



**Schweizerische Kommission für Standardisierungen im Finanzbereich (SKSF)**  
**Commission Suisse de Normalisation Financière (CSNF)**  
**Swiss Commission for Financial Standardisation (SCFS)**

Ein Gremium der Schweizerischen Bankiervereinigung (SwissBanking)

# **SWIFT ISO 2022 Migration Study**

## **Final results, next steps and future outlook**

**Rainer Vogelgesang**  
**Head of Swiss Delegation to the ISO 2022 Registration**  
**Management Group (RMG)**

swissSPTC no. 45, Gümligen, 19 December 2018

# SWIFT ISO 20022 Migration Study

---

## Contents

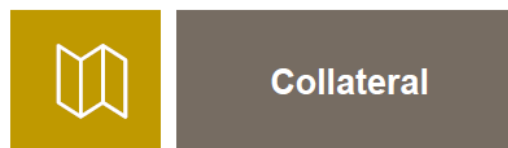
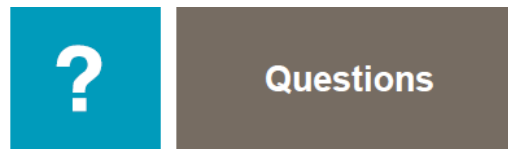
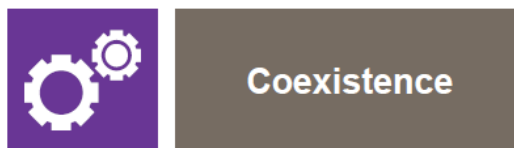
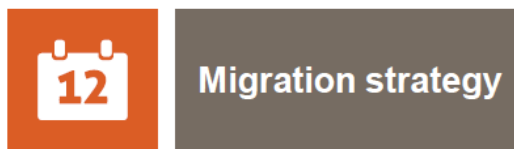
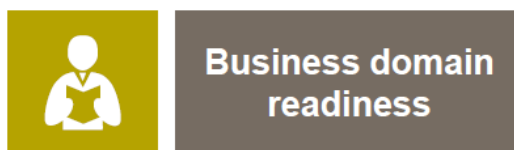
- ◆ Sensing the Appetite for a Comprehensive Migration to ISO 20022
- ◆ SWIFT ISO 20022 Study – Overview of the Community Feedback: Aug 2018
- ◆ Final Report to the SWIFT Banking Services Committee, Dec 2018
- ◆ Co-existence, migration and support services
- ◆ APIs making inroads into Financial Services

# SWIFT ISO 2022 Study for the Migration of Cross-border Payments and Securities Flows

RECAP

## Sensing the Appetite for a Comprehensive Migration to ISO 2022

- ◆ SWIFT Study:
  - migration of cross-border MT traffic towards ISO 2022 for both payments and securities business
- ◆ Background/reason:
  - Market trends point to a long-term need for ISO 2022 in the cross-border space
- ◆ Timing of SWIFT study
  - Announced: H2 2017
  - Execution: H1 2018
  - Overview of the community feedback: 08/2018
  - **SWIFT Board presentation on 11 Dec 2018 to SWIFT Banking Services Committee**
- ◆ Business areas:
  - Payments
  - Securities
  - Miscellaneous areas (trade finance, FX, etc)
- ◆ Business flows:
  - cross-border (bank-to-bank as opposed bank-to-MI)
- ◆ Topic areas
  - Timing
  - implementation strategy and phasing
  - community readiness
  - Technology
  - market practice
  - interoperability with MIs
  - new messaging capabilities
  - value-added features



# SWIFT ISO 2022 Study for the Migration of Cross-border Payments and Securities Flows

**RECAP**

## SWIFT ISO 2022 Study – Overview of the Community Feedback: Aug 2018

### ◆ Payments

		Yes	No
Does the combination of drivers justify a migration of cross-border payments to ISO 2022?	<b>All responses</b>	87%	13%
	<b>Financial institution responses</b> (top 50 SWIFT users)	97%	3%
	<b>Country responses</b> (top 20 NMG)	100%	-

whether they indeed justify a migration. The proposed timeline for the migration of cross-border payments would start in 2021 or 2022 and end in 2025 or 2026, depending on progress in the market infrastructure space.

