



# ISO 20022 harmonisation and standardisation AECSD conference

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SWIFT

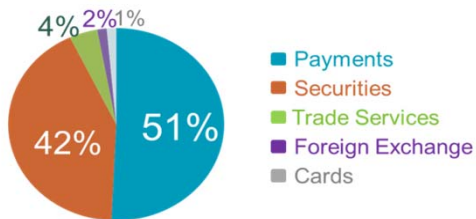
Tbilisi, September 2016

# ISO 20022 adoption and trends



# Market Infrastructures – Global ISO 20022 adoption

## Payments and securities initiatives



# 200 initiatives

Under discussion > planned > rollout > live

# 90 countries



# 1

SWIFT is not mandating migration



# 2

SWIFT will continue to support FIN



# Market Infrastructures – Global ISO 2022 adoption

ISO 2022  
adoption mApp

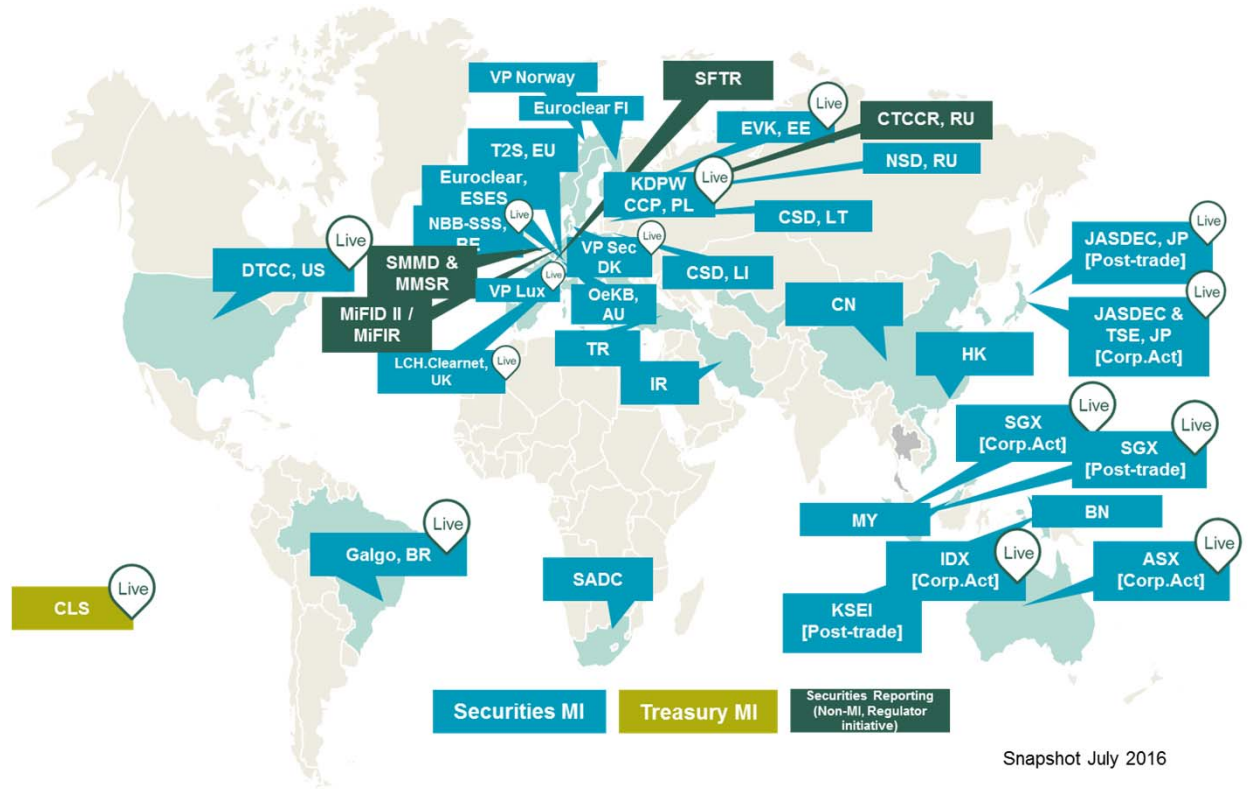


Europe

Asia Pacific

Americas

Middle East & Africa



Snapshot July 2016



# Adoption drivers for Securities Market Infrastructures (SMIs)

- **Renewal** of aging legacy systems and standards
- **Spill-over** of initiatives across systems part of the domestic ecosystem (eg. RTGS) or regionally/in neighbouring countries (such as T2S in Europe)
- **Oversight pressure** (regulators, governments, lobbyist...)
  - to change transaction processing methods within a bigger political or regional initiative (reg risk management)
  - To increase global interoperability in support of a country's ambition to expand internationally or open up to foreign participation domestically
- As part of the **long term roadmap** of the MI to be state-of-the-art at all time
- **For participants :**
  - **when CSD imposes the change**
  - **when connected to various MIs to look at efficiency gains and cost reduction** with the use of common standards and harmonised market practices around standards, but also around channels and implementation choices



Why?

What ? How ?

