ISO 20022

Authorities Financial Investigations

Approved by the Payments SEG on 22 October 2012

Message Definition Report - Part 1

Edition January 2013

Table of contents

1. Introduction

1.1 Glossary

Acronyms

Acronym	Definition
ACK	Acknowledgement
NAK	Negative Acknowledgement (reject)
FFI	Federation of Finnish Financial Services

Abbreviations

Abbreviation	Definition

Terms

Term	Definition
Distraint[1]	Distraint is the act or process "whereby a person (the distrainor), traditionally even without prior court approval, seizes the personal property of another located upon the distrainor's land in satisfaction of a claim, as a pledge for performance of a duty, or in reparation of an injury." Distraint typically involves the seizure of goods (chattels) belonging to the tenant by the landlord to sell the goods for the payment of the rent. In the past, distress was often carried out without court approval. Today, some kind of court action is usually required, the main exception being certain tax authorities, such as HM Revenue and Customs in the United Kingdom and, in the United States, the Internal Revenue Service -- agencies that retain the legal power to levy assets (by either seizure or distraint) without a court order.[2]

---

[1] Distraint is one of the tools available to Enforcement authorities in Finland, More details available on the Enforcement Authorities' website: http://www.oikeus.fi/8851.htm

[2] Ref. http://en.wikipedia.org/wiki/Distraint

1.2 Document Scope and Objectives

This document is the first part of the ISO 20022 Message Definition Report (MDR) that describes the business transactions and underlying message set. For the sake of completeness, the document may also describe activities that are not in the scope of the project.

This document sets:

- The business area scope (one or several business areas may be covered by the project)

- The business process scope (business processes addressed or impacted by the project)

The main objectives of this document are:

- To explain what business processes and activities these message definitions have addressed

- To give a high level description of business processes, business actors and their roles

- To document the message flows (sequence diagrams)

- To list the message definitions

1.3 References

Document	Version	Date	Author
ISO 20022 Business Justification – Authorities Financial Investigation		2011-10-28	FFI

1.4 Overview

This document describes a set of ISO 20022 message definitions developed by Federation of Finnish Financial Services and approved by the Payments Standards Evaluation Group on 22 October 2012. The set of Authorities Financial Investigations message definitions described in this document is exchanged between Authorities who have a legal right to request account and other banking and financial instrument information to carry out their duties and the Financial Institutions to which they make these requests. Requested information can relate to accounts, their signatories and beneficiaries and co-owners as well as movements plus positions on these accounts. Additionally, this information can pertain to loans and guarantees.

2. Scope and Functionality

2.1 Background

This Message Definition Report covers a set of 3 ISO 20022 message definitions developed by Federation of Finnish Financial Services and approved by the Payments Standards Evaluation Group (SEG) on 22 October 2012. These messages are specifically designed to support FFI members with the standardized messaging flows related to authorities' financial investigations to fulfilling the Finnish government's aims. In parallel, FFI has found that other countries have expressed interest in the standardization of these flows.

2.2 Scope

The scope of this project addresses the messaging between Authorities who have a legal right to request account and other banking and financial instrument information to carry out their duties and the Financial Institutions to which they make these requests. Requested information can relate to accounts, their signatories and beneficiaries and co-owners as well as movements plus positions on these accounts. Additionally, this information can pertain to loans and guarantees.

Requests are underpinned by specific legal texts, each one determining a specific scope of response by the financial institutions.

2.3 Groups of Messages and Functionality

Messages	
Message id	Scope
InformationRequestOpening auth.001.001.01	This message is sent by the authorities (police, customs, tax authorities, enforcement authorities) to a financial institution to request account and other banking and financial information. Requested information can relate to accounts, their signatories and beneficiaries and co-owners as well as movements plus positions on these accounts. Requests are underpinned by specific legal texts.
InformationRequestRespone auth.002.001.01	This message is sent by the financial institution to the authorities (police, customs, tax authorities, enforcement authorities) to provide a part or all of the requested information. The financial institution previously received a request for financial information in the scope of a financial investigation. Depending on whether the response can be provided STP within the authorities financial investigations messages, the requested information may be • provided in part or in full within the response message itself, or • only referred to in the response message
InformationRequestStatusChangeNotification auth.003.001.01	This message is sent by the authorities (police, customs, tax authorities, enforcement authorities) to a financial institution to inform the financial institution that the confidentiality status of the investigation has changed.

