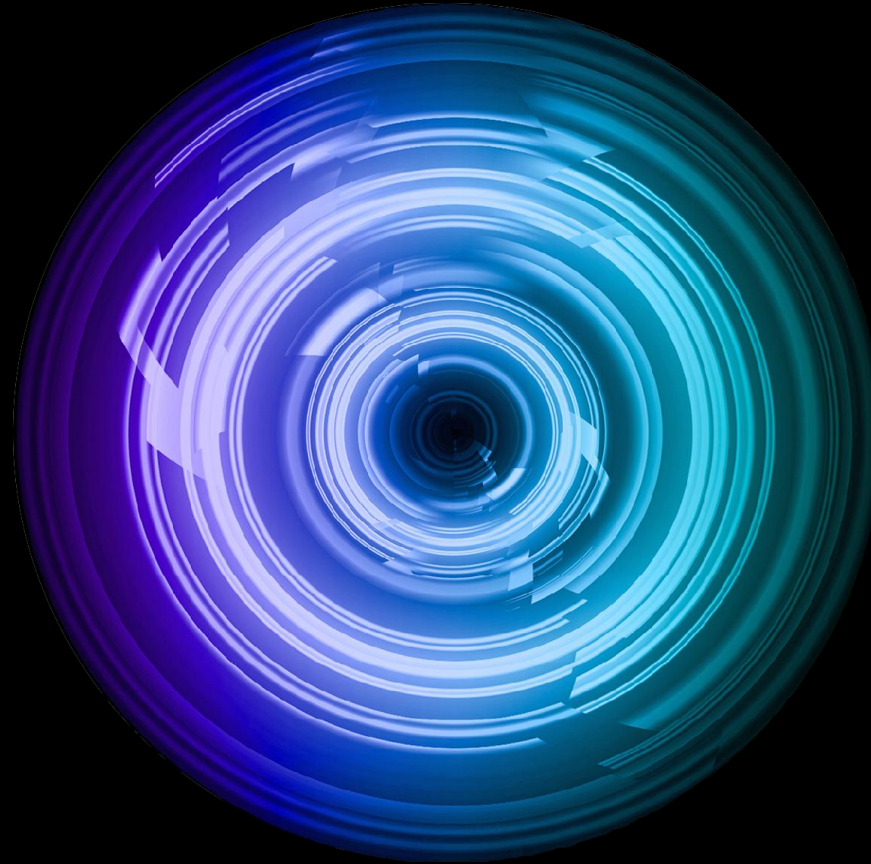


## Dbriefs

### Navigating ISO 20022 migration: Strategies for success

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December 11, 2024



