

# **BBK's guidelines to straight-through processing**

Ensuring timely and cost-efficient payments

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.

#### **Operating hours for inward messages processing:**

Sunday to Thursday 7:00 am to 2:00 pm.

#### **Swift Codes and Debit Accounts:**

A specific vostro account will need to be assigned to one or multiple swift codes. If two or more accounts will be used for third party payments where BBK will be acting as correspondent bank, each account must have an associated swift code. BBK supports linking multiple swift codes to the same debit account.

#### **Same Day Processing:**

Inward messages received by 11:30 am Bahrain's Time - favoring third parties, will be routed through the domestic EFTS network for same day processing. Messages received after the cutoff time will be deferred for next working day processing.

#### **Future Dated Transactions**

BBK will queue future dated transaction till value date. Account will be debited only on value date and transaction processing will follow. System will automatically change value date if falls on a holiday picking the earliest next working day.

#### **Insufficient Funds**

Transactions that fails STP processing due to insufficient funds may be rejected upfront or routed for relationship manager queue for excess approval. Subject to agreement between BBK and customer bank.

## Conforming to BBK's 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.

| Status           | Tag | Field name  | STP standards   |
|------------------|-----|---|---|
| <b>Mandatory</b> | 20  | Transaction reference number                        | 16x   |
| <b>Mandatory</b> | 23B | Bank operation code                                 | CRED  |
| Optional         | 23E | Instruction Code                                    | 4!c[/30x]   |
| <b>Mandatory</b> | 32A | Value date, payment code, inter-bank settled amount | 6!n3!a15d   |
| Optional         | 33B | Debit account currency/ instructed amount           | 3!a15d  |
| <b>Mandatory</b> | 50K | Ordering Customer                                   | Option <b>K</b>   |
| Optional         | 52A | Ordering Institution                                | Option <b>A</b> with BIC code must be used  |
| Optional         | 56A | Intermediary bank institution                       | Option <b>A</b> with BIC code must be used  |
| <b>Mandatory</b> | 57A | Account with institution                            | Option <b>A</b> with BIC code must be used  |
| <b>Mandatory</b> | 59A | Beneficiary customer                                | Option <b>A</b> or no letter option<br>(IBAN and Customer name are mandatory for transfer to beneficiary accounts in Bahrain)       |
| Optional         | 70  | Remittance information                              | 4 line by 35 characters   |
| <b>Mandatory</b> | 71A | Details of charges                                  | <b>BEN, SHA, OUR</b><br>(In case payment is in BHD currency and beneficiary account is at a local bank; only <b>OUR</b> will apply) |
| Optional         | 72  | Sender to Receiver information                      | 6*35x   |

## Examples of correctly formatted MT103 – SWIFTMT103 – SWIFT Message

ABC is a UK-based company that would like to transfer BHD4,000 to XYZ Company's BHD account in National Bank of Bahrain NBOBBHBM (account number: 292484305) on 16 Mar 2018. The incoming SWIFT message to BBK should be constructed as follows:

| Meeting STP standards |   |
|-----------------------|---|
| TAG 20                | BS02001   |
| TAG 23B               | CRED  |
| TAG 32A               | 180316BHD4000,000                                   |
| TAG 50K               | /123456789<br>ABC COMPANY<br>ADDRESS 1<br>ADDRESS 2 |
| TAG 57A               | NBOBBHBM  |
| TAG 59A               | /BH08NBOB00000292484305<br>XYZ COMPANY              |
| TAG 70                | PAYMENT FOR INVOICE 32141                           |
| TAG 71A               | OUR   |

*BIC codes must be used as party identifiers.*

*Use of IBAN is mandatory (22 Chars)*

*This information will be relayed to the beneficiary bank  
(4 lines X 35 Char)  
Maximum of 100 characters will be used.*