



# SWIFT ISO 20022 Payment Migration - Update

*SMPG Frankfurt – April 2019*

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# ISO 20022 migration: community consultation

## September 2017

Prompted by the emergence of ISO 20022 as a global standard for payments, SWIFT launched study on the use of ISO 20022 for cross-border business

## April 2018

Community consultation, seeking industry feedback on drivers for migration to ISO 20022 and high level proposal to address the practical challenges

## June 2018

Detailed feedback from over 100 respondents (incl. 44 country level responses, individual feedback from financial institutions and key market infrastructures) representing majority of SWIFT's top users.

## September 2018

The community feedback, together with recommendations on how to proceed, was presented to the SWIFT Board on 19<sup>th</sup> September.



## ISO 2002 migration: board decision

Payments	Securities	FX/ Treasury, Trade Finance
<p>SWIFT will facilitate industry migration of cross-border payments and cash.</p> <p>Start date November 2021 (aligned with the adoption plans of High Value Payments Systems in the Eurozone)</p> <p>4 years coexistence</p> <p>SWIFT will provide a shared service to translate between ISO 2002 and MT</p>	<p>ISO 2002 capability for cross-border securities flows to use on an opt-in basis</p> <p>Decision not to set an end date for the use of ISO 15022 (MT category 5 messages) proposed</p>	<p>Responses to the consultation indicated little appetite to stop using MT messages at this time</p> <p>No plans to migrate to ISO 2002 have been made</p>

**Migration will include all users of payments and cash management messages (MT cat. 1, 2, and 9)**



# ISO 2022 FOR CROSS-BORDER TRAFFIC (IR 807, December 2018)

## Scope:

Payment messages categories 1, 2 and 9  
ISO 2022 capability for Securities on opt-in basis  
No action for treasury/ FX and trade finance

## Timing:

2021 – 2025  
(4 years of coexistence)  
  
Continuous engagement with community and application vendors

## Readiness by 2021:

gpi: Mandatory UETR  
Financial Crime compliance and BI suite available as of start including in-flight screening of ISO

## Market Practice:

New working group for Cross-Border Payments and Reporting (CBPR+): usage guidelines and translation rules on MyStandards

## Testing environments:

Allow to test against market practice, translation rules and business process

## Network services:

End to end transmission in initial standards used (MT or MX) to ensure integrity and authentication of data

## Translation:

Based on CBPR+ Rules  
Central translation for all customers  
  
Can optionally be triggered from interface  
Not charged at the outset

## Structured party data:

Enforced by market practice rule  
  
and  
validated on the network

**+ monitoring and controlled standards releases aligned on FIN**



# Migration approach



## Migration scope

### In scope:

All many to many payments and reporting flows, i.e. Cat. 1,2,9 (not all message types), *incl. payments to/from securities players* (custodians, CSDs, etc.)

### Excluded from the current migration scope:

- Corporate to Bank traffic (SCORE): ISO 20022 is already used in the C2B space, the CBPR+ guidelines will take this into account and ensure consistency between pain and pacs messages
- Market Infrastructures that operate a Closed User Group in FIN (MI-CUG), such as RTGS, and some CSDs, will be allowed to continue using MT if they choose to do so.  
→ SWIFT continues to encourage and support the adoption of ISO 20022 as this is the global trend in the MI space.



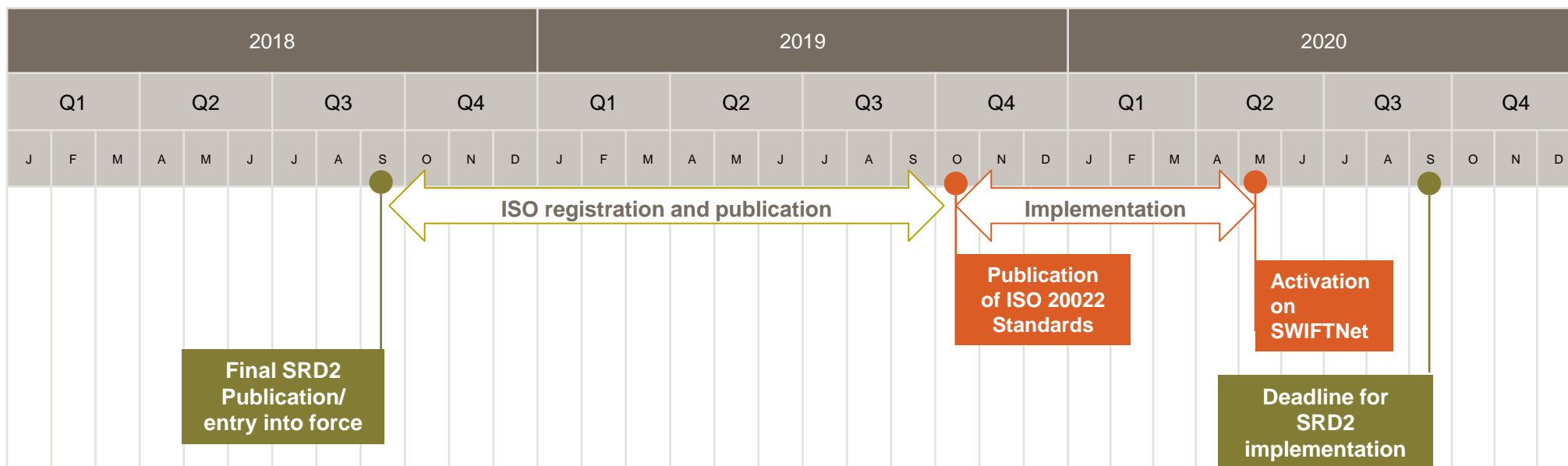
# ISO 20022 capability for Securities (many to many flows): use case

SRD2 comes into force in September 2020.

SWIFT will be ready to support customers with a combination of new and updated messages

- New messages to support the “Shareholder identification” process
- Updated Proxy voting messages to support new requirements

New and maintained messages will be deployed on SWIFTNet from May 2020 onwards:





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