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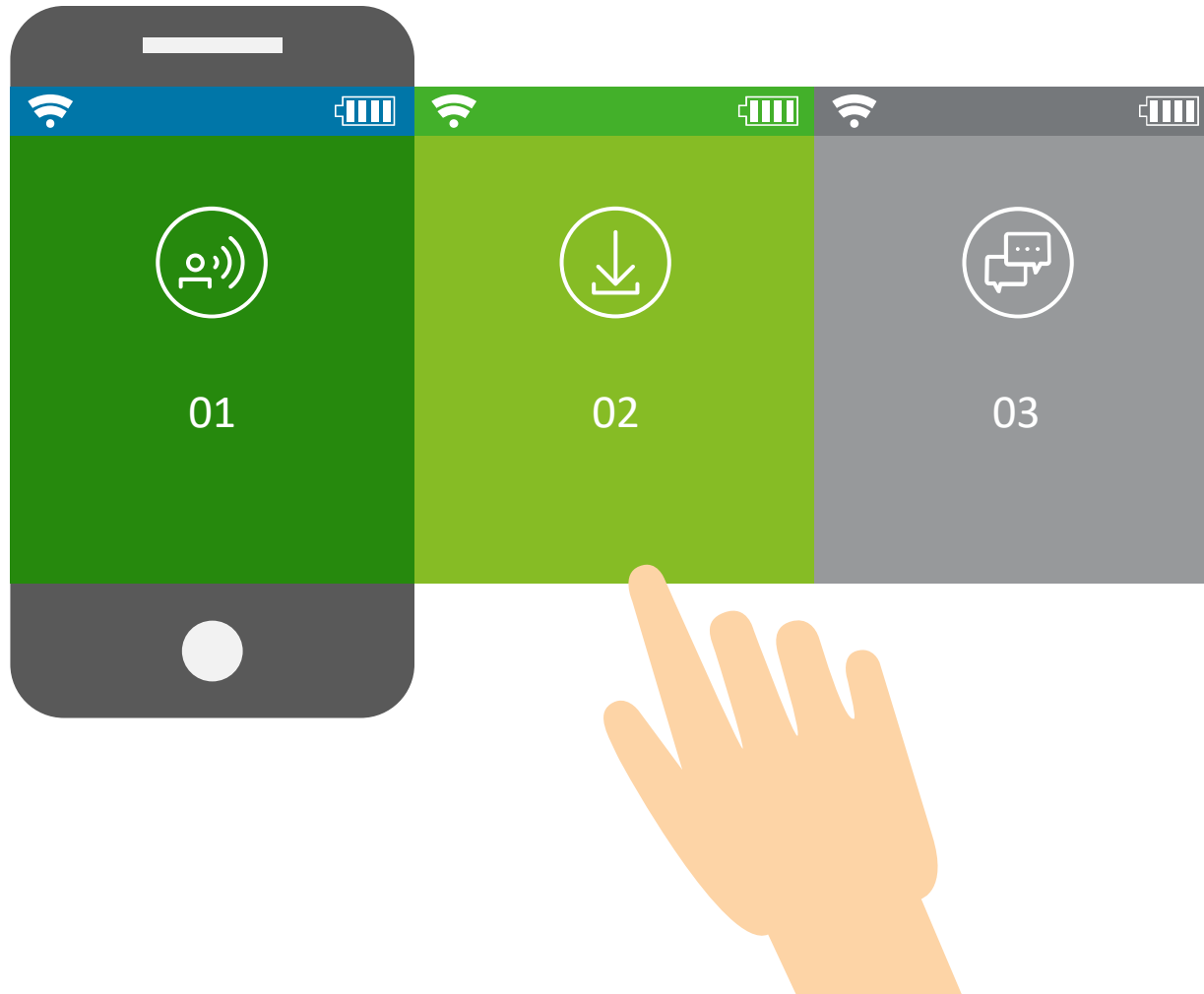
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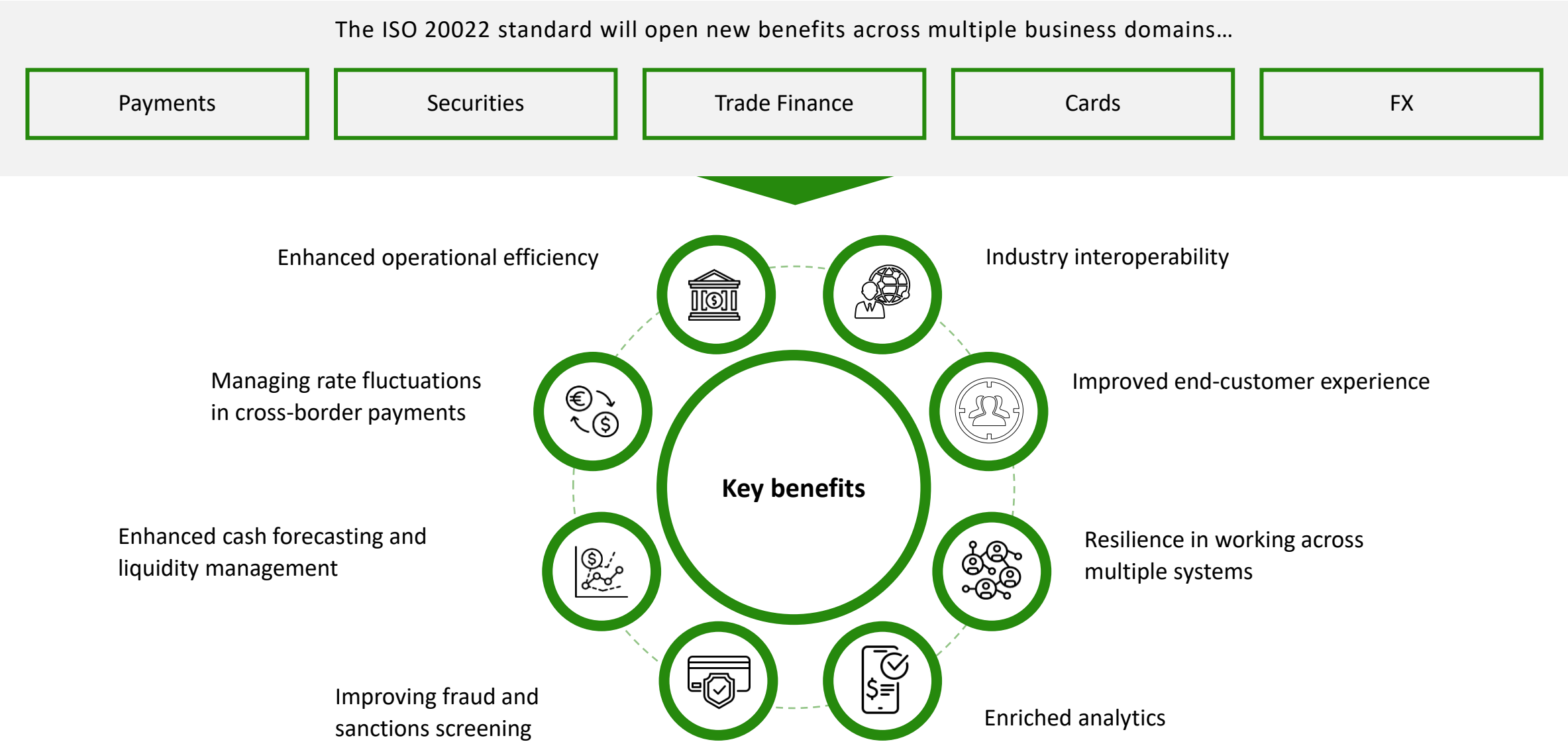


