Presentation will begin at 12:00GMT

If you cannot hear us via WebEx / computer audio you may need to dial-in using a phone

Global Vendor Webinar

Transaction Management

Partner Programme / Vendor Readiness

July 2021
Admin notices

- This presentation is being recorded
- Please use the comments box for questions or email ISO20022programme.vendor.support@swift.com
- To ensure you receive communications from us while we remain GDPR compliant please update your preferences here (you will need to log in to / create your free SWIFT account) to include the interests ‘Payments’ and/or ‘Standards’ and we will ensure we keep you informed about:
  - Global Vendor Webinar Invitations
  - Relevant developments on ISO 20022 and Transaction Management
  - Updates from SWIFT’s Market Practice team
  - The latest info on adoption enabling tools and support
Agenda

1. Transaction Management
2. ISO 20022 CBPR+
3. Vendor Readiness Programme
4. Close
Transaction Management

Revised activation plan
Introducing interoperability features - Payments processing in coexistence period – using In-flow Translation within FINplus for multi-format messages

- If a bank desires to process an MT formatted payment in any of its application, it can use the In-flow Translation service available within the new FINplus service to receive an enriched message with both the ISO 20022 and MT formats.
- The MT format can be delivered to the back-office and be processed normally. Later when ready, the bank can decide to switch to ISO 20022.
- As the ISO 20022 data is richer than MT data. Any data truncation will be highlighted in a report embedded in the MX message, so access to the full dataset is assured.
Introducing interoperability features - Payments processing in future – using value-added services in the transaction manager

- As before, the In-flow Translation service supports MT users, while the transaction manager is ISO 20022 native
- Adopters of ISO 20022 can opt for the value-added services offered by the transaction manager:
  - End-to-end business data integrity – unaltered rich data across entire transaction
  - API access to transaction data – choice in delivery channel, alongside choice in message format
  - Integration with case management – this embedded, allowing for all participants to communicate
  - Integration with pre-validation – full predictability for upfront transparency and greater STP
### Revised activation plan

<table>
<thead>
<tr>
<th>MIs ISO migration Go-Live</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
<th>Q1 2023</th>
<th>Q2 2023</th>
<th>Q3 2023</th>
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<th>Q4 2025</th>
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<tr>
<td>BoE / MAS / BOT</td>
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<td>EURO1 / T2 / PayCan / RITS / ESAS</td>
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<td>CHIPS (USD) (November 2023)</td>
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### ISO 20022

**Milestones for Customer readiness**

- **IN-FLOW TRANSLATION COMMUNITY TEST PHASE**
  - Phase 1 – Go Live with In-flow translation
  - Readiness Mandatory
  - IN-FLOW TRANSLATION LIVE

### Transaction Manager

**SWIFT Platform Delivery Phases**

- **COMMUNITY TESTING**
- **Platform activation (TEST)**
- **Platform activation (LIVE)**
- **Phase 2 – Incremental build-up of ISO 20022 payments on TM** *Duration TBC*
- **Phase 3 – End of co-existence**

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**ECB Update**
Key takeaways

• **Still on schedule for November 2022**

• ‘Big-bang’ risks to be mitigated by:
  • Introducing In-Flow Translation August 2022 in production
  • Incremental build-up of traffic in TM

• **No change for senders or receivers**
  • Senders can send ISO 20022 to any bank in their network
  • Receivers can opt to process ISO 20022 native or MT translation
  • Readiness criteria the same – up-to-date interface; InterAct FINplus; test
Testing Plan in 2021

<table>
<thead>
<tr>
<th>2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
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<td>Usage Guidelines</td>
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<td>CBPR+ 2.0 available</td>
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<td>Readiness Portal</td>
<td>CBPR+ Ph 1&amp;2 available</td>
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<td>Standards testing based on CBPR+ 2.0 UGs</td>
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<td>CBPR+ Ph 1&amp;2 available</td>
<td>Translations testing based on CBPR+ Ph 1&amp;2 UGs</td>
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<td>Updated to CBPR+ 2.0</td>
<td>Translations testing based on CBPR+ 2.0 UGs</td>
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<td>Pilot Future available</td>
<td>Connectivity/Loopback testing based on CBPR+ Ph 1&amp;2 UGs</td>
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<td>Connectivity/Loopback testing based on CBPR+ 2.0 UGs</td>
<td>TM Pilot available</td>
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<td>In-Flow Translations</td>
<td>AA 7.6 &amp; AMH 4.2 available</td>
<td>In-flow translations available</td>
<td>Lite2 available</td>
<td>Testing of multi-format messages</td>
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<td>Test Sparring Partner</td>
<td>Restricted Pilot</td>
<td>Early Adopters testing with SWIFT based on CBPR+ Ph 1&amp;2 UGs</td>
<td>Universal available, and updated to CBPR+ 2.0</td>
<td>Testing with SWIFT based on CBPR+ 2.0 UGs</td>
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Transaction Management │ Vendor Readiness
The concept of in-flow translations

**WHAT**
- SWIFT creates an MT representation derived from the ISO 20022, containing equivalent data fields.
- Always from ISO 20022 to MT, based on CBPR+ translation rules.
- Cases where data has been truncated are explicitly indicated.
- Key interoperability measure to support migration of cross-border payments and cash reporting to ISO 20022, allowing receiver to still rely fully or partially on legacy format if not ready yet.
- Can be complemented by translations rules implemented locally.

