

FAQs



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Read our experts' answers to the Frequently Asked Questions (FAQs) to delve even further into the ISO 20022 topic. Keep an eye on this page for future updates

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Getting Started

What is ISO 20022 migration?

ISO 20022 migration in high-value payments is a global initiative, which aims to achieve harmonized standards for the exchange of high-value payment messages. ISO 20022 is a messaging standard that creates a common language for payment data across the globe, enabling faster processing and improved reconciliation.

In correspondent banking (many-to-many space), SWIFT will introduce ISO 20022 in Mar 2023. Among Market Infrastructures (one-to-many space), migration to ISO 20022 is set to be introduced as part of their modernization programs, e.g. T2-T2S Consolidation project in Europe.

Why is ISO 20022 being introduced?

The transition to ISO 20022 brings a host of benefits. In particular, due to its rich structure, ISO 20022 facilitates improved transparency and an increase in operational efficiency in terms of “straight-through-processing” (STP) as well as message filtering. Moreover, it represents a future-proofed payment standard that can be easily incorporated into existing back-office systems, but also serve as a “principal standard” across established and new (eco)-systems.

In summary, ISO 20022 can:

- Provide greater interoperability between settlement networks
- Enable the transmission of richer payments data
- Facilitate higher levels of straight-through-processing
- Enable more efficient compliance processes.

When will ISO 20022 be introduced and where?

Below you will find an overview of timelines, currently envisaged by the world’s largest Market Infrastructures (MIs) as well as SWIFT. For the most comprehensive list of migrating MIs, you may want to consult

the PMPG´s document centre (<https://www.swift.com/about-us/community/swift-advisory-groups/payments-market-practice-group/disclaimer/swift-payments-market-practice-group-document-centre>)

or contact SWIFT.

SWIFT – Introducing ISO 20022 in Mar 2023 with the coexistence phase until Nov 2025.

EUR – Eurosystem/T2 system is set to introduce ISO 20022 in Mar 2023 (big-bang approach, no coexistence phase). EBA Clearing is scheduled to move its core systems – EURO1 and STEP1 – to the ISO 20022 messaging standard in line with the Eurosystem’s migration timelines for the T2 platform.

USD – CHIPS: Expected to introduce ISO 20022 in Nov 2023, followed by Fedwire in Mar 2025.

GBP – CHAPS: Migration to ISO 20022 is planned for Jun 2023.

APAC – Australia/RITS is set to go live in Mar 2023, followed by Hong Kong/CHATS in Oct 2023.

What is a “like-for-like” migration approach?

Like-for-like (or equivalent) refers to an approach that implements a subset of ISO 20022, limited to the same functionality as the standard it replaces (for example, MT).

What is a “big-bang” migration approach?

Big-bang refers to an approach that requires participants to implement the new messaging standard immediately, replacing the old without any coexistence, at the go-live date, e.g. Eurosystem/T2.

What is a coexistence period?

Coexistence period is a migration phase to ensure smooth transition to a new format, allowing the use of both the new and the existing messaging standard for a limited period of time. This means that participants are allowed to implement a new format on a voluntary basis during this period.

Is ISO 20022 migration mandatory?

No. ISO 20022 migration is not mandatory from a regulatory perspective. However, given the complexity of the change, those that do not act now potentially risk being excluded from international payment systems/excluded from central bank money (applicable to those connected to RTGS).

As a result, this migration should also be used as an opportunity for a future-proofed standardization strategy and, for some, a reassessment of market positioning and business models.

What does ISO 20022 look like in comparison to MT? What is changing?

ISO 20022 offers a far richer structure than MT and includes additional/new data elements, which makes it difficult to compare both standards line by line. In particular, ISO 20022 messages introduce a new message set-up, new elements, optionality, granularity, extended character set & character limitations, and new identification options.

To make yourself familiar with ISO 20022 Usage Guidelines, please access the [MyStandards platform](https://www.swift.com/our-solutions/mystandards) (<https://www.swift.com/our-solutions/mystandards>) (SWIFT account required).

