



Stanbic Bank

ISO 20022

Corporate

Modernisation – pain.001.v3

Compliance Guidelines

Overview

As part of the ISO 20022 Corporate Modernisation Programme, we are introducing targeted updates to maintain alignment with evolving global ISO 20022 standards.

While your organisation already submits payment instructions using the pain.001.v3 format, recent enhancements to the ISO 20022 framework require the inclusion of additional data elements and stricter structural validations. These updates are designed to improve data quality, regulatory compliance, and interoperability across payment ecosystems.

What's Changing

Clients are required to review and update their existing pain.001.v3 payment instruction setup to comply with the new ISO 20022 standards.

Key changes include:

- **Address Standardisation:** Structured and Hybrid address elements must align with ISO 20022 definitions
- **Regulatory Reporting fields:** Mandatory inclusion of Credit Purpose Codes and Debit Purpose Codes in certain markets
- **Beneficiary Name:** Full legal name required (no initials or abbreviations)
- **Ultimate Debtor and Ultimate Creditor:** To be used where applicable, i.e., where payments are undertaken on behalf of another Debtor/Creditor payment scenarios

Our Approach

While the global industry deadline is 14 November 2026, Standard Bank will begin enforcing structured or hybrid addresses, and Regulatory Reporting purpose codes ahead of this date, with slight nuances to address fields. We recognise that this may differ from broader industry guidance; however, our approach is designed to:

- Enable clients to avoid last-minute development and testing pressure
- Support uninterrupted transaction processing in markets that require compliance sooner with comprehensive addresses. Hence, our recommendation to opt for structured addresses
- Align proactively with global regulatory expectations rather than reactively, for example, not only adopt minimum industry requirements but augment the recommended address formats as per the Payments Market Practice Group (PMPG)

Standard Bank structured address requirements

- o Street Name (recommended for South Africa, mandatory for markets outside South Africa)
- o Building Number (if available)
- o Town Name (mandatory)
- o Country Code (mandatory)
- o Postal Code (recommended)
- o Country Province/Subdivision (recommended)

We recommend that all fields, except for the Country Province/Subdivision, be made mandatory.

Standard Bank hybrid address requirements

- o Town Name (mandatory)
- o Country Code (mandatory)
- o Postal Code (recommended)
- o Up to two unstructured Address Lines (at least one, e.g. Street Name and Building Number)

Although hybrid addresses are acceptable, especially for domestic markets, our preference is a fully structured address format for both Cross-border and Domestic payments.

Example:



ISO 2022: Postal Address options

Unstructured

- No combination with structured ISO 2022 address elements allowed
- Difficulty to interpret data due to co-mingling of address elements

```

<Ctr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
    <AdrLine>1000 BRUSSELS</AdrLine>
    <AdrLine>BE</AdrLine>
  </PstlAdr>
</Ctr>
          
```

Preferred

Fully structured

- All available address data is mapped into one of the 14 ISO 2022 fields
- No co-mingling of data
- No combination with "AdrLine" allowed

```

<Ctr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <StrtNm>HOOGSTRAAT</StrtNm>
    <BldgNb>6</BldgNb>
    <Flr>18</Flr>
    <PstlCd>1000</PstlCd>
    <TwnNm>BRUSSELS</TwnNm>
    <Ctry>BE</Ctry>
  </PstlAdr>
</Ctr>
          
```

new

Hybrid

- Combination of structured ISO 2022 address elements **and** up to 2 lines of 70 characters of unstructured "AdrLine" **allowed**
- Elements available in structured format must be mapped into the respective structured element (minimum: TownName & Country)
- Structured elements must not be repeated in the AdrLine element(s)

} Network validation rules
 } Textual rule

```

<Ctr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <PstlCd>1000</PstlCd>
    <TwnNm>BRUSSELS</TwnNm>
    <Ctry>BE</Ctry>
    <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
  </PstlAdr>
</Ctr>
          
```

Regulatory Reporting

Regulatory Reporting requirements apply to both the Debtor and Creditor legs of a payment, depending on the jurisdiction. The Debit/Credit Reporting Indicator (<DbtCdtRptgInd>) must be used to specify whether the regulatory information relates to the payment originator (DEBT) or beneficiary (CRED) side.

