Central Bank of Bahrain

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Technical Notes on Purpose Codes

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2. Document Overview

The document presents the technical aspects around the various codes that can be used by financial institutions in customer-2-customer transactions in the CROSS-BORDER context [ALL CURRENCIES].

Within the scope are:

- cross border transactions

Out of scope are:

- transactions in the Vostro/Loro/Financial institutions (Bahraini banks which are BHD correspondents for overseas bank) accounts

3. Consolidated Table of Scenarios

SN	Origination Country	Destination Country	Source Account Type	Destination Account Type	Currency	Movement Type	Providing POP Code
1.	BAH	Outside BAH	Resident	ANY	BHD	CB Portal / Swift	Sending Bank
2.	BAH	Outside BAH	Non Resident	ANY	BHD	CB Portal / Swift	Sending Bank
3.	BAH	Outside BAH	Resident	ANY	FCY	Outgoing Swift	Sending Bank
4.	BAH	Outside BAH	Non Resident	ANY	FCY	Outgoing Swift	Sending Bank

SN	Origination Country	Destination Country	Source Account Type	Destination Account Type	Currency	Movement Type	Providing POP Code
5.	Outside BAH	BAH	ANY	Non Resident	BHD	Incoming Swift	Receiving Bank
6.	Outside BAH	BAH	ANY	Resident	BHD	Incoming Swift	Receiving Bank
7.	Outside BAH	BAH	ANY	Non Resident	FCY	Incoming Swift	Receiving Bank
8.	Outside BAH	BAH	ANY	Resident	FCY	Incoming Swift	Receiving Bank
9.	Outside BAH	Outside BAH	ANY	ANY	BHD/FCY	∞	∞
10.	Outside BAH	Outside BAH	ANY	ANY	BHD/FCY	∞	∞

4. Data Propagation using SWIFT

4.1 TAG 77B will be used for propagating the data (preferred option)

Today, only the first line of the field is checked.
Structure: /XXXXXXX/country ISO-code//**PPC**/

Where "**PPC**" has to be replaced by a 3-character purpose code from the list.

4.1.1 Cross Border Transactions Outbound from BAH [All Currencies]
TAG 77B➡3*35

Line Number	Template	Sample 12345678901234567890123456789012345
01	/8a/2!a//3a/[Additional Narrative]	/ORDERRES/BH//PPC/XXXXXXXXXXXXXXXX
02	//[Additional Narrative]	//XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
03	//[Additional Narrative]	//XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Example outgoing: /ORDERRES/BH/GDE/

4.1.2 Cross Border Transactions Inbound to BAH [All Currencies]
TAG 77B➡3*35

Line Number	Template	Sample 12345678901234567890123456789012345
01	/8a/2!a//3a/[Additional Narrative]	/BENEFRES/BH//PPC/XXXXXXXXXXXXXXXX
02	//[Additional Narrative]	//XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
03	//[Additional Narrative]	//XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Example incoming: /BENEFRES/BH/GDE/

4.1.3 Cross Border Transactions Originating from Outside BAH and Transiting through BAH [All Currencies]
NO INFORMAITON IS REQUIRED TO BE PROPOGATED. Optionally if required the standard as below can be used.

TAG 77B➡3*35

Line Number	Template	Sample 12345678901234567890123456789012345
01	/8a/2!a//3a/[Additional Narrative]	/BENEFRES/BH//CBP

4.2 Alternatives options

4.2.1 Use of the field 70
Example: /ORDERRES/BH//GDE/

4.2.2 Use of the field 72
Example: /ORDERRES/BH//GDE/

Note:
According to the MT 103 standard, field 72 is composed of two parts: **Code & Narrative**.
In case field 72 is used, the correct values are:
> **Code:** ORDERRES or BENEFRES
> **Narrative:** BH//PPC/
> (Where PPC is the 3-character purpose code).

4.2.3 Use of the field 26T
Example: GDE

Note:
Only the PPC can be entered

4.3 Two purpose codes

4.3.1 Use of 2 different fields (*currently supported*)
For instance in the case of a payment ordered in Bahrain with beneficiary country AE and purpose, code **GDE**:

> Field 77B Line 1: /BENEFRES/AE//GDE/
> Field 70 (/ORDERRES/BH//GDE/)
> Or   Field 72 (/ORDERRES/BH//GDE/)
> Or   Field 26T (GDE)

4.3.2 Use multiple lines of field 77B (*will be implemented in the next release*)
For instance in the case of a payment ordered in Bahrain with beneficiary country AE and purpose, code GDE:
> Field 77B Line 1: /BENEFRES/AE//GDE/
> Field 77B Line 2: /ORDERRES/BH//GDE/

5. Request for Purpose of Payment & Response from Ordering Institution.

As articulated earlier, the Ordering Institution has the obligation to propagate the purpose of payment code to enable the financial institutions in the Kingdom of Bahrain to report to their regulator for Balance of Payment reporting requirements.

In the absence of the required information in TAG-77B [or equivalent], the FI in Bahrain, if the credit is due to an account domiciled in the books of an FI in Bahrain shall raise a MT 195 to the Ordering Institution.

In the absence of a specific code for this purpose, the following will be propagated in TAG 75 in MT 195.

