RTPG Best Practices:
Linking ISO 20022 messages to Customer Credit Transfer (pacs.008)

I.   Introduction

With ISO 20022 gaining popularity and more messages from the ISO 20022 message portfolio being implemented, the need for best practices about how to link the different messages is bigger than ever.

Many messages in the ISO 20022 portfolio are related and need to work together in order to offer a full end to end experience. There is, however, often no standard approach to link them together. This paper investigates how to use a Credit Transfer (pacs.008) to link it back to a previously sent message, using references.

The scenarios are:
A. Creditor Payment Activation Request (pain.013) and Credit Transfer
B. Identification Verification Request (acmt.023) and Credit Transfer
C. Notification to Receive (camt.057) and Credit Transfer

The paper explores this from the end-user experience. It should be noted there might be a need to find solutions for the inter-bank space, and that alternative solutions might be possible other than those explained in this paper.

II.   Different scenarios

In some scenarios, the Credit Transfer is sent as a response to or following, another ISO 20022 message. When this happens, it might be important to reference the previously sent message in the Credit Transfer. References in the ISO 20022 messages can be used to unambiguously link two messages, for this to work properly, the same set of references must be available in both messages.

The following references are available in the pacs.008 Credit Transfer message:

- Instruction Identification
- End To End Identification
- Transaction Identification
- UETR
- Clearing System Reference

One or more of these references must be available in the original message to link the two messages together.

A. Request for Payment

A Customer Payment Activation Request (pain.013) is sent from a Creditor to request a payment from a Debtor. There are many different ways a pain.013 message can be sent using a payment rail. For example:

Figure 1: Request for Payment sent from Corporate A to Corporate B

If the request underlying the pain.013 is honoured by the Debtor, then a Customer Credit Transfer is sent between the two banks.
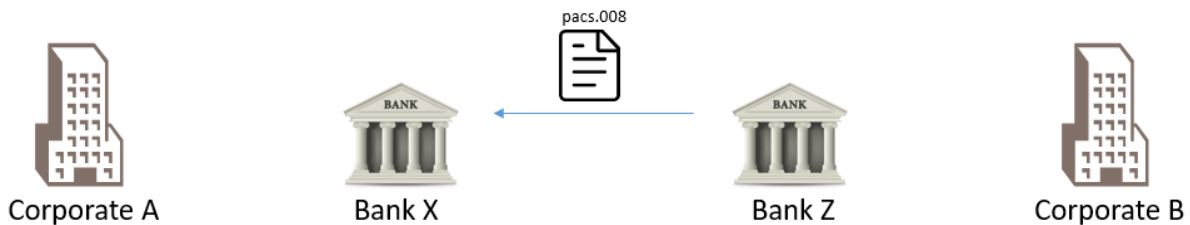

Figure 2: Customer Credit Transfer sent from Bank Z to Bank X

In a pain.013 the following references are available:

- Payment Information Identification
- Instruction Identification
- End To End Identification
- UETR

There is no way to echo back the **Payment Information Identification** in the Credit Transfer, without misusing elements such as Remittance Information. There is however a possibility to use either the Instruction Identification, End To End Identification or UETR to link the pain.013 and pacs.008 together. The usage of either Instruction Identification, End To End Identification or UETR could potentially deviate from the ISO 20022 definitions and would have to assume that these are not used for other purposes in the payment system, such as for duplicate control.

It should be noted that reconciliation can be reached by using the pain.014 message, alongside the pacs.008. This solution would however require one additional message to be sent from the Debtor to the Creditor.

B. Identification Verification Request

An Identification Verification Request (acmt.023) can be used in many ways, one of which is to validate that the Creditor Account number is valid, prior to sending the payment. The acmt.023 message can be sent from the Debtor to the Creditor Agent. The Creditor Agent would respond with an acmt.024, providing the status of the request. For example:
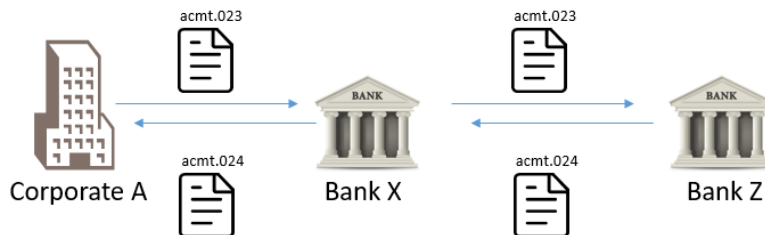

