



ISO 20022 Harmonisation

Becoming an operational reality

SMPG Dublin

April 2017

AGENDA

- 1) Community consultation – Board Paper
- 2) ISO 20022 Harmonisation Update
- 3) Harmonisation Forum

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1) Community consultation – Board Paper

2) ISO 20022 Harmonisation Update

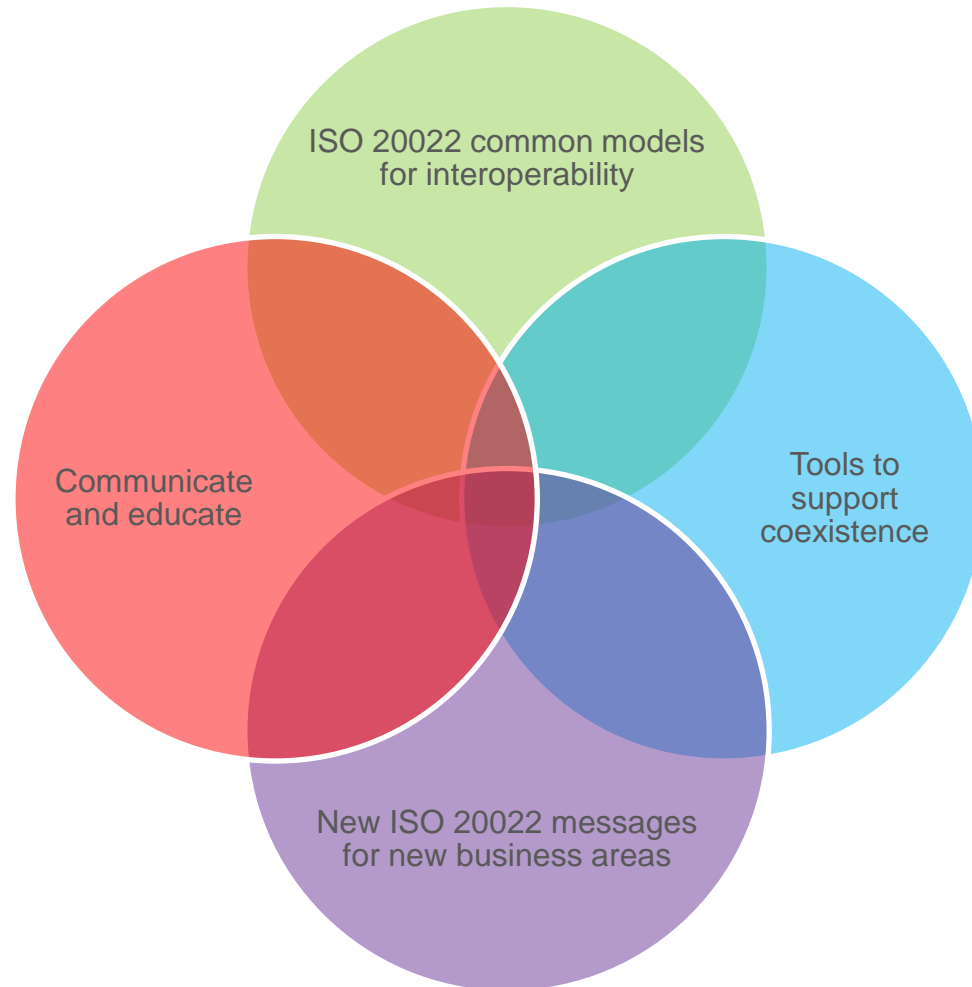
3) Harmonisation Forum



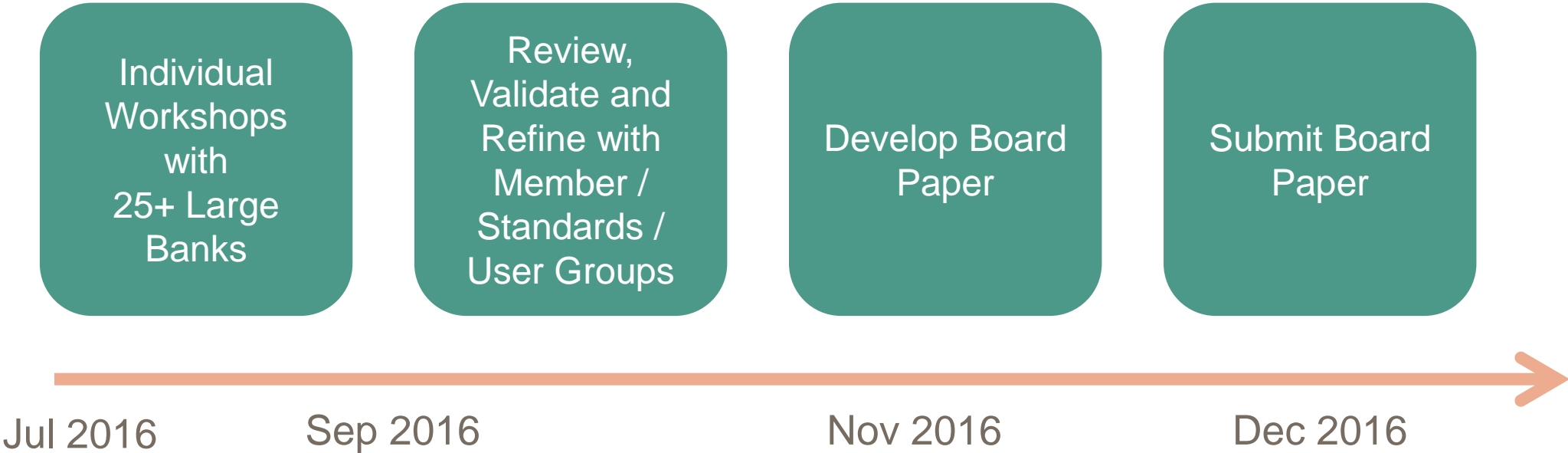
REMINDER: SWIFT position since 2010 (IR 535)

“We’re well on track to universal adoption of ISO 20022 models...”

...Rapid migration to ISO 20022 messages is unlikely and not needed...”



ISO 20022 Community Consultation



Community consultation feedback

50 banks and market practice organizations

ISO 20022 benefits

- global interoperability
- richer and more structured data
- high STP rates

Room for improvement

- version and release management
- synchronised maintenance of MT/15022 and 20022
- market practice development: early, global, harmonised and strict
- vendor readiness and implementation quality

Key conclusions

Way forward agreed in 2010 is working:

- business applications focus on data model and business logic
- coexistence of ISO 20022 with other standards is manageable
- interoperability is working

Global migrations should only be considered when a strong business case for the community exists



