

# ISO 20022 is coming

in November 2022

Key information and updates.



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*TOMORROW BEGINS TODAY*



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# Are you **ready?**

**Over the next four years, we'll be working to help you and your business transition in readiness for ISO 2022 regulatory changes.**

**As a business ourselves, we'll be changing our systems to align with the new regulation and we'll be there to support you every step of the way as well.**



# Introduction

**2022 XML (eXtended Mark-up Language) is an established global standard for payments messaging.**

**Most payments to and from the European Union are already based on this standard.**

Over time, ISO 20022 XML will be used by all payment service providers (PSPs) in the UK for all payment products starting with CHAPS and international (currency) payments.

It will deliver a common language and model for exchanging payments data across the globe, provide richer and higher quality information than current messaging standards and better enable future innovation and development in the UK payments ecosystem.

Depending on the payment types and payments data services you use, it also means there may be a need to make changes to the way you send/ receive and process domestic and international payments, which in turn will bring many future benefits.

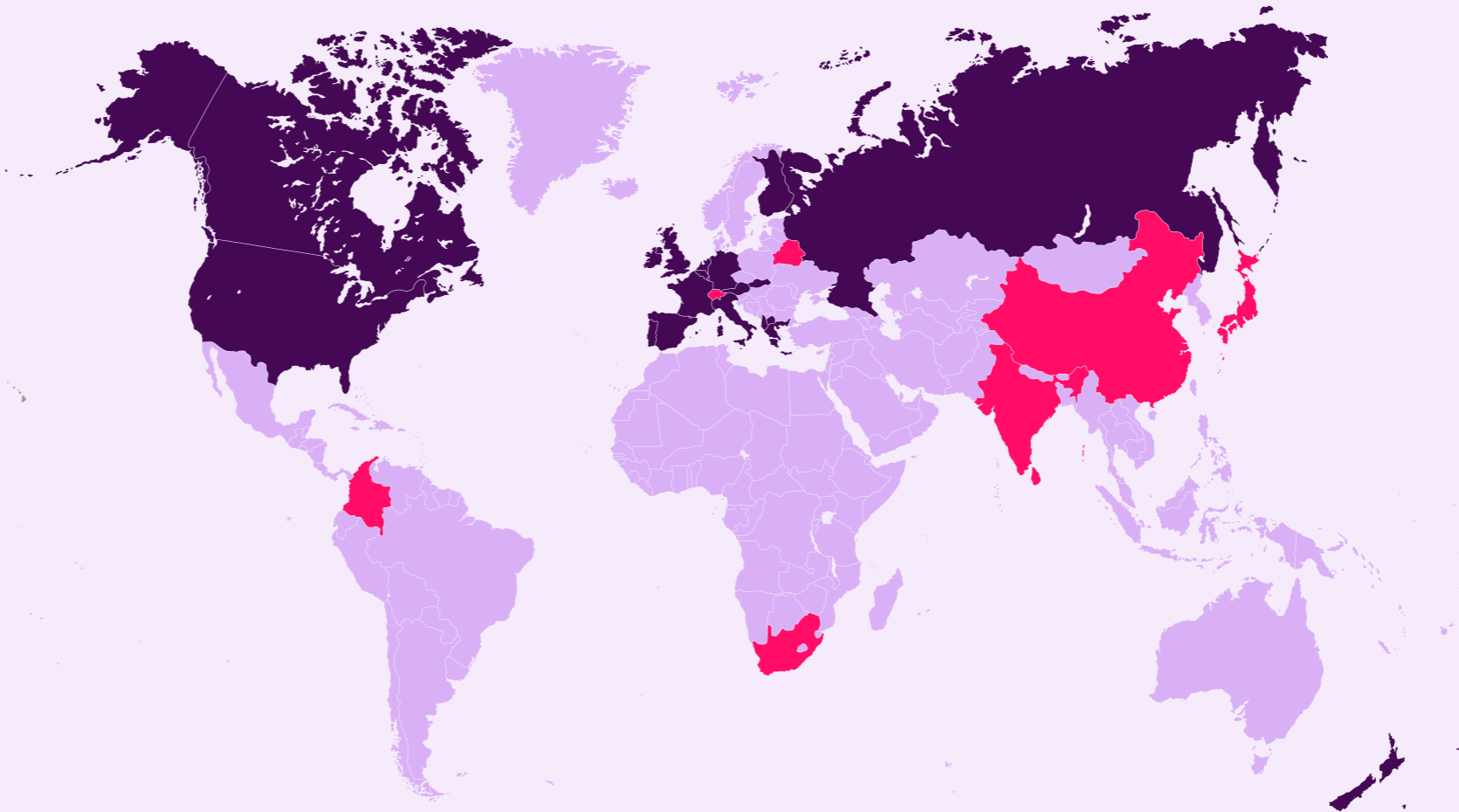
ISO 20022, first published by International Organization of Standardization (ISO) in 2004, has already been adopted in 70 countries – including China, India and Japan – to replace domestic or legacy formats.

