



ISO 20022 Harmonisation Charter

September 2015

Background

ISO 2022 is emerging as the preferred choice of messaging standard for financial market infrastructures (FMIs) around the world, for securities and payments business, international and domestic. However, as ISO 2022 implementations proliferate, variability in the ways in which ISO 2022 is deployed, in terms of message versions, market practice rules and release cycles, threatens to undermine its value as a means to reduce industry cost and risk and to enable interoperability.

By its nature, the challenge posed by this fragmentation cannot be addressed piecemeal; only co-ordinated action at an industry level can provide a solution. SWIFT, a financial industry owned cooperative and standards organisation, has agreed to play the coordinating role, bringing FMIs together in dialogue, and providing a roadmap and technology to facilitate harmonisation, including SWIFT's MyStandards platform for capturing and sharing standards information.

The purpose of this charter is twofold: first, to outline SWIFT's proposal to work with the FMI community to co-ordinate the rollout of ISO 2022; second, given the critical importance of FMIs cooperating to the success of the proposal, to allow FMIs to express their formal support and willingness to implement its recommendations according to their individual circumstances and the maturity of their ISO 2022 implementation plans.

Charter outline

SWIFT Standards' harmonisation proposal sets out a series of measures designed to drive harmonisation of the rollout of ISO 2022 along 3 principal axes: 1) sharing of information, 2) adherence to market practice, as well as message version and release management, 3) publishing information. Each measure builds on the previous towards a greater level of overall consistency from the point of view of FMI participants.

Information sharing between MIs

To ensure further transparency and alignment, all FMIs endorsing the harmonisation charter provide each other with up-to-date information on their ISO 2022 usage. This includes details on used ISO 2022 messages, message versions and market practice adopted. SWIFT will facilitate collection, maintenance and sharing of all information.

Adherence

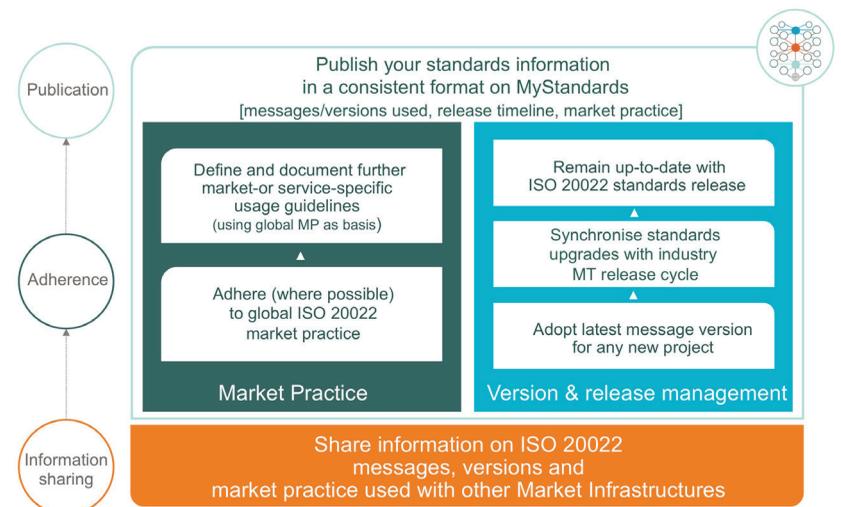
Market practice:

FMIs adhere as closely as possible to global market practice if it exists (now or in future) for their business domain(s), FMIs are encouraged to work with their peers and SWIFT or another facilitator to help formulate and maintain global market practice. SWIFT works with the community to identify candidate business areas for establishing market practice, and facilitates and/or contributes to such work, depending on the organisational context in which it takes place (ISO TC68, Payments/Securities Market Practice

Group, etc.). To cater for service- or regulatory-specific requirements, FMIs define and document further specific guidelines to define how each ISO 2022 message should be formatted.

Version and release management:

- FMIs adopt the latest message version for any new project.
- FMIs align publication of advance information and standards cutover dates to SWIFT's MT/FIN maintenance cycle which is already entrenched in industry practice and aligned with budget and software development cycles.



- FMIs upgrade regularly to the latest version of changed messages, which should naturally result over time in convergence to the latest release for all players.

Publication to MI participants and financial institutions

1. FMIs will publish their standards information in MyStandards, in the area of MyStandards that will be created in support of global ISO 20022 adoption harmonisation. This data will include market practice adhered to, messages

and versions used, and message release timeline.

2. FMIs publish an implementation timeline for standards similar to that published by SWIFT for MT over FIN. The timeline includes currently supported message versions and usage guidelines, advance information of any change, including the effective date, and the details of the versions and guidelines that will be supported in the future. Advance information is published in sufficient time to allow participants to adapt their systems.

The proposal recognises that not all FMIs will be ready or able to implement all measures from the outset, however, any level of engagement on behalf of an FMI will benefit the wider community and the longer term goal is to encourage engagement at progressively higher levels over time.

Charter endorsement

The success of the ISO 20022 harmonisation programme depends crucially on engagement from the Financial Market Infrastructure community. This charter therefore seeks formal support from interested FMIs, and a commitment in principle to implement the steps described by the charter for their ISO 20022 initiatives, while recognising that there may be commercial, legal or other constraints that make full implementation impractical.

The aim of the charter is to promote harmonisation; endorsement does not imply any obligation to implement ISO 20022 in new business segments.

The charter is not a legally binding document. FMIs endorsing the Charter shall not have any liability towards SWIFT or any third-party for the execution or non-execution of the steps described in this document.

The names of organisations that formally offer support will be published by SWIFT, along with their current readiness to implement the proposal and any other information they volunteer on their future plans. Representatives of supporting organisations will be warmly invited to help promote the programme by speaking at SWIFT-organised events, or contributing quotes to articles, information papers or other communications.

Organisations that wish to lend formal support to the programme are invited to provide the following details:

1. Name of organisation and contact details for representatives authorised to speak on behalf of the organisation (contact details will not be disclosed publicly).
2. Nature of organisation (e.g. Central Bank, CSD).
3. Details of each ISO 20022 implementation:
 - a. Business area (e.g. High Value Payments, Corporate Actions)
 - b. Maturity level: community consultation – planning adoption – planning implementation – live
 - c. Where relevant:
 - i. Messages specified;
 - ii. Global Market Practice adhered to;
 - iii. Timetable for required upgrades.
4. Any other details relevant to the programme.

Legal notices

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,800 institutions in more than 200 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

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