3. Business Actors and Roles

A business actor represents an entity (or a class of entities) of the real world, physical or legal, a person, a group of persons, a corporation. Examples of business actors: "Financial Institution", "ACH", "CSD".

A business role is a role performed by a business actor in a specific business context and process: for example the "user" of a system, "debtor", "creditor", "investor" etc.

Relationship between business roles and actors is many-to-many. One business actor (that is, a person) can play different roles at different moments in time or at the same time: "user"," debtor, "creditor", "investor", etc. One role can also be played by different actors.

Actors & Roles	
Roles	
Description	Definition
Investigator	An organisation with authority granted by the government to perform financial investigations with the collaboration of Financial Institutions.
Account servicer	Party that manages the account on behalf of the account owner (that is, manages the registration and booking of entries on the account, calculates balances on the account and provides information about the account), or the party that has a contractual relationship with the owner (for example, market data provider).
Actors	
Description	Definition
Authority	In the current scope of this project, the following organisations have been identified as authorities: Police, Customs, Tax authorities, Enforcement authorities, and Collection authorities.
Financial Institution	In the scope of this project, the Financial Institution is an organisation with a valid banking licence in the country of the Authority making the Financial Investigation related request.

Business Actors/Roles Matrix Table		
Roles / Actors	Investigator	(Account) Servicer
Authority	X	
Financial Institution		X

4. Business Process Description

4.1 Business Use Case Diagram

This diagram shows the high level business processes covered by this project.
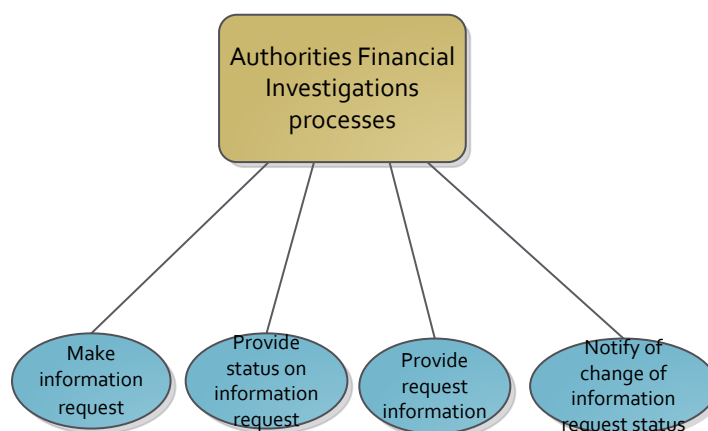
Make information request process:

- Definition: Process by which an Authority, on a specifically defined legal basis, and in the scope of a specific investigation, requests financial information from a Financial Institution, this information being related to an organisation, an account, its owner or another party related to the account (beneficiary, signatory, etc....).

- Trigger: the process is triggered when Authorities are carrying out their duties.

- Pre-conditions: the request has to be underpinned by specific legal texts.

- Post-conditions: none.

- Role: Investigator (Authority)

Provide status on information request process:

- Definition: Process by which a Financial Institution which has received a request for financial information in the scope of a financial investigation provides the Authority with the status of the request.

- Trigger: the process is triggered when a request has been received.

- Pre-conditions: none.

- Post-conditions: none.

- Role: Account servicer.

Provide request information process:

- Definition: Process by which a Financial Institution which has received a request for financial information in the scope of a financial investigation provides the Authority with a part or all of the requested information.

- Trigger: the process is triggered when a request has been received.

- Pre-conditions: none.

- Post-conditions: none.

- Role: Account servicer.