In markets such as Kenya, South Africa, and Zambia, Regulatory Reporting is typically required on the Debtor leg, especially for Balance of Payments (BOP) declarations. However, in high-disclosure markets like India, China, and UAE, reporting is also required on the Creditor leg, often to classify the purpose of incoming funds. The Payment Market Practice Group (PMPG) guidance confirms that:

- The originating party is responsible for providing complete and accurate regulatory data
- Regulatory reporting must be populated in the <RgltryRptg> element, with clear indicators (DEBT or CRED) and structured codes or descriptions
- ISO 2022 allows up to 10 occurrences of <RgltryRptg> to support complex flows involving both sides

This dual-leg approach ensures:

- Full transparency of fund flows
- Compliance with local regulatory mandates
- Reduced risk of payment delays or Requests for Information (RFIs)/Queries.

Debit Purpose Codes

The Debit Purpose Code is used to classify the reason funds are being debited from the originator's account. It supports Regulatory Reporting obligations in jurisdictions where the Debtor is responsible for reporting outbound flows (e.g., Kenya, South Africa, and Zambia) where the Debtor agent is responsible to report to the relevant market specific Regulator's.

- It is populated in the RegulatoryReporting element
- The DebitCreditIndicator must be set to DEBT
- The Regulatory Type as PURP = Purpose

South Africa Market

- Include standard ISO 2022 purpose codes in the <Cd> field to ensure accurate classification.
- Clients must populate the <Cd> field in <RgltryRptg><DtIs> with:
 - o BOP Category Code + | + BOP Sub-Category Code

Example: South Africa Clients (Business Online)

```

1 <RgltryRptg>
2   <DbtCdtRptgInd>DEBT</DbtCdtRptgInd>
3   <Authrty>
4     <Nm>South African Reserve Bank</Nm>
5     <Ctry>ZA</Ctry>
6   </Authrty>
7   <DtIs>
8     <Tp>OTHR</Tp>
9     <Cd>101/01</Cd>
10    <Inf>Import payment for goods</Inf>
11  </DtIs>
12 </RgltryRptg>
          
```

Example: Kenya and Zambia

```

1 <RgltryRptg>
2   <DbtCdtRptgInd>DEBT</DbtCdtRptgInd>
3   <Authrty>
4     <Nm>Central Bank of Kenya</Nm>
5     <Ctry>KE</Ctry>
6   </Authrty>
7   <Dtls>
8     <Tp>PURP</Tp>
9     <Cd>1001</Cd>
10    <Inf>Import Duty - Oil</Inf>
11  </Dtls>
12 </RgltryRptg>

```

Credit Purpose Codes

The Credit Purpose Code is used to classify the reason funds are being credited to the beneficiary's account.

It is required in high-disclosure markets where the Creditor Agent must report inbound flows to their respective regulators (e.g.: Bahrain, Canada, China, Dubai, Eswatini, India, Lesotho, Namibia, and South Africa).

- This is also populated in the <RgltryRptg> element
- The <DbtCdtRptgInd> must be set to CRED
- The type, code or description is provided under <Dtls><Tp>PURP</Tp><Cd> or <Inf>

Example for UAE:

```

1 <RgltryRptg>
2   <DbtCdtRptgInd>CRED</DbtCdtRptgInd>
3   <Authrty>
4     <Nm>UAE Federal Tax Authority</Nm>
5     <Ctry>AE</Ctry>
6   </Authrty>
7   <Dtls>
8     <Tp>PURP</Tp>
9     <Cd>FAM</Cd>
10    <Inf>Family support payments</Inf>
11  </Dtls>
12 </RgltryRptg>

```

Additional Notes:

- For payments to Canada, provide a fully structured address for the Creditor/Beneficiary (Street name, Town Name, Province, is expected,
- There is no mandatory purpose code requirement, unlike jurisdictions such as such as Bahrain, China, Dubai, Eswatini, India, Lesotho, Namibia, and South Africa.
- We have expanded our support for China-specific purpose codes, making all available codes accessible for client use.

