

GUIDANCE ON THE USAGE OF EXTENDED REMITTANCE INFORMATION

NPC018-01 / Version 2.0 / Date of Publication: 21 December 2022 / Date effective: 1 May 2023 for NPC Credit Transfer Rulebook and 19 November 2023 for NPC Instant Credit Transfer Rulebook

Public



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Based on EPC092-19 Guidance on Usage of Extended Remittance Information (ERI) with the authorisation from
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Abstract

This document addresses operational issues arising from the implementation of the Nordic Payments Council Credit Transfer (NCT) scheme rulebook when using the Extended Remittance Information option. This document applies to the NCT scheme rulebook.

Reason for Issue

This document has been created to avoid a fragmented approach in the manner in which the NPC Credit Transfer with Extended Remittance Information is implemented and used. This document replaces version 1.1 of NPC018-01.

Version History

Version	Date	Edited by	Comments
1.0	2020-08-20	NPC	Decided version at the Scheme Management Committee (SMC) 20 th of August 2020
1.1	2021-04-30	NPC	Update agreed by NCT & NCT Inst WG 29 Mars 2021. New layout first and second page, changes in section 2.2, examples in section 3 is updated to make sure correctness.
2.0	2022-12-21	NPC	Updates agreed by NCT & NCT Inst WG based on changes made in NCT & NCT Inst Rulebooks 2023 version and for clarification purposes.

0 Background

The Annex V of the current NCT Rulebook has introduced the Extended Remittance Information (ERI) as an optional feature in the NCT scheme which caters for the *“transmission of a large volume of structured Remittance Information (RI) within a single NPC Credit Transfer Instruction that has a specific value for the Beneficiary or leads to a swift settlement of several payment obligations for the Originator. Examples are:*

- Use of a single NPC Credit Transfer Instruction by the Originator to settle a total amount of several accounts payables, possibly netted off with granted credit note, while transmitting structured RI for each concerned invoice and credit note item;
- Receipt of a single NPC Credit Transfer Transaction amount that settles several accounts receivables, possibly netted off with granted credit notes, whereby the received structured RI is automatically straight through processed and reconciled with each relevant open account receivable position.”

It further specifies that *“the ERI Option supports the transmission and the processing of the following combination of RI in NPC Credit Transfer Instructions and Transactions:*

- *One occurrence of 140 characters of unstructured RI and*
- *Up to 999 occurrences of 280 characters of structured RI based on the ISO 20022 standard*

The Annex V also states that *“the unstructured RI and the extended structured RI under the ERI Option supplied by the Originator in the NPC Credit Transfer Instruction must be forwarded in full and without alteration by the Originator PSP and any Intermediary PSP and CSM to the Beneficiary Bank.”* Moreover, the current NCT implementation guidelines (IGs) add that *“it is the duty of the system producing the ERI to manage and check the compliance of each occurrence with the 280 characters rule.”*

Finally, Annex V also stipulates that *“in case there is no arrangement for the specific delivery and presentation of ERI between the Beneficiary PSP and the Beneficiary, the Beneficiary PSP must deliver only the received occurrence of 140 characters of unstructured Remittance Information in full and without alteration to the Beneficiary.”*

This functionality has been integrated in the current NCT IGs, Customer-to-PSP and Inter-PSP, in all r-transactions (reject/return and recall) with information about both how to handle the ERI functionality with participating PSPs (including CSM) throughout the whole value chain and how to handle the situation when either the beneficiary PSP and/or the beneficiary are not able to receive ERI.

1 Introduction

1.1 Aim of the document

The purpose of this document is to indicate how to instruct ERI and how to accommodate the relation between the number of characters of the “business” content (i.e., the information related to the payment instruction) and the “service” content (i.e., the opening and closing tags of the sub-elements) within the 280-character limitation of a structured RI occurrence (including the message element tags).

1.2 Content of the document

Section 2 describes the use of the ISO 20022 “Remittance Information” data element in different ERI use cases regarding:

- How to use the sub-elements, i.e.:
 - The unstructured occurrence;
 - The structured occurrences which include detailed information on invoices or on credit notes (issued by the same beneficiary).
- How to calculate the corresponding character consumption when oversized structured remittance information (>280 characters)

Section 3 provides examples on the use of Extended remittance information.

2 The extended remittance information

This functionality is extensively described in Annex V of the current version of the NCT Rulebook. Please refer to it as well as to the current version of the NCT Implementation Guidelines, when dealing with the present document.

