



# MT-MX Coexistence

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# Agenda

- Convergence and ISO 20022 adoption
- Coexistence framework and approach
- New products and tools
- Questions and answers

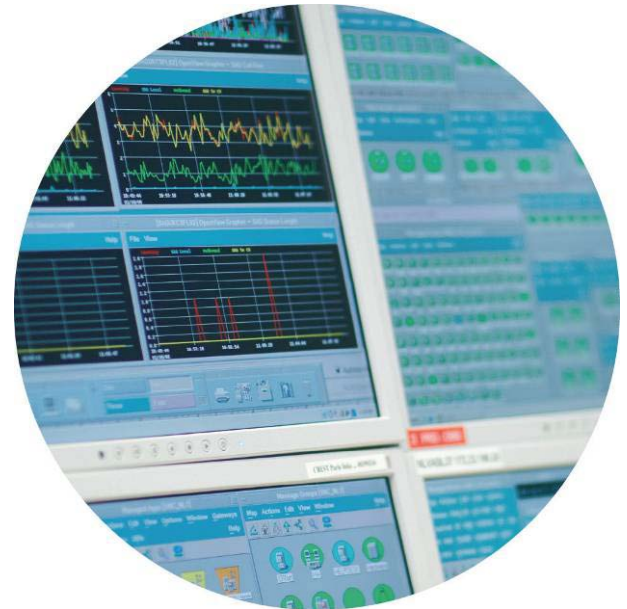


# Convergence and ISO 20022 adoption



# What is driving the move to ISO 20022?

- Initiatives and infrastructures
  - Global harmonisation
  - Market infrastructures
  - Giovannini and SEPA in Europe
  - Automation in the 'funds' market
- New players
  - Corporates, fund managers
- Proven technologies
  - XML, SOA, web services



# FIN message categories

- **Category 1** – Customer Payments & Cheques (18 messages)
- **Category 2** – Financial Institution Transfers (17 messages)
- **Category 3** – Treasury Markets – Foreign Exchange, Money Markets & Derivatives (27 messages)
- **Category 4** – Collections & Cash Letters (18 messages)
- **Category 5** – Securities (67 messages)
- **Category 6** – Treasury Markets – Metals & Syndications (20 messages)
- **Category 7** – Documentary Credits & Guarantees (29 messages)
- **Category 8** – Travellers Cheques (18 messages)
- **Category 9** – Cash Management & Customer Status (29 messages)
- **Category 0** – System Messages (44 messages)



# ISO 20022 messages

## Payments, Cash and Trade

- Payments and Cash
  - Payments Initiation (4)
  - Payments Clearing and Settlement (6)
  - Payments Exceptions & Investigations (17)
  - B-to-C Cash Management (3)
  - Payment Mandates (4)
- Trade
  - Trade Services Utility (50)
  - Invoice Financing Request (3)

*87 messages*

## Securities, FX and Derivatives

- Investment Funds
  - Securities Trade (30) and Settlement (16)
  - Reference Data (3) and Acct Mgmt (5)
  - Securities Management (7)
  - Cash Forecast (6)
- Other Securities
  - Securities Transaction Regulatory Reporting (4)
  - Proxy Voting (8)
  - Issuers' Agents Communication (22)
- Foreign exchange and OTC Derivatives
  - Non-Deliverable Forwards (7)
  - Currency Options (4)
  - Generic (4)

*116 messages*

*203 completed messages*



# Current ISO 20022 development pipeline

## Payments, Cash, Trade and Cards

**> 200 messages**

- Payments and Cash
  - Cash Management (SWIFT) – +/- 28 messages
  - Change/Verify Account Identification (GUF) – 3 messages
  - Bank Account Management (SWIFT) – 17 messages
  - Creditor Payment Activation Request (ACBI) – 2 messages
  - Electronic Commercial Drafts (PBOC) – +/- 50 messages
  - E-payment (SWIFT) – 4 messages
- Trade
  - E-invoice (UN/CEFACT TBG5) – 3 messages
- Cards
  - ATM Interface for Transaction Processing and ATM Management (IFX) – 30 messages
  - Card Payments Exchanges (EPAS) – 66 messages