## Adopt

STRATEGY

DESIGN

IMPACT ASSESSMENT

PROJECT MANAGEMENT

RULEBOOK

IMPLEMENTATION GUIDELINES/  
STANDARDS MANAGEMENT

## Implement

INTERNAL PREPARATION

TESTING

BUSINESS IMPLEMENTATION

TECHNICAL IMPLEMENTATION

STANDARDS IMPLEMENTATION

**ISO 2022 Starter Set**

## Use

GO LIVE

OPERATE

**PHASE 1: GO LIVE SUPPORT**

**PHASE 2: MONITOR LIVE  
OPERATIONS**

MAINTENANCE

**PHASE 3: PREPARE FUTURE  
EVOLUTION**

### YOUR COMMUNITY OFFERING

COMMUNITY AWARENESS, COMMUNITY  
ENGAGEMENT

COMMUNITY ONBOARDING

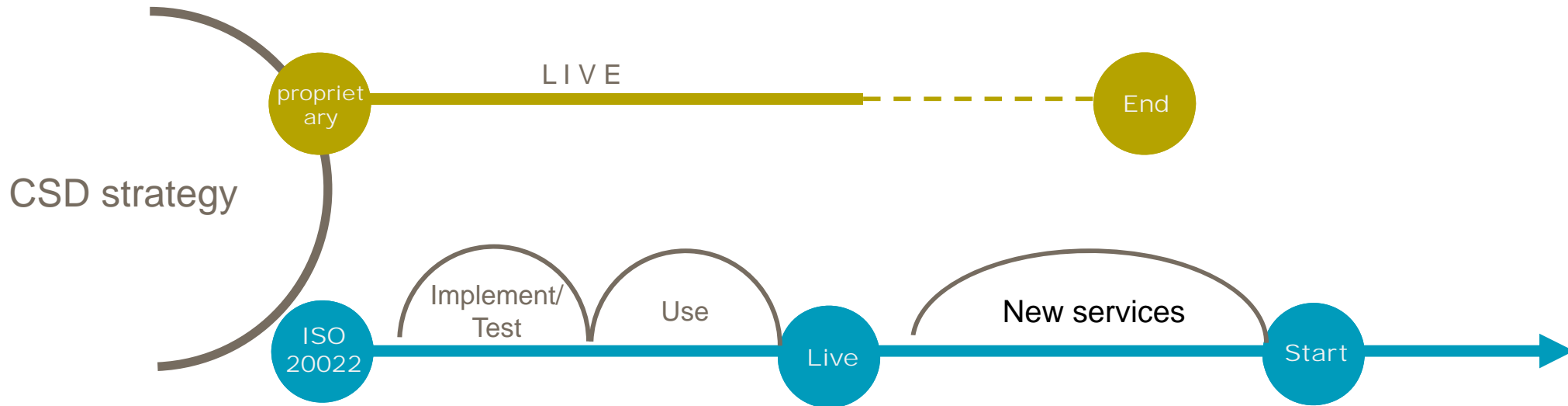
COMMUNITY SUPPORT

ISO 2022  
landscape –  
Triggers for  
adoption



# CSDs adoption strategies

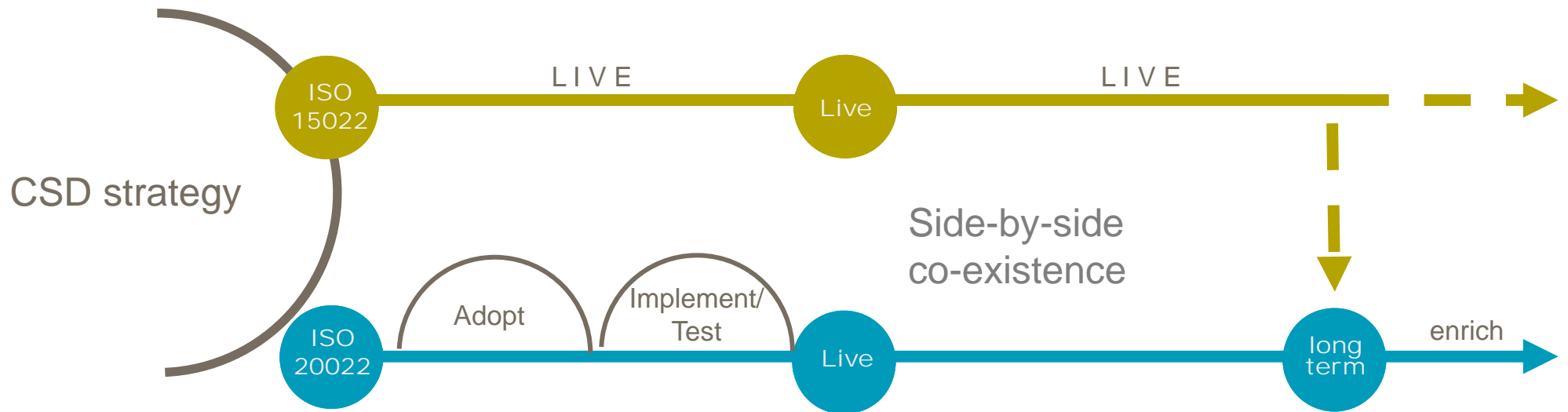
Scenario 1 : CSDs enable ISO 20022 with plans to eliminate proprietary standards



- *Introducing ISO 20022 is typically a first step towards*
- *Elimination of proprietary standards*
  - *Potential launch of new or updates services or functionalities*
- ◀

# CSDs adoption strategies

## Scenario 2 : CSDs enable ISO 20022 side-by-side with ISO 15022



➤ *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. ⬅





# Harmonisation of ISO 20022



# Towards a harmonised use of ISO 20022

**17** endorsing MIs

## 2013 – Sibos/SF Dubai

Bankers asked for a call of action – SWIFT needs to do something !



## Oct 2015 – Third MI Summit Sibos Singapore

Charter approved  
Endorsing Ceremony  
Plans for operationalisation

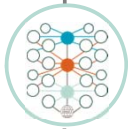


## May 2016 - Fourth MI Summit New York City

Presentation about progresses made on the operationalisation of the Charter  
Status on endorsements

## 2014 – First MI Summit Sibos Boston

Agree there is a problem to be resolved + SWIFT received mandate to come up with a proposal for industry



## April 2015 – Second MI Summit La Hulpe

Harmonisation Charter proposed + MyStandards as the platform to use for harmonisation + Agreed on work needing to be done on Market Practices, etc.