AGENDA

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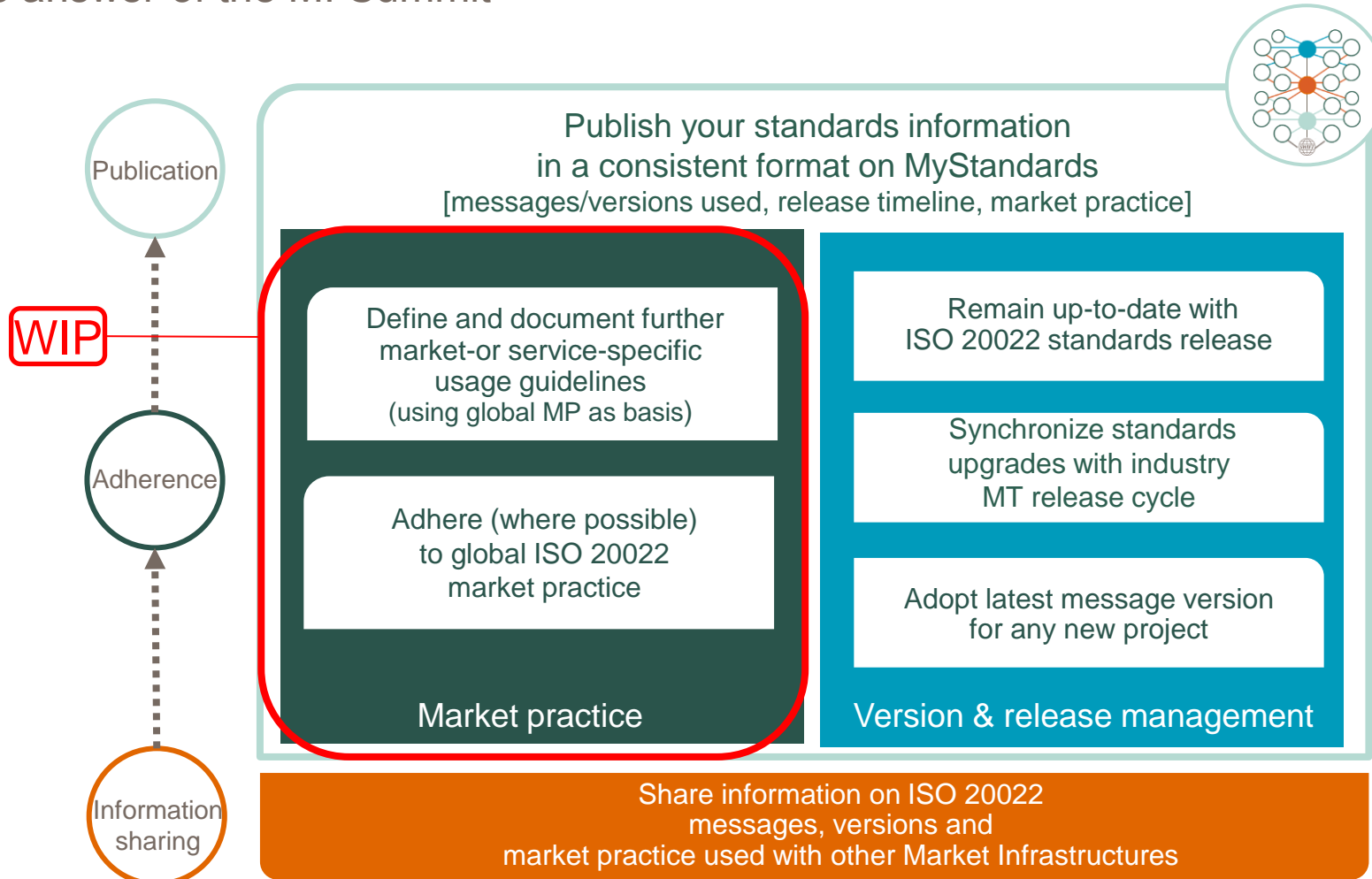
2) ISO 20022 Harmonisation Update

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The ISO 2022 Harmonisation Framework – Principles

... the answer of the MI Summit



ISO 2022 market practice for securities and payments

Available

Ongoing

Future

Securities

- **Investment Funds**
 - Defined by the Securities Market Practice Group (SMPG)
 - Published on www.smpg.info and MyStandards
 - **Settlement and related services used by TARGET2 Securities (T2S)**
 - Published on MyStandards
 - **Collateral management for communications between CCP and CMs**
 - Published on MyStandards
- **Settlement and reconciliation**

Creation of 'generic' settlement templates (for use outside T2S markets)

=> 90% done - Work will be finalised by in Q1 2017
 - **Corporate actions**

Work will start end of 2016/early 2017 (CA Notification as a start)