# Current ISO 20022 development pipeline

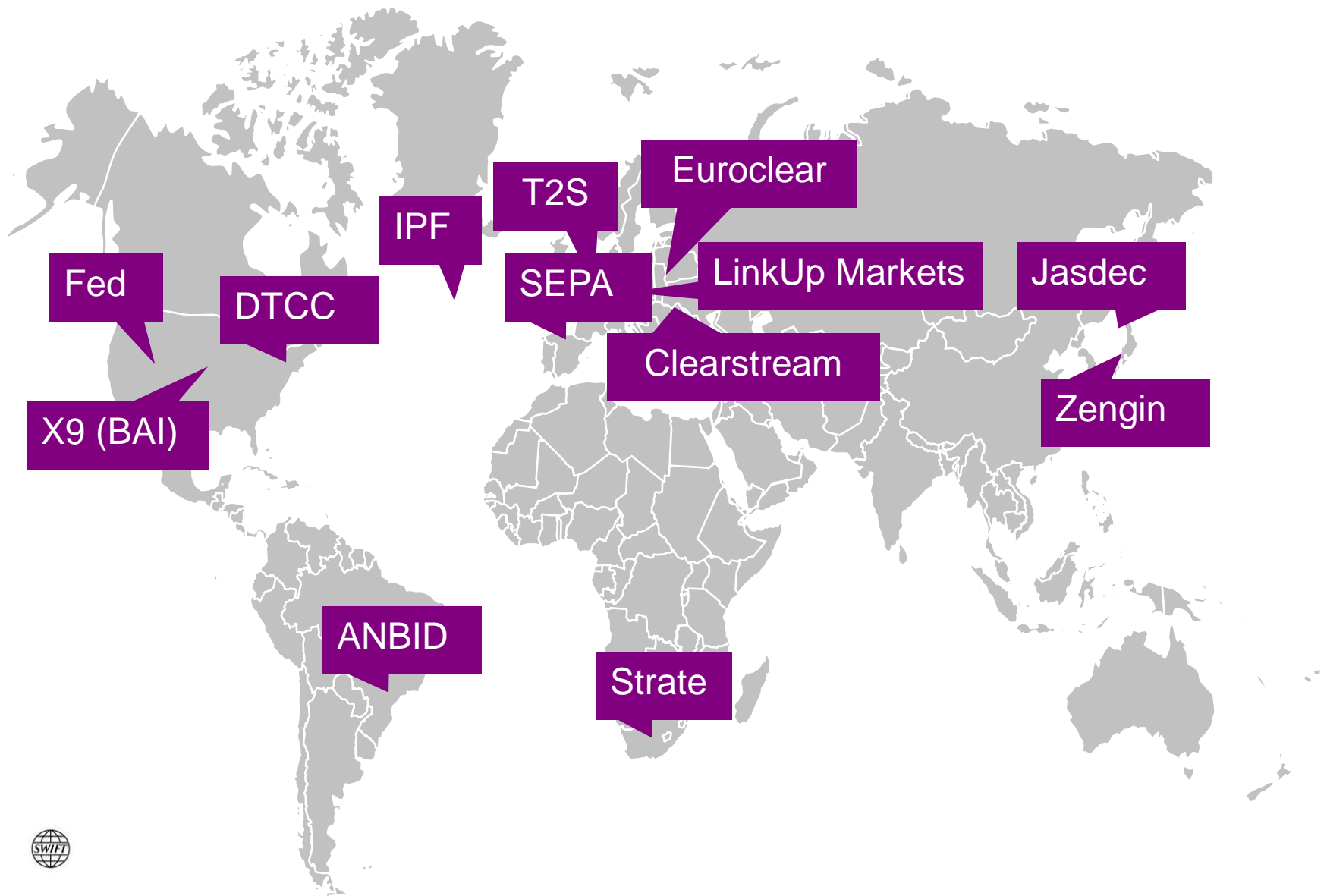
## Securities, FX and Derivatives

**> 175 messages**

- Securities
  - Pre-trade/Trade (FIX/SWIFT) – 29 messages
  - Funds Processing Passport (SWIFT) – 2 messages
  - Settlement and Reconciliation (SWIFT) – 29 messages
  - Corporate Actions (SWIFT) – 13 messages
  - Post-trade (Omgeo/SWIFT) – 12 messages
  - Market Claims/Transformations (Euroclear) – 14 messages
  - Securities Registration and Holder ID (Euroclear) – 14 messages
  - Securities Issuance (Euroclear) – 27 messages
  - Total Portfolio Valuation Statement (ISITC) – 6 messages
  - Alternative Funds (SWIFT) – 8 messages
  - Settlement Instruction Modification & Allegement rejection (SWIFT) – 5 messages
  - Securities Static Reference Data (SWIFT) – 15 messages
  - T2S (4CB) – number of messages not yet known
- FX and Derivatives
  - No current or pending development