## Sept 2016 – Sibos Geneva



ISO 20022 version and release management proposal

**More  
Endorsing MIs**

**23** MIs



## Towards a harmonised use of ISO 20022

**MIs** have a role to play to ensure a coordinated roll-out of ISO 20022 for the industry

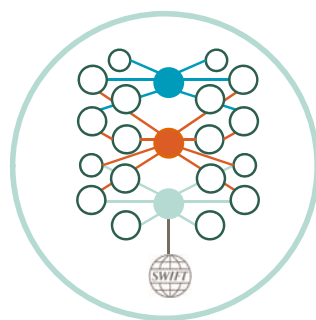


### ISO 20022 Harmonisation Charter



## The ISO 20022 Harmonisation Framework - Stakeholders *involved*

- APCA
- ASX
- Banca d'Italia
- Bank of Canada
- Bank of England
- Canadian Payments Association
- Clearstream
- CLS
- Colombia ACH



- Deutsche Bundesbank
- DTCC
- EBA
- ECB
- Euroclear
- Hong Kong Interbank Clearing
- JASDEC

- National Bank of Belgium
- NSD Russia
- Reserve Bank of South Africa
- SADC
- SGX
- The Clearing House
- US Federal Reserve
- VP Securities



## ISO 20022 market practice for securities and payments

### Available

### Ongoing

### Future

- **Investment Funds**

- Defined by the Securities Market Practice Group (SMPG)

- Published on [www.smpg.info](http://www.smpg.info) and MyStandards

- **Settlement and related services used by TARGET2 Securities (T2S)**

- Published on MyStandards

- **Settlement and reconciliation**

- Creation of 'generic' settlement templates (for use outside T2S markets)

- **Collateral management**

- **Corporate actions and proxy voting** to be started in parallel

- **Cash management**

- **Post-trade**

- **High Value Payments**

- Sponsored by the Payments Market Practice Group (PMPG)

- 'Like-for-Like' approach
- Published on MyStandards

- **Real Time Payments**

- Ongoing work by ISO 20022 Real Time Payments Group (RTPG) – 70 stakeholders from 17 countries

- Covers payments initiation, settlement and remittance data

- **High Value Payments 'Plus'** – Beyond like-for-like

- **Low Value Payments** –

- Being considered under Real-Time Payments

# The ISO 2022 Harmonisation Framework – Endorsing MIs



- ✓ Market Practice
- ✓ Release management
- ✓ MyStandards

ENDORISING MIs		
Payments markets	Securities markets	FX markets
<ul style="list-style-type: none"> <li>• Bank of Canada</li> <li>• Canadian Payments Association</li> <li>• Hong Kong Interbank Clearing</li> <li>• National Bank of Ukraine</li> <li>• SADC *</li> <li>• ACH Colombia</li> </ul>	<ul style="list-style-type: none"> <li>• ASX</li> <li>• Clearstream</li> <li>• Euroclear</li> <li>• LCH</li> <li>• NSD</li> <li>• Ukrainian National Securities and Stock Market Commission</li> <li>• VP Lux</li> <li>• VP Securities Denmark</li> <li>• VPS Norway</li> <li>• SGX</li> </ul>	<ul style="list-style-type: none"> <li>• CLS</li> </ul>

\* SADC Banking Association (representing the following countries: Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, Zimbabwe)



# Why is should your MI organisation endorse the charter



## ISO 20022 Harmonisation Framework - Benefits



For  
Financial Institutions

### Reduce

Implementation cost and on-boarding time

Operational risk

Recurring effort by re-using processes, tools, project and maintenance activities



- ✓ Information sharing and publication
- ✓ Market practice
- ✓ Version and release management



<https://www.swift.com/node/23736>

**Work** in a more predicate, disciplined and manageable ISO 20022 environment

**Get** a holistic view with access to all relevant ISO 20022 information through MyStandards





## ISO 20022 Harmonisation Framework - Benefits



### For Market Infrastructures

- ✓ Information sharing and publication
- ✓ Market practice
- ✓ Version and release management



