

ISO8583

Message Types & (few) Flows

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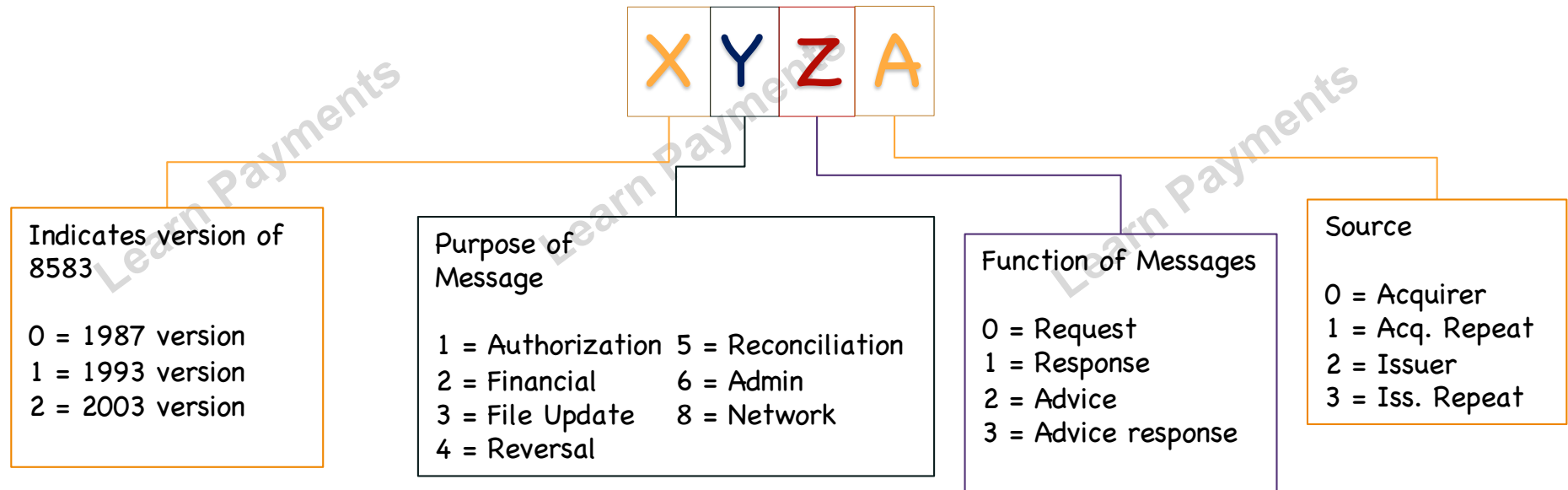


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Message Type Indicator – MTI



- “Message Type Indicator (MTI)” indicates the type of the message. It’s a 4-digit numeric Number