- **Proxy Voting**
- **Cash management**
- **Post-trade**

Payments

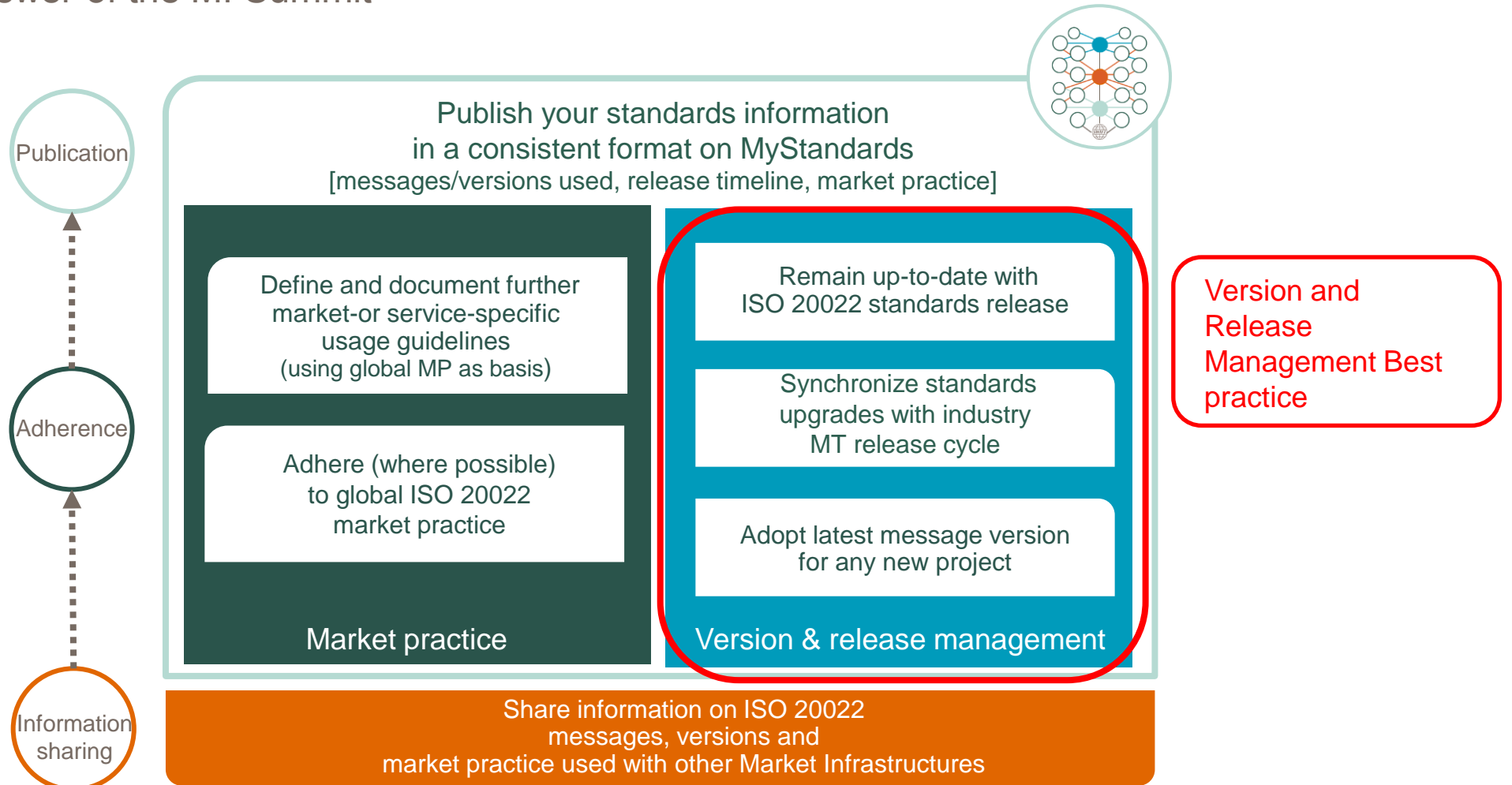
- **High Value Payments**
 - Sponsored by the Payments Market Practice Group (PMPG)
 - 'Like-for-Like' approach
 - Published on MyStandards
- **Real Time Payments**
 - Ongoing work by ISO 2022 Real Time Payments Group (RTPG) – 70 stakeholders from 17 countries
 - Covers payments initiation, Clearing & settlement and investigation handling
 - Published on the ISO Website
- **High Value Payments 'Plus'**
 - Sponsored by the PMPG
 - Beyond like-for-like
 - Phase I ongoing and work to be published on MyStandard (By Q1, 2017)
- **Low Value Payments**

