It must not be used to advise the remitting bank of a payment for a clean, eg, cheque, collection, nor to provide the cover for a transaction whose completion was advised separately, eg, via an MT 400.

This message should not be used to convey a funds transfer delivery instruction in which the ordering customer and the beneficiary customer are both financial institutions. The use of the MT202 message is the appropriate message format for these delivery means.

ISITC has determined a need to recommend field format/usage rules surrounding the MT103 message when appropriate as highlighted above. In addition, the format specifications highlight the use of the field 71: to state the additional charges that may be applicable for instructing the transaction to be paid by the ordering or beneficiary customer or to be shared between the parties.

Generally, institutions can determine the fee charged for processing a MT 103. It is acceptable for two parties via an SLA to negotiate a bilaterally agreed upon amount, including zero; however, that SLA does not automatically apply to other parties in the payment chain unless they have also completed an SLA.

II. Format Specifications MT103: Single Customer Credit Transfer

Sequence A – General Information

Tag:	20	Sender's Reference	Mandatory
Best Practice:	ISITC conforms to SWIFT tag use rule. :20:		
Tag:	23B	Bank Operation Code	Mandatory
Best Practice:	ISITC recommends the use of the CRED codeword. CRED This message contains a credit transfer where there is no SWIFT Service Level involved.		
Tag:	23E	Instruction Code	Optional/Conditional
Best Practice:	If field 23B contains the code SPRI, field 23E may contain only the codes SDVA, TELB, PHOB, INTC (Error code(s): E01). If field 23B contains one of the codes SSTD or SPAY, field 23E must not be used (Error code(s): E02).		
Tag:	32A	Value Date, Currency Code, Amount	Mandatory
Best Practice:	ISITC conforms to SWIFT tag use rule. This field specifies the value date, the currency and the settlement amount. The settlement amount is the amount to be booked/reconciled at interbank level. Date must be a valid date expressed as YYMMDD The integer part of Amount must contain at least one digit. A decimal comma is mandatory and is included in the maximum length. The number of digits following the comma must not exceed the maximum number allowed for the specified currency		
Tag:	33B	Currency/Instructed Amount	Optional/Conditional
Best Practice:	ISITC conforms to SWIFT tag use rule. This field specifies the currency and amount of the instruction. This amount is provided for information purposes and has to be transported unchanged through the transaction chain. *This field is mandatory if 71F is present. 71F is mandatory if 71A= BEN		
Tag:	36	Exchange Rate	Optional/Conditional
Best Practice:	ISITC conforms to SWIFT tag use rule. This field specifies the exchange rate used to convert the instructed amount specified in field 33B. This field must be present when a currency conversion or an exchange has been performed on the Sender's side.		
Tag:	50K	Ordering Customer	Mandatory
SR2006 Best Practice:	ISITC conforms to SWIFT tag use rule. Per US Patriot Act restrictions, the format option K must be used to specify the account and name/address of the ordering customer on each transaction		
Tag:	51a	Sending Institution	Optional
Best Practice:	ISITC conforms to SWIFT tag use rule. The field identifies the sender of the message		

Tag:	52a	Ordering Institution	Optional
Best Practice:	<p>ISITC conforms to SWIFT tag use rule. The field identifies the financial institution of the ordering customer, when different from the Sender.</p>		
Tag:	53a	Sender's Correspondent	Optional
Best Practice:	<p>The field identifies the debit account, when different from the sending institution in field 51a.</p> <p>If the Sender has no direct relationship, use the Swift BIC of a Branch that does have a direct account (Option A). If the Sender has another multiple accounts, state the account number preceded by a single / (Option B)</p> <p>ISITC does not recommend the use of Option D.</p>		
Tag:	54A	Receiver's Correspondent	Optional
Best Practice:	<p>The field identifies the bank that will be sending cover funds through the local clearing to reimburse the Receiver bank of this MT103.</p> <p>ISITC recommends the use of Option A only</p>		
Tag:	56a	Intermediary Bank	Optional
Best Practice:	<p>ISITC conforms to SWIFT tag use rule. This field specifies the financial institution, between the Receiver and the account with institution, through which the transaction must pass.</p>		
Tag:	57a	Account with Institution	Optional/Conditional
Best Practice:	<p>ISITC conforms to SWIFT tag use rule. This field specifies the financial institution - when other than the Receiver - which services the account for the beneficiary customer. *This field is mandatory if field 56a is present</p>		
Tag:	59a	Beneficiary Customer	Mandatory
Best Practice:	<p>ISITC conforms to SWIFT tag use rule. This field specifies the customer which will be paid.</p>		
Tag:	71A	Details of Charge	Mandatory
Best Practice:	<p>ISITC conforms to SWIFT tag use rule. This field specifies which party will bear the charges for the transaction.</p> <p>BEN All transaction charges are to be borne by the beneficiary customer.</p> <p>OUR All transaction charges are to be borne by the ordering customer.</p> <p>SHA Transaction charges on the Sender's side are to be borne by the ordering customer, transaction charges on the Receiver's side are to be borne by the beneficiary customer.</p>		
Tag:	71F	Sender's Charge	Optional/Conditional
Best Practice:	<p>ISITC conforms to SWIFT tag use rule. This repetitive field specifies the currency and amount of the transaction charges deducted by the Sender and by previous banks in the transaction chain. *This field is mandatory if 71A = BEN</p>		
Tag:	71G	Receiver's Charge	Optional/Conditional

Best Practice:	ISITC conforms to SWIFT tag use rule. This field specifies the currency and amount of the transaction charges due to the Receiver. *This field is allowed if 71A = OUR
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Tag:	72	Receiver's Charge	Optional
Best Practice:			

III. MT103 Usage Rules:

- The ordering customer or the beneficiary customer, or both, are non-financial institutions from the perspective of the Sender.

IV. Confirmation and Reporting Rules:

- Confirmation of the MT103 will be sent via the MT900/910 message. Please refer to the US MP for MT900/910 for more information
- Status of the MT103 will be sent via the MT195/MT196 message.
- Reporting of the MT103 should be stated in the MT950 message as one debit entry (settled amount stated in field 32A) taking into account all associated receiver and sender charges.

Usage Rules for Amount Related Fields

There is a relationship between the amount related fields 33B, 36, 71G, 71F and 32A which may be logically expressed in the following formula:

The instructed amount in field 33B,
adjusted with the exchange rate in field 36,
plus the Receiver's charges in field 71G,
minus the Sender's charges in field(s) 71F,
equals the interbank settled amount in field 32A.

Presence of the fields mentioned above is subject to the conditional field rules C1, C2, C15 and C16. If a field is not present, that field must not be taken into account in the formula. If field 71F is present more than once, all occurrences of that field must be taken into account in the formula.

V. Examples

:20:REF AT904796-1
:23B:CRED
:32A:060529EUR2010000,00
:33B:EUR2010000,00
:50K:/ABCD
TEST FUND ACCOUNT NAME
:54D:DEUTDEFFXXX
DEUTSCHE BANK AG, FF
DEUTSCHE BANK AG
TAUNUS ZENTRUM
:57A:CRESCHZZ80A
:59:/0835-0865804-92-003
WINTERTHUR LIFE KOLLEKTIV
WINTERTHUR LIFE KOLLEKTIV
SCHWEIZ
PAULSTRASSE 9 PO BOX 300
8401 WINTERTHUR
:71A:OUR
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