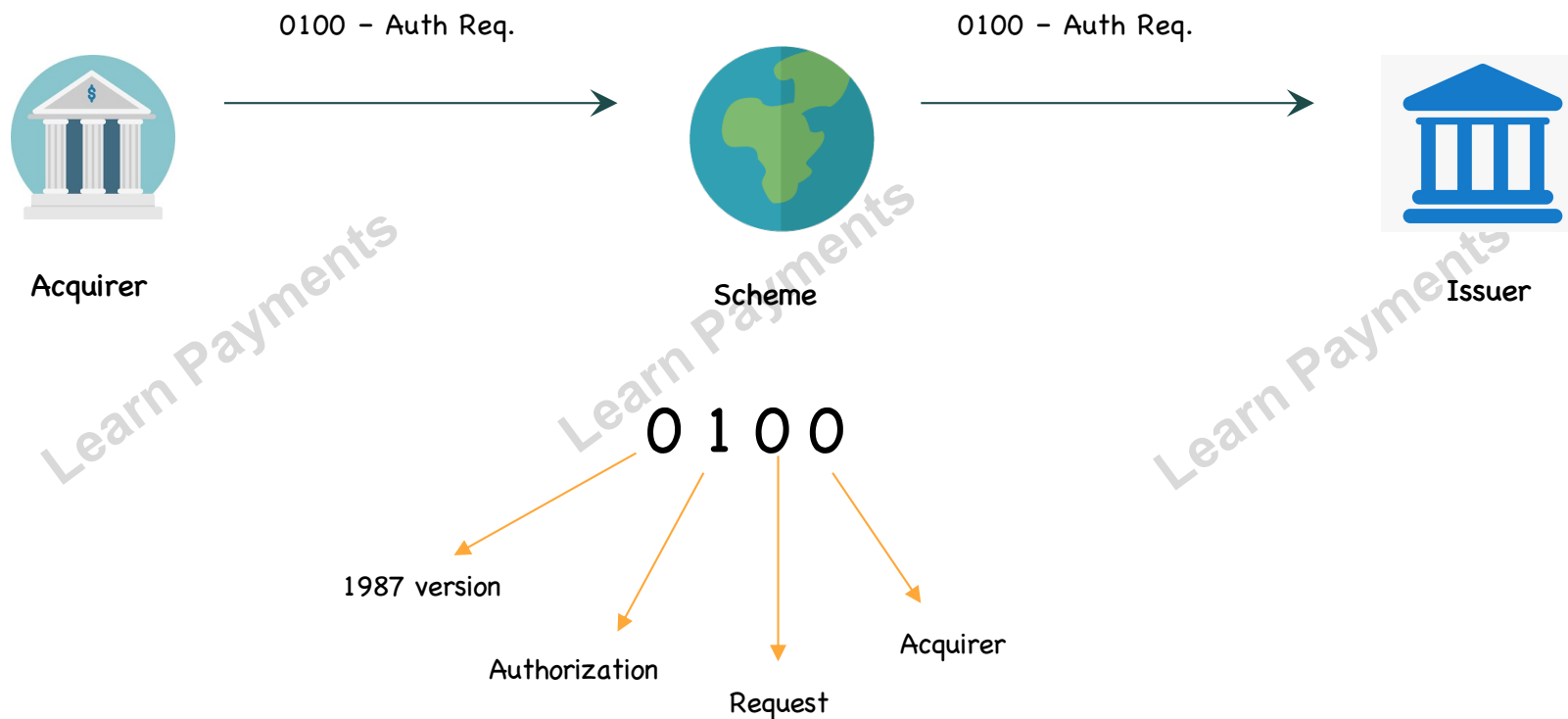
Message Flows



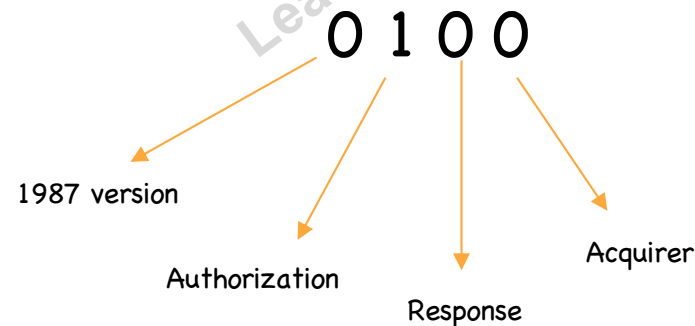
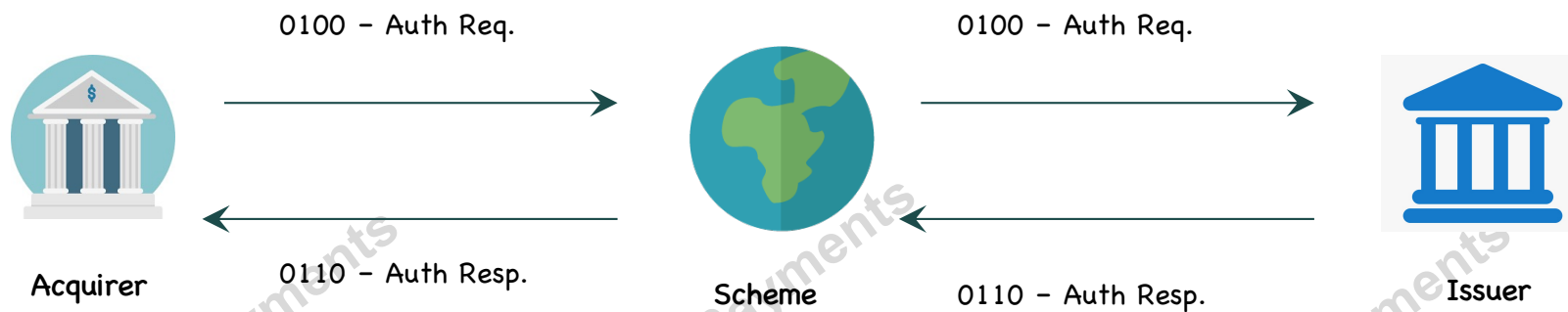
- Scenario 1 : Authorization – Normal Flow (0100)
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Authorization – Normal Flow (Scenario 1)



