



ISO 20022 – Clarification Paper

AML codes

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TLP: WHITE

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2 Document Information

2.1 Document History

Version	Status	Date	Editor
0.9	Draft	2020-09-29	Kristin M Hallgren og Kristin B Hansen
0.991	Draft	2020-10-01	Terje Sletbak
0.992	Draft	2020-10-02	Hanne Sandernes
1.0	Approved	2020-10-08	Hanne Sandernes/Terje Sletbak
1.1	Approved	2023-04-19	Hanne Sandernes/Tore Andersen

2.2 Change log

Version	Purpose of the version
0.9	❖ <i>Draft document created by the ISO 2022 working group</i>
0.991	❖ <i>Updated with correct use of the terms “mandatory”, “recommended” and “conditional”</i> ❖ <i>Added example files</i>
0.992	❖ <i>Added Bits logo, document template, info in chapter “document information”</i>
1.0	❖ <i>Chapter 9, Example file pain.002: Added example of rejection on both Group level and Transaction Level</i> ❖ <i>Updated to approved version</i>
1.1	❖ <i>Chapter 9, Guide for AML codes: Specified that one occurrence of XARF is required per occurrence of SOSE/NIDN</i>

2.3 Reference Documents

Ref no	Title	Responsible	Version

2.4 Definitions

Term	Text
Bits Standards	Web page in which Bits has published it’s ISO 2022 messages implementation guides. www.bits-standards.org
C (conditional)	Not required or mandatory (optional in ISO)

M (mandatory)	Mandatory due to ISO
R (required)	Mandatory due to Bits Rules, not mandatory in ISO

2.5 Abbreviations

Term	Text
AML	Anti-Money Laundering
ERP	Enterprise Resource Planning
EU	European Union
ISO	International Organization for Standardization
NIDN	National Identity Number
SSN	Social Security Number
STP	Straight through processing

2.6 Terminology

The key words "MUST", "MUST NOT", "REQUIRED", "SHALL", "SHALL NOT", "SHOULD", "SHOULD NOT", "RECOMMENDED", "MAY" and "OPTIONAL" in this document are to be interpreted as described in RFC 2119.

2.7 Latest version of the document

Latest version of this document may be obtained in Bits Standards or by contacting post@bits.no.

2.8 Traffic Light Protocol (TLP)

Bits AS uses TLP in accordance with «FIRST – TLP Standard Definitions and Usage Guidance». (<https://www.first.org/tlp>) and (<http://www.bits.no/tlp>)



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3 Objective

The purpose of this document is to describe how AML requirements on Norwegian Banks to authorize the representative who approve payments on behalf of the customer can be implemented in ISO 20022 messages in Norway.

4 Background

Based on EU AML requirements, Norwegian banks have a legal requirement to authenticate and authorize each person approving payments. This implies that for corporate payments it is no longer sufficient to authorize the customer. Norwegian Banks also need to authorize the employees or other representatives of the customers, who approve payments on behalf of the customers. This targets the STP (Straight Through Processing) of payment files.

5 Problem Statement

Today we do not have any validations of approver of payment files, which means that we do not always know who the approver is, and if the approver is authorised. To be compliant to the AML requirement we need to include/develop new validations.

6 Change Value – Payment approval

When the customer representative logs on to the ERP system, the ERP system needs to authenticate the user. The authentication method will be agreed with the bank.

The customer representatives approve invoices, salary payments and other types of payments. The actual processing will depend on the ERP system. It is a goal for the ERP vendor to simplify those processes, so that each payment can be processed with a minimum of manual interaction. To meet the EU AML requirements, the banks require the ERP provider that all payments can be traced back to one or two persons approving them. The bank shall verify that the approver holds authorization in the bank register to approve payments from the customer account.

Approved payments will be exported to ISO 20022 files. Like today those files will be signed by an enterprise certificate issued to the customer (corporate level) before they are transferred to the bank. The new element is that the SSN(s)/National ID of the approver(s) for each payment also needs to be sent to the bank.

7 AML Proprietary Codes To Use In ISO 20022-file pain.001

- **SOSE** (eXternal Authorization/Organisation Approver) or / **NIDN** (eXternal National Identity Number):
 - **R** (Required)
- **XARF** (eXternal Authorization Reference):
 - **R** (Required)
- **XAVD** (eXternal Authorization VenDor):
 - **C** (Conditional)
- **XAMT** (eXternal Authorization Method):
 - **C** (Conditional)
- **XADT** (eXternal Authorization Date Time):
 - **C** (Conditional)

Guide for the AML Codes:

- **SOSE** (eXternal Social Security Number of the Authorization/Organisation Approver) / **NIDN** (eXternal National Identity Number of the Authorization/Organisation Approver) may both be used under <OrgId> on PaymentInformation level, under Debtor: **R**
 - It is possible to use SOSE or NIDN, based on the approver’s identity number being Norwegian (SOSE is preferred) or from another country (NIDN).
 - When the payment has more than one approver, it must be allowed to send several SOSE, several NIDN, or a combination of these in the same approval block of the file.
 - Regarding more than one approver of a payment: SOSE/NIDN must always be the 1st element in the approval block of the file. When a SOSE/NIDN appears, one expects to find a set of elements containing approval information. The end of the approval block shall be a new SOSE/NIDN with the next set of approval information, or a code not associated with approval information (not XAVD/XAMT/XARF/XADT), or no more tags on this level.
 - There is no limit on the number of approvers, though Norwegian banks operate with only one or two approvers, and hence one expects a maximum of two approvers for each payment in these files. Each bank can decide to validate on the number of approvers.
- **XARF** (eXternal Authorization Reference) **R**
 - The code is required, but since the reference format is up to the agreement between each bank and ERP, there may be no validation of the contents. One occurrence of XARF is required per occurrence of SOSE/NIDN
- **XAVD** (eXternal Authorization VenDor) **C**
 - The code is conditional, and since the vendor code format is up to the agreement between each bank and ERP, there may be no validation of the contents.
- **XAMT** (eXternal Authorization Method) **C**
 - The code is conditional, and since the vendor code format is up to the agreement between each bank and ERP, there may be no validation of the contents.
 - One may use the “issuer”-field in the file to specify the approval method.
- **XADT** (eXternal Authorization Date Time) **C**
 - This shall be the timestamp of the actual approval of the payment. Use the ISO date time format.