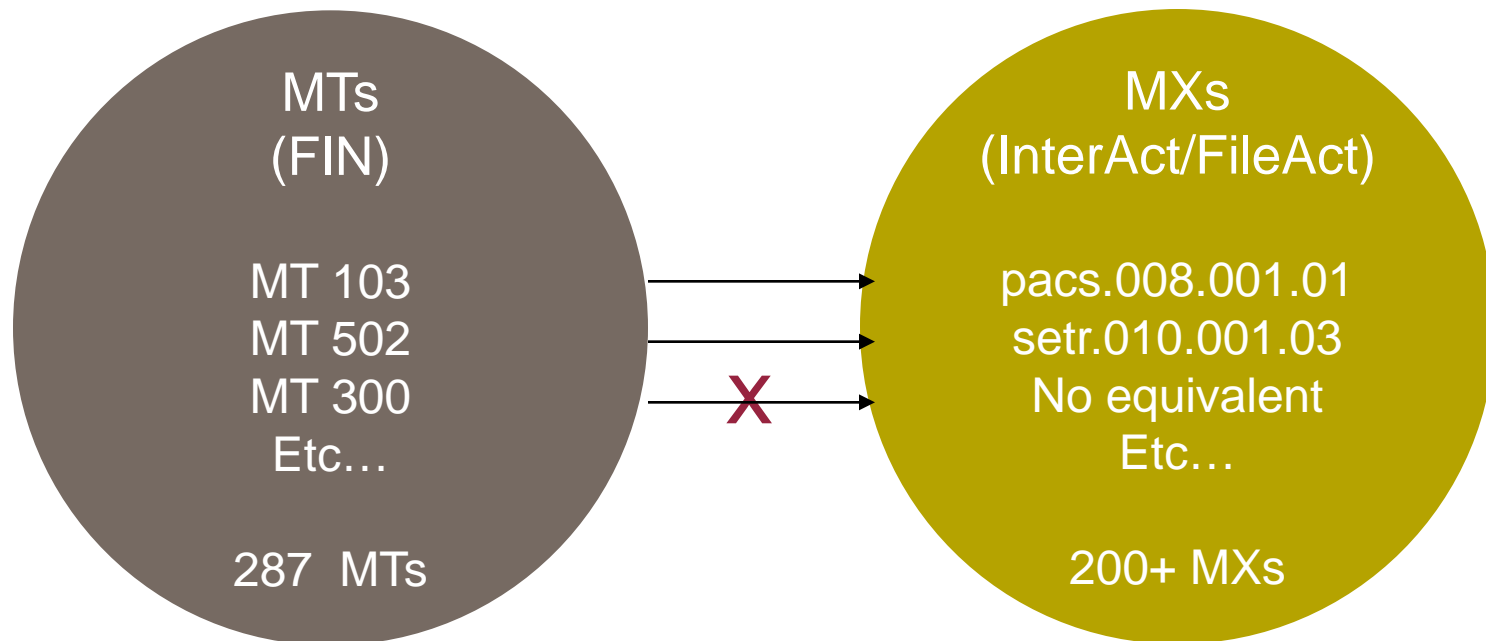
# ISO 20022 adoption



# Coexistence framework and approach



# Coexistence – what is it?

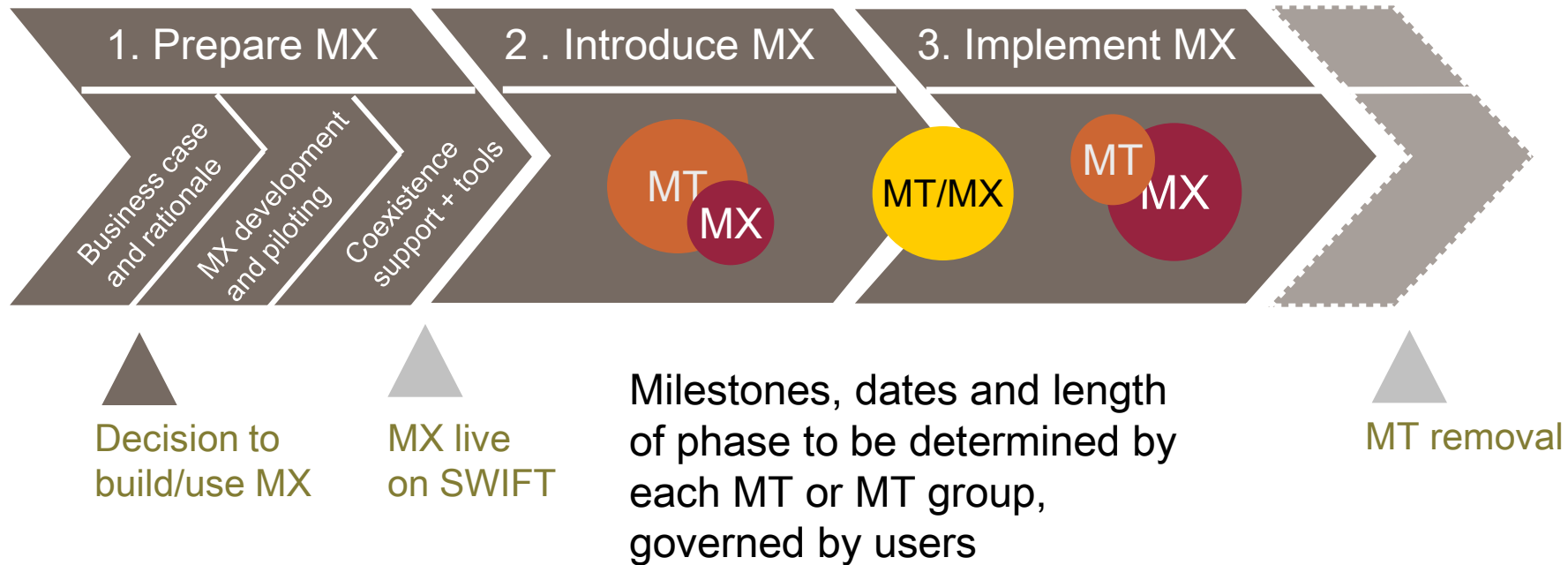


# Coexistence – current status



- SWIFT is fully committed to ISO 20022 for all standards development
- A coexistence implementation plan was started in 2007, but community feedback indicated it was too early for consensus on milestones and dates for many MTs
- SWIFT is strengthening the toolkit of products that support MX implementation, mapping and translation
- Business areas and their communities will be consulted as we create specific coexistence plans for each area, according to the gaps, pain points, opportunities and varying customer TCO in the related processes

