ISO 20022 XML

Preparing for November 2022

Key information and updates

Ulster Bank

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Are you ready?

This is the second brochure in the series to help you prepare for ISO 200220 XML.

It will cover more detail on what ISO 200220 XML means for our customers, the benefits to your business, the payment channel impact, how and when the changes are happening and how we're here to support and help you.

ISO 200220 XML is a regulatory requirement, but there are also many benefits to which we'll take you through along the transition journey.

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Inez Hallifax
Product Owner,
SWIFT Corporate Services
(SCorE & MA-CUG)

Whilst SWIFT continues to support the MT101 & MT94x reporting range of messages until further notice, the quality and quantity of information sent via ISO 20022 XML messages is far greater than the legacy formats.

This will enable corporates to benefit from richer data with increased speed and automation opportunities.

The basics

ISO 20022 XML is an existing message format used today across a number of in-country clearing systems in certain regions.

Clearing House Automated Payment System (CHAPS) will be live from April 2023. TARGET2 Euro payment (T2) will be live from November 2022 and Cross-Border Payments and Reporting Plus (CBPR+) will operate over a three-year co-existence period to November 2025.
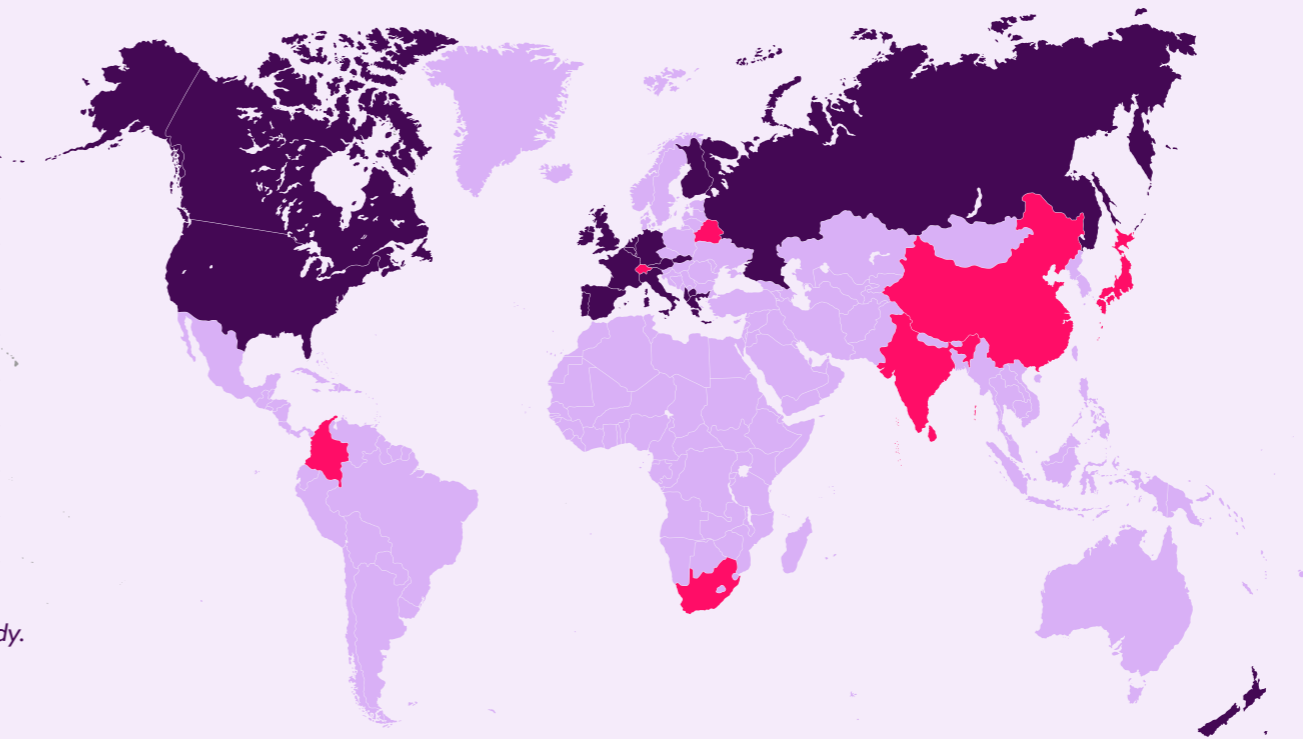
This means that Financial Institutions who are direct members of the Clearing Schemes will need to ensure they can communicate in ISO 20022 XML formats for all traffic sent/received.

We recommend that customers who submit direct via Bankline Direct or SWIFT Corporate services start preparing now while there is time to look at what updates or improvements need to be implemented. Please liaise with your ERP/TMS providers and of course your banking partners.

Migration to ISO 20022 XML is not just another banking project but one that the whole industry will be impacted by and benefit from.