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# 1. ISO 20022 introduction and industry roadmap

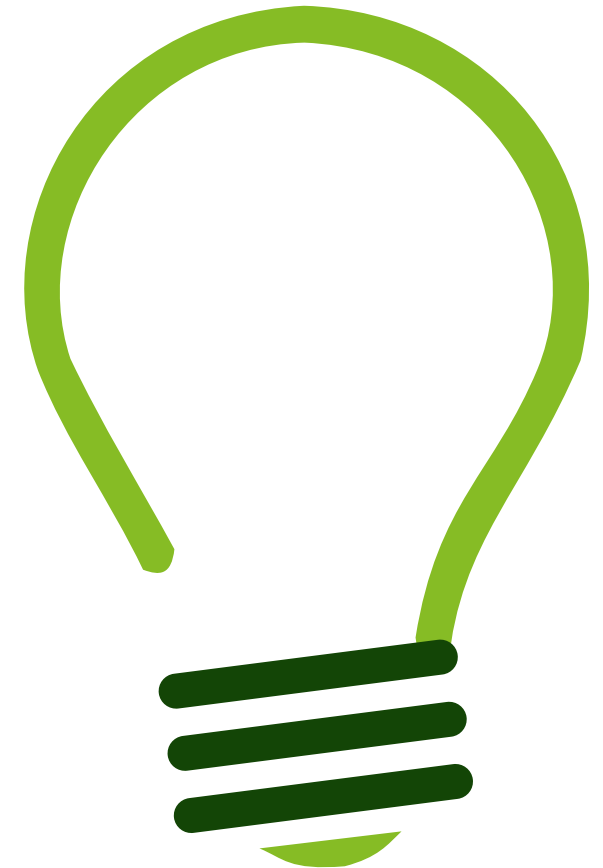
# To unlock ISO 20022 benefits, banks and corporates must prioritize achieving ISO readiness now