Authorization – Normal Flow (Scenario 1)



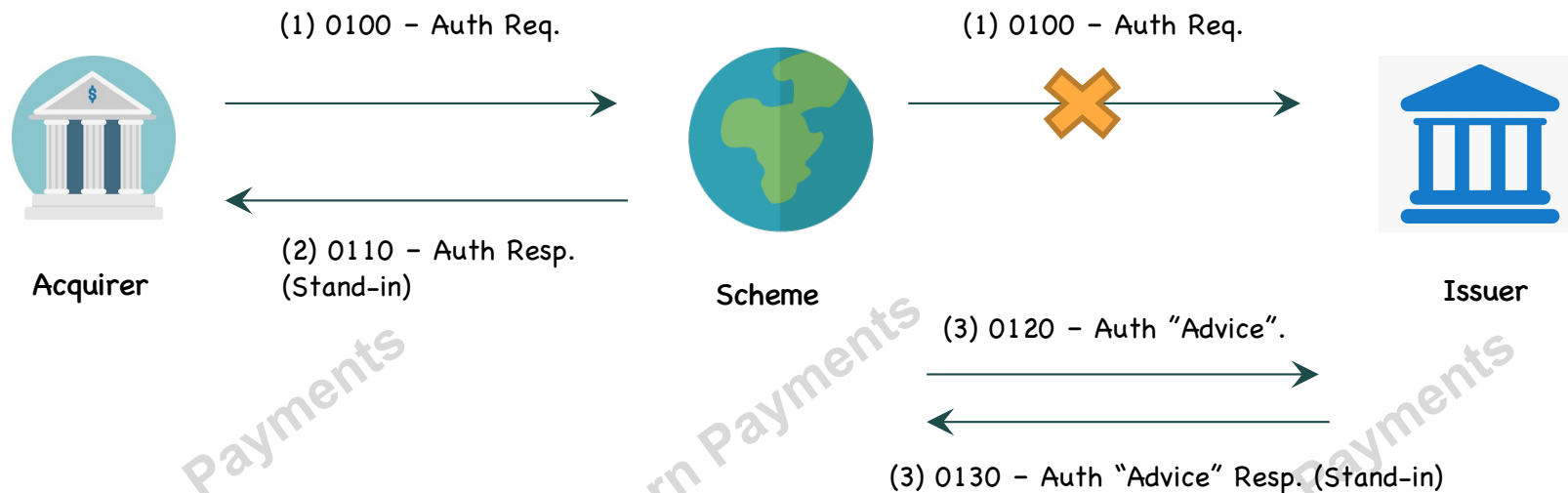
Authorization – Comm. Failure (Scenario 2)



If Scheme is not reachable, nothing happens. Acquirer shows an error message to terminal back