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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Ulster Bank ISO 20022 XML Vision

As a Bank we have created an ISO 20022 XML Vision, which outlines our approach, the changes we will make and our future infrastructure to ensure compliance by 2025.

Our approach
We are upgrading our payments technology to a modernised and simplified end-state, fit for a data and digital driven economy – ensuring we are cost effective while scalable, future-proofed while resilient and maximising the ISO 20022 XML opportunities. We continue to work with the regulators to ensure our systems, processes and products are compliant and provide the best possible customer experience.

Changes
The multi-year, iterative programme will simplify compliance and business change outcomes, while retaining resilience and security.

Future infrastructure

Simpler
Increase interoperability, uplift Straight Through Processing (STP), reduce repair work, fraud, and cost.

Smarter
Ability to automate and innovate new services and partnerships using new standardised enriched data fields.

Safer
More resilient and secure, and effecting 'always on' and 'real time' capability.

Giangiulio Bagnai
Associate Director, Transaction Banking Regulatory Programmes

"When financial resources are tight and any spending goes through a rigorous decision-making process, it is easy to approach such a wide-ranging industry migration to ISO 20022 XML with a 'minimalistic' eye, aimed at delivering what is only essential and compulsory."

Corporate Treasurers, although in different degrees, are facing deep and long-lasting changes in their organisations, technology and processes – by radically changing the way they initiate, process and elaborate payment data. That is exactly why they should formulate a clear business case, looking to maximise their specific Return on Investment, and by doing it explore the wide variety of benefits that the migration to ISO 20022 XML will bring to their organisation and customers.

It has happened already today in regions such as Europe with the SEPA Schemes, or single countries within Asia that have already migrated their payment instruments to ISO 20022 XML. It will happen in the UK after November 2022. Beyond that, Corporates will appreciate the benefits of enriched, extended payment data, benefits that may not come or come later than expected at higher costs if they look only at the 'mandatory' elements of their project

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What ISO 20022 XML means for customers

The adoption of ISO 20022 XML across the globe will bring many direct benefits for your business.

Simpler

- ISO 20022 XML simplifies development and support
- ISO 20022 XML is used globally
- Fewer maintenance and future payment costs
- The Common Global Implementation (CGI) Group fosters further simplifications

Smarter

- Used by most banks in 70 Countries
- Access to multiple delivery channels
- Increased ability to control payment processing and reports generation

Safer

- Standard can be used for most payment types
- Enable payment processing efficiencies
- Exchange enriched data/remittance information

It's worth noting these benefits will not be fully implemented immediately and will depend on how the full ISO 20022 XML adoption is undertaken. Once fully implemented in 2025, ISO 20022 XML will offer corporates a far better payments experience than previous formats. Processing efficiencies will result from fewer rejections, fewer exceptions, improved reconciliations and risk management. This should ultimately lead to reduced costs for the companies that adopt it.

Increasing efficiency

As the roll-out progresses and adoption grows, those efficiencies will only increase. ISO 20022 XML is also an open standard, so it will progressively evolve to meet users' needs over time. It should enable fast, simple integrations for corporates whether they're running legacy or state-of-the-art IT systems and will therefore require less maintenance and reduced future development costs. Perhaps most importantly, ISO 20022 XML enables corporates to enrich how they interact with their data, facilitating better decision-making and possibly even the development of new services for customers as a result. It could help firms understand their businesses better, enabling them to operate on a more real-time basis with customers.

In time, full adoption of ISO 20022 XML messaging will bring benefits from enhanced data, increased speed and improved service for our customers. We will continue to keep you informed with new developments and industry communications.

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What action will I need to take?

The ISO 20022 XML is the standardised format to be used for exchanging domestic and cross-border transactions.

Currently, different data formats are in place to process payments across the various UK clearing and settlement systems and across the world. The ultimate goal is to use only the ISO 20022 XML formats.

What you need to do

• Determine whether your internal payments processing systems, including those provided or managed by third-party providers (e.g. ERP and accounting), offer ISO 20022 XML solutions and from which release date they are available.

• Examine your complete chain of banking systems to verify whether they are able to process EPA ISO 20022 XML transactions (i.e. remittance information and transaction reference).

• Consider the likelihood of payment originators with whom you deal sending you ISO 20022 XML payments and what additional information they may wish to send in their payment messages.

Martin Foulger
Senior Product Owner
Bankline & Bankline Direct

"**For our Bankline and Bankline Direct customers ISO 20022 XML is about enhanced and consistent data. But it's also about choice:** we understand forced change on systems and processes can be painful, expensive, and inconvenient and therefore we aim to offer ISO 20022 XML formats alongside those in use today.

This should allow our customers to switch to ISO 20022 XML when ready – thereby gaining from the ISO 20022 XML advantages at a time of your choosing – but continue to use existing formats if you or your systems are not ready."