Notify of change of information request status process:

- Definition: Process by which an Authority, in the scope of a specific investigation, informs the Financial Institution that the status of the investigation has changed. The currently foreseen change of status to be informed by the Authority to the Financial Institution is the confidentiality status, i.e. whether or not the account owner or other party related to the account (beneficiary, signatory, etc...) can be informed of the existence of this investigation by the Financial Institution.

- Trigger: change of confidentiality status at the Authorities level.

- Pre-conditions: none.

- Post-conditions: none.

- Role: Investigator (Authority)

4.2 Business Process Flows

The process flows hereafter describe a possible high level sequence of the processes defined in the previous chapter.
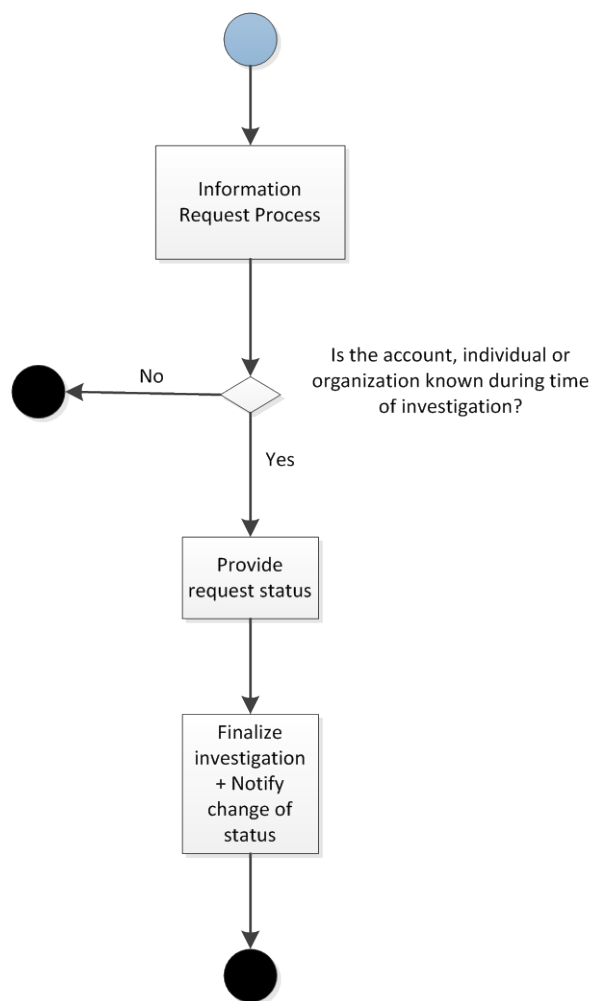
5. Description of Activities

This section presents the different activities within each Business Process. Activities of a process are described in swim lane diagrams and are referred in this document as activity diagrams.

The development of an activity diagram is part of the ISO 20022 modelling process and allows capturing the requirements.