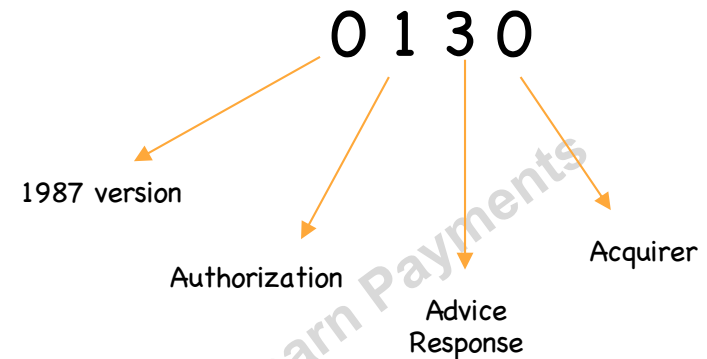
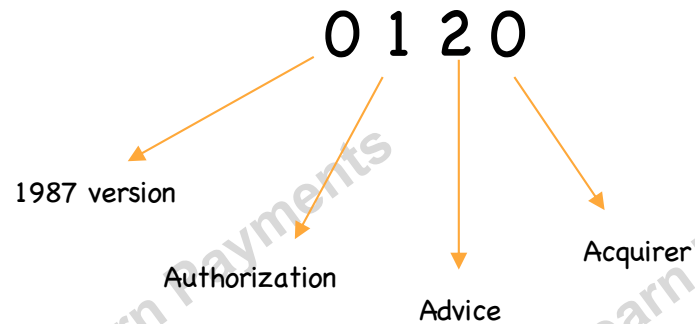
Authorization – Comm. Failure (Scenario 3)



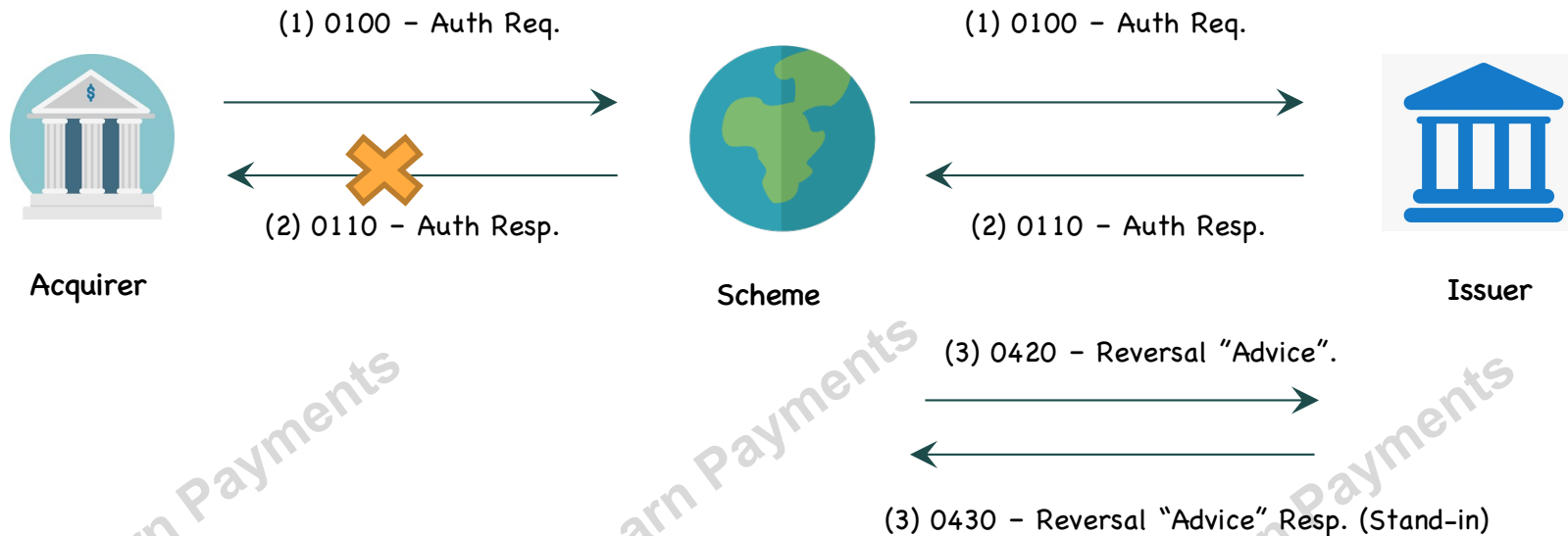
1. Acquirer delivers message to Scheme, but Scheme is not able to deliver to Issuer
2. If Issuer opted for Stand-In, Scheme responds to Acquirer "on-behalf" of Issuer
3. Scheme sends an "Advice" to Issuer consisting of the decision, Issuer responds with Advice response.