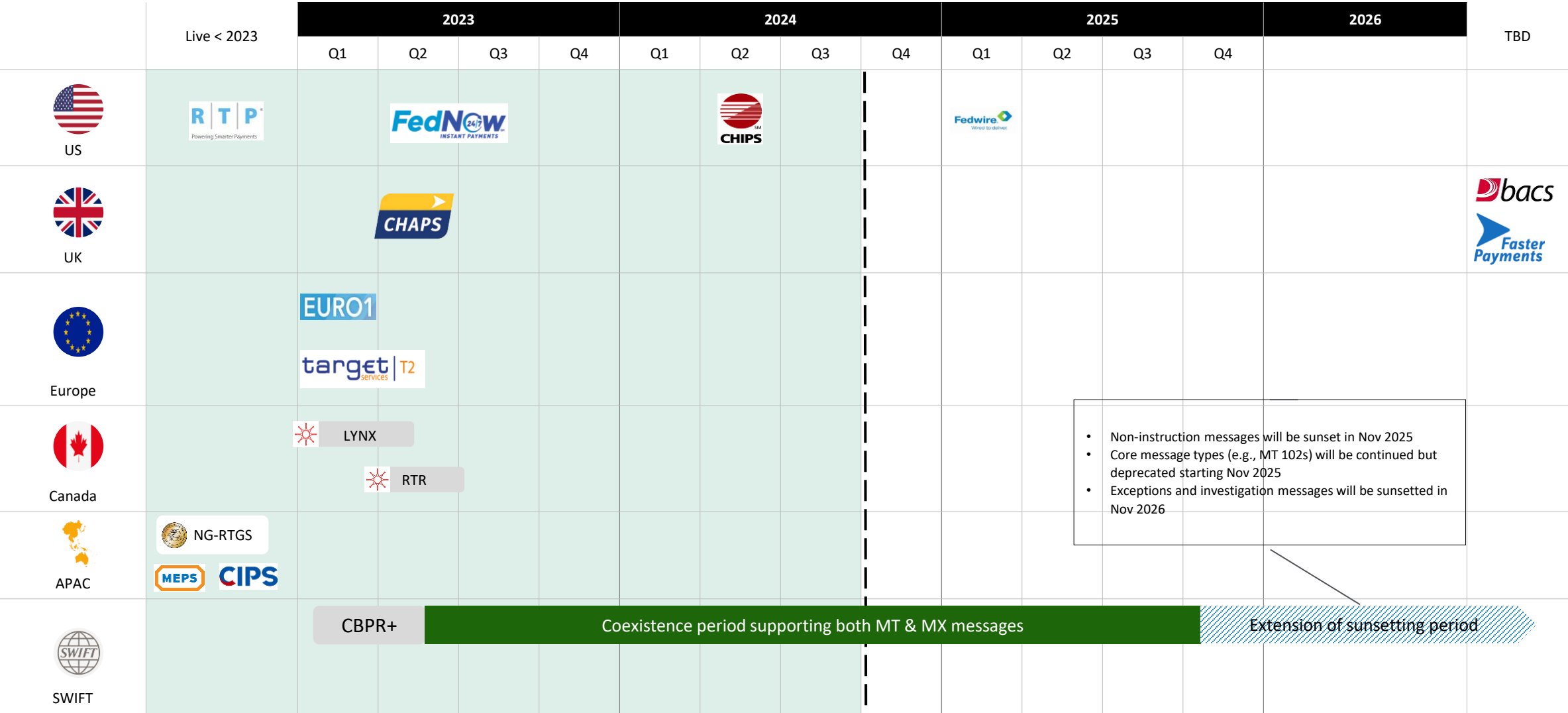
## Polling question #1

**Which of the below benefits of ISO 20022 will be valuable to your organization? (Select all that apply)**

- A. Improved straight-through processing
- B. Higher reconciliation accuracy
- C. Better fraud detection capabilities
- D. Improved data analytics
- E. Expansion of capabilities to underserved regions
- F. Don't know/not applicable



As critical financial market infrastructure is moving toward ISO adoption, global banks and corporates should align their migration strategies accordingly

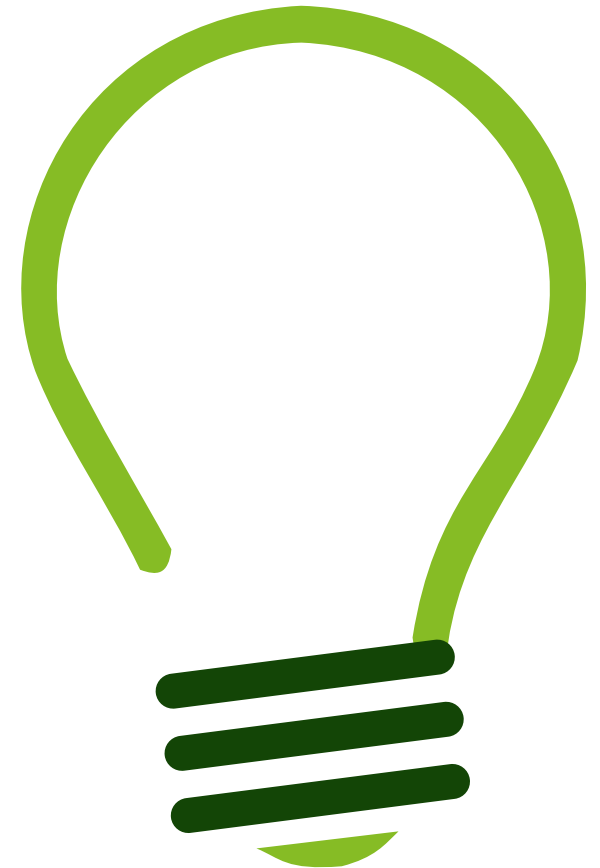


- Non-instruction messages will be sunset in Nov 2025
- Core message types (e.g., MT 102s) will be continued but deprecated starting Nov 2025
- Exceptions and investigation messages will be sunsetted in Nov 2026

## Polling question #2

**For 2025, which of the below mandates impact your organization?**

- A. Fedwire March 2025
- B. SWIFT CBPR+ November 2025
- C. Both A and B
- D. None of the above
- E. Don't know/not applicable



# Banks and corporates need to think beyond readiness to stay ahead of the curve



## Horizon 1 | The table stakes harmonization phase (2018 to ~2026)

- Various FMIs (Lynx, Fedwire, CHIPS) have recently transitioned or are in the process of transitioning to ISO 20022
- Banks are investing in minimum compliance to eventually enable native ISO processing



## Horizon 2 | Additional mandates shaped by global influencers (2023+)

- Some FMIs (e.g., UK CHAPS) are expanding mandates on ISO fields (e.g., purpose of payment, LEI Identifier), requiring banks to request additional data from businesses
- Direct clearers within these markets (e.g., RITS Australia, Target 2) must enhance channels and collaborate with corporates to capture this information, affecting banks' target state for ISO 20022



## Horizon 3 | ISO commercialization (2025+)

- Primarily this would affect corporates and would be business value driven
- A plausible ramp-up time frame is 2025 after the MT format sunsets, with some G-SIBs beginning to develop industry-specific use cases