Bankline customers who key payments manually will have no change in process – should fields become mandatory in the future we will provide simple screen changes and clear guidance well in advance. Customers who upload CSV files to Bankline will have the option of using the existing file format, or to switch to the new richer ISO 20022 XML one.

Fundamentally our approach to ISO 20022 XML is to offer choice and limit disruption.

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If you are a Bankline user:

The existing payments templates and import templates used by you can continue to be used for the foreseeable future. Any changes to input fields or import templates will be advised via the Bankline Broadcast Message channel with supporting collateral available through our Bankline Help websites.

They'll enable you to get a better understanding of the change(s) and undertake any necessary internal training. Our Client Service Management and Helpdesk personnel will be suitably informed of any changes to help you if you need extra support.

If you are a SWIFT corporate service user (SCorE or MA-CUG):

There are no changes to the formats used for the SWIFT Corporate services. You can continue to use the MT101 Request for Transfer message format to us and any reporting services will also remain as MT94x range formats.

When we want you to start using the ISO 20022 XML equivalent message formats, we will make sure we communicate the changes to you in good time with detail on how this will directly impact you and your business.

Migration support will be available to ensure that the transition is as seamless as possible.

If you are a Bankline Direct user:

We will continue to support existing payment and Reporting formats (including MT) for the foreseeable future.

We will release ISO 20022 XML-compliant formats at the earliest opportunity. It is our aim to release ISO 20022 XML-compliant advice and reporting by November 2022.

The Ulster Bank MyStandards Community Group will be the place to find all our schemas. We aim to provide our full set of ISO 20022 XML schemes for Bankline Direct by April 2023.

How Ulster Bank will support you through these changes

Wherever possible, we will provide details of technical changes you will need to make beforehand, so you'll have enough time to undertake any internal system, process, or operational changes.

This will include details of changes to message formats including any additional field usage for making payments and receiving reconciliation data. We do not anticipate that all the enhanced data fields offered by ISO 20022 XML formats will be used from day one, and in many cases their use will not be mandated.

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A question for you

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>
> ### Debbie Hoskins,
>
> **Programme Director and Product Scheme Owner for Wholesale Payments**

Let me ask you a few questions:

- Have you started to think about the opportunities ISO 20022 XML will bring to your organisation?

- Do you have a programme team setup?

- Have you started your learning journey and training plans to move to the new MX language?

- Did you know that before compression an average MT is 500 bytes, the equivalent MX is estimated to be 3500 bytes in length?

- Do you already support the ISO 20022 XML?

- Does your reconciliation process make effective use of the structured remittance information and the transaction reference field?

- Is your infrastructure or that of your third-party providers ready to transition from the current messaging formats to receiving the enhanced ISO 20022 XML data?

- Have you established the date you wish to migrate to ISO 20022 XML?

- Are you aware of the changes that you would need to make to your existing payment instructions templates?

If the answer to any of the questions is 'No,' then start to mobilise your teams now with our support. There's plenty of information on our ISO 20022 XML Internet site and you can ask ISO 20022 XML-related queries through our designated ISO 20022 XML Support mailbox (links below). You really don't want to risk not being ready to embrace ISO 20022 XML and miss out on the opportunity ISO 20022 XML will bring.

Research has shown that companies that have enhanced data strategies make key business decisions five times faster than their peers who don't. Look at all the data you have access to, overlay ISO 20022 XML and build out your short, medium, and long-term data strategies.

Just imagine by 2025 80% of payments will be on the ISO 20022 XML standard which increases interoperability, mobility and enhancing STP. That is something you really don't want to miss out on!