Will there be new business processes introduced with ISO 20022?

Yes. ISO 20022 standard comes with a granular portfolio of messages, covering various business purposes. For example, pacs.004 (Payment Return) will be introduced for Returns processing in the correspondent banking space. Every market participant is well advised to reconsider current business & operational processes.

Which working groups are defining the ISO 200022 Usage Guidelines? Where can I find these guidelines?

- High-Value Payments Systems Plus (HVPS+) working group defines the base standard/Usage Guidelines (UGs) to be considered by Market Infrastructures (MI) for the use between an MI and its participant (one-to-many). Note: While HVPS+ will serve as a basis for MIs globally, each MI will publish their own UGs which may include regional variations (e.g. User Detailed Functional Specifications for the Eurosystem or CHAPS Usage Guidelines for the Bank of England)
- Cross-Border Payments and Reporting Plus (CBPR+) working group defines Usage Guidelines for the use in correspondent banking (many-to-many)
- Common Global Implementation Market Practice (CGI-MP) defines standards for the use in the corporate-to-bank (CtB) and bank-to-corporate (BtC) space, e.g. the latest pain.001 version 9

For all of the above, the Usage Guidelines are/will be published on SWIFT

MyStandards (<https://www.swift.com/our-solutions/mystandards>) platform

Which ISO 20022 Usage Guidelines do I need to use for instructing a EUR payment via correspondent banking? Which guidelines do I use for a GBP payment via CHAPS?

Payments instructed via correspondent banking have to follow CBPR+ Usage Guidelines. When a payment is sent to a Market Infrastructure directly, the direct participant must use its respective Usage Guidelines – i.e. UDFS for the Eurosystem/T2 or CHAPS Usage Guidelines for Bank of England/CHAPS.

What do I need to do as a bank/payment service provider?

Banks and other payment service providers participating in Market Infrastructures or involved in cross-border payments have to get ready to support ISO 20022 payment and account information messages throughout the end-to-end value chain. To meet this challenge, most banks will have to be ready to support ISO 20022 for CBPR+ and the HVPS+ applicable to the respective Market Infrastructure. This requires banks to assess and decide on their clearing connectivity options and potentially adjust the business processes used in payments.

Success requires planning and a specific ISO 20022 project that has the buy-in from senior management in order to secure the human and funding resources necessary for a multi-year initiative. Regardless of the bank's size, any project will have to understand the global implications of local changes.

What do I need to do as a corporate?

Given new data requirements being introduced with ISO 20022 and new opportunities resulting from the availability of richer payment data, corporates will most likely need to enhance their enterprise resource planning (ERP) or treasury management system (TMS), improve their own static data, and more importantly, obtain and complete their counterparty data with the full address. To get prepared, we recommend to have an active exchange on the topic with your service provider.

In short, corporates are well advised to:

- Check whether adjustments to the ERP/ TMS system are necessary, e.g. to support richer ISO 20022 payment information in the account statement and (auto-) reconciliation
 - Prepare for providing structured name/address information of beneficiaries
 - Switch to the newest Payment Initiation (pain.) version and Cash Management (camt.) message format early, if necessary
 - Analyze whether a complete changeover to the ISO 20022 format makes sense for the organization.
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Correspondent Banking (many-to-many)

What is SWIFT's migration approach?

SWIFT's strategy is focusing on enhancing the current infrastructure towards a central Transaction Manager, which will be based on the ISO 20022 standard but also provide interoperability in the co-existence phase of the migration, including application programming interface (API), ISO 20022 messaging via FINPlus and MT connectivity.

The use of ISO 20022 messages in SWIFT cross-border payments will start in Mar 2023 with a coexistence phase set to end in November 2025, where the old MT messages for cross-border payments and cash reporting will be replaced with ISO 20022 messaging or APIs.

What SWIFT MT messages are in scope/impacted by the migration?