**Note:**  
Cross-border payment flows related to securities transactions are also impacted. According to SWIFT, 30% of activity in gpi tracker is related to securities transactions.

### ◆ Securities

		Yes	No
Do the drivers described in the securities section justify migration to ISO 2022?	<b>All responses</b>	60%	40%
	<b>Financial institution responses</b> (top 50 SWIFT users)	51%	49%
	<b>Country responses</b> (top 20 NMG)	50%	50%

**Securities**  
ISO 2022 messaging is steadily growing in Securities Markets, particularly domestically because the standard has already been adopted by a number of Market Infrastructures, including T2S and DTCC. In addition, respondents described other drivers that will lead to more use of ISO 2022 in securities, including the fact that new or upcoming regulations, especially in the European Union, require ISO 2022.

While it was acknowledged that there is a growing need to be able to use ISO 2022 in some areas of the securities lifecycle, such as collateral management, regulatory reporting, specific asset servicing areas, as well as in the context of market infrastructure upgrades, at this stage there are fewer immediate drivers that would warrant an actual migration to ISO 2022.

This is because the ISO 15022 standard is relatively recent compared to MT and meets existing business needs.

Overall, the response is that we should not to plan for a migration from ISO 15022 to ISO 2022 now, but rather to continue to make ISO 2022 available on an opt-in basis and to deliver new capabilities required to facilitate adoption and coexistence.

**Note:**  
SWIFT MT-MX-migration for investment funds order messages is now part of the overall securities ISO 2022 migration. The previous deadline of SR 2020 was dropped.

A comprehensive securities migration from ISO 15022 to ISO 2022 is likely not to started prior to payments (i.e. not before 2021).

The duration of the migration is likely to be short (around a 4 years timeframe) to avoid the funds experience.



Source: <https://www.swift.com/news-events/news/iso-2022-migration-will-it-be-a-marathon-or-a-sprint>

# SWIFT ISO 2022 for Cross-Border Traffic

---

Final Report to the SWIFT Banking Services Committee, Dec 2018

## ◆ Payments

- SWIFT will facilitate industry-wide migration of cross-border payments and cash messages
- Start Nov 2021, aligned with adoption of high-value payments systems in Eurozone
- 4-year co-existence
- SWIFT will provide shared service to translate between ISO 2022 and MT

## ◆ Securities

- ISO 2022 capability for cross-border securities flows to use on an opt-in basis
- Decision NOT to set an end-date for ISO 15022 (MT cat 5 messages)

## ◆ FX/Treasury, Trade Finance

- Little appetite to stop using MT messages at this stage
- No plans to migrate to ISO 2022 have been decided

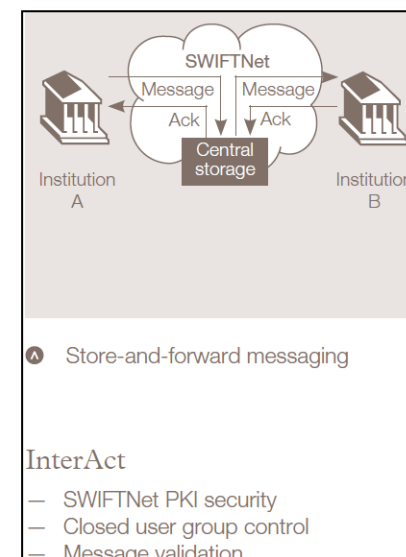
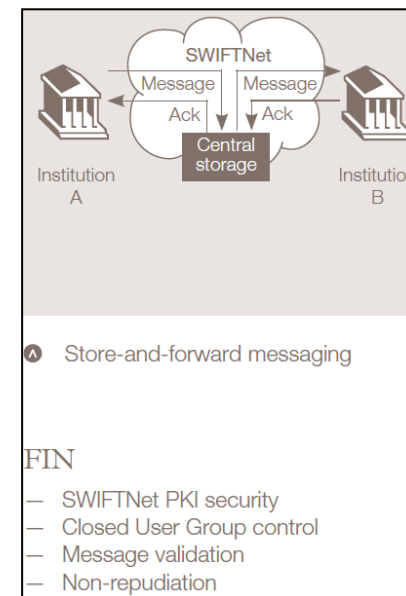


