

LEARNING GUIDE: WHAT YOU NEED TO KNOW ABOUT ISO 20022

SEPTEMBER 2020

As a leading provider of USD-Clearing services, as well as EUR and GBP payments, BNY seeks to help our clients navigate the transition of cross-border payments to ISO 20022. Our series of 12 monthly courses covers a broad range of topics, from basic information about ISO 20022 to the latest news on the progress made by the major RTGS systems (e.g. T2, the Fed, TCH or CHAPS) and SWIFT.

Module 1: Demystifying ISO 20022

After an introduction on ISO 20022 maintenance and description of the ISO 20022 catalogue of messages available on <https://www.iso20022.org/>, the session focused on the upcoming SWIFT ISO 20022 migration, starting in November 2022 with a 3 years co-existence of SWIFT FIN MT messages and ISO 20022 messages. Sunset for FIN MT messages (Category 1, 2 and 9) will take place in November 2025.

The impacted messages are:

FIN MT	ISO 20022	ISO 20022 Message Name
MT 103/MT103 STP/MT 103 Remit	pacs.008.001.xx	FI to FI Customer Credit Transfer
MT 202 / 202 COV / MT 200/ MT 205/ MT 205 COV	pacs.009.001.xx	Financial Institution Credit Transfer
MT New 103 (Return) MT New 202 (Return)	pacs.004.001.xx	Payment Return
MT 103 REJECT / MT 202 REJECT	pacs.002.001.xx	FI to FI Payment Status Report (Negative)
No Equivalent	pacs.002.001.xx	FI to FI Payment Status Report (Positive)
MT 210	camt.057.001.xx	Notification to Receive
MT 900 / 910	camt.054.001.xx	Bank to Customer Debit Credit Notification
MT 920	camt.060.001.xx	Account Reporting Request
MT 941 / 942	camt.052.001.xx	Bank to Customer Account Report
MT 940 / 950	camt.053.001.xx	Bank to Customer Statement

FIN MT	ISO 20022	ISO 20022 Message Name
MT 192 / MT 292	camt.056.001.xx	FI to FI Payment Cancellation Request
	camt.026.001.x	Unable to Apply
MT 195/ MT 295	camt.027.001.xx	Claim Non Receipt
MT 196/MT 296	camt.087.001.xx	Request to Modify
	camt.029.001.xx	Resolution of Investigation
MT 101	pain.001.001.xx	Customer Credit Transfer Initiation (Relay Scenario only for CBPR+)
No Equivalent	head.001.001.xx	Business Application Header

New messages for cheque processing and claim & settlement of fees are currently under development and will be available by November 2025.

ISO 2022 – Getting used to new terminology

The implementation of ISO 2022 standards will come together with a number of new terms that users will need to get familiar with:

Global ISO 2022 messages	Global standards for exchanging electronic messages exchanged between financial institutions as published on the ISO website: https://www.iso2022.org/ . These are maintained internationally under the ISO governance.
Usage/Implementation Guidelines	Set of restrictions and rules applied to the global ISO 2022 messages which can be validated such as the removal of optional elements and multiplicity changes. Example of Usage Guideline: CBPR+ pacs.008.001.08
Like for Like Usage/Implementation Guidelines	Set of restrictions applied to the Global ISO 2022 Standard to align fully with FIN MT. This allows smooth translation MX >> MT with no data truncation.
Enriched Usage/Implementation Guidelines	Set of restrictions applied to the Global ISO 2022 Standard that go beyond the FIN MT. Examples include the CBPR+ and HVPS+ Usage Guidelines

ISO 2022 – Additional Actors

ISO 2022 offers the financial community a set of standards that allow amongst other benefits, more structured data (e.g. structured address), enriched data (e.g. Extended Remittance Information), extended character sets and most importantly, additional actors as shown in the below MT 103/pacs.008.001.xx example:

MT103	Pacs.008
Field :50: Ordering Customer	Debtor
Field :52a: Ordering Institution	Debtor Agent
Field :53a: Sender's Correspondent	Instructing Reimbursement Agent
Field :54a: Receiver's Correspondent	Instructing Reimbursement Agent
Field :55a: Third Reimbursement Institution	Third Reimbursement Agent
Field :56a: Intermediary Institution	Intermediary Agent 1
Field :57a: Account With Institution	Creditor Agent
Field :59a: Beneficiary Customer	Creditor
Field :72: /INS/ (Repetitive)	Previous Instructing Agent 1 Previous Instructing Agent 2 Previous Instructing Agent 3

Additional Actors available in the pacs.008.001.XX	
Ultimate Debtor	Ultimate party that owes an amount of money to the (ultimate) creditor.
Ultimate Creditor	Ultimate party to which an amount of money is due.
Intermediary Agent 2	Whenever more than two intermediary agents are present, then Intermediary Agent 2 identifies the agent between the Intermediary Agent 1 and the Intermediary Agent 3.
Intermediary Agent 3	Whenever IntermediaryAgent3 is present, then it is the agent between the Intermediary Agent 2 and the Creditor Agent.
Instructing Agent	Agent that instructs the next party in the chain to carry out the instruction.
Instructed Agent	Agent that is instructed by the previous party in the chain to carry out the instruction.