The global migration of payments to the ISO 20022 standard affects all banks with many-to-many relationships in the correspondent banking space and all users of payments and cash management messages (MT categories 1, 2 and 9). In November 2025, MT category 1, 2 and 9 messages for cross-border payments and cash reporting will be retired and fully replaced with their ISO 20022 equivalent. All banks connected to SWIFT will require access to the new central platform over ISO 20022 messaging or APIs. Note: all business (beyond payments) will be affected by the migration of the MT Category 9 (Statements and Reporting effecting liquidity management and nostro reconciliation).

While the scope of the migration does not extend to corporate-to-bank traffic (Standardised Corporate Environment or SCORE) and is not mandatory for Market Infrastructures operating a closed user group in FIN (MI-CUG) formats, there will nevertheless be implications for all market participants.

What ISO 20022 messages will be introduced?

The following CBPR+ ISO 20022 message portfolio is set to be introduced in Mar 2023:

- head.001.001.02 – Business Application Header

- pain.001.001.09 – Customer Credit Transfer Initiation (Relay scenario)
- pain.002.001.10 – Customer Payment Status Report (Relay scenario)
- pacs.008.001.08 – FI To FI Customer Credit Transfer
- pacs.008.001.08 STP – FI To FI Customer Credit Transfer STP
- pacs.009.001.08 – Financial Institution Credit Transfer
- pacs.009.001.08 COV – Financial Institution Credit Transfer (Cover scenario)
- pacs.009.001.08 ADV – Financial Institution Credit Transfer (Advice for transfer of funds)
- pacs.004.001.09 – Payment Return
- pacs.002.001.10 – FI To FI Payment Status Report
- pacs.010.001.03 – Interbank Direct Debit
- camt.052.001.08 – Bank To Customer Account Report
- camt.053.001.08 – Bank To Customer Statement
- camt.054.001.08 – Bank To Customer Debit Credit Notification
- camt.057.001.06 – Notification To Receive
- camt.060.001.05 – Account Reporting Request
- camt.056.001.08 – FI To FI Payment Cancellation Request
- camt.029.001.09 – Resolution Of Investigation

Further messages (e.g. cheques, fee, case, etc.) are yet to be defined and will be introduced prior to Nov 2025.

How will Usage Guidelines “variants” (e.g. pacs.009 COV or pacs.008 STP) be differentiated?

Usage Guideline “flavours”, such as pacs.008 STP, pacs.009 COV, pacs.009 ADV, will be specified in the Business Application Header (BAH) of the message, e.g. Business Service element of the BAH will be populated with swift.cbprplus.cov.01 (=pacs.009 COV).

Will there be translation rules for ISO 20022 to MT and vice versa? Where can I find these?

Yes. In order to enable standardization and end-to-end straight-through processing, SWIFT together with the CBPR+ working group (represented by the industry) defined a clear set of standard translation rules between ISO 20022 and MT for most of the messages. These will also be applied by SWIFT’s Transaction Manager to avoid misinterpretation and/or divergent adoption of translation rules across banks and/or communities.

To see translation rules, please access

SWIFT MyStandards platform (<https://www.swift.com/our-solutions/mystandards>), which is available to all SWIFT clients. It is the chosen tool to be used by the community as the primary source for ISO 20022 messages (e.g. CBPR+ Usage Guidelines) and it also gives you access to the Translation Portal where you can test translation rules.

In light of the SWIFTs new strategy, how has the gpi ISO 20022 timeline been adjusted?

SWIFT is in a process of transition from providing services with gpi layered on top towards holistic management of transactions. As per current plan, all gpi functionality will be gradually migrated to Transaction Manager. The subject is under discussion in a Platform User Group (PUG).

Will structured addresses be required in ISO 20022 messages?

As of Nov 2022, structured addresses will be expected for any payment initiated on ISO 20022 (not in translated messages). In addition, any "new" ISO 20022 party elements (i.e. Ultimate Debtor, Ultimate Creditor, and Initiating Party) must contain structured addresses.