Authorization – Comm. Failure (Scenario 3)



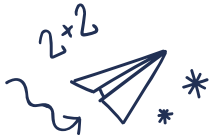
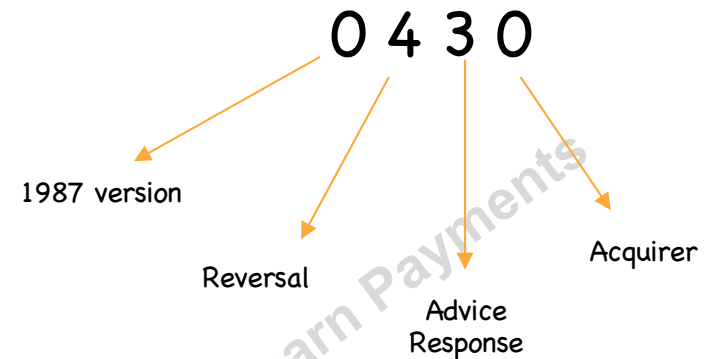
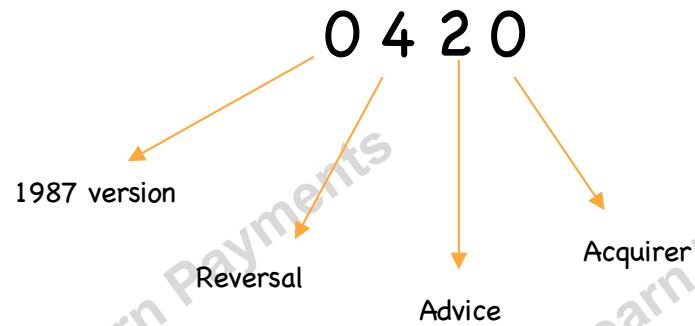
Authorization – Comm. Failure (Scenario 4)



1. Acquirer delivers message to Scheme, Scheme delivers it to Issuer
2. Issuer responds with a response, but Scheme is not able to deliver to Acquirer
3. Scheme sends a Reversal advice to Issuer which reverses the original authorization, for which Issuer responds with an advice response



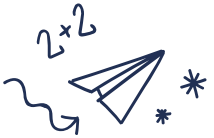
Authorization – Comm. Failure (Scenario 4)



