

# Introduction to Enhanced Data in Payments

## What is enhanced data in payments?

The payments industry is in the process of adopting new standards for payments processing (ISO 20022 formats). The new standards allow for more data, usually presented in a structured format, to be sent with the payment instructions over bank networks or payments schemes. This is generally referred to as 'enhanced data' or 'rich data'.

As a result, we are starting to see regulators and payments schemes encouraging and, in certain cases, mandating the use of certain information in payments.

This guide will provide an overview of the main enhanced data elements that are being introduced and what this means for you.

If you have questions about initiating payments or receiving this information in transactions reports, please refer to the guides we provide for the relevant Barclays payments and reporting solutions.

## Identifying parties in payments

The main parties in a payment instruction are the party initiating the payment (the payer, remitter or the debtor) and the party receiving the payment (the payee, beneficiary or the creditor).

They are usually identified by **name and address**, as well as by their **account number** and **bank identifier** or **bank sort code**. This information will continue to be required in payments and, depending on the digital channel you use, you may have more space available to provide this information.

Although the requirement for addresses is not necessarily new, the way addresses are presented in payments will gradually change. Regulators in different jurisdictions have started to require **Legal Entity Identifiers (LEI)** in certain payments, you can find more details in the LEI section of the guide.

Equally, when you receive a payment, you may receive more information about the remitter, and this will be shown in your payment advice.

## Structured addresses

Today most addresses in payments are free-format information that can be input in any order. These are referred to as 'unstructured addresses'.

**Structured addresses** have defined tags for different address elements, which makes it simple to populate and locate specific information within a payment message.

Although discussions at industry level are evolving, we expect that at a minimum the **Country**, **Town** and the **Post code** elements of an address will be required for payments in most jurisdictions.

### What this means for you

- You should retain full address information in structured format for all your beneficiaries.
- Input the address in structured format as soon as your digital channel allows for structured address information to be provided.
- When you expect to receive a payment, provide the payer with your full address alongside your bank and account details.

## Legal Entity Identifiers

A **Legal Entity Identifier (LEI)** is a unique 20-character, alpha-numeric reference code, which identifies a distinct legal entity, that engages in a financial transaction.

LEIs are issued by qualified issuing organisations, you can find further information on [www.gleif.org](http://www.gleif.org).

Whilst LEI codes are predominantly used in payments of Financial Institutions, over time LEIs are expected to become more widely required within the corporate payments space.

### What this means for you

- There is currently no blanket requirement for corporates to provide LEIs in payments.
- Please engage your counterparties to obtain their LEI, if you have to or wish to provide it in the payment instruction.
- If you are required to provide an LEI in your payments, follow the guidance provided for the digital channel that you use.
- LEIs are usually issued for a limited period of time, please ensure that the LEIs you provide are valid when you make the payment.

## Information about your payments

The wealth of information that can now be held and transferred in payments allows you to provide further detail on why you are making the payment and what the payment relates to, thus helping the beneficiary to reconcile the payments received.

Not only does this allow clear exchange between you and your counterparties, this information can assist banks to correctly and timely process your payments, supporting your cash flow and reconciliation.

## Purpose of payment codes

Purpose of payment codes are already used in some jurisdictions today. It is a short reference code that will be carried across the transaction chain in order to highlight the reason for the payment.

Purpose of payment codes are **pre-defined codes** and not free-format; currently they can vary between jurisdictions, but they are expected to evolve towards a common standard in the future.

As the remitter, you may be asked to provide details on the purpose of payment to correctly reflect the reason for the transaction.

### What this means for you

- Review and remain up to date with requirements for purpose of payment codes to ensure they are populated where required.
- If you want to provide a purpose of payment code in a transaction, follow the guidance provided for the respective payment type and the digital channel that you use.
- When you expect to receive a payment, agree with the payer or provide them with the relevant purpose code.

## Structured remittance

Today the amount of remittance information that can be provided in payments is limited and is usually presented free-format.

New payments standards allow for **structured remittance** to be populated in payments in defined tags, which makes it simple to identify specific information in a payment.

This permits data to be clearly identified and to be easily recognised by both parties, thus supporting the reconciliation process.

### What this means for you

- Aim to retain information that you expect to use in payments in a structured format.
- Adoption of structured remittance in payments varies globally; please discuss with your counterparties the level of enhanced data that you should provide in payments or that you expect to receive.
- Assess if the reporting solutions that you currently use are compatible with the amount and type of remittance information that you expect to send or receive.

You can get this in Braille, large print or audio. For more information, please contact your local Barclays representative or visit [barclayscorporate.com/alternativeformats](https://barclayscorporate.com/alternativeformats).

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