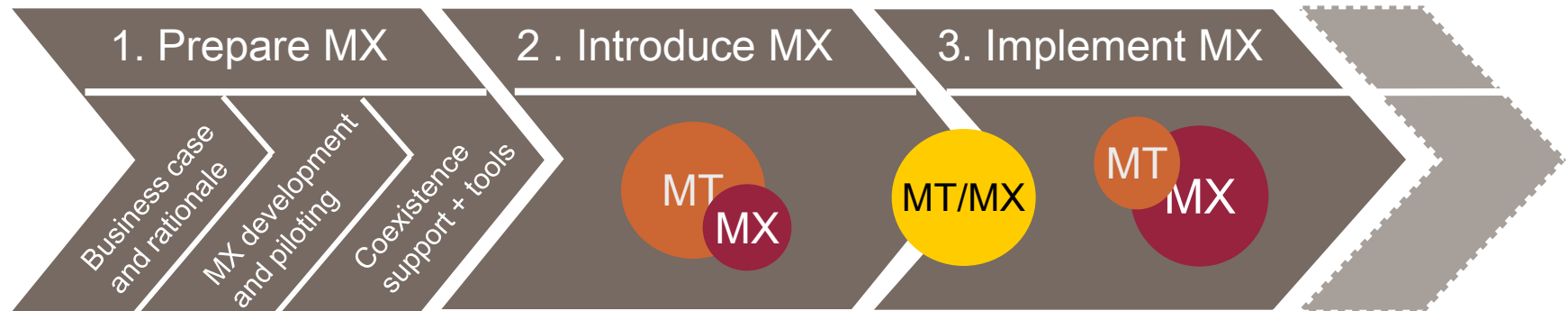
# Overall coexistence framework



Decisions by Standards Committee (STC) and business committees (BPC and SSC)