China Regulatory Reporting Codes

No.	Business Type Name	Business Code	Full English Name
1.	Cross-border Goods Trade	CGODDR	Cross-border Goods Trade
2.	Cross-border Service Trade	CSTRDR	Cross-border Service Trade
3.	Cross-border Capital Transfer	CCTFDR	Cross-border Capital Transfer
4.	Cross-border Individual Remittance	CRMTDR	Cross-border Individual Remittance
5.	Financial Institution Transfer	CFTFDR	Financial Institution Transfer
6.	Other Transfer	COTFDR	Other Transfer

New Capability: Ultimate Party (Ultimate Debtor / Ultimate Creditor)

Although Ultimate Party information is not yet in scope for implementation under the current ISO 20022 Corporate Modernisation phase, it is part of the future-state data enrichment planned for August 2026 under ISO 20022 standards.

What Are Ultimate Parties?

- **Ultimate Debtor:** The actual party that owes the funds—the original ordering party when different from the immediate debtor. For example, the entity that ordered goods or services and received the invoice, even if another entity initiates the payment.
- **Ultimate Creditor:** The actual beneficiary entitled to receive the funds—the final recipient when different from the immediate creditor. For example, if the payment is credited to a financing company acting as an intermediary, the ultimate creditor is the underlying customer who benefits from the payment.

These fields are designed for Payments-on-Behalf-of (POBO) scenarios, where the entity initiating or receiving funds differs from the account holder. This is especially relevant for clients using centralized payment hubs or acting on behalf of subsidiaries, divisions, or related entities.

This enhancement introduces a better way to manage Payments-on-behalf-of (POBO), especially for clients using centralised payment processing hubs or acting on behalf of subsidiaries, divisions, or related entities.

By identifying the Ultimate Debtor and Ultimate Creditor, clients can:

- Improve transparency across complex payment flows
- Reduce compliance-related delays or rejections
- Aligning with evolving global standards for payment traceability

Example: Payment on behalf of (POBO)

A holding company makes a payment on behalf of its subsidiary:

- o **Debtor:** ABC Holdings Ltd (the entity initiating the payment)
- o **Ultimate Debtor:** XYZ Subsidiary (Pty) Ltd (the true originator of the payment)
- o **Creditor:** FinanceCo Ltd (the intermediary receiving funds)
- o **Ultimate Creditor:** Global Supplies CC (the actual supplier benefiting from the payment)

```
1 <Dbtr>
2   <Nm>ABC Holdings Ltd</Nm>
3 </Dbtr>
4 <UltmtDbtr>
5   <Nm>XYZ Subsidiary (Pty) Ltd</Nm>
6 </UltmtDbtr>
7 <Cdtr>
8   <Nm>FinanceCo Ltd</Nm>
9 </Cdtr>
10 <UltmtCdtr>
11   <Nm>Global Supplies CC</Nm>
12 </UltmtCdtr>
```

Summary

To ensure your payments are processed smoothly and meet global standards, clients are encouraged to follow the updated ISO 20022 Corporate Modernisation guidelines. This includes Structured/Hybrid Addresses, complete beneficiary information, and correctly applying both Credit and Debit Purpose Codes.

While Ultimate Party details are not yet mandatory, they represent a smarter, more transparent way to manage “on behalf of” payments, especially for clients using centralised payment hubs or acting on behalf of subsidiaries. This capability will be available from **August 2026**, and early awareness will help you unlock its benefits from day one.

By adopting these enhancements, your payments will be faster, more transparent, and fully compliant, reducing delays, improving reporting accuracy, and aligning with international expectations.

We appreciate your continued partnership and commitment to high standards in payment processing. These changes are part of a broader effort to future-proof your payment infrastructure and ensure seamless alignment with global regulatory and operational requirements.

To support your transition, we will continue to provide technical guidance, readiness resources, and hands-on support. If you have any questions or need assistance, please reach out to your **Transaction Banker**.