**HOW**
- Translation happens during the processing of the message at SWIFT, before delivery to the receiver.
- Delivered as a "multi-format" message: same message containing both the original ISO 20022 MX and the translated MT.
- Performed when the receiver has opted to receive such a multi-format message.
- Deployed at messaging level, on the FINplus service.
- Additional signature to ensure integrity of the translation.
Process payment using a pacs or MT message and confirm to gpi Tracker Screen and process payment using pacs or MT message, and then generate outbound pacs or MT message and send.
Test Scenarios & Pilot Participants

Test scenarios were defined by SWIFT with participation of pilot banks:

- **11 test scenarios:**
  - 5 happy
  - 6 truncation and warning

Example messages were provided but banks were free to amend as they see fit (within scenario parameters)

**Pilot Participants**

1. **Banque Internationale à Luxembourg**
2. **BNP Paribas**
3. **Citibank**
4. **Deutsche Bank**
5. **JP Morgan Chase**
6. **RaboBank**
7. **Société Générale**
Pilot Results

All test scenarios were successfully executed between June 7 – 13 with the following observations:

- All pilot participants have witnessed the reception of a multi-format message with no operational issues.

- SWIFT Customer Infrastructures – both SWIFT interface products and two third party interface products have properly processed the multi-format messages. No operational issues were observed.

- Test Case 3 (End-to-End CBPR+ Cover Payment) and Test Case 4 (CBPR+ pacs.009 COV with Translation, w/o Truncation) – it is important for debtor agents to indicate the appropriate Subtype (e.g. swift.cbprplus.01.cov), in case the Subtype indicated the message is considered a regular pacs.009 and not as a pacs.009 COV. The SWIFT validation service will reject the message.

- Test Case 4 (CBPR+ pacs.009 COV with Translation, w/o Truncation) – A warning was received by one of the intermediary agents. This warning was unexpected a correction to the translation rules will be applied.

The pilot has confirmed the in-flow translation service will guarantee the necessary interoperability measures and will allow participants to migrate at their own pace November 2022 to November 2025.
Testing In-Flow Translations

- Opt-in approach first: as from November 2021, participants will be provisioned for in-flow translations when ordering their FINplus subscription.
- Participants who have already subscribed to FINplus in the past will automatically be provisioned for in-flow translations (same horizon).
- By default, in-flow translations will be activated and participants will receive multi-format messages.
- SWIFT will organize a mass enrollment for all eligible participants in 2022.
A testing platform that helps SWIFT customers and partners validate their applications when adopting new or changed SWIFT flows.

SWIFT Test Sparring Partner is available to customers who are registered to a FINplus service with SWIFT.
SWIFT Test Sparring Partner – Timeline

**Q2 2021**
- Premium version available
- Testing of pacs.008 – sending, receiving, relaying
- Based on CBPR+ v1.3

**Q3 2021**
- Opening of Universal version
- Testing of pacs.002-4-9-10 and camt.052-53-54-57-60
- Based on CBPR+ v2.0

**Q4 2021**
- Support of in-flow translations
- New messages introduced by CBPR+ v2.0 (exact scope TBC)

### Universal
- Available to **all FINplus users**, in **self-service mode**
- Catalogue of pre-defined test scenarios and test data
- **Limited flexibility to customize** test data (BIC, amount, currency) and no customization of flows
- Test execution and test history through the **Portal**

### Premium
- Payable, with **mandatory Professional Services** for assistance
- Ability to **customize test scenarios** and nearly all ISO 20022 data attributes
- Test modelling, execution and test history through the **Portal**
Vendor readiness
Transaction management vendor readiness

Transaction management for vendors webpage now live on SWIFT.com: https://www.swift.com/transaction-management-vendors

Designed to provide a single source of all information and specifications required for registered providers to adopt and support transaction management capabilities.
Types of in-scope products (non-exhaustive)

Connectivity

Business applications
- Sanctions screening
- Payment & messaging
- Core banking
- Cash management
- Reconciliation
- Exceptions & investigations
- Etc…
**Interface providers**
What do you need to do to be ready for go-live in November 2022?

Perform the necessary development and testing to comply with the SWIFT compatible messaging interface specifications

- SWIFT compatible interfaces have received the specifications* and instructions on how to perform the required assurance testing
- Work with your customers / end users to ensure their application(s) can receive and process the output from the interface
- Further details can be found on the [Compatible Interface Programme page](#)

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*Specifications are only available to providers who have bought a SNL Developer license or a SAG Developer license to develop a messaging interface*
API enabled business applications
What do you need to do to be ready for go-live in November 2022?

Connectivity

Business applications
- Sanctions screening
- Payment & messaging
- Core banking
- Cash management
- Reconciliation
- Exceptions & investigations
- Etc.

Service Accreditation: SDK and/or Microgateway

Initial steps:
- Register on SWIFT Developer Portal (https://developer.swift.com)
- Your account must be approved (subject to screening undertaken by SWIFT)
- Access SDK and Microgateway info
- Visit new Platform Partner’s Portal (Q4 2021) and follow steps for ‘Enable-Platform Partner Accreditation Process’

Functional Accreditation: Specific API Services (gpi, TMP, etc) + Security and Operational

Initial Steps:
- Get familiar with SWIFT APIs by visiting SWIFT Developer Portal and navigating the API Catalogue; there are a number of API use cases in the API Playground to help you find the APIs that best suit your needs
- Visit new Platform Partner’s Portal (Q4 2021) and follow the steps for ‘Enable-Platform Partner Accreditation Process’

Get Accredited: Complete the API Compatible Provider accreditation process.
(Under definition. Estimated publishing time: Q4 2021 on New Platform Partner’s Portal)
Service bureau readiness

Updated terms & conditions (effective as of January 2022)

Planned webinar for service bureaux

- Invites will be shared through the SIP newsletter, as usual
- Changes to the T&Cs, and what they mean for service bureaux, will be a dedicated item on the agenda
- Save the date: 12th October - option 1 at 10:00CET – option 2 at 15:30CET
If you have any questions please contact your account manager or contact us at ISO20022programme.vendor.support@swift.com