For all the other cases, while unstructured address (Address Line element) will be supported until Nov 2025, it is strongly recommended to start deliver structured address with the introduction of ISO 20022 in Mar 2023 for payments exchanged via SWIFT. Complete and structured data is critical to the success of the initiative and an uninterrupted payment processing across the whole value chain.

Market Infrastructures (one-to-many)

Will all Market Infrastructures (MI) use HVPS+ Usage Guidelines as a baseline?

No. However, all major payment Market Infrastructures use HVPS+ as a base, when defining their specific Usage Guidelines, e.g. T2, CHAPS, CHIPS, FED, MEPS+, etc. With HVPS+ as a basis, MIs aim to ensure full interoperability between the local Market Infrastructure and CBPR+.

What are the main differences between MI specific HVPS+ and CBPR+ Usage Guidelines? Are they 100% aligned?

No. While MI specific HVPS+ Usage Guidelines are almost fully aligned with the HVPS+ and CBPR+, certain differences exist. This is due to the fact that MI specific HVPS+ Usage Guidelines are customized and adopted according to the local industry and regulatory requirements. For example, Market Infrastructures use CLRG Settlement Method, while CBPR+ allows the use of INGA, INDA and COVE.

To see and compare different Usage Guidelines, please access [SWIFT MyStandards platform](https://www.swift.com/our-solutions/mystandards) (<https://www.swift.com/our-solutions/mystandards>), which is available to all SWIFT clients. Please note that you may need to request access to see certain MI Usage Guidelines.

What is specific to the BoE/CHAPS ISO 20022 migration?

Bank of England's ISO 20022 migration will take place in Apr 2023.

As per latest information, key aspects of the ISO 20022 adoption by CHAPS include 1) Introduction of Category Purpose, Purpose Codes and Legal Entity Identifier (LEI) in Apr 2023, expected to become mandatory in summer 2024, 2) Introduction of structured addresses in Apr 2023, expected to become mandatory in Nov 2025, and 4) Introduction of Structured Remittance Information, expected to become mandatory in Nov 2025.

To see CHAPS like-for-like and enhanced Usage Guidelines, please access SWIFT MyStandards (<https://www.swift.com/our-solutions/mystandards>) platform.

What is specific to the ISO 20022 adoption by the Eurosystem/T2?

In Mar 2023, the Eurosystem will unite and centralize its instant payments (TIPS), real-time gross settlement (RTGS) and securities settlement (T2S) systems under the "TARGET Services" banner. One of the key changes introduced with this consolidation project is the migration of the messaging format to ISO 20022 (big-bang). Key aspects include the introduction of structured addresses, which will become mandatory in 2025, and the use of the Business Application Header version 1 (version 2 will be used by the CBPR+).

To see UDFS Usage Guidelines, please access SWIFT MyStandards platform (<https://www.swift.com/our-solutions/mystandards>).

Are there any interoperability concerns with regards to the ISO 20022 adoption by the Market Infrastructure and the correspondent banking space?

Yes, there are several interoperability considerations. As such, different go-live dates of MIs and SWIFT may result in data truncation issues. European banks also have to consider high delivery challenge, given that the Eurosystem's go-live date will coincide with the go-live date for SWIFT.

As of when will it be mandatory to send structured addresses for Debtor and Creditor?

As of November 2025. While unstructured address (address line) will be supported (e.g. by T2 and CHAPS) until then, it is strongly recommended to implement structured addresses by 2023. Complete and structured data is critical to the success of the initiative and an uninterrupted payment processing across the whole value chain.

Corporate-to-Bank/Bank-to-Corporate (CtB/BtC)

What does ISO 20022 migration mean for corporates? What are the main benefits?

The migration of SWIFT messages to ISO 20022 is mandatory only in the interbank area and SWIFT will continue support of the FIN messages under the SCORE framework. However, this does not mean that all change can be avoided as the migration will have an effect on corporates in the end-to-end flows. For example, the mandatory use of structured party information is scheduled – something corporates should not ignore.