## Polling question #3

**Which functions within your organization will be affected by adoption of ISO 20022?  
(Select all that apply)**

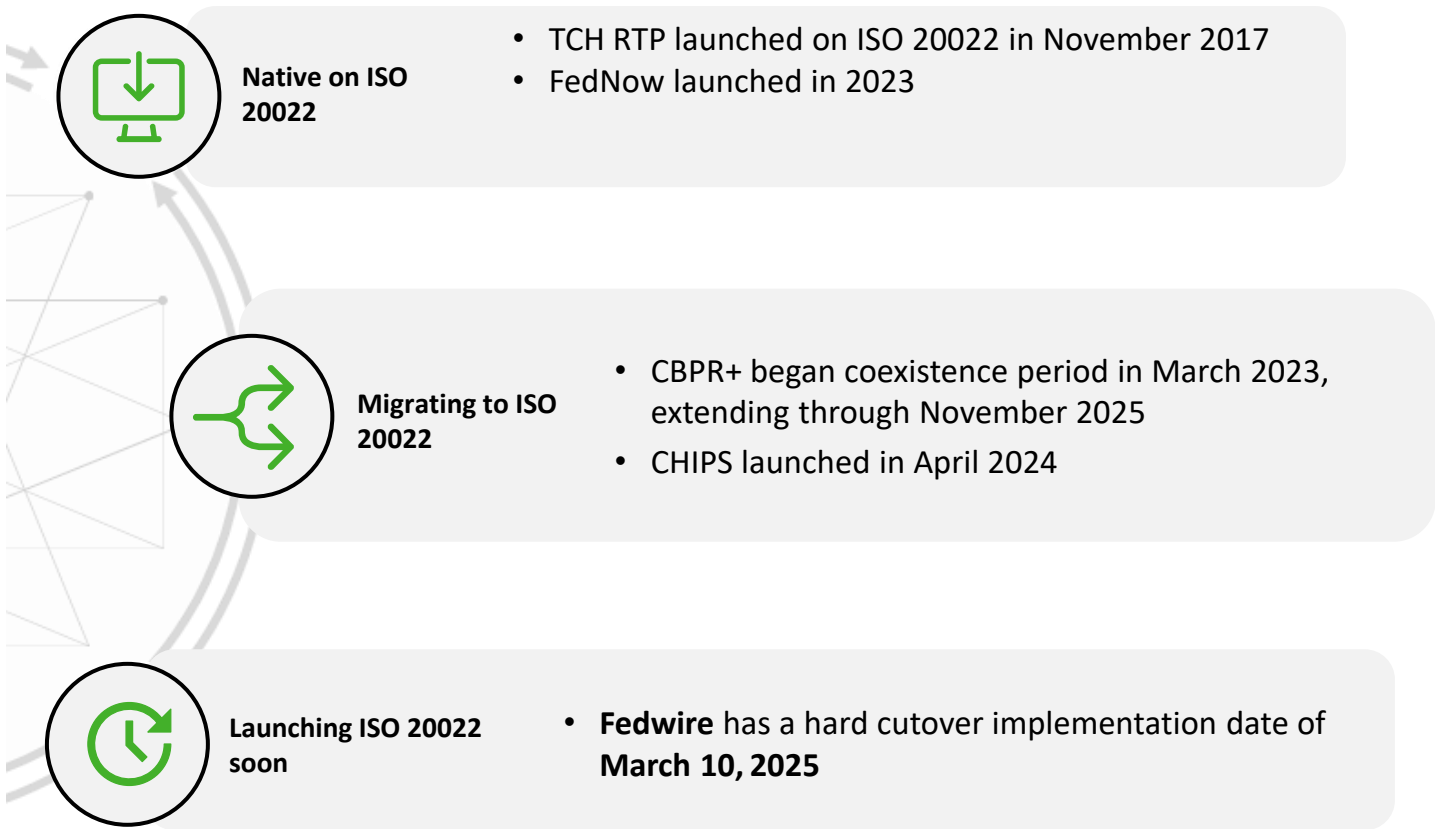
- A. Treasury
- B. Accounts Payable
- C. Collections
- D. Accounting
- E. IT
- F. Don't know/not applicable





## 2. ISO 20022 readiness progress

# Adoption in the United States is gaining momentum, raising the opportunity cost of not fully leveraging enriched ISO 20022 data