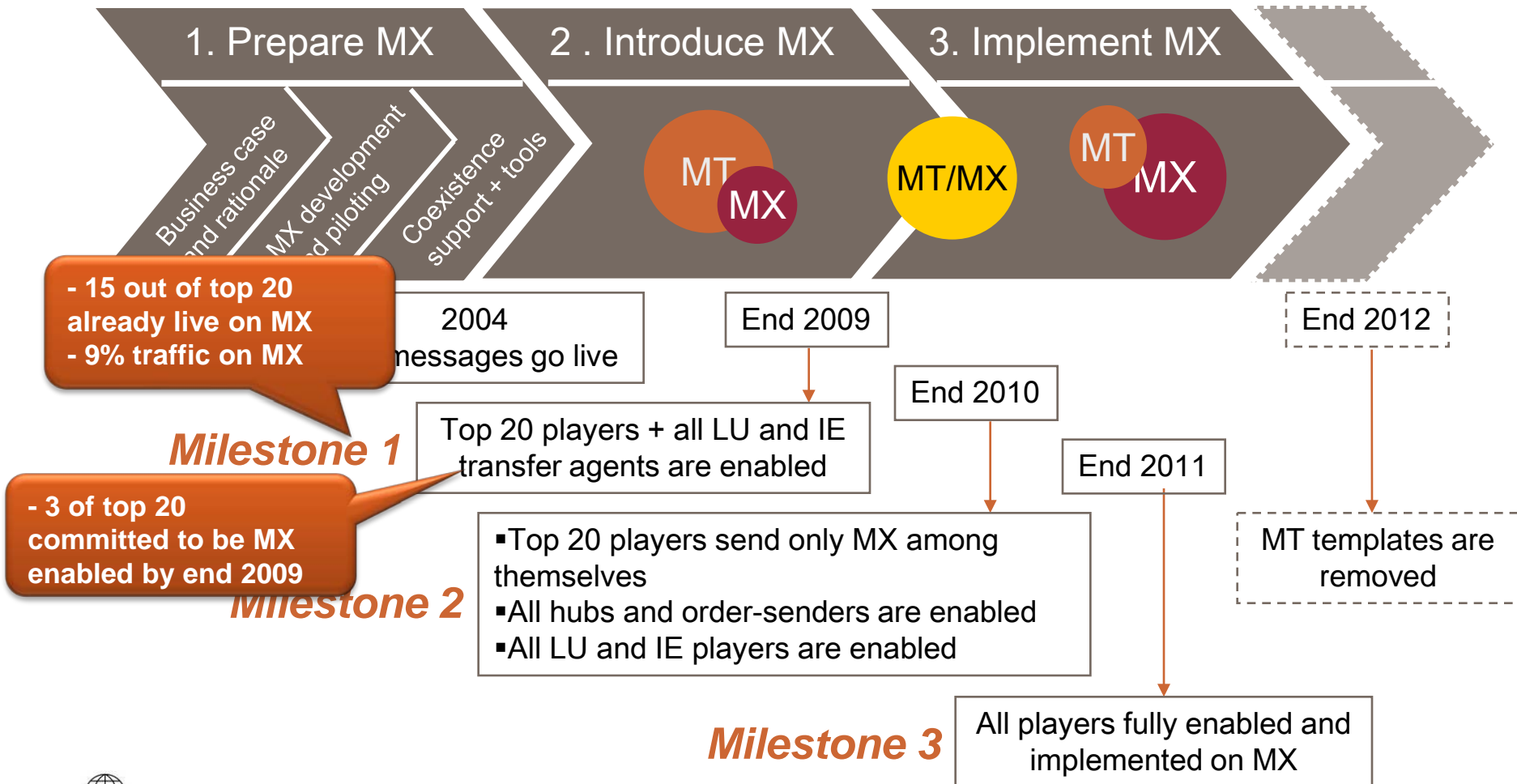
# Coexistence – current approach



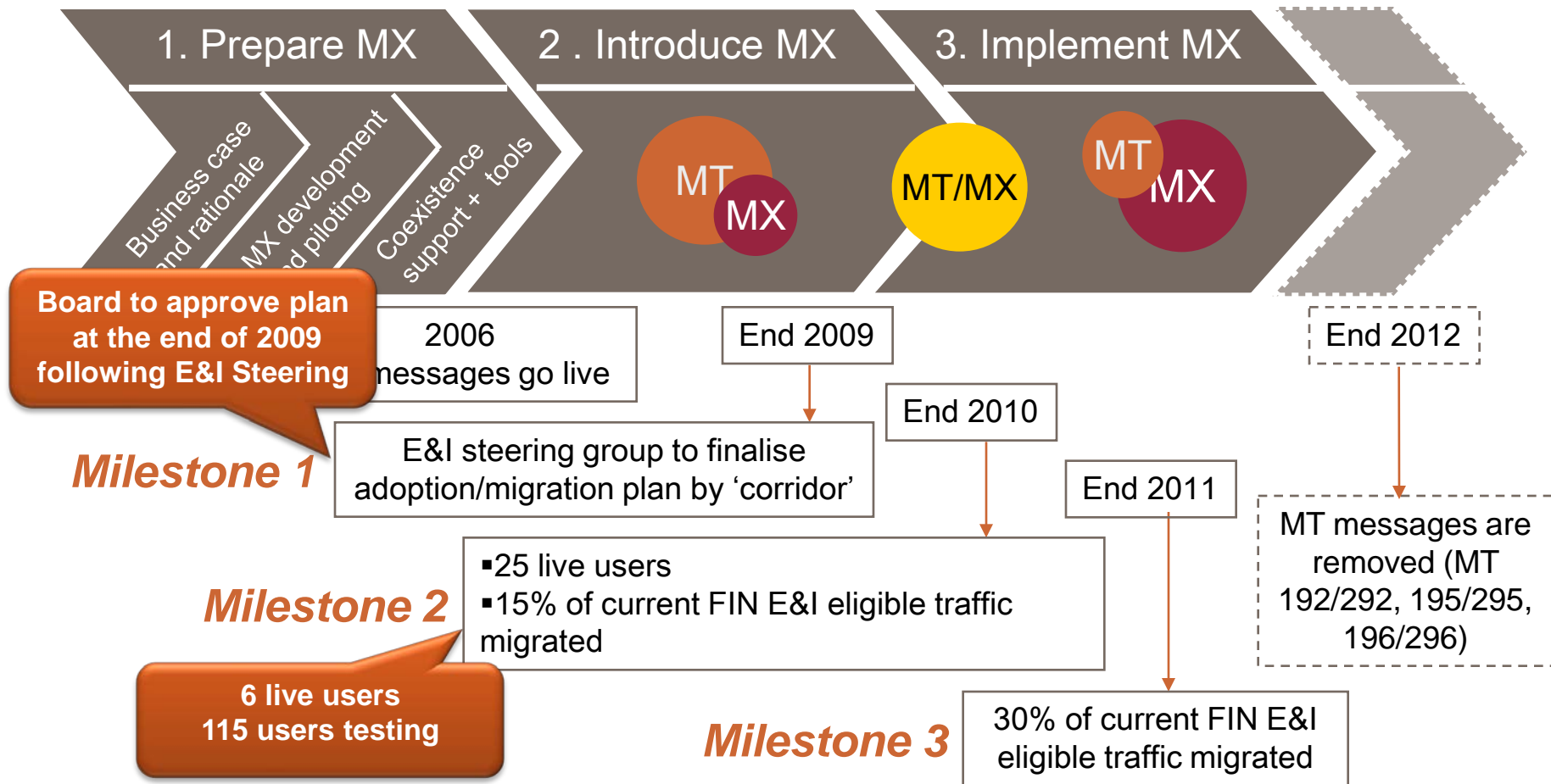
- Strengthen the fundamentals of ISO 20022 by re-focusing on the 'core' (models, repository, dictionary)
- Reinforce our toolkit of products that support implementation, mapping and translation