ISO 20022 – Enriched Payment Identifications

The addition of Identification elements, compared to the FIN MT, is particularly important for reconciliation and tracking purposes:

Identification	Point to Point End to End	Definition	Occurrence
Instruction Identification (Max 35 Characters)	Point to Point	Unique identification, as assigned by an instructing party for an instructed party, to unambiguously identify the instruction.	Optional
Transaction Identification (Max 35 Characters)	End to End	Unique identification, as assigned by the first instructing agent, to unambiguously identify the transaction that is passed on, unchanged, throughout the entire interbank chain.	Conditional
UETR (Exact 36 Characters)	End to End	Universally unique identifier to provide an end-to-end reference of a payment transaction.	Transaction Identification or UETR must be present. Both may be present
End to End Identification (Max 35 Characters)	End to End	Unique identification, as assigned by the initiating party, to unambiguously identify the transaction. This identification is passed on, unchanged, throughout the entire end-to-end chain.	Mandatory
Clearing System Identification (Max 35 Characters)	From Market Infrastructure to its Direct Participant	Unique reference, as assigned by a clearing system, to unambiguously identify the instruction.	Optional

Point to Point: Each Agent in the payment chain can replace the existing reference with its own reference, e.g. Instruction ID.

End to End: Once allocated in the Payment Transaction, the Identification must be transported unchanged throughout the whole payment chain, e.g. UETR

Save the date – Module 2 of ISO 20022 – What you need to know series

The next course is scheduled to take place on **Monday 26 October 2020**, 08:00 ET/14:00 CET. During this session, a status update will be given on the various RTGS ISO 20022 migration initiatives and message flows/orchestration for correspondent banks will be presented.

For more information on ISO 20022, please contact your BNY Relationship Manager.

BNY, BNY Mellon and Bank of New York Mellon are corporate brands of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the corporation as a whole or its various subsidiaries generally and may include The Bank of New York Mellon, a banking corporation organized and existing pursuant to the laws of the State of New York.

This material and any products and services may be issued or provided under various brand names in various countries by duly authorised and regulated subsidiaries, affiliates, and joint ventures of BNY, which may include any of the following: The Bank of New York Mellon, operating in the United States at 240 Greenwich Street, New York, NY 10286 and operating in England through its branch at 160 Queen Victoria Street, London EC4V 4LA, England, registered in England and Wales with numbers FC005522 and BR025038. The Bank of New York Mellon is supervised and regulated by the New York State Department of Financial Services and the US Federal Reserve and authorised by the Prudential Regulation Authority. The Bank of New York Mellon, London Branch is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. The Bank of New York Mellon SA/NV, a Belgian public limited liability company, with company number 0806.743.159, whose registered office is at Boulevard Anspachlaan 1, 1000 Brussels, , Belgium, authorised and regulated as a significant credit institution by the European Central Bank (ECB), under the prudential supervision of the National Bank of Belgium (NBB) and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules, and a subsidiary of The Bank of New York Mellon. The Bank of New York Mellon SA/NV operating in Ireland through its branch at Riverside II, Sir John Rogerson's Quay, Dublin 2, Ireland trading as The Bank of New York Mellon SA/NV, Dublin Branch, is authorised by the National Bank of Belgium and regulated by the Central Bank of Ireland for conduct of business rules. It is registered with the Companies Registration Office in Ireland No. 907126 & with VAT No. IE 9578054E. BNY has various subsidiaries, affiliates, branches and representative offices in the Asia Pacific Region which are subject to regulation by the relevant local regulator in that jurisdiction. The Bank of New York Mellon, Singapore Branch, subject to regulation by the Monetary Authority of Singapore. The Bank of New York Mellon, Hong Kong Branch, subject to regulation by the Hong Kong Monetary Authority and the Securities & Futures Commission of Hong Kong. If this material is distributed in Japan, it is distributed by The Bank of New York Mellon Securities Company Japan Ltd, as intermediary for The Bank of New York Mellon. If this material is distributed in, or from, the Dubai International Financial Centre ("DIFC"), it is communicated by The Bank of New York Mellon, DIFC Branch, regulated by the DFSA and located at DIFC, The Exchange Building 5 North, Level 6, Room 601, P.O. Box 506723, Dubai, UAE, on behalf of The Bank of New York Mellon, which is a wholly-owned subsidiary of The Bank of New York Mellon Corporation. The Bank of New York Mellon is regulated by the Australian Prudential Regulation Authority and also holds an Australian Financial Services Licence No. 527917 issued by the Australian Securities and Investments Commission to provide financial services to wholesale clients in Australia.

BNY has various subsidiaries, affiliates, branches and representative offices in the Latin America Region which are subject to specific regulation by the relevant local regulator in each jurisdiction. This material does not constitute an offer to sell or the solicitation of an offer to buy any products or services in the People's Republic of China (PRC) to any person to whom it is unlawful to make the offer or solicitation in the PRC. BNY Mellon does not represent that this material may be lawfully distributed, or that any products may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the issuer which would permit a public offering of any products or distribution of this material in the PRC. Accordingly, the products are not being offered or sold within the PRC by means of this material or any other document. Neither this material nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. Products may be offered or sold to PRC investors outside the territory of the PRC provided that such PRC investors are authorized to buy and sell the products in the offshore market. Potential PRC investors are responsible for obtaining all relevant approvals from the PRC government authorities, including but not limited to the State Administration of Foreign Exchange, and compliance with all applicable laws and regulations, including but not limited to those of the PRC, before purchasing the products.

The information contained in this material is for use by wholesale clients only and is not to be relied upon by retail clients. Not all products and services are offered at all locations. This material, which may be considered advertising, is for general information and reference purposes only and is not intended to provide legal, tax, accounting, investment, financial or other professional advice on any matter, and is not to be used as such. BNY does not warrant or guarantee the accuracy or completeness of, nor undertake to update or amend the information or data contained herein. BNY expressly disclaims any liability for any loss arising from or in reliance upon any of this information or data.

Trademarks and logos belong to their respective owners.

© 2024 The Bank of New York Mellon Corporation. All rights reserved. Member FDIC.