

# **HSBC's guide to straight-through processing**

Ensuring timely and  
cost-efficient payments

At HSBC Global Payments and Cash Management, we provide you with access to high-quality payment services. Our payment processes are fully automated and consistent to enable straight through processing (STP) of your payments.

With STP, you will enjoy the benefit of reducing cost through avoiding repair charges and ensuring your beneficiary receives their funds faster through faster processing timelines.

A first step towards meeting STP standards is improving the quality and integrity of data included in your payment orders. This guide is intended to provide you with information on how your SWIFT payment instructions can be formatted to meet STP standards.

## Conforming to STP standards for MT103

This message type is a customer credit transfer for a single payment sent by or on behalf of the financial institution of the ordering customer to the financial institution of the beneficiary customer. It instructs a fund transfer from the ordering customer to the beneficiary customer.

### Overview of a MT103 format

Status	Tag	Field name	STP standards
M	20	Transaction reference number	16x
M	23B	Bank operation code	CRED
O	23E	Instruction Code	Code words like CORT and INTC can be accepted.
M	32A	Value date, payment code, inter-bank settled amount	6!n3!a15d
O	33B	Debit account currency/ instructed amount	3!a15d
M	50K	Ordering Customer	Option K
O	52A	Ordering Institution	Option A with BIC code must be used
O	56A	Intermediary bank institution	Option A with BIC code must be used
O	57A	Account with institution	Option A with BIC code must be used Option D may be used bilaterally agreed as long as the Bank Name and City you supply exactly match those in the SWIFT BIC directory and are unique to the bank/branch of the beneficiary.
M	59A	Beneficiary customer	Option A or no letter option
O	70	Remittance information	4 lines by 35 characters
M	71A	Details of charges	BEN, SHA, OUR
O	72	Bank to bank information	Code words like/ACC, /INI, /INS and /REC can be accepted.

Status: M = Mandatory, O = Optional

## Examples of *correctly* formatted MT103 – SWIFT

### MT103 – SWIFT Message

ABC is a Singapore-based company that would like to transfer JPY4, 000,000 to XYZ Company's JPY account in Mizuho Bank (account number: 8765389) on 16 February 2009. The SWIFT message should be constructed as follows:

Meeting STP standards	
TAG 20	BS02001
TAG 23B	CRED
TAG 32A	090216JPY4,000,000
TAG 50K	/123456789 ABC COMPANY ADDRESS 1 ADDRESS 2
TAG 57A	MHBKJPJT
TAG 59A	/8765389 XYZ COMPANY
TAG 70	BEING PAYMENT FOR EXP RPT DD 01/02/09
TAG 71A	SHA

→ Your reference number that will be reported on the end of day statement.

→ We recommend that BIC codes are used as party identifiers. Nonetheless, other identifiers may be appropriate on certain occasions – eg Fed numbers, ABA numbers etc.

## Examples of *incorrectly* formatted MT103 – SWIFT

Not meeting STP standards	
TAG 20	BS02001
TAG 23B	CRED
TAG 32A	090216JPY4,000,000
TAG 50K	/123456789 ABC COMPANY ADDRESS 1 ADDRESS 2
TAG 57D	<b>MIZUHO BANK LTD GINZADORI BRANCH SWIFT: MHBKJPJT</b>
TAG 59A	/8765389 XYZ COMPANY
TAG 70	/INVI/PT269037,484,271312,318
TAG 71A	SHA

→ For SWIFT transaction, Tag 57 should be formatted with Option A with BIC code used. In this example, SWIFT BIC should be directly formatted using Tag 57A ie MHBKJPJT.

## Examples of *correctly* formatted MT103 – RTGS

### MT103 – Real Time Gross Settlement (RTGS) Message

ABC is a Singapore-based company that would like to pay S\$3,200 from HSBC's account into EFG's UOB Singapore account (account number: 1765380) on 16 February 2009. The RTGS message should be constructed as follows:

Meeting STP standards		
TAG 20	KOH98721	→ Your reference number that will be reported on the end of day statement.
TAG 23B	CRED	
TAG 32A	090216SGD3,200	→ Value date, currency, and dollar amount.
TAG 50K	/123456789 ABC COMPANY ADDRESS 1 ADDRESS 2	
TAG 57A	UOVBSGSG	
TAG 59A	/1765380 EFG COMPANY	
TAG 70	/RFB/JAN09 PAYROLL	
TAG 71A	OUR	

## Examples of *incorrectly* formatted MT103 – RTGS

Not meeting STP standards		
TAG 20	KOH98721	
TAG 23B	CRED	
TAG 32A	090216SGD3,200	
TAG 50K	/123456789 ABC COMPANY ADDRESS 1 ADDRESS 2	
TAG 57D	<b>UNITED OVERSEAS BANK UOB PLAZA: 80, RAFFLES PLACE SINGAPORE</b>	→ For RTGS transaction, Tag 57 should be formatted with Option A with BIC code used. In this example, the MEPS (MAS Electronic Payment System) Participant BIC should be directly formatted using Tag 57A ie UOVBSGSG.
TAG 59A	/1765380 EFG COMPANY	
TAG 70	/ROC/MS TAN YOK LING /RFB/INTERNAL REF NO:643	
TAG 71A	OUR	

The use of BIC code is always encouraged as compared to using LCC – Local Clearing Code. Example of UOVBSGSG versus using SG7375.

