

ISO/TC 68/SC 8

Secretariat: SNV

Voting begins on:

Voting terminates on:

Best practices for an internal BPoS handbook

iTeh STANDARD PREVIEW
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ISO/DTR 6083

<https://standards.iteh.ai/catalog/standards/sist/da867e64-0ea7-49d5-89f5-6cec10f83bdd/iso-dtr-6083>

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Reference number
ISO/DTR 6083:2022(E)

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Published in Switzerland

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

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For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 68, *Financial services*, Subcommittee SC 8, *Reference data for financial services*.

ISO/DTR 6083

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

The key elements and attributes of banking products or services (BPoS) are described in ISO 21586.

The majority of providers of banking products or services (BPoSP) today are banks. The challenge of describing a BPoS is understanding all of the BPoS attributes from the customer's perspective as well as from the BPoSP's perspective, as the same BPoS attribute might be understood differently by a BPoSP or a customer.

In general, each individual BPoSP has its unique governance architecture as well as internal rules and standards to help manage and support the delivery of BPoS to customers. The banking industry is deeply dependent on information and communications technology (ICT) to manage BPoS, with its many similar functions and configurations. To fulfil all the requirements of supervision, innovation and market competition, BPoS are rapidly and continuously evolving, making the knowledge and operating skills of BPoSP staff crucial.

The purpose of this document is to provide best practices on how to write a BPoS internal handbook based on ISO 21586. It aims to help BPoSP staff to “translate” existing BPoS into an ISO 21586 form and support customer-facing BPoSP staff in responding to customer requests in a consistent and unified way.

A well-organized BPoSP handbook has the following characteristics:

- the structure is consistent;
- the information is kept up-to-date and accurate;
- contents are in accord with actively sold BPoS;
- the wording is clear and concise;
- the information is made available to staff and customers of a BPoS via various distribution channels.

This document provides a general framework for a BPoS handbook, including the governance, architecture, rules, standards and ICT applications. This model helps to ensure a consistent and integrated service to customers, lower the cost of training BPoSP staff, improve the quality of both customer services and BPoSP operations and increase customer satisfaction.

In applying ISO 21586 to a BPoS handbook, it is possible to tailor and expand key elements. Feedback to ISO/TC 68/SC 8 and the reasons for those adaptations are welcomed.

Best practices for an internal BPoS handbook

1 Scope

This document provides best practices for writing a banking products or services (BPoS) handbook.

It is applicable to any providers of banking products or services (BPoSP) that issue and operate BPoS.

NOTE 1 A BPoS handbook is edited by either product managers or personnel in charge of key elements mentioned in this document, based on their role and responsibility within the BPoSP.

NOTE 2 Whether ISO 21586 has been formally introduced, this document is useful as existing BPoS contain the key elements listed in ISO 21586.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at <https://www.iso.org/obp>

— IEC Electropedia: available at <https://www.electropedia.org/>

3.1

application

application system

system for collecting, saving, processing and presenting data by means of a computer

Note 1 to entry: The term application is generally used when referring to a component of software that can be executed. It consists of one or more components, modules or subsystems.

[SOURCE: ISO/IEC/IEEE 24765:2017, 3.167, modified — Definition revised and example removed.]

3.2

BPoS description

description of a BPoS issued by the BPoSP to customers

Note 1 to entry: The description of the BPoS is as per the requirements of ISO 21586.

3.3

BPoS handbook

aggregated information provided to the *BPoSP staff* (3.4) explaining all aspects of a specific BPoS

Note 1 to entry: The general BPoSP business process also acts as a BPoS delivery process to customers. This process can be supported by an application or is a fully manual process.

Note 2 to entry: The handbook is written from the BPoSP's perspective.

3.4

BPoSP staff

person who represents the BPoSP, deals with BPoS-related business and serves customers

4 Fundamental content structure of a BPoS handbook

The fundamental structure of a BPoS handbook is as follows:

- a) All contents of the BPoS description are included.

Any key element mentioned in the BPoS description is stated in the BPoS handbook in more detail, including any in-depth information that BPoSP staff require to better address customer questions.

EXAMPLE 1 According to the BPoS handbook, a suitable customer can only be an accredited investor. The handbook lists criteria for an accredited investor with explanations and examples. Additionally, it contains information about the rights, obligations and responsibilities of an accredited investor.