- Let the market 'catch-up' and allow each business area and community to move at its own pace, while providing guidance on syntax

# Current timeline and milestones for Investment funds



# Current timeline and milestones for Exceptions & investigations



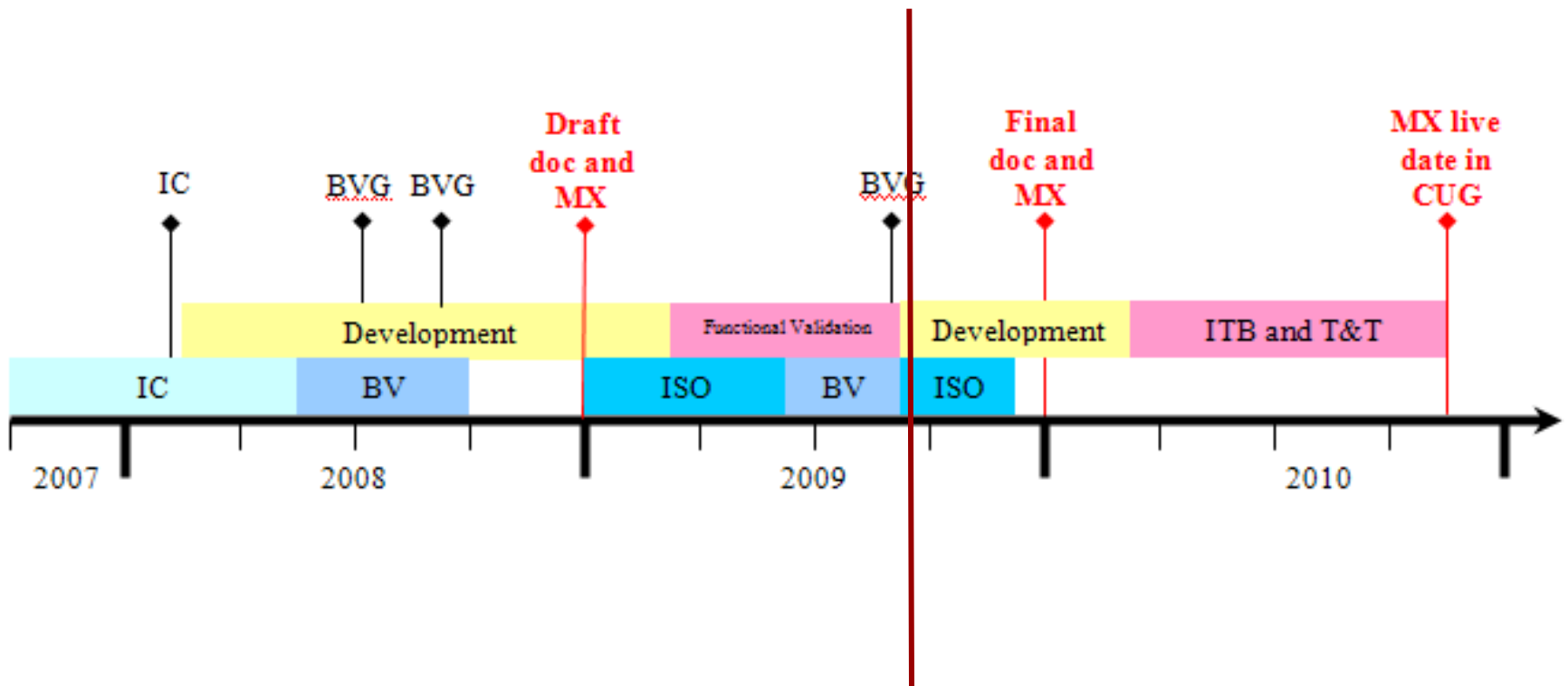
# What does this mean for the core securities (ISO 15022) messages?