The activity diagram provides a zoom-in on the activities taking place during each of the processes described in Section 4. It also shows the activities that are triggered when another activity has a negative result.
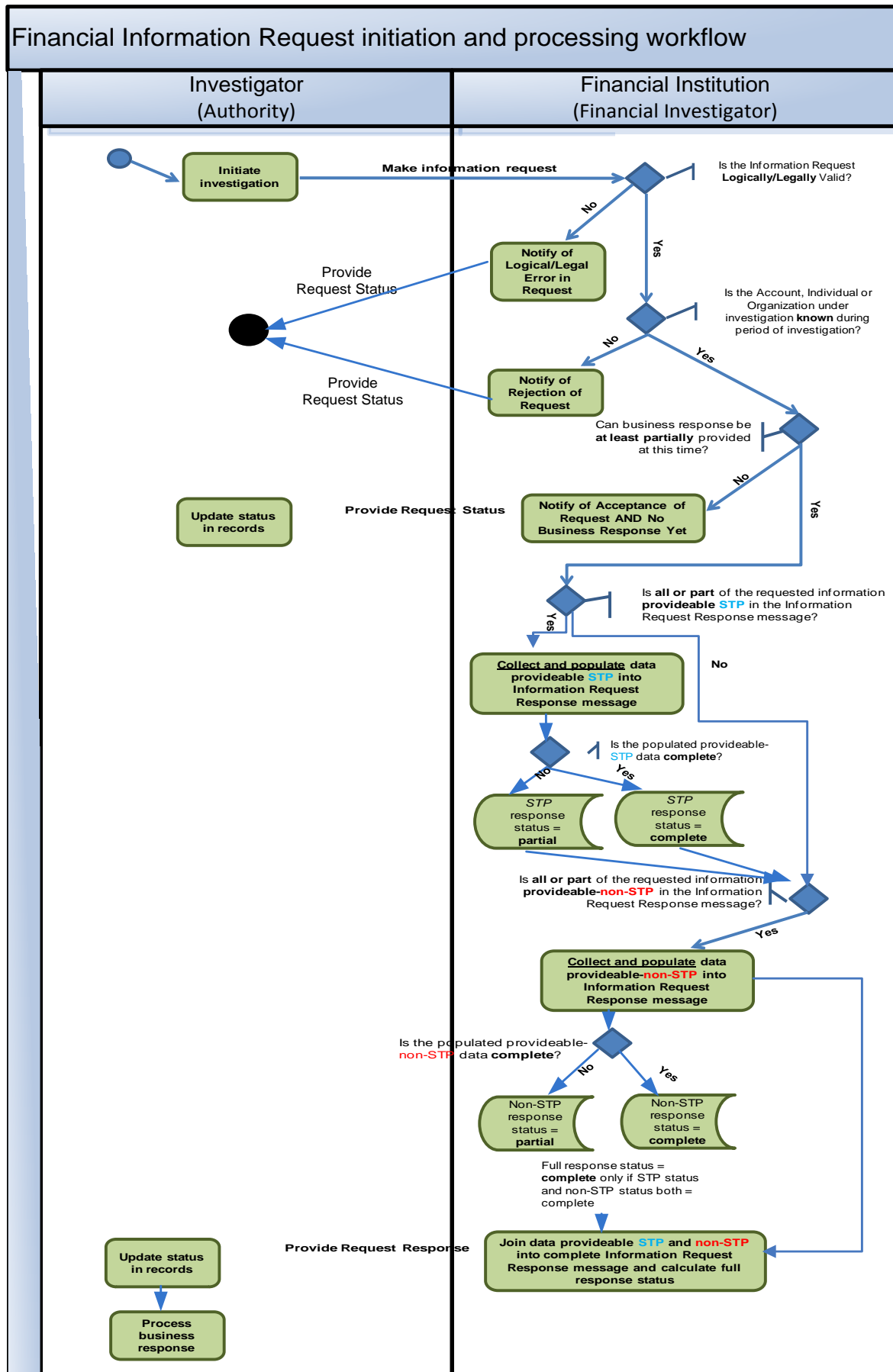
What is the activity diagram about?

- It is a diagram representing the 'common lifecycle' of a business process

- A start point ● shows where the lifecycle of the business process commences and the end points show ◉ where the lifecycle may possibly end

- A bar ▬▬▬ means that a choice between several actions can be made

- The flow of activities between the involved business roles (parties)

- Activities may result in different actions, that is, information is conveyed from one party to another party.