ISO 20022 format will enable new processes with high quality data and no loss of information. Besides benefitting from the global interoperability, corporates will be able to execute “on-behalf-of payments” out of central Treasury set-ups (using Ultimate Debtor / Ultimate Creditor elements in cross-border payments) and submit detailed, structured information to the beneficiary of a payment (using Structured Remittance Information element), which will enable automated reconciliation and straight-through processing.

What additional data will corporates have to provide in future to ensure smooth payment processing?

ISO 20022 standard for cross-border payments requires to provide beneficiary address. In addition, from 2025 any party including (but not limited to) the debtor, creditor and bank agents will have to be provided in a structured format with additional information. Something the MT101 currently does not include.

In addition, corporates are well advised to evaluate and understand the opportunities resulting from the availability of richer payment data in cross-border flows, e.g. ultimate parties or structured remittance information.

Will Payment Initiation (pain.) messages be impacted by the migration? Will pain.001 become part of CBPR+ portfolio?

Payment Initiation (pain.) messages are not part of the CBPR+ mandate (except the relay scenario with respective pain.001/pain.002). The newer version of the pain. and camt. message has been defined by the CGI-MP group in order to ensure interoperability with CBPR+ and MIs adapting ISO 20022. It will enable dedicated gpi elements (e.g. UETR) and support additional elements to transport rich data.

Corporates are well advised to migrate to the latest CGI ISO 20022 version (pain.001.001.09 or V9) in order to benefit from a harmonised cross-border payment experience and the latest value-add services.

Are Cash Management (camt.) messages specified by the CBPR+?

Cash Management (camt.) messages are specified by the CBPR+ for the use in cross-border payments, however, the messages are defined under consideration of the camt. messages defined by CGI for the BtC communication.

Deutsche Bank's Road

What is Deutsche Banks plan for adoption of ISO 20022?

As a significant EUR and USD clearer and a Cash Management provider for corporate clients, Deutsche Bank is preparing to be an early adopter and establish capabilities to send & receive ISO 20022 messages as per timelines set by SWIFT and respective Market Infrastructures.

Considering significant benefits offered by ISO 20022, Deutsche Bank is taking the opportunity to transform front-to-back flows architecturally and add business value by making use of the rich and structured ISO 20022 message structure. This will result in far greater customer satisfaction, improved digital fulfilment of compliance requirements, and faster, more flexible implementation or deployment of new services or regulatory requirements.

How is Deutsche Banks migration programme set up?

In 2019, Deutsche Bank established a global central ISO 20022 readiness program to orchestrate the implementation across business, technology and operations, and prepare for the go-live in line with SWIFT's and respective Market Infrastructures' migration timelines. While the program is managed by a dedicated central core team, consisting of IT, Business & Operations experts, most parts of the projects are delivered agile. This leads to more than hundred experts around the globe being involved in the delivery of the global project.

Will there be any additional content requirements of the MX messages in comparison to the MT messages?

Please be informed that DB's ISO 20022 Payments Formatting Guide for high value payments has been finalized and published on the external webpage (<https://corporates.db.com/solutions/corporate-bank-solutions/cash-management/>) in the section "Cash Management for Institutional Clients".

What can clients expect from Deutsche Bank?

Given the bank's position in the market and the important role as an intermediary, Deutsche Bank will be an early adopter of ISO 20022 standards for processing of high value payments and delivery of account reporting. As Deutsche Bank's clients operate globally, the bank supports all industry activities that aim for

further harmonization of message formats and usage rules, and actively contributes to the design of the future standard. Leveraging this leading market position and knowledge, Deutsche Bank will provide guidance for clients, support their migration strategies and remain at their disposal for expert discussion.

Who can I contact at Deutsche Bank for more information on the ISO 20022 migration?

Please reach out to your client manager at Deutsche Bank.

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