Introduction of Smart Form

1. Introduction

1.1. Smart Form

Smartform application is designed on existing domestic/overseas paper form. Client could use PDF software (such as Acrobat Reader) to fill in related payment instruction and reporting information.

Smartform will help avoid manual error and improve the efficiency of instructions preparation and payment process, in the sense that, for example, they will pre-verify the payment information inserted by clients and generate certain payment instructions (such as payment amount in words) automatically. Clients may also save any completed Smart-form Application as a template for future use.

Smartform will encrypt payment information into the 2D barcode. Client could print out the smartform and submit it to our branch with authorized signature or company chop as existing practice. Our banking system will scan and decode the payment instruction from 2D barcode and the payment instruction will be further processed immediately and automatically. Compared with traditional paper form, no extra fee will be charged for this smartform.

1.2. Scope

Smartform support following domestic and overseas fund transfer:
- FCY domestic funds transfer;
- FCY cross-border funds transfer;
- RMB cross-border funds transfer; and
- RMB domestic funds transfer following FCY conversion

1.3. Benefits for clients

· Avoid manual input error
· Generate certain payment instructions (such as payment amount in words) automatically.
· Ensure the correctness of payment instruction by pre-verification.
· Save completed smartform as a template for future use

2. Improvement against existing paper form

2.1. Debit Date

· Debit Date is newly provided. Client could input the debit date within future 45 days.

2.2. TAG 32A-Account/Amount

· New function of "Equivalent in Debit Account Currency" is provided to give client more flexible options when processing payment.

2.3. TAG 50a OBO Feature (On behalf of payment)

· OBO feature is provided in TAG 50a. Client should provide 3rd party information, if this payment is on behalf of 3rd party payment.

2.4. TAG 54/56a Correspondent of Beneficiary's Bank Name &Address

· Adding "Bank Code Type/Bank Code" fields with auto verification. Client could only input the bank code type and bank code without filling in detail bank name and address.

2.5. TAG 57a Beneficiary's Bank Name &Address

· Adding "Bank Code Type/Bank Code" fields with auto verification. Client could only input the bank code type and bank code without filling in detail bank name and address.

2.6. TAG 72 Message to bank

· Adding Tag72 – "Message to bank". Client could provide extra information to bank in Tag72.

3. Operation Workflow

1. After filling instruction in the smartform, client should click "Validation and Print form" button. Smartform will do pre-verification for inputted data and remind client to amend the instructions for any incorrectness. If the payment instruction is pass verification, 2D barcode will be auto generated on the form and wait for printing.
2. Client prints out the smartform with 2D barcode and submit to authorizer for signature and chop.
3. Client submits the smartform to counter.
4. Bank's counter staff will conduct signature verification and pre-check for payment and reporting information. After that, counter staff will scan the payment instruction into banking system via 2D barcode on the form. Receipt will return to client with bank chop if all information is correct.
5. Bank's payment team will double verify the payment instructions in system and then complete the process.

4. Risk Control

To protect our client for any potential issue for using smartform, our bank will take the following actions to control the risk:

● Bank will follow existing practice to conduct manual verification, such as signature verification, account balance enquiry, account type checking, etc.
● Bank staff will conduct manual verification after 2D barcode scanned into system.
● 2D barcode will only be generated on the printing form and the original PDF will not contain any 2D barcode information.
● When you fill in the form and press the "Verify and Print Form" button to print the form, the "Applicant Signature" field will automatically generate watermark. The watermark is used for checking the consistency of the barcode and the instruction information filled in the form. Please ensure the signature/chop covering the watermark in the "Applicant Signature " field when signing or stamping the form.
● To avoid duplicated payment, system will auto reject the payment if same 2D bar code was proceed in the second time.
● Our bank will strictly follow SAFE/PBoC requirement to verify supporting document and BOP information.