Migration will include all users of payments and cash management messages (MT cat. 1, 2 and 9)

# SWIFT ISO 20022 for Cross-Border Traffic

## Co-existence, migration and support services

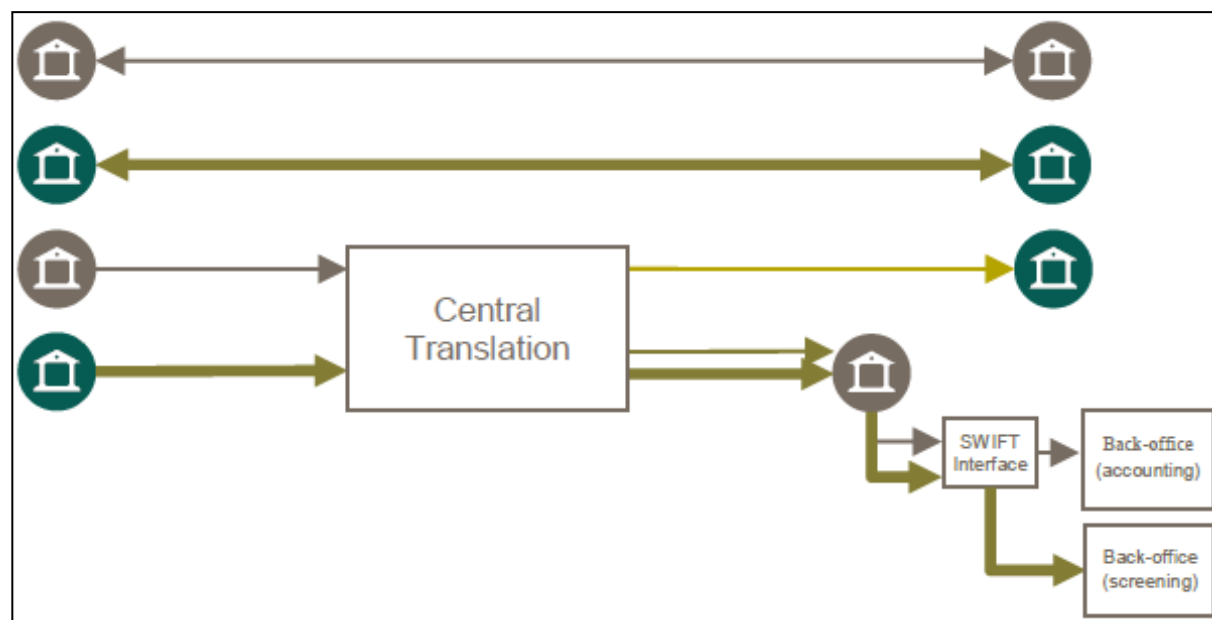
- ◆ **Co-existence** phase with all messages carried over SWIFT
  - FIN for MTs
  - **InterAct** for ISO 20022
- ◆ Use of ISO 20022 for cross-border payments and cash management to be in accordance with purpose-built **market practice**
  - to be developed by newly established **Cross-Border Payments and Report Plus (CBPR+) working group**
  - Swiss mirror group to CBPR+ under PaCoS governance (Payments Committee Switzerland), expected to be open for cross-border payments experts of securities players
  - Switzerland planning to nominate delegates to CBPR+ (candidates from UBS and CS)
- ◆ **Network validation**
  - based on CBPR+ market practice
- ◆ **Translation services**
  - based on CBPR+ market practice
  - translation rules will be published
  - SWIFT will implement translation rules
  - message receiver responsible for triggering translation, if needed



