

Standard for payment messages used by banks and non-bank payment institutions

Introduction

In connection with the requirement to implement *Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849* (hereinafter "**Regulation**"), payment service providers, including banks, must comply with information obligations related to the payment messages transmitted. This is particularly important for transactions involving payment service providers (as defined in Article 4 of the *Act of 19 August 2011 on Payment Services*, Journal of Laws 2011 No. 199, item 1175, hereinafter "**Act**") which are not participants in Elixir and other designated payment systems, including non-bank providers (hereinafter "**Non-bank Payment Institution**" or "**nbPSP**" (non-bank Payment Service Provider)). When the nbPSP uses indirect access to payment systems (such as Elixir) through banks, it is necessary to distinguish between the nbPSP's own transactions (i.e. when the nbPSP is the payer/payee - like a traditional bank customer) and so-called "on behalf of" (hereinafter "**OBO**") transactions.) It is therefore crucial that the payment message correctly identifies the parties to the transfers (the payer and the payee) and, in particular, that it properly identifies the situation where the payer is not the same as the holder of the bank account debited with the transfer amount (outgoing payments "on behalf of") or the payee is not the same as the holder of the bank account credited with the transfer amount (incoming payments "in favour of").

The purpose of this document (hereinafter "**Standard**") is to **implement a standard for formatting and coding data about the original payer and payee in a consistent manner for all participants in the domestic payment market in Poland.**

Commencement of the Standard period

In accordance with the current guidelines of the Chairman of the Polish Financial Supervision Authority, it is necessary to immediately undertake implementation work on the Standard.

End of the Standard period

The solution described in this document should be regarded as **bridging (tactical)**. The target solution is to implement the **ISO 20022** standard in domestic transactions, so structuring the payer and payee information in the payment message (in the fields designated for this purpose). As soon as the ISO 20022 standard is implemented, this standard is no longer valid (subject to a possible transition period, determined at a later stage of the ISO 20022 implementation project).

A. Outgoing payments "on behalf of"

The rules described in Part A apply in domestic transactions, in a situation where the **holder of the bank account, debited** with the amount of the transfer, is not the same as the **payer**.

A1. Types of outgoing payments "on behalf of"

There are two types of outgoing payments "on behalf of":

1. outgoing payments on behalf of a third party, where information about that third party (payer) should accompany the transfer of funds, hereinafter referred to as "Payments on Behalf of" or "**POBO**" (Payments on behalf of);
2. outgoing payments on behalf of a third party/third parties, where the information on said third party/third parties does not accompany the transfer of funds because it is subject to the exemptions of the *Regulation* or the *Act of 1 March 2018 on Anti-Money Laundering and Countering the Financing of Terrorism*, hereinafter referred to as "Payments on Behalf of (Exception)" or "**POBO-X**" (Payments on behalf of - Exception) - including the outflow of funds for liquidity management of third party funds.

A2. Rules for ordering outgoing payments “on behalf of”

This chapter describes the basic rules for ordering outgoing payments on behalf of a third party (**POBO** and **POBO-X**) for domestic transfers (Elixir, Express Elixir, SORBNET, internal transfers).

The following table indicates how the payment details (payment title) should be formatted.

After the required description, you can add additional information (free text).

In the following structure, there are always 7 system slashes and additional information (free text) can be entered after the seventh slash - do not use a slash as part of the information provided) - except for the scenario in which additional information about the payer is tagged as /2/ and /3/ (see note below the table – in this case, there are 9 slashes).

Type of transaction	Exception (POBO-X)	POBO when all PSPs are based in the EEA	POBO when not all PSPs may be based in EEA (<1000 EUR)	POBO when not all PSPs may be based in EEA (≥1000 EUR)*
Transaction from a payment account?				
YES (account No. 1234)	/OPF/X/////	/OPF/AU/1234////	/OPF/AN/1234/Jan Nowak///	/OPF/AN/1234/Jan Nowak/1/ul. Nowa 1, Warszawa.PL/
NO (Transaction ID 9876)		/OPF/IU/9876/////	/OPF/IN/9876/Jan Nowak///	/OPF/IN/9876/Jan Nowak/1/ul. Nowa 1, Warszawa.PL/

* there are 3 types of additional information - at least one of which should be provided in the case indicated:

1. the payer's address, including your name, ending with a period and the two-character country code type ISO3166-1 alpha-2 (preceded by /1/);
2. the number of the official personal document (preceded by /2/) and customer identification number (preceded by /3/) - data in this category should be submitted collectively;
3. date and place of birth (preceded by /4/).

If the transaction is ordered **with a SWIFT message** (and executed via SORBNET or Elixir), the payer information is already structured in the SWIFT message (field 50 of the MT103 message / Dbtr branch of message pacs.008) and can be passed on by the bank (whether in the form of another SWIFT message executing a SORBNET transfer or a special message 56 as part of the Elixir system). Then there is no need to supplement the payment title again with these data, while to avoid interpretation doubts, it is recommended that field 70 of the MT103 message / RmtInf/Ustrd branch of message pacs.008/ begin with /OPF/A/ (if it is a transaction from the payer's payment account) or /OPF/I/ (in other cases, i.e. when the transaction identifier is provided).