Figure 3: Account Validation sent from Corporate A to Bank Z

Following confirmation, the Debtor can send the Credit Transfer as intended, knowing that the Creditor Account number is valid.
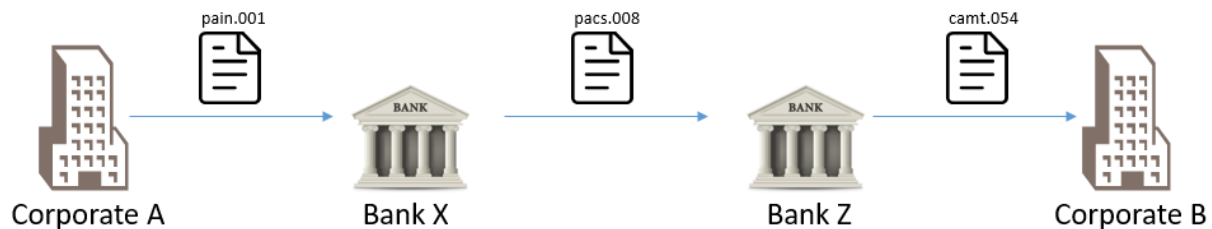

Figure 4: Credit Transfer sent from Corporate A to Corporate B

In an Identification Verification Request the following references are available:

- Verification Identification

There is no place in the pacs.008 to provide the Verification Identification, without misusing elements such as Remittance Data.

C. Notification to Receive

A Notification to Receive (camt.057) is sent from a Creditor to a Creditor Agent to provide notification of a future payment.

Figure 5: Notification to Receive is sent from Bank X to Bank Z

Following the Notification, when the due date arrives, the Debtor Agent will send the payment.
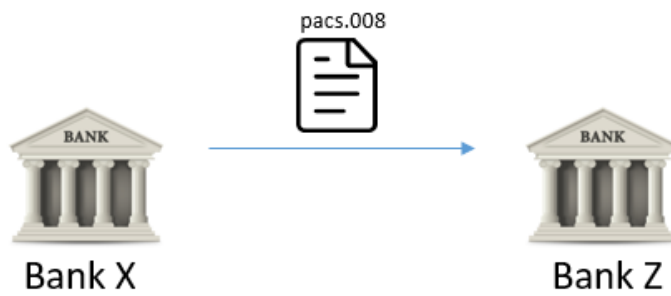

Figure 6: Credit Transfer sent from Bank X to Bank Z

In a Notification to Receive message the following references are available:

- Notification Identification
- Item Identification
- End To End Identification
- UETR

There is no way to echo back either the **Notification Identification** or the **Item Identification** in the Credit Transfer, without misusing elements such as Remittance Information. There is however a possibility to use the End To End Identification or UETR to link the camt.057 and pacs.008 together. The usage of either End To End Identification or UETR could potentially deviate from the ISO 20022 definitions and would have to assume that these are not used for other purposes in the payment system, such as for duplicate control.

III. Conclusion

This paper explores three different scenarios where the sender of a Credit Transfer should be able to link the Credit Transfer back to a previously exchanged ISO 20022 message.

There are references that can be leveraged in two of the scenarios, but each requires a deviation from ISO 20022 definitions of said references or may pose a problem if the references are used in other processes. For the Identification Verification Request (acmt.023), any reference must therefore be provided in other misused elements, such as Remittance Data.

The ideal way to reach a consistent approach is to change the Credit Transfer message for a future version. One possible change would be to add a component to the pacs.008 message for 'Related References'. This component could either include all references that might be of interest, such as 'Payment Information Identification', 'Verification Identification' and 'Notification Identification'. The component could also be managed by introducing a new ISO 20022 external code.

Until such change has been added to the pacs.008 message, the suggested workaround is to use the End To End Identification where available. If no reference is available, it is recommended to use parts of remittance data.