TAG	LINE	Details
75	01	:75:/99/…
	02	//PAYMENT HAS BEEN EXECUTED
	03	//FOR REGULATORY REQUIREMENTS
	04	//REQUEST PURPOSE OF PAYMENT AS
	05	//REPLACE DOTS WITH PROPER CODE
76	01	:76:/99/xxx

6. Purpose of Payment Codes

6.1. Standard Codes

TTYP	TDESC
ACM	Agency Commissions
AES	Advance payment against EOS
AFA	Receipts or payments from personal residents bank account or deposits abroad
AFL	Receipts or payments from personal non-resident bank account in BAH
ALW	Allowance
ATS	Air transport
BON	Bonus
CCP	Corporate Card Payments
CEA	Equity and investment fund shares for the establishment of new company from residents abroad, equity of merger or acquisition of companies abroad from residents and participation to capital increase of related companies abroad
CEL	Equity and investment fund shares for the establishment of new company in BAH from non-residents, equity of merger or acquisition of companies in BAH from non-residents and participation to capital increase of related companies from non-residents in BAH
CHC	Charitable Contributions (Charity and Aid)
CIN	Commercial Investments
COM	Commission
COP	Compensation
CRP	Credit Card Payment
DCP	Debit Card Payments
DIV	Dividend Payouts From FI

TTYP	TDESC
DLA	Purchases and sales of foreign debt securities in not related companies - More than a year
DLF	Debt instruments intragroup loans, deposits foreign (above 10% share)
DLL	Purchases and sales of securities issued by residents in not related companies - More than a year
DOE	Dividends on equity not intragroup
DSA	Purchases and sales of foreign debt securities in not related companies - Less than a year
DSF	Debt instruments intragroup foreign securities
DSL	Purchases and sales of securities issued by residents in not related companies - Less than a year
EDU	Educational Support
EMI	Equated Monthly Installments
EOS	End of Service / Final Settlement
FAM	Family Support (Workers' remittances)
FDA	Financial derivatives foreign
FDL	Financial derivatives in BAH
FIA	Investment fund shares foreign
FIL	Investment fund shares in BAH
FIS	Financial services
FSA	Equity other than investment fund shares in not related companies abroad
FSL	Equity other than investment fund shares in not related companies in BAH
GDE	Goods sold (Exports in fob value)
GDI	Goods bought (Imports in cif value)
GMS	Processing repair and maintenance services on goods
GOS	Government goods and services embassies etc.
GRI	Government related income taxes, tariffs, capital transfers, etc.
IFS	Information services
IGD	Dividends intragroup
IGT	INTER GROUP TRANSFER
IID	Interest on debt intragroup
INS	Insurance services
IOD	Income on deposits
IOL	Income on loans
IPC	Charges for the use of intellectual property royalties
IPO	IPO Subscriptions
IRP	INTEREST RATE SWAP PAYMENTS
IRW	INTERST RATE UNWIND PAYMENTS
ISH	Income on investment funds shares
ISL	Interest on securities more than a year
ISS	Interest on securities less than a year
ITS	Computer services
LAS	Leave Salary
LDL	Debt instruments intragroup loans, deposits in BAH (above 10% share)
LDS	Debt instruments intragroup securities in BAH
LEA	Leasing abroad
LEL	Leasing in BAH

TTYP	TDESC
LIP	Loan Interest Payments
LLA	Loans - Drawings or Repayments on loans extended to nonresidents - Long-term
LLL	Loans - Drawings or Repayments on foreign loans extended to residents - Long-term
LNC	Loan Charges
LND	Loan Disbursements From FI
MCR	Monetary Claim Reimbursements
MWI	MOBILE WALLET CARD CASH-IN
MWO	MOBILE WALLET CARD CASH-OUT
MWP	MOBILE WALLET CARD PAYMENTS
OAT	OWN ACCOUNT TRNSFER
OTS	Other modes of transport (including Postal and courier services)
OVT	Overtime
PEN	Pension
PIN	Personal Investments
PIP	Profits on Islamic products
PMS	Professional and management consulting services
POR	Refunds/Reversals on IPO subscriptions
POS	POS Merchant Settlement
PPA	Purchase of real estate abroad from residents
PPL	Purchase of real estate in BAH from non-residents
PRP	PROFIT RATE SWAP PAYMENTS
PRR	Profits or rents on real estate
PRS	Personal, cultural, audiovisual and recreational services
PRW	PROFIT RATE UNWIND PAYMENTS
RDA	Reverse debt instruments abroad
RDL	Reverse debt instruments in BAH
RDS	Research and development services
REA	Reverse equity share abroad
REL	Reverse equity share in BAH
RFS	Repos on foreign securities
RLS	Repos on securities issued by residents
RNT	Rent Payments
SAA	Salary Advance
SAL	Salary (Compensation of employees)
SCO	Construction
SLA	Loans- Drawings or Repayments on loans extended to nonresidents - Short-term
SLL	Loans - Drawings or Repayments on foreign loans extended to residents - Short-term
STR	Travel
STS	Sea transport
SVI	STORED VALUE CARD CASH-IN
SVO	STORED VALUE CARD CASH-OUT
SVP	STORED VALUE CARD PAYMENTS
TCP	Trade credits and advances payable
TCR	Trade credits and advances receivable
TCS	Telecommunication services

TTYP	TDESC
TKT	Tickets
TOF	Transfer of funds between persons Normal and Juridical
TTS	Technical, trade-related and other business services
UFP	Unclaimed Funds Placement
UTL	Utility Bill Payments

6.2. Special Codes [for the Domestic Leg when POP code is not available]

TTYP	TDESC
CBP	Cross Border Payments