It should be emphasised that despite the use of a limited range of data due to exclusions (AU/IU tag), it is possible to optionally include additional data categories in the message, placed after the above tags (e.g. /OPF/AU/1234/Jan Nowak/// or /OPF/IU/1234/Jan Nowak/1/ul. Nowa 1, Warsaw.PL/).

In any case, **if the /OPF/ tag is used (in its full form, i.e. with seven/nine slashes), it takes precedence** over the payer data provided in other fields, such as in field 50 of the MT103 message/Dbtr branch of the pacs.008 message, or in the transfer sender field of the Elixir 56 message.

A3. Comments and explanations

Explanation of abbreviations:

Tag	How to read?	Where does the abbreviation come from
OPF	“Don’t look at the sender of the bank transfer: the holder of the bank account debited with the amount of the transfer is not the payer (because it is an “on behalf of” transaction - ordered by an entity other than the holder of the debited account)”	<i>Payment Organisation (From:)</i>
X	“payer details are not provided” (since this is an exempted transaction)	<i>eXception</i>
A	“The transaction is from a payment account (and the nearest slash is followed by the number of that account)”	<i>Account</i>
I	“The transaction is not from a payment account (and the nearest slash is followed by a unique identifier of that transaction)”	<i>Identification number (ID)</i>
U	“Each provider is based in the EEA, so the payer’s data is abbreviated” (i.e. this is why only the payment account number / transaction ID follows the nearest slash)	<i>EU (more specifically: EEA)</i>
N	“Not every provider has to be based in the EEA, which is why the payer’s data are expanded” (i.e. this is why not only the payment account number/transaction ID follows the nearest slash, but also - after yet another slash - the name of that payer. And if the threshold of EUR 1,000 is exceeded - the next slash is followed by a marker of the type of additional payer data and another slash is followed by these payer data, as indicated under the table in part A2. If the threshold of EUR 1,000 is not exceeded - <u>you can</u> also provide these additional data, optionally)	<i>Non-EU (more precisely: non-EEA)</i>

B. Incoming payments “in favour of”

The rules described in part B apply in domestic transactions, in a situation where the **holder of the bank account, credited** with the amount of the transfer, is not the same as the **payee**.

B1. Types of incoming payments “in favour of”

We distinguish two types of incoming payments “in favour of”:

1. incoming payments in favour of a third party, where information about that third party (payee) should accompany the transfer of funds, hereinafter referred to as “Payments In Favour of” or “**COBO**” (Collections on Behalf of);
2. incoming payments in favour of a third party/third parties, where the information on said third party/third parties does not accompany the transfer of funds because it is subject to the exemptions of the *Regulation* or the *Act of 1 March 2018 on Anti-Money Laundering and Countering the Financing of Terrorism*, hereinafter referred to as “Payments in Favour of (Exception)” or “**COBO-X**” (Collections on Behalf of - Exception) - including the outflow of funds for liquidity management of third party funds.

B2. Rules for the execution of incoming payments “in favour of”

Incoming transactions are not always initiated through the payee - there are possible situations in which the payer himself enters the details of the transfer. Therefore, the absolute imposition of requirements analogous to POBO on the payer may prove ineffective. For this reason, it is assumed that the bank that maintains the account used to accept COBO or COBO-X transactions, and the holder of this account, **agree** on the manner in which the transfer of funds will be accompanied by information about the payee (or exclusion, if any).

In particular, it is possible to use the option of **virtual account numbers**, which are an alias (1:1 equivalent) of a given payee payment account number / transaction ID (and for transactions where not all PSPs may be located in the EU, additional information is required).

The bank and the account holder may also agree to mark COBO/COBO-X transactions in a manner analogous to POBO/POBO-X, i.e.:

\Type of transaction	Exception (COBO-X)	COBO when all PSPs are based in the EEA		COBO when not all PSPs may be based in EEA (<1000 EUR)	
				COBO when not all PSPs can be based in EEA (≥1000 EUR)	
Transaction to payment account?					
YES (account No. 1234)	/OPT/X/////	/OPT/AU/1234/////	/OPT/AN/1234/Jan Nowak///		
NO (Transaction ID 9876)		/OPT/IU/9876/////	/OPT/IN/9876/Jan Nowak///		

As in the case of payer data, despite the use of a limited range of data due to exclusions, it is possible to optionally include additional data categories in the message, placed after the above tags (e.g. **/OPT/AU/1234/Jan Nowak///** or **/OPT/IU/1234/Jan Nowak/1/ul. Nowa 1, Warsaw.PL/** or **/OPT/AN/1234/Jan Nowak/1/ul. Nowa 1, Warsaw.PL/**).