



12 March 2020

Dear Chairperson

As you are aware, the SWIFT Board of Directors held its strategic planning offsite this week, a significant milestone towards the confirmation of a new SWIFT strategy in June.

We held in-depth sessions on the key business areas of payments and securities, as well as on ambitious plans for SWIFT's technology evolution and new services. Global perspectives were exchanged between leading representatives of the world's financial community, taking into account valuable feedback from SWIFT National Member and User Groups and global transaction banks worldwide.

A strong commitment and consensus emerged: The time is right for SWIFT to build on its robust, secure and compliant foundations — to further embrace speed, agility, digital technology and customer orientation — and step up its game as a solution for the whole financial industry. Providing the technology backbone upon which financial institutions can innovate and fuel their growth. Delivering best-in-class user experience. For the needs of every market segment.

To that end, the SWIFT Board and Executive have endorsed a bold vision for SWIFT's new strategy to support the payments and securities business of financial institutions. Over the next two years and beyond, we will fundamentally transform what SWIFT does — innovating and building a smarter, faster, better digital platform that goes beyond messaging to facilitate instant and frictionless transaction management.

This new strategic vision will be executed in line with some important principles, endorsed by the SWIFT Board:

- SWIFT has a unique position in the financial ecosystem. SWIFT is, and will remain, a critical service provider to the industry, centering on the needs of the financial institutions it supports.
- SWIFT has strong foundations in payments and securities. The SWIFT Board is committed to enabling acceleration in both of these business segments to drive benefits to the industry.
- SWIFT is a global cooperative supporting more than 11,000 financial institutions worldwide. The SWIFT Board is committed to a strategic direction that will allow all users, large and small, to benefit at the pace which suits them best, without disruption to the services they use and rely upon today.

What this means

SWIFT will enable instant and frictionless payments from account-to-account anywhere in the world, with an end-to-end solution that combines international and domestic capabilities. This ambitious platform expansion means SWIFT will support financial institutions to strengthen their positions in B2B payments and capture new volume in SME and consumer segments.

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In securities, the platform will bring about a step change in the business experience and access to deeper data insights than ever before. The aim is to support all assets types – including tokenised assets – and will help the industry improve reconciliation, reporting and asset servicing processes. It will provide end-to-end visibility of transactions to reduce settlement fails and fines.

In addition, the platform will be an enabler of innovation for the entire community, allowing financial institutions to create unique and competitive services that leverage its capabilities through APIs. Full flexibility and backward compatibility will allow financial institutions to continue using today's messaging services and upgrade to the full benefits of the new platform at a time that best suits their business.

When we get there

We will maintain the delivery standards expected from SWIFT, but in an instant. SWIFT will make use of its own data and analytics to help fill in gaps, and pre-validate payment details in advance to ensure that a transaction will be successful.

Once a transaction is in flight, every player in a chain will be able to work on it simultaneously. SWIFT will hold an immutable copy of each transaction to facilitate collaborative, real-time interaction, and ensure end-to-end transaction integrity.

The platform will help you do business responsibly by making compliance and cyber prevention a shared community effort. It will assist risk management efforts through data services that build in compliance by design and make it less onerous and expensive for each individual financial institution.

And building on the success of gpi, the new platform will provide additional transparency to ensure that everyone knows all the charges up front and the status of transactions all along the way.

Innovation, data, and implications for ISO 20022 planning

SWIFT's platform will be built on a vision of enabling the whole financial ecosystem to thrive. We will enable trusted third-party partners from our community to plug in through APIs to ensure that whatever service or transaction type is needed, in whatever format, and for whatever customer, the underlying infrastructure can deliver.

Value will be multiplied through rich data that allows more robust analytics and deeper insight that can be exposed to financial institutions to provide better future services to their customers.

That's why ISO 20022 will be fully embedded in the new platform — and why SWIFT will continue to help the industry move to ISO 20022 at its own pace.

In line with that vision SWIFT will continue to accelerate industry support to adopt ISO 20022 for market infrastructure initiatives globally, including for example, TARGET2 migration/ESMIG in Europe.

Based on feedback from the breadth of our communities, SWIFT will start to enable ISO 20022 messages for cross border payments at the end of 2022, which extends the original date by one year. This will allow financial institutions to reap the benefits of the new platform as they implement the standard and reduce total industry costs. Benefits of the new platform include a guarantee of end-to-end integrity across payment value chains that will put a stop to data losses.



The end date to enable full ISO 20022 for cross border payments remains as originally planned with the coexistence period for current SWIFT MT messages and a new API based exchange lasting until November 2025.

This means that financial institutions can maintain existing standards or migrate, and plan change at their own pace in line with their own innovation priorities.

A long-term trusted partner to help our customers meet their ambitions

For more than 40 years, SWIFT has been right at the heart of the global financial system on your behalf. As your needs have evolved, so, too, has the capability of SWIFT infrastructure.

Today, SWIFT customers have more choice of technology providers than ever before. They also face increasing competition in their own business lines and need to react fast.

This exciting new vision will remove complexity, ensure transparency and allow compatibility. All on a trusted platform, with unmatched security and resiliency, owned by a global, neutral cooperative with strong governance set up to enable the growth and success of the financial community — not to generate profits for itself.

The SWIFT Board and Executive are fully committed to this direction, excited by the journey ahead, and will invest and support this vision of responsible innovation in which financial institutions are front and centre. We count on our highly valued National Member and User Group communities and global transaction banks to continue to engage with us on this journey and prepare to make great use of the platform of the future.

Yours sincerely

A handwritten signature in black ink that reads "Yawar Shah".

Yawar Shah, Chairman of the Board

A handwritten signature in black ink that reads "Javier Pérez-Tasso".

Javier Pérez-Tasso, CEO