- b) Different perspectives are considered in the description of all key elements.

Some key elements described in this clause are from the perspective of the BPoSP management or, alternatively, from the BPoSP operations perspective.

EXAMPLE 2 It is possible that the risks of a BPoS are viewed differently by the customer than by the BPoSP. A positive risk for one is often negative for the other.

- c) The complete process of any specific BPoS within the BPoSP is explained.

The full life cycle of a BPoS, as well as every role of the BPoSP involved, is described, including any conditions for changes within each stage of the process.

- d) Operational processes and user instructions are referenced for relevant applications and required roles.

The operational steps and requirements supporting the BPoS are described.

- e) Trade secrets and sensitive information are excluded and are subject to internal governance.

It is possible to divide a specific BPoS into several topics or sets of information. Specific sets are distributed to any BPoSP staff without restriction as internal information. Certain sets, however, including trade secrets and sensitive information are generally isolated into separate documents.

- f) The BPoS handbook is made available in an electronic form.

If possible, the key elements are retrieved from a single source of information in a BPoS handbook. There are filters to show only relevant content for the reader and respective roles. The data are available for different types of devices. A user-friendly interface is of great importance.

NOTE 1 Sourcing all key elements from a single source improves consistency and reduces costs.

NOTE 2 Only the content relevant for each specific role is displayed.

5 Key elements are listed in the BPoS description

5.1 General

The information shown in [Clause 5](#) and [Clause 6](#) is identical to the information described in ISO 21586. However, the perspective of this description is BPoSP-staff-oriented to support BPoSP staff in offering better customer service.

This document supplements the information in ISO 21586. The contents of each item already defined in the BPoS description are excluded from this document.

5.2 Information regarding a BPoS description

5.2.1 Key elements

A BPoS description consists of two elements.

- a) Essential information.

The key elements for the BPoS identifier are its full commercial name, its abbreviated commercial name and its professional name, all of which are used to designate a BPoS. Each key element is used independently and identifies the same BPoS.

- b) Auxiliary information.

Only one key element, the version of the description as per ISO 21586:2020, 6.2.1.2, belongs to this type of information. Without this key element, the correctness and accuracy of a BPoS is outdated.

5.2.2 Suggestion for describing a key element in a BPoS handbook

5.2.2.1 BPoS identifier

The BPoS identifier is the unique identifier of the BPoS. The BPoS handbook characterizes a BPoS identifier as follows:

- a) An identification method for the specific BPoS as the key element is provided. The identifier is an optional element. It helps improve the general understanding. A note is made on how similar BPoS are identified but also differentiated, to ensure the correct identification and to clarify potential misidentifications.
- b) Certain identification rules might not resonate with customers, in which case a suggestion on how to relay the information and a reasoning for the customer is provided.

<https://standards.iteh.ai/catalog/standards/sist/da867e64-0ea7-49d5-89f5-6cec10f83bdd/iso->

5.2.2.2 The full and abbreviated commercial name of the BPoS

It is important that the full and abbreviated commercial name of each BPoS listed in the BPoS handbook is identical to the corresponding entries in the BPoS description.

5.2.2.3 The professional name of the BPoS

The inclusion of two aspects regarding the professional name description of a BPoS in the BPoS handbook is crucial to ensure the full understanding of the BPoS:

- a) terminologies used in the professional name;
- b) the method of understanding and classifying characteristics of the BPoS by analysing the professional name.

NOTE The professional name of a BPoS helps with understanding the BPoS, as it contains all aspects of a BPoS from the financial business perspective.

5.3 Information describing the BPoSP

5.3.1 Key elements

Key elements are used to describe the BPoSP. Unlike the key elements of a BPoS designation, each key element listed here describes a particular aspect of the BPoSP.

Not all aspects describing the BPoS are listed in ISO 21586, so voluntary key elements of significant features can be added when needed. However, BPoS staff can be informed of any voluntary key elements in the BPoS description prior to its addition.

5.3.2 How to describe key elements in the BPoS handbook

To ensure consistency, all key elements mentioned in 5.3.1 are retrieved from a single source of information. It is important that the definition and description of each key element is accurate and has a clear distinction between similar or related BPoS.