Both in scope and out of scope activities are included, with a different level of details. There are no information requirements for out of scope activities, except that they should be clearly identified in the diagram.
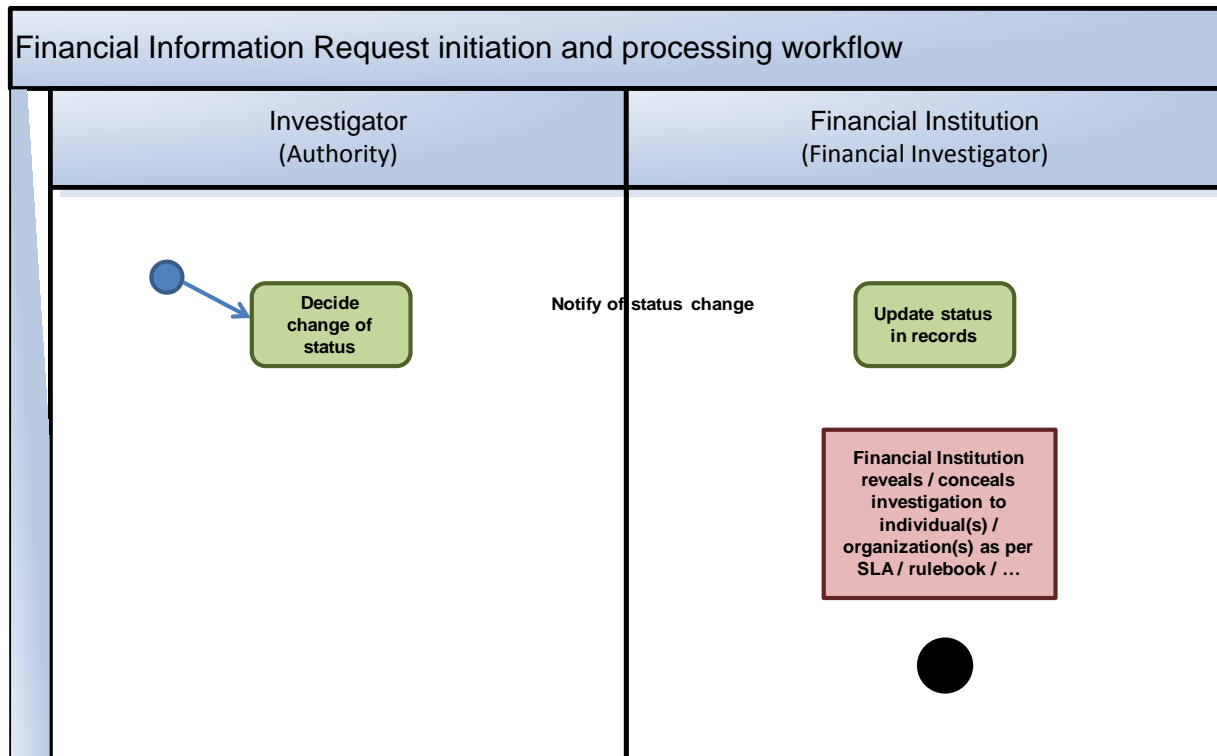
Activity diagrams are always accompanied with a text describing the activities and their interactions.

5.1 Financial Information Request Initiation, Validation and Processing

Financial Information Request initiation and processing workflow

Investigator (Authority)	Financial Institution (Financial Investigator)

Initiate investigation

Make information request

Is the Information Request **Logically/Legally** Valid?

No

Yes

Notify of Logical/Legal Error in Request

Provide Request Status

Is the Account, Individual or Organization under investigation **known** during period of investigation?

No

Yes

Notify of Rejection of Request

Provide Request Status

Can business response be **at least partially** provided at this time?

No

Yes

Update status in records

Provide Request Status

Notify of Acceptance of Request AND No Business Response Yet

Is **all or part** of the requested information **provideable STP** in the Information Request Response message?

Yes

Collect and populate data **provideable STP** into Information Request Response message

No

Is the populated provideable-STP data **complete**?

No

Yes

STP response status = partial

STP response status = complete

Is **all or part** of the requested information **provideable-non-STP** in the Information Request Response message?

Yes

Collect and populate data **provideable-non-STP** into Information Request Response message

Is the populated provideable-non-STP data **complete**?