## Conforming to STP standards for MT202

This message type is a general financial institution transfer that requests the movement of funds between financial institutions.

### Overview of a MT202 format

Status	Tag	Field name	STP standards
M	20	Transaction reference number	16x
M	21	Related reference	16x
M	32A	Value date, payment code, inter-bank settled amount	6!n3!a15d
O	52A	Ordering Institution	Option A with BIC code must be used
O	53A	Sender's correspondent	Option A with BIC code must be used Option B can be used for including the debit account number in case multiple accounts in the same currency are being maintained. No separators should be used.
O	56A	Intermediary bank institution	Option A with BIC code must be used
O	57A	Account with institution	Option A with BIC code must be used
M	58A	Beneficiary institution	Option A with BIC code must be used
O	72	Bank to bank Information	Code words like /ACC, /BNF, /INT, /INS and /REC can be accepted.

Status: M = Mandatory, O = Optional

## Examples of *correctly* formatted MT202 – SWIFT

A financial institution holds a sterling pound account with HSBC Singapore and wants to transfer £40,000 to the account maintained with HSBC United Kingdom (BIC ID: MIDLGB22CLS) on 16 February 2009. The message would be constructed as follows:

Meeting STP standards	
TAG 20	BS02001
TAG 21	BS02001
TAG 32A	090216GBP40,000
TAG 53B	/143456769001
TAG 57A	MIDLGB22CLS
TAG 58A	/57921116 MIDLGB22
TAG 72	/BNF/REF:MSNY-00

→ Always indicate the BIC address.

## Examples of *incorrectly* formatted MT202 – RTGS

Not meeting STP standards	
TAG 20	BS02002136
TAG 21	TRANSFER
TAG 32A	090216SGD156,000
TAG 53B	<b>/123-456789-010</b>
TAG 57A	<b>MASGSGSG</b>
TAG 58D	<b>/7153 JPMORGAN CHASE BANK, SINGAPORE</b>
TAG 72	/BNF/FX

→ Account number should be expressed as a continuous string of numbers. No separators should be used.

→ For RTGS transaction, Tag 57A should not be formatted with MAS BIC. In this example, the MEPS Participant BIC should be directly formatted onto Tag 57A ie CHASSGSG.

The use of BIC code as the beneficiary institution is always encouraged as compared to using LCC – Local Clearing Code. Example of CHASSGSG versus SG7153.

## Acceptable code words for MT202 in Tag 72

Tag	Message type	Code word
72	202	ACC
72	202	BNF
72	202	TELE
72	202	REC
72	202	INS
72	202	INT
72	202	TELEIBK
72	202	PHONBEN
72	202	CLSTIME
72	202	PHONIBK
72	202	TELEBEN
72	202	PHON

## Compliance with MAS Notice 626

The Monetary Authority of Singapore (MAS) has issued MAS Notice 626 on Prevention of Money Laundering and Countering the Financing of Terrorism.

MAS Notice 626 applies to all banks in Singapore and require banks to include additional information in cross-border wire transfer payment instructions. For purposes of MAS Notice 626 and as part of HSBC Group’s payment transparency program, we require you to provide the following information where you send us any cross-border payment instructions:

- i. the name of the ordering customer,
- ii. the ordering customer’s account number,
- iii. the name of the beneficiary customer,
- iv. the beneficiary customer’s account number (or unique transaction reference number where no account number exists), and
- v. the beneficiary customer’s residential address or registered or business address, and if different, principal place of business, as may be appropriate.

The following example illustrates the above requirements which you will need to include in your cross-border wire transfer payment instruction.

Tag	Field name	STP standards
50K	Ordering/Originator customer account number	SGHSBC149085709001
	Ordering/Originator customer name	ABC Company
	Ordering/Originator customer address	22 Collyer Quay #04-12 213942 Singapore

## Contact information

### For HSBC*net* Users

**Call** (65) 6658 2288

**E-mail** [hsbcnet@hsbc.com.sg](mailto:hsbcnet@hsbc.com.sg)

Operating hours: 8.30 am to 6 pm (Mondays to Fridays)

HSBC*net* users can also refer to HSBC*net* Help Centre for a range of learning tools, from video tutorials to in-depth user guides and webinar events, to improve your productivity and effectiveness online.