No demand to-date

Status: Nov 2016

The ISO 2022 Harmonisation Framework – Principles

... the answer of the MI Summit



The ISO 2022 Harmonisation Framework – Endorsement and Support

- ✓ Market Practice
- ✓ Release management
- ✓ MyStandards

Payments markets	Securities markets	FX markets
<p style="text-align: center;">Endorsing</p> <ul style="list-style-type: none"> • ACH Colombia • Bank of Canada • BankservAfrica • Central Bank of Kosovo • Hong Kong Interbank Clearing • National Bank of Ukraine • Payments Canada • SADC ** 	<p style="text-align: center;">Endorsing</p> <ul style="list-style-type: none"> • ASX • Barbados Stock Exchange & Barbados Central Securities Depository • Clearstream • Euroclear • Hong Kong Exchanges and Clearing • Jamaica Exchange/CSD • KDPW • LCH • National Bank of Belgium • NSD • OeKB CSD • SGX • VP Lux • VP Securities Denmark • VPS Norway • Ukrainian National Securities and Stock 	<p style="text-align: center;">Endorsing</p> <ul style="list-style-type: none"> • CLS
<p style="text-align: center;">Supporting *</p> <ul style="list-style-type: none"> • APCA • Banca d'Italia • Bank of England • Deutsche Bundesbank • EBA Clearing • ECB • Reserve Bank of South Africa • The Clearing House • US Federal Reserve 	<p style="text-align: center;">Supporting *</p> <ul style="list-style-type: none"> • DTCC • Jasdec 	<p style="text-align: center;">Supporting</p> <ul style="list-style-type: none"> • SMPG • PMPG

25 Endorsing MIs

11 Supporting MIs*

* MIs that are part of the MI Summit, except PMPG and SMPG

** SADC Banking Association is representing the following countries: Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, Zimbabwe



ISO 20022 Harmonisation forum

- **Engage with Endorsers and Market Infrastructures which aim to know more about ISO 20022 Harmonisation**
- **Increase the mass of educated MI parties to spread the information about ISO 20022 Harmonisation in the industry**

Home page of the Harmonisation forum


BROWSE PAGE

Home How To EDIT LINKS

Search this site

iso20022/HarmonisationForum

Home
Public
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Discussion forum
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EDIT LINKS

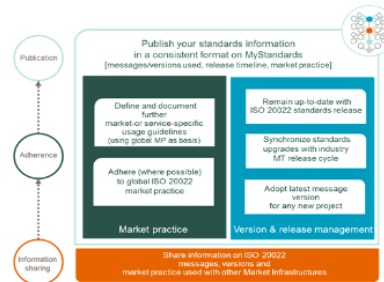


Welcome to the ISO 20022 Harmonisation forum

The objective of the Harmonisation forum is to facilitate the exchange of information around ISO20022 and its global adoption and to spread the information about ISO 20022 harmonisation in the industry.

The structure of the site consists of:

- One **library** will contain public information such as the Charter (its principles, benefits..), the Best Practices for implementation recommendations etc.;
- Another **library** will be restricted to MIs that endorse the Charter. This library will contain the list of contacts details of endorsing MI experts, the MI inventory (containing information about each endorsing MI in terms of their plans and progress made) or any other document that can't be shared outside this restricted group.



Information about ISO 20022





Where to find more information?