2.1 Use of ‘Remittance Information’ ‘Unstructured’ and ‘Structured’ data elements

Under the ERI option, information concerning several invoices/credit notes gathered and paid as a global amount in one credit transfer instruction (pain.001)/transaction (pacs.008) can be specified as follows in the ISO 20022 Customer Payment Initiation message (pain.001) and FI-to-FI Customer Credit Transfer (pacs.008):

- All referred document amounts for one payment must be in the same currency which must be one of the Scheme currencies.
- One mandatory occurrence of unstructured remittance information which can be populated with up to 140 characters of free text without any specific rule or limitation.
- Mandatorily, 2 to 999 occurrences of structured remittance information. It is recommended that each of these occurrences reports information on one document (e.g. one invoice or one credit note) and its basic related reference (e.g. invoice referring to a credit note), with the following instructions:
 - Maximum 280 characters in length including tags and business data.
 - Allowing each to accommodate the following sub-elements:
 - Referred document information, to indicate the:
 - Document type (‘Type’).
 - Identification of the document (‘Number’).
 - Date associated with the document (‘Related Date’).

- Referred document amount for the amount paid of the invoice/credit note ('Referred Document Amount'), possibly composed of a combination of amounts, i.e. the original amount.
 - Creditor reference ('Creditor Reference Information').
 - Invoicer.
 - Invoicee.
 - Additional free text information of up to 140 characters ('Additional Remittance Information').
- The use of only one structured remittance occurrence with only 'Creditor Reference' as a sub-element is not subject to ERI, as it is already included and described in the NCT Rulebook.

2.2 Use of each allowed sub-element of 'Structured' under 'Remittance Information' data element

- a) Under 'Referred Document Information'
 - Only 'Code' is allowed under 'Type'.
 - Both 'Number' and 'Related Date' can be used.
- b) Under 'Referred Document Amount'
 - 'Remitted Amount' can only be used in combination with Referred Documents of type Invoice (CINV) or Creditor Reference (SCOR) and represent a positive document amount.
 - "Credit Note Amount" can only be used in combination with Referred Document of type Credit Note (CREN) or Creditor Reference (SCOR) and represent a negative document amount.
 - In one single transaction, it is mandatory that at least one of the structured references has a Remitted Amount.
 - In one single transaction, it is mandatory that the total aggregated amount of the "Remitted Amount" subtracted by the total aggregated amount of the "Credit Note Amount":
 - Should not be negative, neither in the pain.001 nor in the pacs.008.
 - Should match the payment's instructed amount of the pain.001 or the interbank settlement amount of the pacs.008.
 - All referred document amounts within one payment must have the same currency which must be one of the Scheme currencies.
- c) 'Creditor Reference Information' caters for a structured creditor reference (as per type code 'SCOR') as in the "regular" NCT.
- d) 'Invoicer' may be described by a Name and/or an identifier.
- e) 'Invoicee' may be described by a Name and/or an identifier.

Note: 'Invoicer' and 'Invoicee' may be used e.g., in the context of payment factories dealing for several of their members.

- f) 'Additional Remittance Information' may contain any information related to a specific occurrence of structured remittance information which does not fit into the structured elements.

2.3 Use of oversized structured remittance information (>280 characters)

As stated in the IGs, if an occurrence of structured remittance information is oversized (>280 characters), it has to be divided into two separate occurrences (counting then for 2 of the 999 possible occurrences):

- One Instance of structured remittance information should not exceed 280 characters (excluding tags <Strd> and </Strd>)
- If it exceeds 280 characters, then the next instance/occurrence should be used to accommodate the rest of the data
- If there are too many occurrences (>999) in the structured remittance information, the payment should be rejected.

When calculating the corresponding character consumption within structured remittance information the following need to be taken into consideration:

- Business information, i.e., commercial information from the Originator to the Beneficiary related to the payment;
- ISO 20022 element information, i.e., the character consumption for the opening and closing tags of the sub-elements of element 'Remittance Information/Structured'.

Section 3 (example 5) provides examples of the use of the ISO data elements.

3 ERI examples

3.1 Descriptions of the examples

The examples in section 3.1 described below refer to following scenarios:

- **Example 1** – Non-ERI payment: Payment with 1 structured reference (standard message, no ERI-option)
- **Example 2** – Payment including ERI: Payment with 2 structured references including 1 credit note with reference and 1 unstructured reference (ERI-option).
- **Example 3** – Payment including ERI: Payment with 2 structured references and 1 unstructured reference (ERI option).
- **Example 4** – Payment including ERI. Payment with 2 structured references with one invoice and one credit note and 1 unstructured reference (ERI option).
- **Example 5** – Payment including ERI: Payment with more than 280 characters of extended remittance information and therefore divided into two occurrences (ERI option).