82M

Payments the TCH RTP processed in Q2 2024<sup>1</sup>

More than 1M CBPR+

Messages SWIFT processes per day<sup>2</sup>

555,345 payments valued at \$1.81T

CHIPS processed on the first day launching ISO 20022<sup>3</sup>

830,344 payments valued at \$4.41T

Average Fedwire payments processed in July 2024<sup>4</sup>

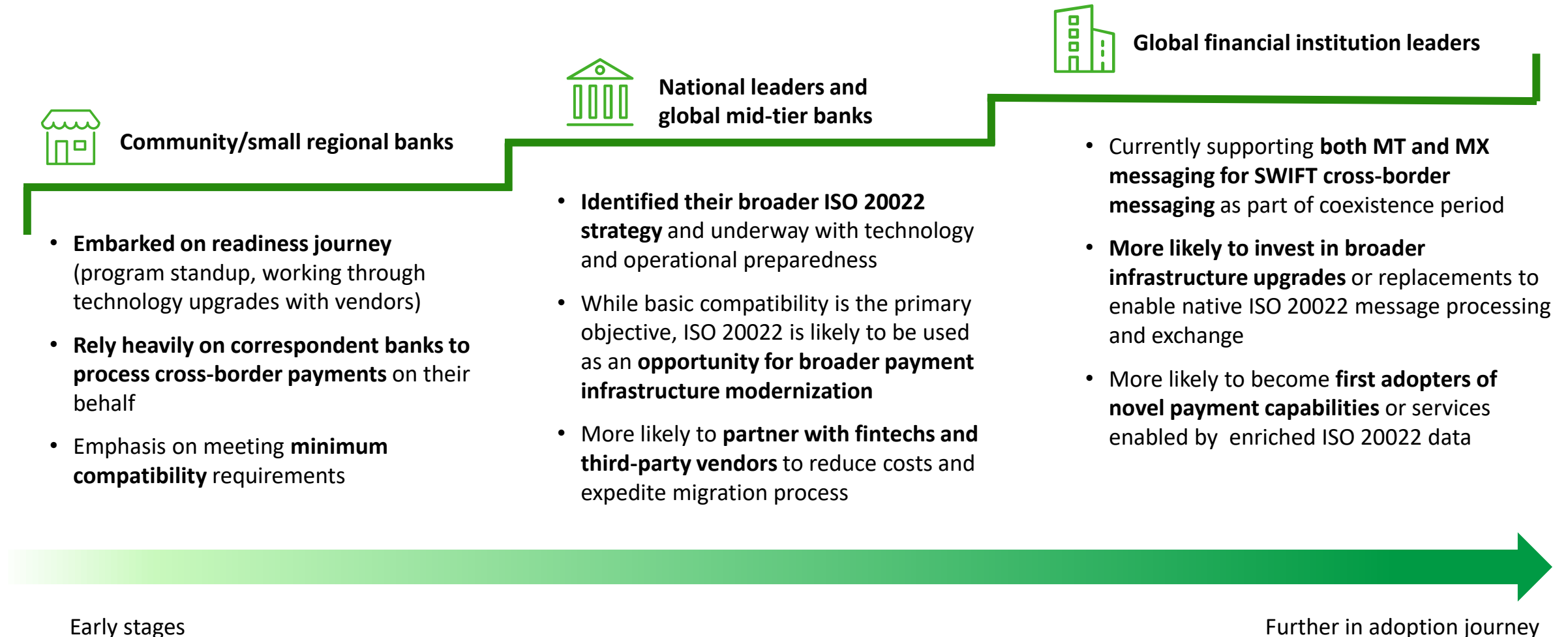
<sup>1</sup> The Clearing House, "[RTP® network has billion dollar day](#)," press release, July 10, 2024.

<sup>2</sup> Swift, "[ISO 20022 in bytes for payments: Focus on instruction messages for November 2025](#)," June 6, 2024.

<sup>3</sup> The Clearing House, "[CHIPS® network successfully migrates to ISO 20022 message format](#)," April 10, 2024.

<sup>4</sup> Federal Reserve, "[Fedwire® Funds Service – Monthly statistics](#)," as of July 2024.

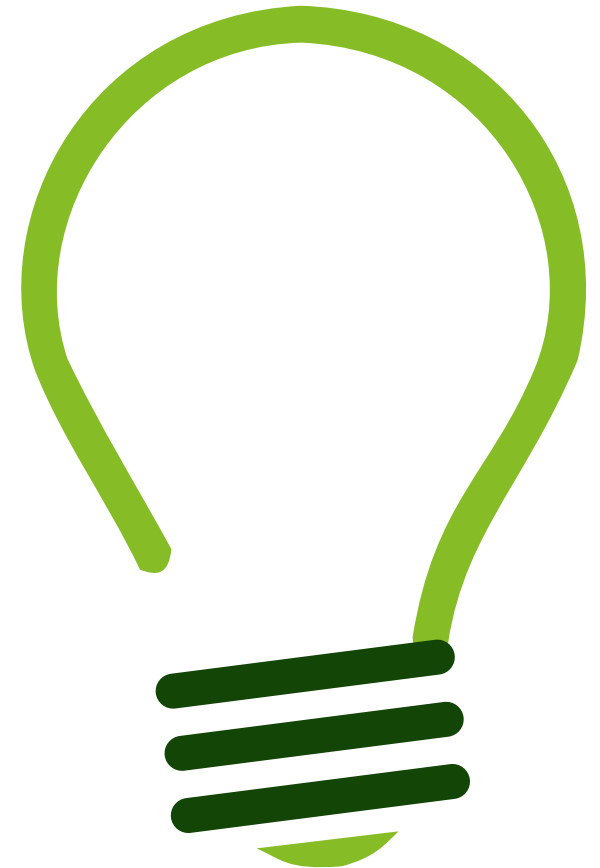
# US banks' progress in preparing for the new standard varies by bank size