ISO 20022 Harmonisation page

<https://www.swift.com/standards/iso-20022-harmonisation-programme>

Available documentation:

- ISO 20022 Harmonisation Charter
- ISO 20022 Harmonisation Factsheet – Benefits for FMI and Fis
- Information Paper - Version and release management for ISO 20022 messages
- Information Paper - Best practice for ISO 20022 implementation

SWIFT User Handbook (Standards MX category)

<https://www2.swift.com/uhbonline/books/hub/home.htm>

Available documentation:

- Version and release management for ISO 20022 messages – Best Practices
- Recommendations for implementation of ISO 20022 messages – Best Practices

MyStandards page

<https://mystandards.swift.com/>



Questions? Contact ISO20022@swift.com

Questions





www.swift.com

Back up Slides – HVPS+ WG



Context of HVPS+

 **HVPS** available today!

Why?

- > Ensure interoperability and that ISO 2022-based RTGS implemented consistently
- > 'Like-for-like' backward compatibility with existing (MT) standard

- > Kick-started as of ISO 2022 harmonisation initiative
- > New wave of HVP MI initiatives
- > Taking into account benefits of ISO 2022

How & Who?

- > Sponsored by Payments Market Practice Group (PMPG)
- > Taskforce group consisting of MIs and FIs
- > 3 different membership categories

What?

- > 7 formal usage guidelines
- > Translation rules to/from MT
- > Communication flows

- > Build on existing HVPS and deliver additional guidelines to support global interoperability
- > Phase 1 – First set of 7 implementation guidelines



MyStandards

- > Published on MyStandards
- > Documentation (PDF, XLS)
- > Processable formats (XSD)



HVPS+ planned for Q1 2017 

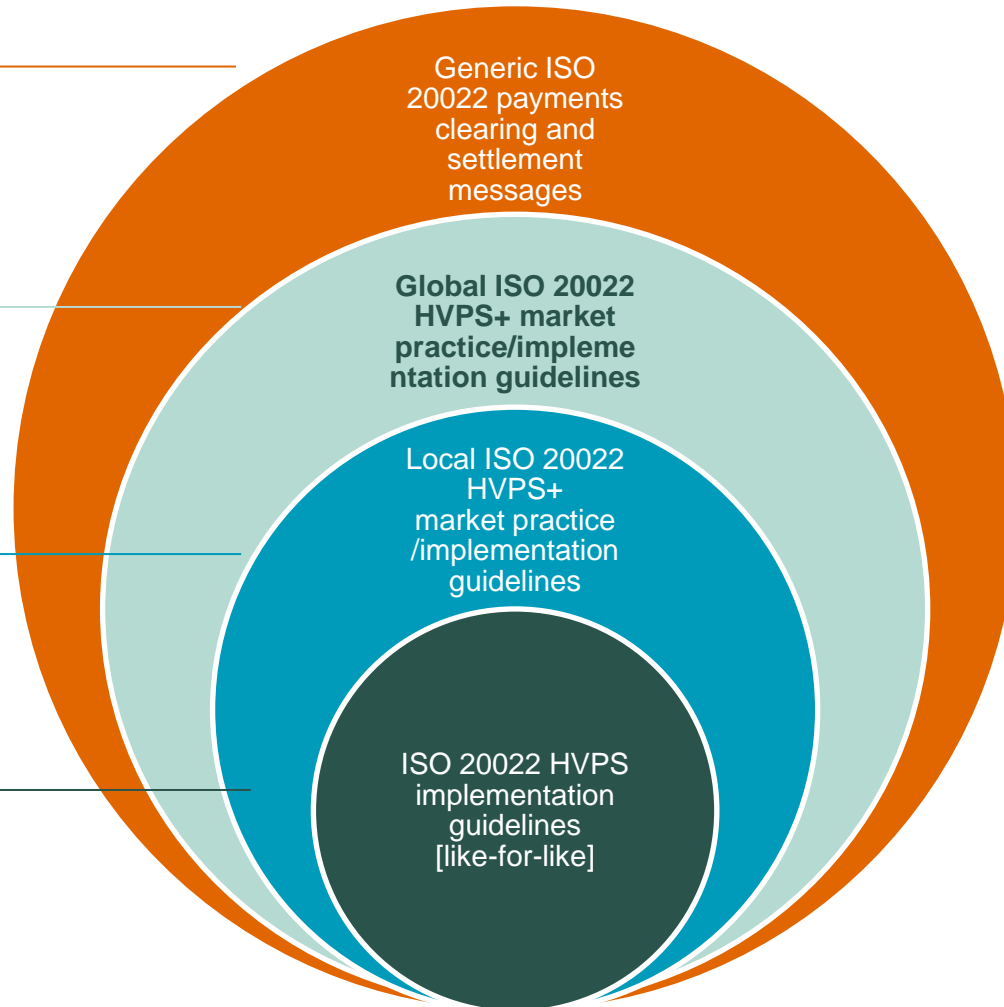
HVPS+ positioned in the standards sphere