# SWIFT ISO 2022 for Cross-Border Traffic

## Co-existence, migration and support services (continued)

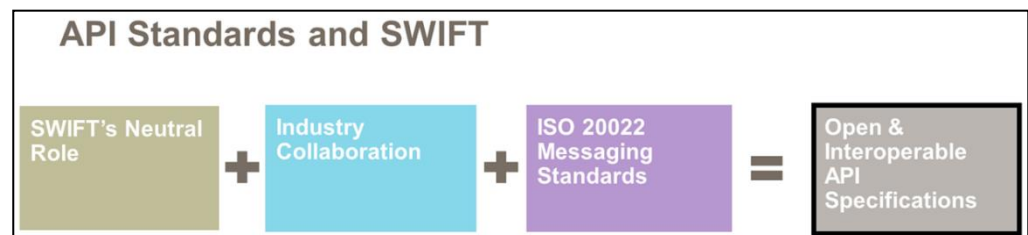
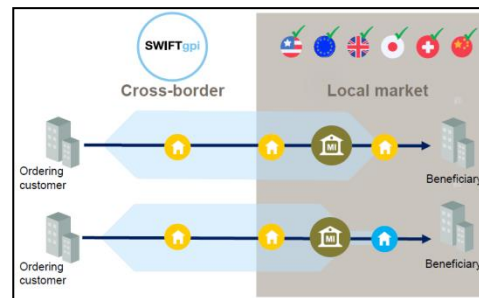
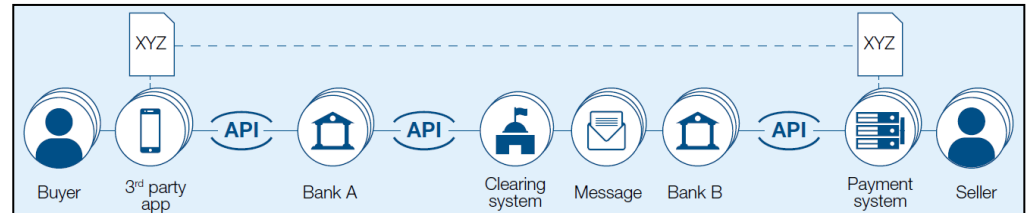
- ◆ Message receivers of MT message translated from ISO 2022 original need to manage **risk of data truncation, data loss and translation errors** as well as implement **screening and archiving** of original ISO 2022 messages
- ◆ All SWIFT users by default enabled for translation service to receive MT messages translated from original ISO 2022 message
- ◆ Translation service initially free-of-charge; **migration incentives** through translation service charges to be introduced during co-existence phase



# SWIFT ISO 20022 for Cross-Border Traffic

## APIs making inroads into Financial Services

- ◆ Migration to ISO 20022 creates opportunities for implementing API-based services
- ◆ Example: SWIFT gpi service for tracking cross-border payments (Note: SWIFT estimates some 30% of cross-border payments are in relation to securities transactions)
- ◆ SWIFT explores API use cases in securities domain, e.g. request of securities status between banks and asset managers via API
- ◆ SWIFT promotes alignment of APIs to ISO 20022





<thank you> For your attention! </thank you>

---

<enjoy> ISO 20022</enjoy>

 Securities Services

Rainer Vogelgesang

Director  
Senior Product Manager  
SIX ISO Standards Initiatives

P +41 58 399 3808  
F +41 58 499 3808  
M +41 79 684 4538  
[rainer.vogelgesang@six-group.com](mailto:rainer.vogelgesang@six-group.com)

SIX Systems Ltd  
Baslerstrasse 100  
P.O. Box 1626  
CH-4601 Olten  
[www.six-securities-services.com](http://www.six-securities-services.com)