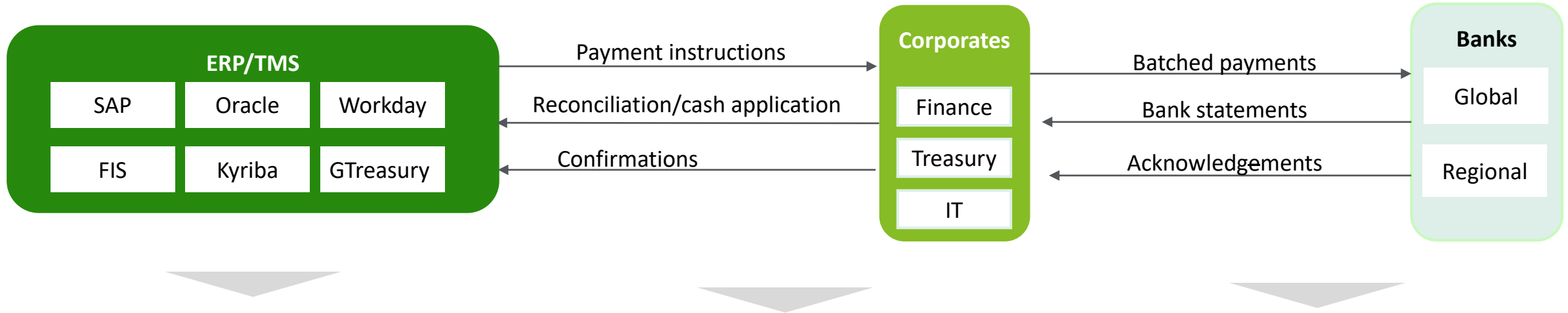
## Polling question #4

**At what stage is your organization in the adoption of ISO 20022?**

- A. Impact assessment started/completed
- B. Migration started/in progress
- C. Migration completed
- D. Yet to start assessment and planning
- E. Don't know/not applicable



Global corporates are also preparing to update their infrastructure, albeit at a slower pace than banks



- Leading **ERPs (SAP, Oracle, Workday)** and **TMS vendors (Kyriba, Quantum, GTreasury)** are ISO-ready, equipped to send and receive in ISO formats.
- Some vendors have published **release notes and marketing materials** to communicate their ISO-readiness to corporates, recommending early transition.

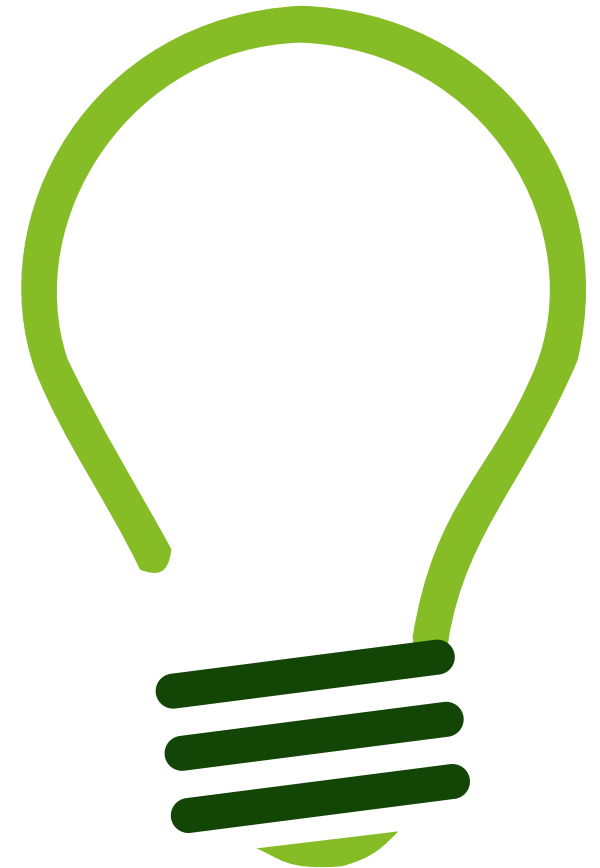
- Approximately **15% of global corporates are actively planning for ISO 20022 migration**, with changes to tech infrastructure expected over the next few years.
- **Regional and national corporates are still in the early stages** without clear migration plans, lagging behind banks and system vendors in the ISO journey.

- **Global banks are largely ready** with ISO 20022 capabilities and actively transacting in ISO 20022 for CHIPS, CBPR+, RTP, FedNow, etc.
- Some regional banks will achieve **ISO 20022 compliance within the next six months**, while others are already transacting via CHIPS and CBPR+. All **banks will support their customers** and offer translation services to ensure continued wire processing.