Generic ISO 2022 message set:
- eg pacs.008.001.06 FI to FI Customer Credit Transfer

Scope of HVPS+ workshop: creation of global implementation guidelines for generic message set that reflect current and evolving requirements of HVPS space

Local communities can use the HVPS+ guidelines as a basis to further define their local guidelines (taking into account specific local requirements)

HVPS 'like-for-like' guidelines: existing set of guidelines that guarantee interoperability with FIN MT in cross-border space



HVPS+ - Scope of delivery and timeline



Ensure a common roll-out and implementation of ISO 20022 for HVPS communities who wish to move beyond the existing pure 'like-for-like' HVPS guidelines

Phase 1 Revisit existing HVPS Market Practice & Implementation Guidelines (pacs.008, pacs.009) & new requirements:

- > camt.056 - Request for Cancellation
- > camt.029 - Resolution of Investigation (answer to camt.056)
- > pacs.002 - status
- > pacs.004 - return



Published on Mystandards from end March 2017

Phase 2 4 sub-groups created: Interoperability, Liquidity Management, Reporting and interbank Direct Debit + Recommendation on Business Application Header



Delivery date to be confirmed

HVPS+ contributors

- 'Taskforce' consisting of **MI**s with ISO 2022 adoption plans (moving from proprietary or FIN MT) and **MI member banks** (> PMPG member banks, also involved in GPI)

Market infrastructures

APCA - Australia

Banca di Italia - Italy

Bank of England

EBA Clearing - France

European Central Bank

Deutsche Bundesbank - Germany

Federal Reserve Bank of New-York - US

Hong Kong Interbank Clearing Limited

Payments Canada

South African Reserve Bank

The Clearing House - US

Banks

First Rand Bank Ltd – South Africa

Société Générale - France

Standard Bank – South Africa

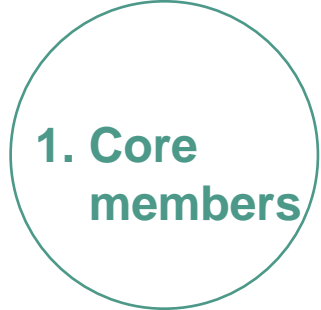
PMPG Member representing The Netherlands

PMPG member representing the UK

PMPG Member representing the US



New membership as of September 2016: Term Of Reference



Fixed group of ISO 20022 MI Summit members with ISO 20022 migration plans & PMPG sponsored Banks

- > Participation at HVPS+ meetings
- > Advise on discussed content
- > Voting right



MIIs that have already adopted ISO 20022 and accept to share their experience

- > Participation at HVPS+ meetings
- > Advise on discussed content
- > No right to vote or to influence



Parties (MIIs, Banks, Vendors, Standardisers, Market Practice Setters) who want to be kept informed

- > Consultation of HVPS+ specifications
- > Opportunity to provide feedback to core members for discussion by core group



Membership requests: patrik.neutjens@swift.com