When a payment is rejected based on invalid AML codes and returned in pain.002, we recommend checking the valid codes in these example files.

8 Example file on usage of the AML Codes in Pain.001:

NOTE: Each proprietary code should be in separate Other sequences.

```

<PmtInf>
  <PmtInfId>1000012509</PmtInfId>
  <PmtMtd>TRF</PmtMtd>
  <BtchBookg>>false</BtchBookg>
  <NbOfTxes>2</NbOfTxes>
  <CtrlSum>160040.86</CtrlSum>
  <PmtTplnf>
    <SvcLvl>
      <Cd>NURG</Cd>
    </SvcLvl>
    <LclInstrm>
      <Prtry>IN</Prtry>
    </LclInstrm>
  </PmtTplnf>
  <ReqdExctnDt>2019-02-14</ReqdExctnDt>
  <Dbtr>
    <Nm>Debitor navn</Nm>
    <PstlAdr>
      <Ctry>NO</Ctry>
      <AdrLine>Oslo</AdrLine>
    </PstlAdr>
  <Id>
    <!-- Identify organisation -->
    <OrgId>
      <Othr>
        <Id>999888777</Id>
      </Othr>
    <!-- Single approver -->
    <!-- identify approver -->
    <Othr>

```

```
<Id>9999999999</Id>
<SchmeNm>
  <Prtry>SOSE</Prtry > <!--or NIDN -->
</SchmeNm>
</Othr>
<!-- eXternal Authorization VenDor -->
<Othr>
  <Id>ERP_VISMA</Id>
  <SchmeNm>
    <Prtry >XAVD</Prtry >
  </SchmeNm>
</Othr>
<!-- eXternal Authorization MeThod -->
<Othr>
  <Id>ERP_2FA_APPLE</Id>
  <SchmeNm>
    <Prtry >XAMT</Prtry >
  </SchmeNm>
</Othr>
<!-- eXternal Authorization ReFERENCE -->
<Othr>
  <Id>20200427121212.887256</Id>
  <SchmeNm>
    <Prtry >XARF</Prtry >
  </SchmeNm>
</Othr>
<!-- eXternal Authorization Date Time -->
<Othr>
  <Id> 2019-02-13T13:30:00 </Id>
  <SchmeNm>
    <Prtry >XADT</Prtry >
  </SchmeNm>
  <!-- Second approver -->
  <!-- identify approver -->
  <Othr>
    <Id>888888888</Id>
```

```
<SchmeNm>
  <Prtry>SOSE</Prtry > <!--or NIDN -->
</SchmeNm>
</Othr>
<!-- eXternal Authorization VenDor -->
<Othr>
  <Id>ERP_VISMA</Id>
  <SchmeNm>
    <Prtry >XAVD</Prtry >
  </SchmeNm>
</Othr>
<!-- eXternal Authorization MeThod -->
<Othr>
  <Id>ERP_2FA_APPLE</Id>
  <SchmeNm>
    <Prtry >XAMT</Prtry >
  </SchmeNm>
</Othr>
<!-- eXternal Authorization ReFeRence -->
<Othr>
  <Id>20200427121212.887256</Id>
  <SchmeNm>
    <Prtry >XARF</Prtry >
  </SchmeNm>
</Othr>
<!-- eXternal Autorization Date Time -->
  <Othr>
    <Id> 2019-02-13T14:32:15 </Id>
    <SchmeNm>
      <Prtry >XADT</Prtry >
    </SchmeNm>
  </Othr>
</Id>
</Dbtr>
```

9 Example file on usage of the AML Codes in Pain.002:

If a bank wishes to reject a pain.001 due to errors in one or more of the proprietary codes, the bank should enter "NARR" as the reason code.

Ⓜ

```
<PmtInfSts>RJCT</PmtInfSts>
```

...

```
<OrgnlGrpInfAndSts>
```

```
<OrgnlMsgId>MSGID-Pal_0712-11</OrgnlMsgId>
```

```
<OrgnlMsgNmId>pain.001.001.03</OrgnlMsgNmId>
```

```
</OrgnlGrpInfAndSts>
```

```
<OrgnlPmtInfAndSts>
```

```
<OrgnlPmtInfId>PMT-INF_CPE-1121-03</OrgnlPmtInfId>
```

```
<PmtInfSts>RJCT</PmtInfSts>
```

```
<StsRsnInf>
```

```
<Rsn>
```

```
<Cd>NARR</Cd>
```

```
</Rsn>
```

```
<AddtlInf>SOSE - eXternal Authorization/Organisation Approver Invalid code  
or reference</AddtlInf>
```

```
<!--
```

```
XAVD - eXternal Authorization VenDor Invalid code or reference
```

```
XAMT - eXternal Authorization MeThod Invalid code or reference
```

```
XARF - eXternal Authorization ReFeRence Invalid code or reference
```

```
XADT - eXternal Authorization Data Time code or reference
```

```
-->
```

```
</StsRsnInf>
```

```
</OrgnlPmtInfAndSts>
```