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Contact and support

Got a question?
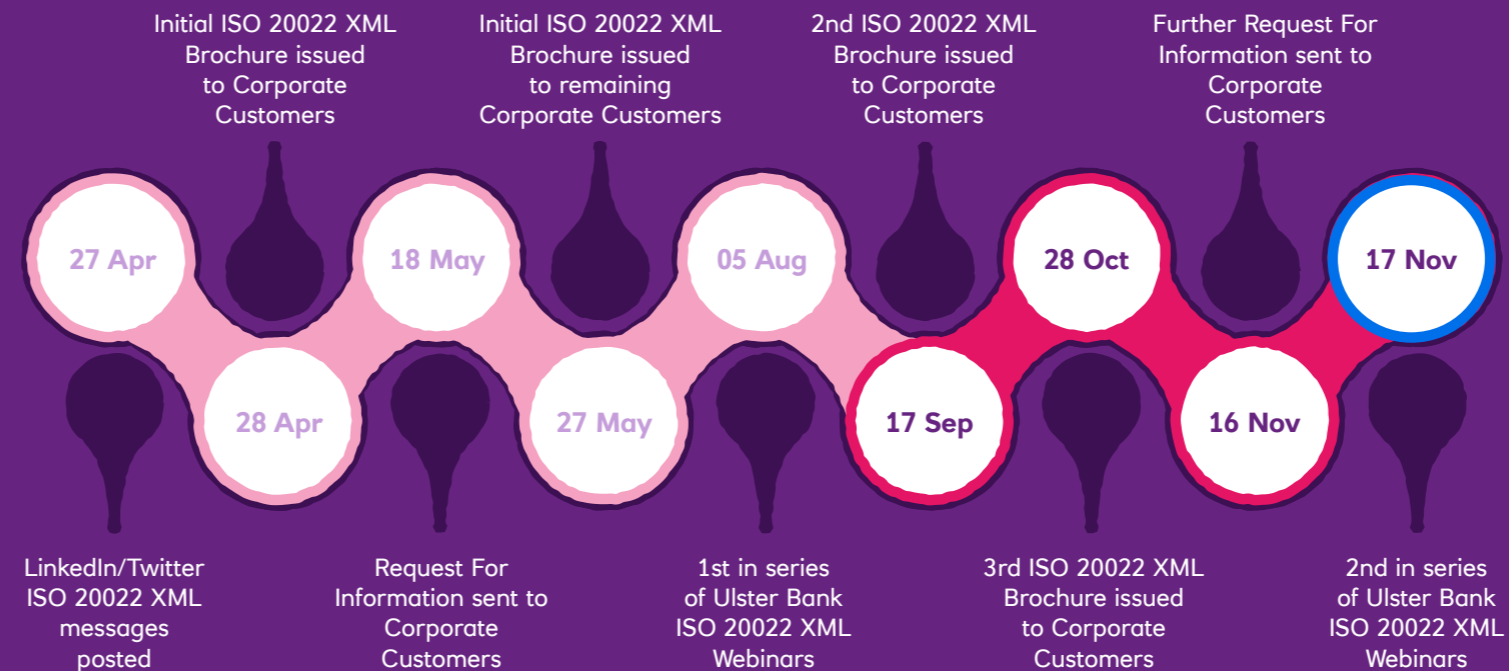Use our dedicated ISO 20022 XML
ISOSupport@ulsterbank.com

When sending your queries, please ensure you provide details of the service(s) you use with NatWest Group.

ISOSupport@ulsterbank.com

What you can expect from us and when

Ulster Bank ISO 20022 XML customer communications 2021

■ Completed
■ Still to be issued

Initial ISO 20022 XML Brochure issued to Corporate Customers — **27 Apr**

Initial ISO 20022 XML Brochure issued to remaining Corporate Customers — **18 May**

2nd ISO 20022 XML Brochure issued to Corporate Customers — **05 Aug**

Further Request For Information sent to Corporate Customers — **28 Oct**

17 Nov

28 Apr — LinkedIn/Twitter ISO 20022 XML messages posted

27 May — Request For Information sent to Corporate Customers

17 Sep — 1st in series of Ulster Bank ISO 20022 XML Webinars

16 Nov — 3rd ISO 20022 XML Brochure issued to Corporate Customers

2nd in series of Ulster Bank ISO 20022 XML Webinars

* These dates are subject to change.

All ISO 20022 XML-related collateral and support information is available via our dedicated Internet Sites where you will find all our most recent ISO 20022 XML-related information, including 'Questions you may have', 'Webinar recording' and brochures.

Ulster Bank ISO 20022 XML Internet Site

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SWIFT MyStandards

Customers who submit via Bankline Direct or SWIFT Corporate services and would like to view the Usage Guidelines and Schemas can find them in MyStandards on the SWIFT Internet Site.

To access MyStandards, users must first register for a free account via **swift.com**

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 NatWest MyStandards Community Group, you can view the information for ISO 20022 XML under the option 'Standards Releases'.

In addition, MyStandards offers an option for you to subscribe to a collection of Usage Guidelines to receive automatic updates once they get updated (in the MyNotifications tab).

If you wish to learn more about CBPR+ there is a dedicated **CBPR+ landing page**, which includes the CBPR+ User Guide. This contains vital information that will help you understand the full ISO 20022 XML contents and approach.

ISO 20022 XML Knowledge & Awareness

For customers who wish to learn more about ISO 20022 XML, courses are available via the SWIFTSmart Training Portal. Users must first register for a free account via **swift.com**

Access to the SWIFTSmart Training portal, after registration is completed, is via the My Tools drop-down menu at the top of your mySWIFT page.

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Introduction to ISO 20022 XML

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 XML introduction course

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

Transaction and account reporting with ISO 20022 XML

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

ISO 20022 XML transaction and account reporting

Customer payments and transaction reporting using ISO 20022 XML

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 XML customer payments and transaction reporting

YouTube

SWIFT – entering a new era with ISO 20022 XML

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