



Preparing for the implementation journey of ISO 20022 migration:

Why it's important to adhere to
the ISO 20022-format transition

by Praveena Grandhi

Swift's messaging services are trusted and used by more than 11,000 financial institutions in more than 200 countries and territories around the world. Providing reliable, secure and efficient messaging services to our community of users, Swift is the backbone of global financial communication.

Now that Swift has announced that the go-live for ISO 20022 for cross-border payments and reporting (CBPR+), and the coexistence period has started, it's time for all financial institutions and market infrastructure players

to plan the migration journey so that they don't miss opportunities in the global market by being late.

The ISO 20022 format would be a global language standard for payments across countries enabling a more transparent and structured data transmission. This would allow for a higher degree of automation and straight-through processing worldwide. It also allows customers profiling with better data analysis by understanding the nature of payments processing.

What is CBPR+ reporting?

Cross-border payments and reporting plus (CBPR+) is a workgroup of payments experts whose mission is to create global ISO 20022 market practice and implementation guidelines to ensure a common roll-out and implementation of ISO 20022 by banks.

Factors influencing the solution

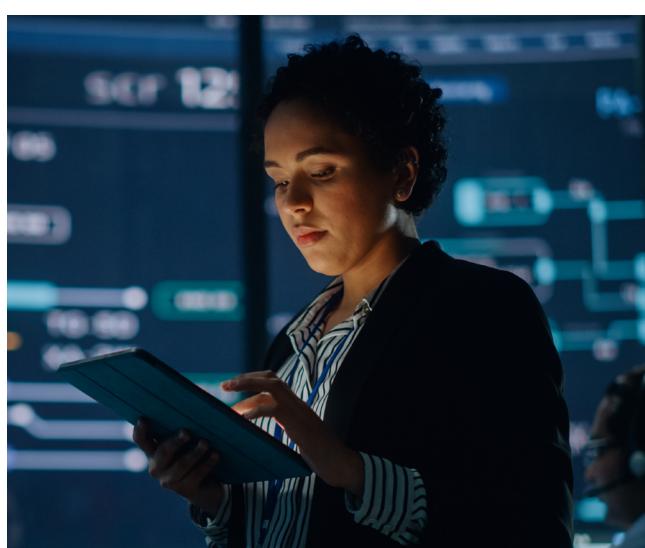
Most of the Swift partner applications have certified themselves as CBPR+ ready and offer an out-of-the-box solution to enable the banks to get ready for the future ecosystem.

Banks need to carefully plan their strategy to choose "build vs buy".

Factors that influence the decision could be:

- Internal legacy system architecture complexity
- Regional bank with regional clients or multinational bank with corporate clients
- How static data is managed and represented
- Budget available for the transformation to choose a long-term future-proof solution or interim fixture to get ready for the deadline
- Other regulatory program delivery overlap and dependencies

Banks could tend to pick either a long-term strategy and adapt to uplift their ecosystem and adapt the best-suited industry solutions or adapt to the need by managing the transformations layer internally and cater to the end goal without altering internal systems much. They should concentrate to reap the business benefit because of this migration.