The pre-existing knowledge of readers, such as account managers, bank tellers and customer-service colleagues, is fundamental to relevant key elements. Such knowledge ensures that BPoS staff can confidently describe the BPoS and address customer questions. No assumptions over pre-existing knowledge or pre-acquired background information are made, regardless of the reader's role or function, and any necessary information is included accordingly.

It is beneficial to include the following aspects:

- a) The purpose, structure and rules defined in the ISO 17442 series, as well as the issuing organization of the LEI code. Additionally, some general information about the LEI, such as overviews and descriptions found on reliable websites.

EXAMPLE www.gleif.org/en/.

- b) The purpose and the assignment rules as defined in ISO 20275 for the ELF code, as well as laws and regulations implied by the ELF code.
- c) The full name and commonly used abbreviation(s), as well as the logo, of the BPoS. If the name or abbreviation can be easily mistaken for another, a distinction helps to avoid misunderstandings between BPoS staff and customers.
- d) All telephone numbers available to customers, including specific businesses using a different phone number than the general and customer service numbers and differences between incoming and (alternating) outgoing numbers. In addition, suggestions on how customers deal with each possible situation.
- e) All BPoS websites and links, including information regarding how to access the website as suggested:
 - 1) When specific websites are leveraged to process different businesses, each website, as well as the relevant businesses, is listed.
 - 2) Each specific network domain name is written out together with additional information to ensure only the correct address is used.
 - 3) When both HTTP and HTTPS protocols are usable, HTTPS is suggested along with a reasoning.
 - 4) When multiple languages are supported, the list of available languages is provided.
 - 5) If a digital certificate or a digital token is used to access the website, a breakdown is included of how the digital certificate or token can be obtained and downloaded into its carrier, how the digital certificate or digital token is used to access the website and how to teach customers its safe use.
- f) All available email addresses for customer questions. Some additional information is given:
 - 1) When email addresses are leveraged to process specific businesses, each email address and the relevant business are listed.
 - 2) If client communication includes email and a website, it is helpful if differences and special features of each communication channel are listed and defined.

- 3) When multiple languages are supported, the list of supported languages is provided.
- g) The verification approach of official instant messages from a BPoSP by customers themselves.

5.4 Information describing the credentials of a BPoS

5.4.1 Key elements

Key elements described in ISO 21586:2020, 6.2.3 are all used to describe the credentials of a BPoS. This information depends on the credentials of the respective BPoS described in ISO 21586:2020, 6.2.3.1, i.e. if the credential is not provided, other key elements are forfeited.

5.4.2 Suggestions on how to describe the key element in the BPoS handbook

It is helpful to define the relevant credential information clearly and articulately:

- a) The concept of BPoS credentials, their development and the purpose of each credential for the respective BPoS.

NOTE 1 All BPoS have credentials to determine the account(s) in use and how they are connected to the BPoS.

EXAMPLE 1 Examples such as "I want to save the money to this account/obtain the loan/transit the money to ... because I have ... (the credential)" facilitate a customer's understanding of credentials.

- b) The relationship between a BPoS credential and its carriers, especially when the relationship is not identical or alike.

NOTE 2 The assumption that BPoS credential and its carrier are the same, based on the connection between the traditional BPoS credential and its carrier [i.e. traditional passbook, evidence of debt (IOU), cheque], is in fact wrong. Both of them differ even in the traditional banking business. For instance, a new passbook would be used instead of the old one after records have fully filled in the old one.

EXAMPLE 2 An example to facilitate the customer's understanding of the relationship is that a debit card can be connected to multiple accounts. The funds connected to this card can deposit via the physical card or without it, through the mobile or online bank. If a third-party payment service is signed, funds can be transferred without being processed through the card.

- c) Explanation and training for customers, taking the items commonly used in daily life as examples, referencing energy supplying, safekeeping, cleaning and maintaining the carrier of the BPoS credential.
- d) The renewal and disposal of the carrier of the credential are indicated.

5.5 Information describing the financial characteristics of a BPoS

5.5.1 Key elements

Key elements described in ISO 21586:2020, 6.2.4 are all used to define the credentials and foundations of a BPoS.

All financial key elements are basic key elements. Certain key elements are described in full length, if necessary, by being divided into several parts, each describing a specific matter.

All financial key elements are related to each other. The typical relation between key elements is, whenever possible and necessary, described in the BPoS handbook.

It is helpful to visualize the structure of any key element in an information tree.