No

Yes

Non-STP response status = partial

Non-STP response status = complete

Full response status = **complete** only if STP status and non-STP status both = complete

Update status in records

Provide Request Response

Join data provideable STP and non-STP into complete Information Request Response message and calculate full response status

Process business response

Descriptions of the activities	
	Initiator
Initiate Investigation: The authorities initiate an investigation of related to an account, their signatories and beneficiaries and co-owners as well as movements plus positions on these accounts.	Authorities
Check of Records for Account and Notify the Authorities: The queried Financial Institution checks whether the account, organisation or individual referred to in the investigation were/are known within the specified investigation dates. If so, the Financial Institution must provide a business response to the Authority with the status of the response (complete, partial or response not provided yet). If not, the Financial Institution must notify the Authority in rejecting the Information Request.	Financial Institution
Change of Status: If the confidentiality status of a specific request changes, the authorities will notify the financial institution.	Authorities

5.2 Financial Information Request Change of Status

<table>
<tr><td colspan="2">Descriptions of the activities</td></tr>
<tr><td></td><td>Initiator</td></tr>
<tr>
<td>Decide Change of Status: The change of status notification from the Authority to the Financial Institution is currently foreseen for the change of confidentiality of the investigation underlying the financial information request.

Typically, the change will be from confidential to non-confidential.
Additionally, the change may be from non-confidential to confidential following an incorrect initial description of the investigation in the initial Request message.
</td>
<td>Authority</td>
</tr>
<tr>
<td>OUT OF SCOPE - The Financial Institution that has been notified of a change to non-confidential is thereby allowed to notify the individual(s) or organisation(s) of the fact that they have been investigated by the Authority.</td>
<td>Financial Institution</td>
</tr>
</table>

6. Scenarios

This section describes the message flows based on the activity diagrams documented above. It shows the typical exchanges of information in the context of a transaction.
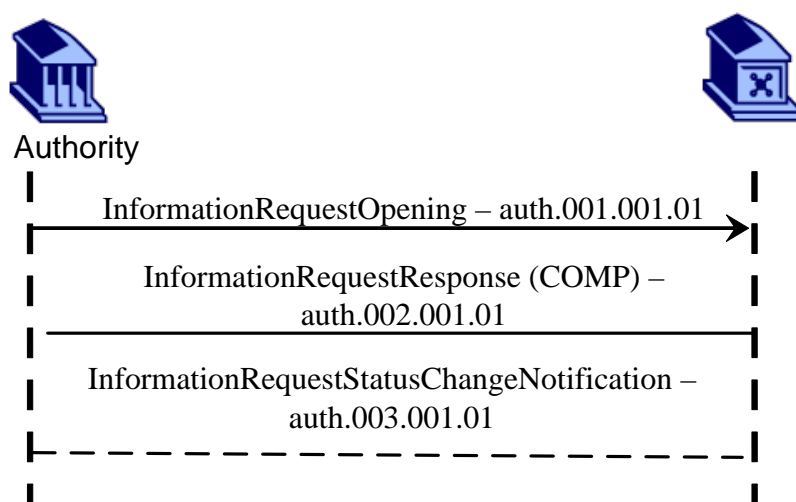
In black, the mandatory messages.
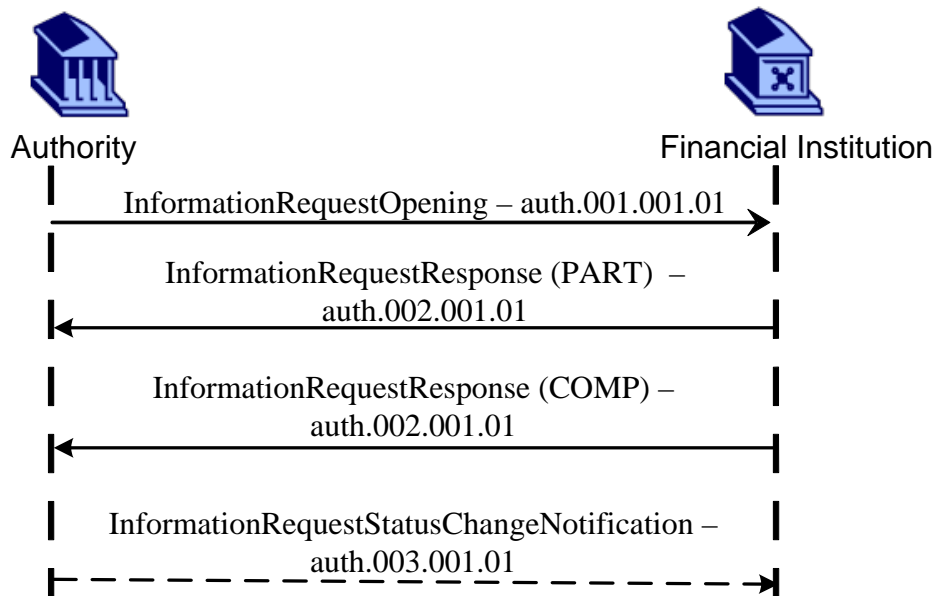In dotted line, the optional/potential messages.