Clearing House Automated Payment System (CHAPS) and TARGET2 Euro payment (T2) are on track to migrate sterling and euro payments to ISO 20022 XML over time. SWIFT will also migrate cross-border payments requiring a coexistence of current and new ISO 20022 XML message standards until 2025.

Within five years, it's predicted that around 80% of high-value global payments by volume and 90% by value will have migrated to ISO 20022.

Planned	Live
Belarus	Bangladesh
Canada	Brunei
Eurozone	Colombia
Hong Kong	China
Malaysia	India
New Zealand	Japan
Russia	Jordan
Singapore	Kosovo
United States	South Africa
United Kingdom	Switzerland

Source: SWIFT ISO 20022 XML migration consultation study.



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# Benefits of ISO 20022 XML

The main benefit of adopting ISO 20022 XML is a far better payments experience for all users, reducing multiple payment scheme and bank in-house formats to a single industry-wide standard.

## Examples of corporate benefits after migration to ISO 20022 XML



### XML is used globally

Once created – say for SEPA – it can be tweaked and amended to handle payments globally across other banks/countries, becoming the standard message type for those payments around the globe. XML will also be used in securities and trade transactions.



### Supported by most banks in 70 countries

Corporates will no longer need to use bank/scheme proprietary formats, eliminating a technology barrier to choose better payment providers.



### XML simplifies development and support

Payments IT development can be outsourced and payments operations/support streamlined as major ERP vendors will offer XML “out of the box”.



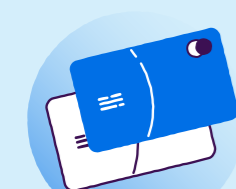
### Standard can be used for most payment types

Including most domestic supplier and ACH-type payments – Cross-border, wire/urgent currency agnostic, payroll payments and a wide range of standardised purpose codes can be used.



### Fewer maintenance and future development costs

– After initial investment – if never done before – provides a single interface, reduces IT, operational and support costs and provides access to alternative channels (Swift FIN vs. Swift FileAct).



### Enable payment processing efficiencies

Enable payment processing efficiencies standardise information to make payments, ways to internally process them, ERP file generation, delivery of payment instructions to bank channels. Interoperability allows rerouting.



### Access to multiple delivery channels

Increase the delivery options to include file upload, Swift FileAct, and Open Banking to better fit the need of the corporate organisation and bank partnership strategy.



### Exchange enriched data/remittance information

Extended data to identify the parties in the transaction. Up to 140 characters of unstructured or structured information to send or to receive to/from suppliers around the globe leading to increase in (automated) reconciliation efficiency. Improved decision-making based on better data.



### Increased ability to control payment processing and reports generation

Enables payment method indicators like CHK or TRF, URGP. Batch booking tags allow to ask for a consolidated single entry in the statement.



### The Common Global Implementation Group fosters further simplification

The CGI Group guidelines foster further standardisation along country specific modifications, supported by all major banks around the globe.



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# Ulster Bank and **ISO 20022** – how will it affect you?

**Ulster Bank will start supporting the new ISO 20022 XML messaging for UK formats from the published industry migration dates.**

We will, however, gradually introduce changes to our customer experience depending on the payment type and channel used. While we work to minimise disruptions to our customers' operations, a variety of changes are expected to occur, especially for those customers who have a direct link to our payments infrastructure. Other customers may notice fewer changes and less impact, and be required to make fewer changes to their day-to-day operations.

Our ISO 20022 migration strategy is being determined by the approach taken by the scheme operators and regulators.

We're currently enhancing our core payment systems to be able to support all the ISO 20022 requirements and are finalising the timings of the transition states.

Most banks have already started their journey to migrate the UK payment offering to ISO 20022, something that will not happen overnight but will take years to fully implement.

Keeping up to date with the latest developments and understanding the key points can be difficult and for this reason we'll be producing a series of ISO 20022-themed brochures to aid understanding of what this means for our customers.





# Latest developments and scheme updates

**In November 2022, SWIFT and the European Central Bank (ECB) will implement ISO 20022 XML for currency and euro payments respectively.**

The Bank of England has also changed its approach to CHAPS, with CHAPS now set to go live with full XML enhanced message adoption in April 2023 and additional compulsory requirements by 2024.

All coexistence of 'old' and 'new' payment messaging formats is currently planned to end by 2025.



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## Contact and support

As you develop your own ISO 2022 plans we'll continue to keep you informed with our developments along with any industry communications through our Communications Programme 2021.



If you have any further questions, please contact us via email at

**[ISOSupport@ulsterbank.com](mailto:ISOSupport@ulsterbank.com)**

There are some useful resources available in the public domain that provide overviews of ISO 2022 XML and the different schemas.