<https://www.swift.com/node/23736>

- Alignment with international best practice – ease implementation

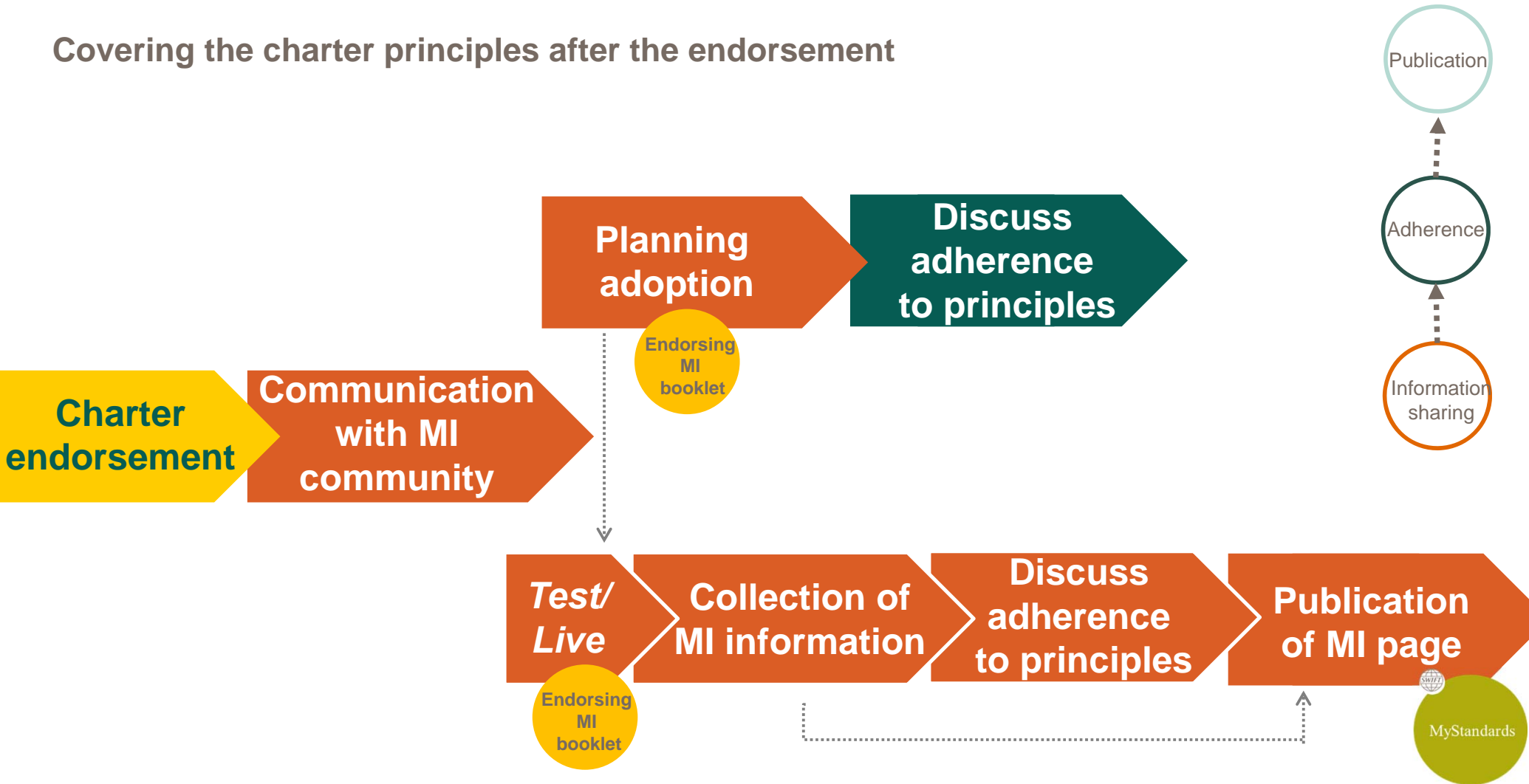
- Become part of a group of **best practice adopters and be recognised** as such by peers and customers



- Sharing information and understanding
  - Drivers**
  - Challenges**
  - Plans**
  - Opportunities**



# Covering the charter principles after the endorsement



# ISO 2022 Starter Set for CSDs

A solution to ensure a smooth implementation of ISO 2022 while adhering to ISO 2022 implementation best practices





Thank you!

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