Best Practices for
ISO 20022 Implementation

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La Hulpe

Stephen Lindsay, Nadine Limbourg
Part I

Community Management
ISO 20022 adoption

Market infrastructures

Enable new services
Streamline end-to-end business processes
Facilitate regional integration

200 initiatives
Under discussion > planned > rollout > live

90 countries

2015
Payments

2016

2017

2018

Securities

70+ initiatives
ISO 20022 adoption

Market infrastructures

Enable new services

Streamline end-to-end business processes

Facilitate regional integration

Participants

Participants’ customers

Comply with MI

Internal optimisation

Flexible services to customers
T2S and ISO 20022 in the European Securities Market

- ISO 20022 only
- ISO 20022 and others (co-existence)
A global bank’s perspective

Participation in Market Infrastructures

Payments

Securities

Customers (corporates and banks)
MT Maintenance Process

- **February**
  - **Users**
- **By 1 June**
  - **UGC**
- **3rd week July**
  - **High Level**
- **July-August**
  - **MWG**
- **September – October**
  - **Country vote**
- **December**
  - **Board**
- **3rd week Dec**
  - **SRG and MFVR**
- **May**
  - **VTB**
- **4th week July**
  - **UHB**
- **4th week July**
  - **T&T**
- **3rd Sat. Nov**
  - **LIVE**

**Start of process:** send-out of Change Request template

- **By 1 June**
  - **Deadline for submitting change requests**
- **3rd week July**
  - **High Level information published on swift.com**
- **July-August**
  - **Maintenance Working Groups meet to discuss and decide on change requests**
- **September – October**
  - **Country vote for approval/rejection**
- **December**
  - **Board ratifies the country vote**
- **3rd week Dec**
- **May**
  - **Vendor Test Bed available**
- **4th week July**
  - **User Handbook published**
- **4th week July**
  - **Test & Training available**
- **3rd Sat. Nov**
  - **Standards Release Live on FIN**

ISO 20022 Maintenance Process

- **By 1 June**
  - **Users send change requests to Registration Authority (RA)**
- **By 7 July**
  - **Change request screening by RA**
- **By 21 August**
  - **Message Change Request (MCR) describes each CR implementation**
- **By 1 October**
  - **MCR approval/rejection**
- **By 1 Dec.**
  - **Development of new MX versions**
- **By 1 February**
  - **Validation of ‘advance’ documentation**
- **April-May**
  - **Publication of ‘full’ documentation**
### MT Maintenance Process

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<th>Month</th>
<th>Event</th>
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**All users:**
- same version;
- at the same time.
ISO 20022 fragmentation challenges

- Communication flows
- Release cycles
- Versions
- Market practice

Versions

Release cycles
Providing a common platform for the publication of the messages and market practices used by each MI

Promoting a common standards release cycle aligned with existing financial industry processes

Powered by MyStandards

Promoting the use of harmonized market practice among MIs in the same business domain

SWIFT Standards Community Management Programme

Roll-out of ISO 20022

Common platform

Implementation Support

Providing implementation support to Market Infrastructure participants including testing facilities and integration components

Consistent

Market practice

Standards release cycle

Providing a common platform for the publication of the messages and market practices used by each MI
SWIFT Standards Community Management

1. ISO 20022 Impact assessment
2. ISO 20022 Solution design
3a. SWIFT connectivity & integration
   - AMH/Alliance/IPLA/ connectors/…+ services
   - Download Integration components for SWIFT footprint (XSDs, DPs, connectors, etc)
3b. Non-SWIFT interface or VPN
   - Full MyStandards license:
     + Generic integration components
     + Compare MP
     + Compare releases
     + Create internal and customer specs

Participant

Starter Set

MI

MyStandards

SWIFTNet

VPN

Customization Services
Part II

Value proposition for CSDs moving to ISO 20022 with their communities
ISO 20022 is at core of SWIFT strategy for CSDs

ISO 20022 is part of (almost all) CSDs’ roadmap
- DTCC, Jasdec, T2S, Euroclear…

SWIFT market share with CSDs and communities is low
- 6 to 15% market share globally
- Concentrated in some 20 markets
- Current solution will not change without a ‘compelling event’

ISO 20022 is ‘the’ common compelling event of this decade and SWIFT has the expertise
- SWIFT will actively support the moving communities
- CSDs and communities together
- As much harmonisation between communities as possible
Scenario 1: CSD enables ISO 20022 with plans to eliminate current standards

Introducing ISO 20022 is typically a first step towards
- Elimination of proprietary standards
- Potential launch of new or updated services or functionalities
Scenario 2: CSD enables IUSO 20022 side-by-side with ISO 20022

Side-by-side: an approach that reduces the richer functionality of ISO 20022 to the functionality currently covered by ISO 15022 messages. Such choice is offered for a relatively long period of time. Typically, it is an intermediate step towards richer implementation of ISO 20022 at a much later stage.
A CSD moving a community to ISO 20022

- Clear and harmonised specifications
  - Market practices (incl. T2S requirements)
  - Use of MyStandards by the CSD
- Similar implementation between markets
  - SWIFTNet InterAct Store & Forward
  - Validation of global market practice
  - Protects regional and global customers
- SWIFTNet testing
- Community on-boarding (on or without SWIFTNet)
SWIFT value proposition: support ISO 20022 projects end-to-end for the CSD and its community.
Questions?