3.2 Examples

Example 1:

Payment with 1 structured reference, for example OCR or KID reference, using SCOR (standard message, no ERI-option).

```
<RmtInf>
  <Strd>
    <CdtrRefInf>
      <Tp>    <CdOrPrtry>
              <Cd>SCOR</Cd>
            </CdOrPrtry>
      </Tp>
      <Ref>123453</Ref>
    </CdtrRefInf>
  </Strd>
</RmtInf>
```

Example 2:

Payment with 2 structured references, 1 reference using CINV with remitted amount and one reference using CREN with credit note amount. ERI option why also unstructured reference is mandatory and the code 'PERI' must be present in 'Local Instrument' element.

```

<RmtInf>
  <Ustrd>Free format information regarding payment </Ustrd>
  <Strd>
    <RfrdDocInf>
      <Tp>
        <CdOrPrtry>
          <Cd>CREN</Cd>
        </CdOrPrtry>
      </Tp>
      <Nb>56789</Nb>
    </RfrdDocInf>
    <RfrdDocAmt>
      <CdtNoteAmt Ccy="SEK">50.00</CdtNoteAmt>
    </RfrdDocAmt>
  </Strd>
  <Strd>
    <RfrdDocInf>
      <Tp>
        <CdOrPrtry>
          <Cd>CINV</Cd>
        </CdOrPrtry>
      </Tp>
      <Nb>12345</Nb>
    </RfrdDocInf>
    <RfrdDocAmt>
      <RmtdAmt Ccy="SEK">100.00</RmtdAmt>
    </RfrdDocAmt>
  </Strd>
</RmtInf>
  
```


Example 3:

Payment with 2 structured references, for example OCR or KID numbers, using SCOR, where both references have a remitted amount. ERI option why also unstructured reference is mandatory and the code 'PERI' must be present in 'Local Instrument' element.

```

<RmtInf>
  <Ustrd>Free format information regarding payment </Ustrd>
  <Strd>
    <RfrdDocAmt>
      <RmtdAmt Ccy="SEK">100.00</RmtdAmt>
    </RfrdDocAmt>
    <CdtrRefInf>
      <Tp>
        <CdOrPrtry>
          <Cd>SCOR</Cd>
        </CdOrPrtry>
      </Tp>
      <Ref>123456789000</Ref>
    </CdtrRefInf>
  </Strd>
  <Strd>
    <RfrdDocAmt>
      <RmtdAmt Ccy="SEK">150.00</RmtdAmt>
    </RfrdDocAmt>
    <CdtrRefInf>
      <Tp>
        <CdOrPrtry>
          <Cd>SCOR</Cd>
        </CdOrPrtry>
      </Tp>
      <Ref>123456788000</Ref>
    </CdtrRefInf>
  </Strd>
</RmtInf>
  
```

Example 4:

Payment with 2 structured references, for example OCR or KID numbers, using SCOR, where one has a remitted amount, and one has a credit note amount. ERI option why also unstructured reference is mandatory and the code 'PERI' must be present in 'Local Instrument' element.

```

<RmtInf>
  <Ustrd>Free format information regarding payment </Ustrd>
  <Strd>
    <RfrdDocAmt>
      <RmtdAmt Ccy="SEK">100.00</RmtdAmt>
    </RfrdDocAmt>
    <CdtrRefInf>
      <Tp>
        <CdOrPrtry>
          <Cd>SCOR</Cd>
        </CdOrPrtry>
      </Tp>
      <Ref>123456789000</Ref>
    </CdtrRefInf>
  </Strd>
  <Strd>
    <RfrdDocAmt>
      <CdtNoteAmt Ccy="SEK">50.00</CdtNoteAmt>
    </RfrdDocAmt>
    <CdtrRefInf>
      <Tp>
        <CdOrPrtry>
          <Cd>SCOR</Cd>
        </CdOrPrtry>
      </Tp>
      <Ref>123456788000</Ref>
    </CdtrRefInf>
  </Strd>
</RmtInf>

```

Example 5:

Payment with more than 280 characters of extended remittance information and therefore divided into two occurrences. 1 reference using CINV with remitted amount and one reference using CREN with credit note amount where the first one is split into two occurrences due to >280 characters. ERI option why also unstructured reference is mandatory and the code 'PERI' must be present in 'Local Instrument' element.

```

<RmtInf>
  <Ustrd>Free format information regarding payment </Ustrd>
  <Strd>
    <RfrdDocInf>
      <Tp>
        <CdOrPrtry>
          <Cd>CINV</Cd>
        </CdOrPrtry>
      </Tp>
      <Nb>123456789101234567890</Nb>
    </RfrdDocInf>
    <RfrdDocAmt>
      <RmtdAmt Ccy="SEK">10000.00</RmtdAmt>
    </RfrdDocAmt>
  </Strd>

  <Strd>
    <RfrdDocInf>

      <Nb>12345678901234567890</Nb>
    </RfrdDocInf>
    <AddtlRmtInf>Additional remittance information</AddtlRmtInf>
    <AddtlRmtInf>clarifying this specific structured reference</AddtlRmtInf>

  </Strd>
  <Strd>
    <RfrdDocInf>
      <Tp>
        <CdOrPrtry>
          <Cd>CREN</Cd>
        </CdOrPrtry>
      </Tp>
      <Nb>1234567890987654321</Nb>
    </RfrdDocInf>
    <RfrdDocAmt>
      <CdtNoteAmt Ccy="SEK">5000.00</CdtNoteAmt>
    </RfrdDocAmt>
  </Strd>
</RmtInf>

```