## Polling question #5

**Which of your vendors are ready to process ISO formats for payments, acknowledgments, and bank statements?**




- A. ERP vendor
- B. TMS vendor
- C. Both ERP and TMS vendor
- D. Unsure about ERP/TMS vendor readiness
- E. Don't know/not applicable





### 3. Considerations for ISO 20022 preparations

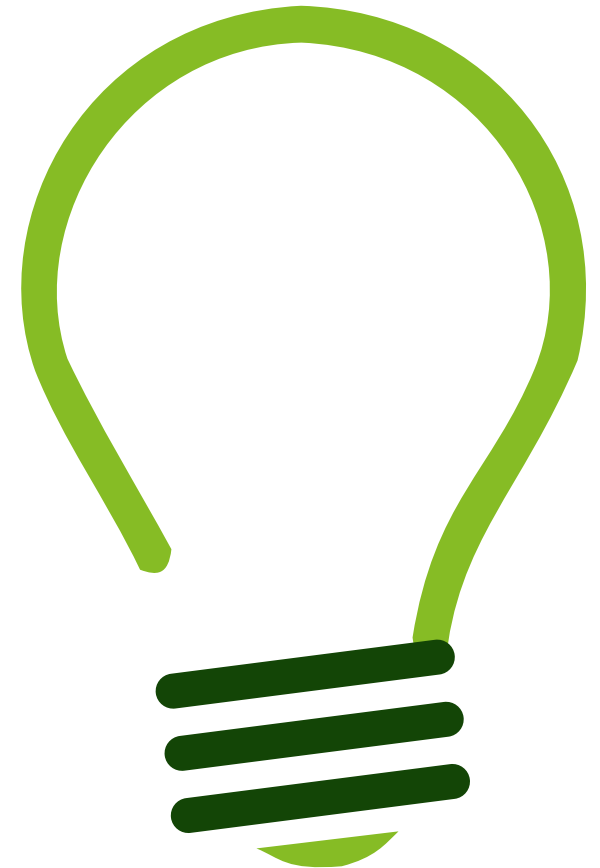
# Considerations for ISO 20022 readiness preparations

ISO migration considerations			
<div><b>Managing complexity</b></div> <div><ul style="list-style-type: none"><li>• Number of banks corporates will need to engage with</li><li>• Volume of payments currently utilizing legacy formats and number of payment scenarios</li><li>• Number of systems (ERP, TMS, Payment Hub) where updates are required</li><li>• Different connectivity options and bank platforms that existing accounts may be on</li><li>• For global businesses, different deployment plans may be required for different countries</li></ul></div> <div></div>	<div><b>Planning ahead</b></div> <div><ul style="list-style-type: none"><li>• Know ISO timeline for each bank, since it can vary based on region and size</li><li>• Gather ISO-specific requirements from internal stakeholders and businesses early</li><li>• Engage ERP/TMS vendors for defect resolution</li><li>• Understand blackout, freeze, and maintenance windows at banks and internally for systems</li></ul></div> <div></div>	<div><b>Additional steps for file-based message exchanges</b></div> <div><ul style="list-style-type: none"><li>• Update the connectivity profiles with each bank and system environment</li><li>• Conduct configuration updates in ERP, TMS, or Payment Hub for payment processing and statements reporting</li><li>• Test format of payment instructions with your bank and ensure there are no failures while ingesting bank statements and acknowledgements</li></ul></div> <div></div>	<div><b>Key questions</b></div> <div><ul style="list-style-type: none"><li>• <b>Vendor readiness:</b> How ISO 20022 ready is your ERP/TMS vendor? Do they support processing of ISO supported payments, bank statements, and acknowledgements formats?</li><li>• <b>Communications:</b> Have you received release notes, marketing materials, or other communications from your ERP/TMS vendor?</li><li>• <b>Timeline:</b> What migration timeline has your ERP/TMS vendor recommended?</li><li>• <b>Internal readiness:</b> At what stage is your organization in the adoption of ISO 20022 (impact assessment, migration started/completed, etc.)?</li><li>• <b>Organizational impact:</b> Have you identified the functions ISO adoption will affect or benefit? Typically, they are Treasury, AP, Collections, Accounting, and IT.</li><li>• <b>Drivers for adoption:</b> Are there any specific pain points that are driving the adoption (manual/low accuracy reconciliation, lower straight-through processing rates, regional rollouts such as APAC)?</li><li>• <b>New payment rails:</b> Are you exploring venturing into new payment rails such as FedNow, RTP, etc.? These payment rails are based on ISO 20022.</li></ul></div>

## Polling question #6

**What is the guidance from your ERP/TMS vendors for ISO 20022 migration?**

- A. Ensure complete readiness by end of 2025
- B. Migrate for your top banking partners by end of 2025 and gradually roll out other banks thereafter
- C. No guidance received from ERP/TMS vendors
- D. Don't know/not applicable





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