

# Purpose of Payment Update

## FREQUENTLY ASKED QUESTIONS

### Purpose of Payment impact on Payment Processing

#### 1. How is Purpose of Payment (PoP) changing?

Effective July 14th, MUFG Exchange is introducing Purpose of Payment ISO data elements in the User Interface/User Experience (UI/UX).

Purpose of payment modifies the existing payment/template creation flow(s) of Wire-domestic and international payment types, to include a dedicated field for capturing the Purpose of Payment (PoP).

MUFG Exchange will support free-form entry and dropdown with a list of pre-populated ISO PoP codes depending on the Bene Bank Country and the Credit Currency.

#### 2. How will the introduction of the Purpose of Payment (PoP) structured field impact MUFG Exchange?

MUFG Exchange currently supports capturing Purpose of Payment in the Originator to Beneficiary information (OBI) (SWIFT Field 70) first line free form text for 4 countries where purpose of payment is mandatory (China for CNY payments, India, Russia, UAE) and 7 which are optional (Bahrain, Jordan, Myanmar, Malaysia, Philippines Saudi Arabia, and Thailand). Currently there is no validation of this field.

As per ISO requirements, purpose of payment must be captured in a dedicated field.

This enhancement modifies the existing payment/template creation flow(s) of Wire-International and domestic payments, to include a dedicated field for capturing the Purpose of Payment (PoP).

For more information on the payment/template creation workflow, please refer to [User Guides | MUFG Americas](#)

#### 3. What Purpose of Payment input options are available?

Clients will have the option to select a 4 character ISO relevant code from a dropdown menu, input a country-specific code or use free form descriptions depending on the Bene Bank Country and Credit Currency.

Clients may enter specific country codes by using OTHR in dropdown menu and manually entering the country specific code or can choose to enter free form data.

ISO and Country specific PoP code definitions can be found in [User Guides | MUFG Americas](#)

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#### 4. Is Purpose of Payment a mandatory field?

Within MUFG Exchange PoP is an optional field for domestic payments and all international payments except for those payments made to certain countries which are mandatory (i.e. China CNY payments, India, Russia and UAE).

Use of structured purpose of payment field is recommended as many countries require this data in the payment instructions.

Payments without structured purpose of payment information are subject to delay /returns and additional charges.

#### 5. Will I have to migrate templates which currently contain PoP in the OBI field?

When you utilize a template to create a payment, current PoP data in the Originator to Beneficiary information (OBI) field will continue to be mapped to the payment.

Where purpose of payment is mandatory (China – for CNY, India, Russia, and UAE) you will be required to populate the structured purpose of payment field before releasing the payment.

For domestic payments and international payments to other countries, we recommend as best practice, you utilize the structured purpose of payment field instead of including the information in the OBI field as this will enhance the end-to- end STP rate.

#### 6. Where can I go to get more information on the Purpose of Payment enhancement?

Online reference material on Purpose of Payment is available in [User Guides | MUFG Americas](#).

This includes:

- Definitions of the ISO 20022 Purpose of Payment codes used for MUFG Exchange
- Country specific Purpose of payment codes
- Workflow tutorial for payment initiation and template upload

You can also contact your Treasury Relationship Manager for additional information and support.