The ISO 20022 standard
Frequently asked questions

Issue 1: October 2019
ISO 20022 third party toolkit
Frequently asked questions

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By 2025 the high value payment systems of all major reserve currencies will have moved to ISO 20022. ISO 20022 is a rich, structured and extensible messaging standard that is increasingly becoming the de facto standard for exchange of payments and reporting in high value, instant and other domestic payment schemes.

As a result banks and the SWIFT community have decided that all financial institution to financial institution payments need to move to the standard. Adoption of ISO 20022 will begin in November 2021. This will be followed by a four-year period of coexistence with legacy SWIFT MT standards which will end in November 2025.

The industry is keen for the adoption of ISO 20022 to happen quickly to reap the many benefits it provides sooner rather than later. For this to happen the rate of adoption of ISO 20022 by the community at large needs to accelerate. SWIFT wants to help facilitate this process with your help.

There are some key things that we think all banks and financial institutions should and need to know about ISO 20022. This is about creating a common baseline for knowledge and understanding of the standard in the community at large. This document provides answers to the questions that you are most likely to get about ISO 20022.
ISO 20022: FAQs covered this issue

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ISO 20022 FAQs

Your questions answered

1. What is ISO 20022?
ISO 20022 is an emerging global and open standard for payments messaging. It creates a common language and model for payments data across the globe. One that provides higher quality data than other standards which means higher quality payments for all. One that can adapt to new needs and new approaches. One that’s not controlled by a single interest. One that can be used by anyone in the industry and implemented on any network.

2. Why do I need to know about it?
Because ISO 20022 will become the de facto standard for payments in the near future. This is what the global community is moving to. Therefore, not only do you need to know about it, you also need to start to plan for and implement it. You need to do this to ensure that you are able to receive and process payment messages in an ISO 20022-enabled world. And, those financial institutions with significant intermediary business, if required for compliance, are able to send ISO 20022 payments based on received intermediary instructions by this date.

3. ISO 20022 has been talked about for years. Why is it going to take off this time?
It’s different this time. The high value payment market infrastructures of all reserve currencies are in process of adopting ISO 20022. To support compliance and benefit from the richness of the standard there is a clear imperative for FI to FI payments to move to ISO 20022.

4. How widely is ISO 20022 currently adopted?
Currently, there are over 200 initiatives around the world that have either implemented, or are planning to implement ISO 20022. By 2025, 87% of high value payments by value will have adopted the new standard.
5. Why is ISO 20022 being adopted?
Different parts of the financial community have different drivers for adoption. But, most see the key drivers of adoption of ISO 20022 as the improved compliance, efficiency and customer experience that having a single end-to-end standard for international, domestic, high value, low value and instant payments delivers.

6. What are the benefits of ISO 20022?
ISO 20022 will enable richer, better structured and more granular data end-to-end to be carried in payments messages. In short, quality data. This means more transparency and more remittance information for your customers which in turn means better customer service. And a better customer experience. Quality data means quality payments. If you’re in the SWIFT community there’s an additional benefit. You’ll get even richer benefits from being a SWIFT gpi bank because of ISO 20022, in the form of even better tracking, transparency and speed. Further operational benefits include improved analytics, less manual intervention, more accurate compliance processes, higher resilience and improved fraud prevention measures.

7. What is the timeline for adoption of ISO 20022?
The adoption of ISO 20022 for FI to FI payments starts in November 2021. And there will be a four-year transition period where both the MT and ISO 20022 standards will co-exist. Therefore, the deadline for full adoption by the entire community to ISO 20022 is the end of 2025.
ISO 20022 FAQs
Your questions answered

8. Why is the transition period four years?
To strike a balance between practicality and speed. The period needs to be long enough for the community at large to absorb all the changes related to the adoption of ISO 20022 in a smooth and seamless way.

9. When do I need to start planning?
As soon as possible. To remain interoperable with your counterparties you’ll need to be able to receive and process ISO 20022 payments by November 2021. And, those financial institutions with significant intermediary business will also need to be able to send ISO 20022 payments based on received intermediary instructions by this date. Testing will start in 2020. Therefore, planning needs to start in 2019.

10. Is the adoption of ISO 20022 mandatory?
The payments world is moving to ISO 20022. As a result opting out means you are opting out of the payments business. For example, if you do nothing you won’t be able to receive and process ISO 20022 payments which means you’ll be out of sync with the community. It therefore makes sense to start work on it now if you don’t want your payment flow to stop working.

11. What support is available?
SWIFT has created a working group that we urges you to get involved in. The Cross-Border Payments and Reporting Plus (CBPR+) working group is responsible for developing and defining common usage guidelines for the standard. These guidelines are available on the CBPR+ landing page on MyStandards on the SWIFT website. SWIFT is also providing support, training and services to support you in your adoption. Help is at hand.
12. What’s the minimum that I need to do to stay interoperable?
SWIFT will offer translation services over API, in-network and on-premise, designed to ensure that even if you don’t make the changes necessary to accept the standard you can still continue to interoperate with the rest of the community. But, to use this translation service there’s still some work you need to do. As a minimum, you’ll have to upgrade your interface to be able to accept ISO 20022 messages and process them appropriately. SWIFT will be providing these new interfaces in 2020 but we suggest you start the planning process now. More information will be provided in webinars and workshops. Check the SWIFT website to find one near you.

13. How much will implementation of ISO 20022 cost?
The short answer is ‘it depends’. There are different implementation routes you can take for the adoption of ISO 20022 to suit your budgets and timelines. SWIFT can help you consider the options available. They offer support all the way from developing the business case, through to project initiation, implementation, go-to-market and beyond. They’ve thought through the change not only from a standards perspective but also from a real business impact perspective. Contact your SWIFT account manager to find out more.
This is the first of a series of FAQs that we plan to share with you. If you have other questions that you are regularly asked about ISO 20022 please share them with us so we can cover them in future issues. Please contact:

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