- SWIFT is developing ISO 20022 syntax versions of the core clearing and settlement messages:
  - Functional validation 2Q2009
  - Final documentation available January 2010
  - Live deployment Standards Release 2010
- Ensure mapping between ISO 15022 and ISO 20022
- Limit ISO 20022 functionality to that which is available in ISO 15022 and synchronize maintenance
- Provide solution to support coexistence



# S & R and Corporate Actions

## Reverse Engineering Project Timeline



# New products and tools



# Implementation Products and Tools Available Today

**Translation Rules  
downloadable on swift.com**

MT		MX
BIC		ValueDate
ValueDate		IBAN
IBAN		BIC

**+ in 2010,  
Settlement & Reconciliation  
Corporate Actions**

**SWIFT  
Integrator**

**Standards  
Developer  
Kit**

**SWIFTReady  
Partners**





**Standards  
Developer  
Kit**

**Helping you** implement  
standards

Just what you need using the  
**technology you** already have

**A new** set of tools and resources  
for standards implementers



**Machine Processable**  
standards definitions for MX and  
MT messages

Makes it **cheaper** and **more**  
**efficient** to implement MX  
and MT standards

clearstream | DEUTSCHE BÖRSE  
GROUP

## Clearstream builds solutions for XML environments

Clearstream, the established provider of settlement and custody services, is part of the exchange organisation Deutsche Börse Group. It offers comprehensive services for both domestic and internationally traded bonds, equities and investments. Serving 2,500 customers in more than 100 countries, it maintains a leading position in the international financial market, with over €10 trillion in assets under custody.

*Clearstream successfully achieved a substantial reduction in the cost of implementing ISO XML for fund messages with the use of processable standards definitions provided by SWIFT. These definitions are now available from SWIFT as part of the Standards Developer Kit (SDK), a downloadable package of processable standards information. Clearstream now aims for even greater savings by exploiting the full potential of XML.*

**“Using XML schemas ... considerably increased our efficiency – 30% compared to the traditional approach.”**

**Rainer Vogelgesang**  
Vice-President Product Management  
and Design for Investment Funds, Clearstream



# Q&A





Thank you