6.1 Scnenario 1 – Response status : complete

Description

The Authority sends an information request opening message to a financial institution. Subsequently the financial institution sends an information request response message with one of the following response status (complete, partially or no response yet).

In the case that the response status is complete, the communication flow stops here. If there is a status change related to this information request a last message could follow informing the financial institution.

Authority

InformationRequestOpening – auth.001.001.01

InformationRequestResponse (COMP) – auth.002.001.01

InformationRequestStatusChangeNotification – auth.003.001.01

6.2 Scenario 2 – Response status : partially

Description

The Authority sends an information request opening message to a financial institution. Subsequently the financial institution sends an information request response message with the response status partially (PART).

In the case the response status is partially complete, at a later stage a second information request response message will follow with the response status complete. If there is a status change related to this information request a last message could follow informing the financial institution.

6.3 Scenario 3 – Response status : no response

Description

The Authority sends an information request opening message to a financial institution. Subsequently the financial institution sends an information request response message with the response status no response (NRES).

In the case the response status is no response, a second information request response message will follow with the response information and the response status set to either complete or partially. Subsequently a third information request response message could follow with the full response and the response status set to complete. If there is a status change related to this information request a last message could follow informing the financial institution.
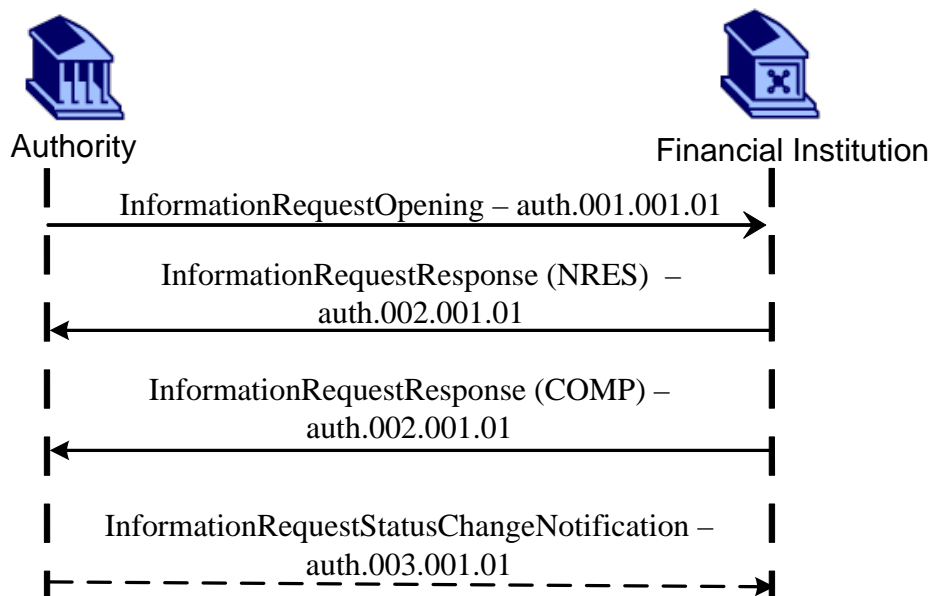
7. Revision Record

Revision	Date	Author	Description	Sections affected
1.0	08/01/2013	ISO 20022 RA	Initial version	All