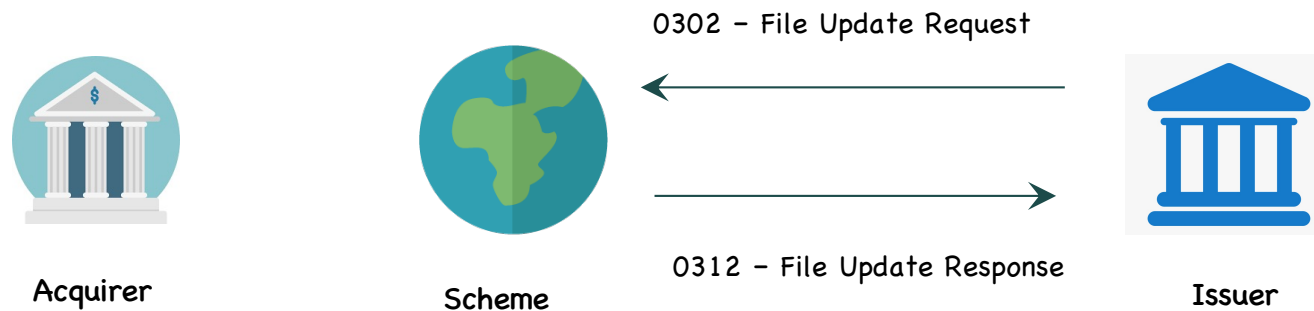
SMS vs DMS



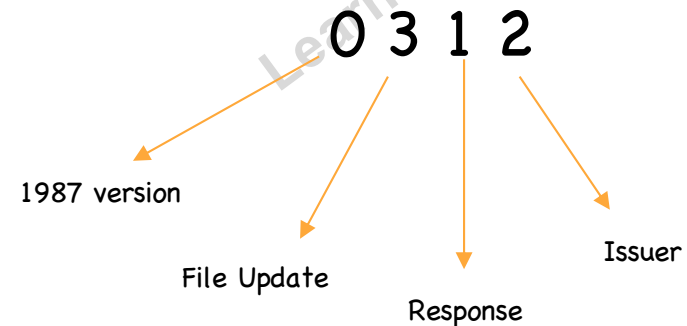
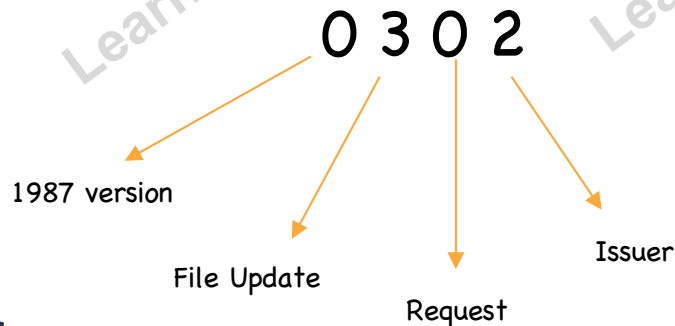
- All 01xx messages are DMS, every transaction has a followed by a transaction in Clearing file. Hence it is "Dual" Messaging System.
- 02xx are Financial messages. It works like 01xx, but they are SMS (Single Message System). No Clearing file is associated for these transactions.



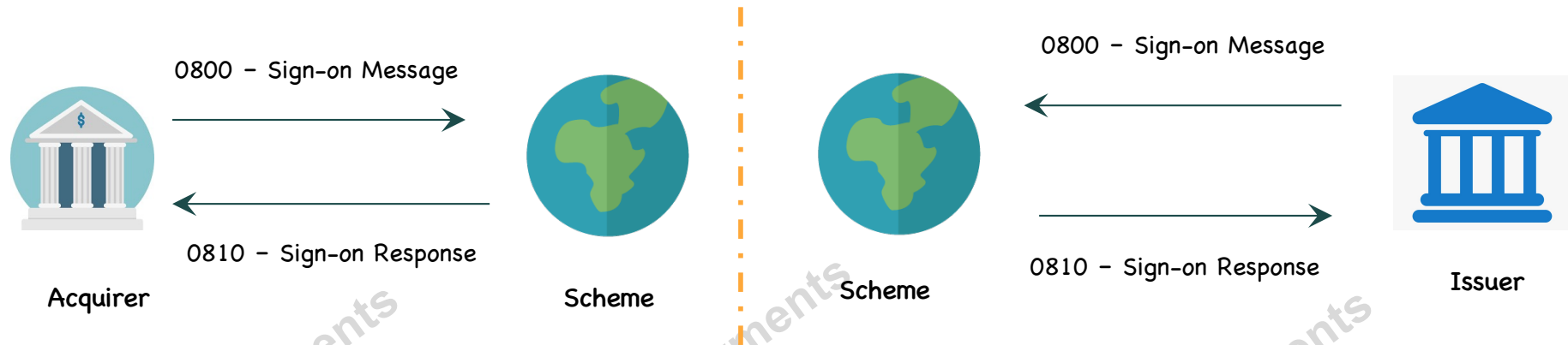
File Update Message (03xx)



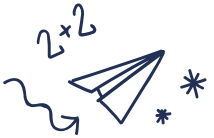
- Any updates from Issuer (like Card Blocks etc.) are propagated from Issuer to Scheme via 0302 message, responded with a 0312 response



File Update Message (08xx)



- Example of Network Management – Sign-on & Sign-off; where Members generate Sign-on & Sign-off and Scheme responds to members
- Schemes can also initiate Network Management like Key-Exchange message



Other Messages



- 05xx Messages: Used for Reconciliation messages typically transmitted from POS terminal to Acquirer for Settlement ("Settlement" button in the POS terminal)
- 06xx Messages: "Administrative" messages used to transmit "text" messages between Schemes & Members





Thank YOU