International Collections: Fedwires & ACH Credits

Most International Collections require the use of the SWIFT network
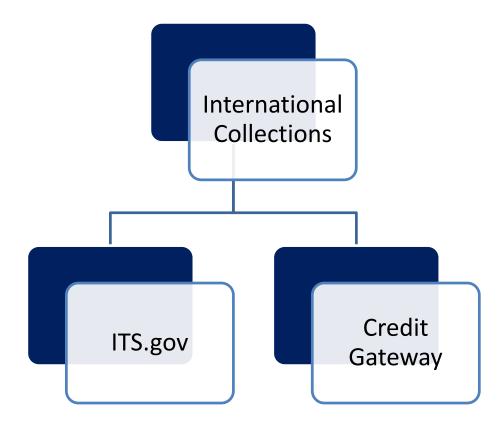
SWIFT is a global financial telecommunications network that enables financial institutions worldwide to send and receive information about financial transactions
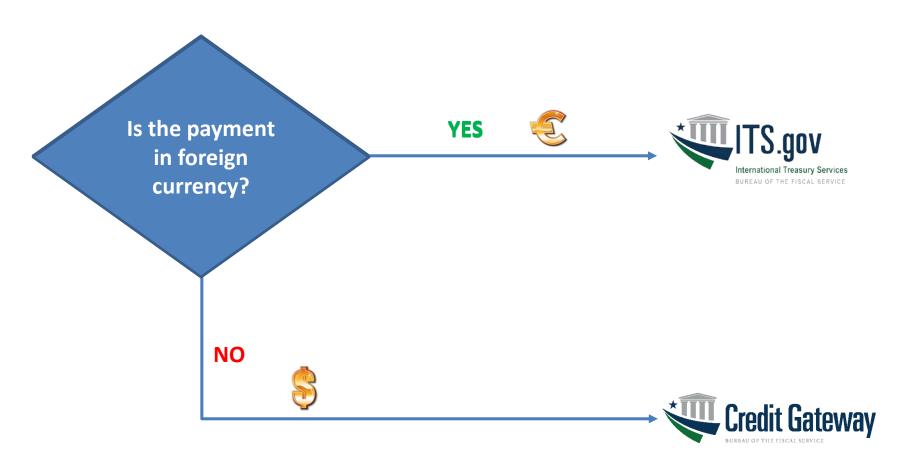
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International Collections: Fedwires & ACH Credits

International Collections via Fedwire & ACH follow one of two paths:

International Collections

ITS.gov

Credit Gateway

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International Collections: Fedwires & ACH Credits

To Determine the right path, we must answer one key question:

Is the payment in foreign currency?

YES → ITS.gov International Treasury Services BUREAU OF THE FISCAL SERVICE

NO → Credit Gateway BUREAU OF THE FISCAL SERVICE

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International Collections: Fedwires & ACH Credits

International Treasury Services: ITS.gov

- ITS.gov website:
    https://www.fiscal.treasury.gov/fsservices/gov/pmt/its/its_home.htm

- ITS. gov phone: 816-414-2125

- ITS.gov email: its.operations@fiscal.treasury.gov

- The ITS.gov Standard Operating Procedure - Collection Procedures version 3.0 provides agencies with instructions on how to collect international electronic payments from their customers. Agencies should contact ITS.gov for a copy of the operating procedure.

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International Collections: Fedwires & ACH Credits

Transfer Fees

- Transfer Fees are payment processing fees that banks can deduct from the payment amount.

- Agencies should tell customers they are responsible for all bank fees charged on foreign payments. Agencies should expect the full value of the obligation owed.

- On SWIFT message instructions make sure field 71a includes the word **OUR**, which means the remitter pays all transfer charges and the agency receives the full payment amount.

- It is recommended that agencies include language in their payment instructions that addresses the issue of fees.

    Example:

    The remitter shall pay the service charges of both the sending bank and any foreign intermediary banks. Upon executing an international payment order with such service charges, the remitter's bank shall send a message on the payment transaction, indicating "OUR" in the field for payment of costs, i.e., the amount of the payment transaction must be paid to the Beneficiary without debiting any service charges.

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International Collections: Fedwires & ACH Credits

Sample SWIFT Message for Foreign Currency Payment Instructions

Attachment C
SWIFT Message – prototype
- EUR Sample -
(GERMANY)

```
------------------------- Message Header -------------------------
SWIFT Input: FIN 103 Single Customer Credit Transfer
Sender: XXXXXXXXXXX
Sender Bank Name
Short Name
Receiver: CITIDEFF
CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO KGAA
MUR:
------------------------- Message Text -------------------------
20: Sender's Reference
23Cxxxxxxx                            < - - - - Enter exactly as shown - - -
23B: Bank Operation Code
CRED
32A: Val Dte/Curr/Interbnk Settld Amt
Date: 02 February 2006
Currency: EUR
Amount: 123,456.78
50K: [Ordering Customer-Name & Address]
Customer Name
Customer Address
Customer Address
Customer Country
57A: CITIDEFF
59:/DE59502109004120060029
CITIBANK EUROPE PLC
DUBLIN IE
70:/RFB/CL329930001, FRB-ITS        < - - - - REQUIRED CLIENT ID - - - -
ALC or DSSN NUMBER #### ####,        < - - - - REQUIRED ALC DSSN#, Invoice#
                                                 Contract#
Federal Agency Name
Add'l Reference Info
71A: Details of Charges
OUR
```

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International Collections: Fedwires & ACH Credits

Sample SWIFT Message for US Dollar Payment Instructions to the Credit Gateway

Attachment E
SWIFT Message – prototype
– US Dollar Sample –

```
----------------------- Message Header -----------------------
Swift Input: FIN 103 Single Customer Credit Transfer
Sender: XXXXXXXXXXX
Sender Bank Name
Short Name
Receiver:
TREAS NYC
NEW YORK, NY US
MUR:
----------------------- Message Text -----------------------
20: Sender's Reference
23C: xxxxxxx
23B: Bank Operation Code
CRED
32A: Val Dte/Curr/Interbnk Settld Amt
Date: 02 February 2006
Currency: US Dollar
Amount: 123,456.78
50K: [Ordering Customer-Name & Address]
Customer Name
Customer Address
Customer Address
Customer Country
57D: //FW021030004
TREAS NYC/FUNDS TRANSFER DIVISION
59:/ 8 digit Agency Location Code (ALC) OR 12 digit Credit Gateway account number must be
included in Fedwire field tag {4200} Beneficiary Identifier - Tag/Element 02. Include the
receiving agency name in Fedwire field tag {4200} Beneficiary Name - Tag/Element 03.
70:/RFB/INVOICE NUMBER/CONTRACT NUMBER
 Add'l Reference Info AND ALC#
71A: Details of Charges
OUR
```

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