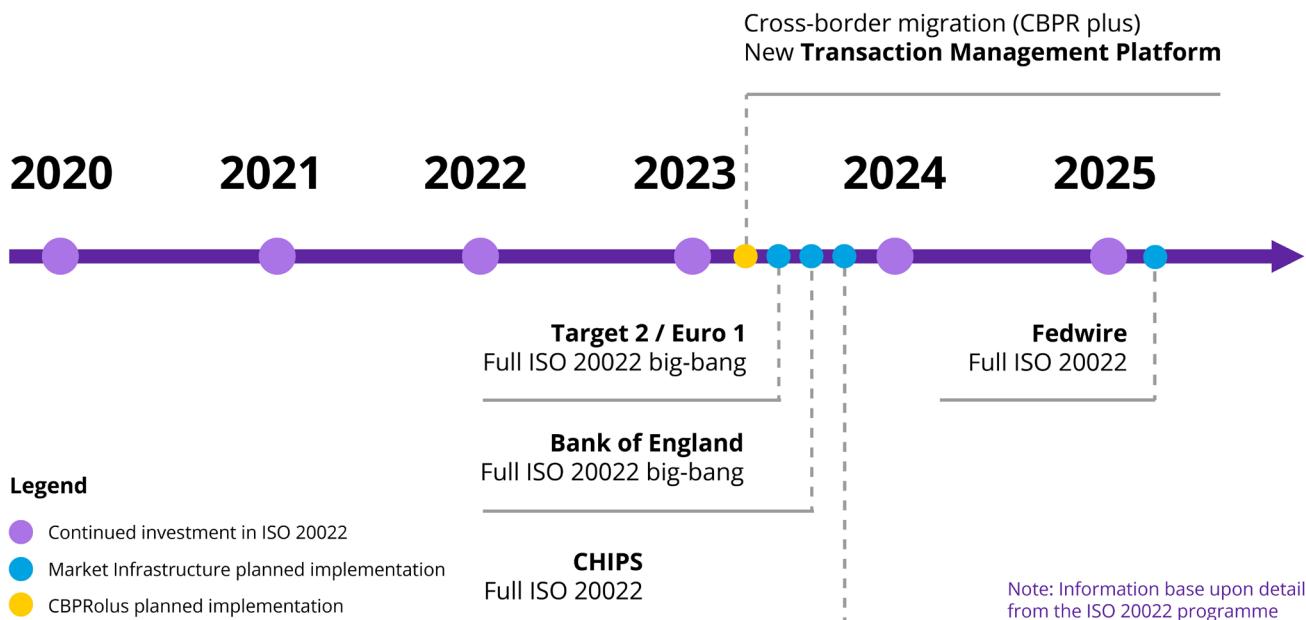
What are the timelines?

With the industry migration of major currencies to ISO 20022 formatting, the Swift network estimates that 80% of global, high-value payments by volume and 90% by value, will be processed through ISO 20022.

Domestic markets already making good progress and real-time gross settlement systems (RTGSs) in several key domestic markets, like Australia (RITS), Canada (LYNX), Europe (EURO 1 and T2), and New Zealand (ESAS), also started their migration to ISO 20022 on March 20, with others set to go-live over the coming months and years. While the two European systems migrated in 'big bang' mode; Australia, Canada and New Zealand began with a coexistence period.

November 2025, marks the moment when MT categories 1, 2, and 9 will be decommissioned on FIN, and the final date to enable full ISO 20022 for cross-border payments.

Overview of ISO 20022 timeline



Benefits of adopting the standard

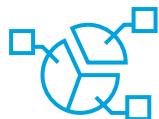
Even though migration could be complex and time consuming, once the standard has been adopted ISO 20022 could unlock some exciting benefits for banks.



Richer
structured data



Lower
operational costs



Higher
automation



More opportunities due to
purpose of payments is visible



Fraud detection
and compliance

Don't want to **miss the train?**

You should be reaching a partner like us who:

- Understands the complexity of the message format mapping between MT and MX
- Has technical subject matter expertise to implement the solution into a bank's platform
- Experience in comprehensive program delivery, covering the end-to-end value chain
- Extensive knowledge in delivering the solution across clients
- Best practices and experience of delivery methodology to get it right

About the authors



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Praveena has over 19.5 years' industry experience, specializing in Capital Markets, and Trading and Risk Management Solutions. She has proven her abilities on a wide range of roles including account management, delivery management, pre-sales, solutioning, capability development, and driven several value-added initiatives. Praveena also has a successful track record of managing multi-system implementation and simplification programs, Cloud and DevOps implementations, migrations and change-the-bank programs, bringing system integration partner experience and thought leadership to the journey. Currently, she is responsible for Luxoft India Trading and Risk Management Solutions and CLM practice and driving multiple initiatives across the organization as a subject matter expert.

About Luxoft

Luxoft, a DXC Technology Company delivers digital advantage for software-defined organizations, leveraging domain knowledge and software engineering capabilities. We use our industry-specific expertise and extensive partnership network to engineer innovative products and services that generate value and shape the future of industries.

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