There are also some links to training modules on ISO 2022 XML, which can all be found below. We encourage you to use these to build your organisation's knowledge further and to prepare for migration to ISO 2022 XML.

# Helping you prepare

**We're at an early stage of the migration to ISO 2022 XML. There will be a number of changes happening to both your inbound and outbound payment messages and we'll be sending a series of communications to help guide and prepare you in advance of these changes. We'll share more information in the coming months on specific changes you may need to make before the CHAPS, Euro and SWIFT transitions to ISO 2022 XML commence.**

When the detail of changes is clear, we'll work with you to support potential internal system changes, testing and operational readiness for ISO 2022 XML by the transition dates.

It's important that if you don't currently make or receive payments that are already supported by ISO 2022 XML (eg SEPA credit transfers or Direct Debits), you start familiarising yourself with the changes ISO 2022 XML will bring to CHAPS and international transfers.

If your organisation already uses ISO 2022 XML messages, you may want to start investigating any changes you might need to make to your initiation or collection of CHAPS, Euro and SWIFT payments.

We strongly recommend that you start discussions about the potential impacts brought by ISO 2022 XML and consequent changes you might need to make with third-party suppliers and technology partners who support your organisation's payments operations and systems.

In the appendix, you'll find sources of information for each payment scheme that will provide insight at a general and more technical level.



**Giangiulio Bagnai**  
**Associate Director**  
**Regulatory Programmes**

"It's a matter of compliance but we are also aware of the opportunities. We are participating in the industry debate at all levels. And we're keen to engage to understand the needs and requirements of our customers."



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# Appendix







## **Access to SWIFT MyStandards**

**All schemas are now available via SWIFT MyStandards. The owner of the relevant industry format will need to grant access to the specific SWIFT MyStandards Community Group.**

Once you have been given access to the Ulster Bank MyStandards Community Group, you can view the information for ISO 20022 XML under the option “Standards Releases”.

You must be registered for an account on [swift.com](https://www.swift.com) and full instructions on how to register can be found via [this link](#).

**Explore MyStandards:** no extra steps are required.

Access can be via the [this link](#) after registration has been completed.



## Useful links

### **Bank of England – CHAPS**

Contains all items related to the migration of the CHAPS payments to ISO 20022 CML, including CHAPS XML schemas.

### **ECB – Target2**

Contains all items related to the migration of the Target2 payments to ISO 20022 XML including Target2 XML schemas.

### **SWIFT ISO 20022 main site**

Clear information on SWIFT and the ISO 20022 XML approach, timeline and specific articles on different elements of the ISO 20022 XML programme.



# SWIFT ISO 20022 training

## Key SWIFTSmart training sessions to support ISO 20022 learning

### **Introduction to ISO 20022**

Understand how financial messaging standards are built using ISO 20022 XML. Discover who's using ISO 20022 XML and the role of SWIFT.

### **ISO 20022 introduction course**

### **What you need to know about ISO 20022 adoption for payments and reporting**

Understand the essentials of ISO 20022 XML adoption for payments. Gain a view on how the ISO 20022 XML migration will affect you and your customers who are involved in the business of cross-border payments and reporting.

### **ISO 20022 adoption for payments and reporting**

### **Transaction and account reporting with ISO 20022**

Understand the message flows of transaction and account reporting. List which ISO 20022 messages can be used for reporting. Know the related CBPR+ guidelines.

### **ISO 20022 transaction and account reporting**

### **Customer payments and transaction reporting using ISO 20022**

Understand the SWIFT customer payment message flows and related transaction reporting. Identify the various parties involved in a SWIFT customer payment. Understand the differences between a SWIFT customer payment made with serial method and one made with cover method.

### **ISO 20022 customer payments and transaction reporting**

### **Financial institution credit transfer and transaction reporting with ISO 20022**

Understand the SWIFT financial institution credit transfer message flows and related transaction reporting. Identify the various parties involved in a SWIFT financial institution credit transfer. Know which ISO 20022 XML messages can be used in a SWIFT financial institution credit transfer.

### **ISO 20022 financial institution credit transfer and transaction reporting**

### **Financial institution to financial institution credit transfer with ISO 20022 (pacs.009 core)**

Understand the structure of the pacs.009.001.08 and its related flows. Be able to interpret a pacs.009 for a specific scenario, following the CBPR+ guidelines.

### **ISO 20022 financial institution to financial institution credit transfer**

### **YouTube**

### **SWIFT – entering a new era with ISO 20022**

# Appendix A

## **CBPR+ Translation Portal – how to get access**

### **Go to the Cross-Border Payment and Reporting homepage.**

In the Open Communities tile on the CBPR+ Translation Portal community, click the 'Request Access' button.

**[Click here to access the SWIFT CBPR+ landing page.](#)**



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