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

Partner Programme / Vendor Readiness

July 2022

Agenda

1. Admin notices
2. Transaction Management
3. Testing
4. RMA
5. Close

Admin notices

- This presentation is being recorded
- The content will be published on SWIFT.com (https://www.swift.com/standards/past-webinars)
- Global vendor webinars occur the last Thursday of every month and you can register 2 weeks before each event here: Transaction Management Global Vendor Webinar
- To ensure you receive communications from us while we remain GDPR compliant please update your preferences here (you will need to login 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
- Support requests / queries should be raised via the Support page

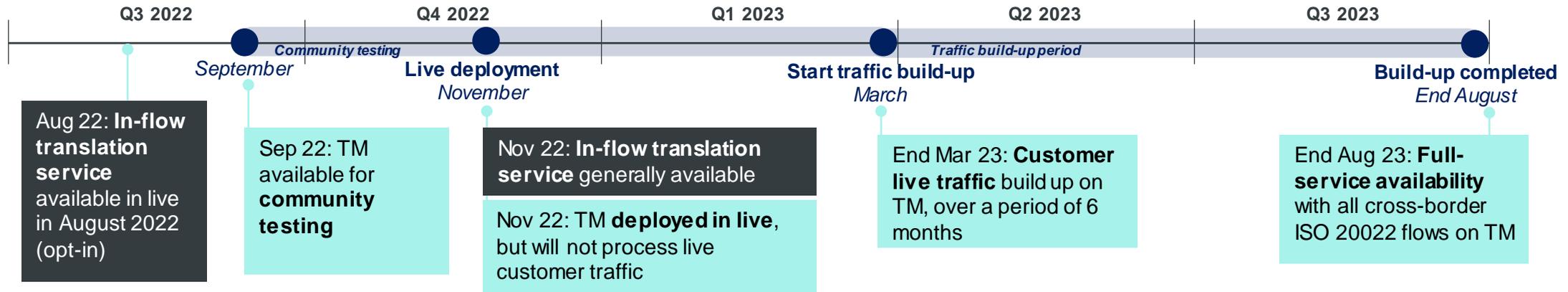- **ISO 20022 migration and Transaction Manager activation plan update**

Transaction Manager (TM) activation plan

An update on the TM pilot and activation plan was shared with the community during the March NMGs and board cycle, for which SWIFT have clarified the outcomes of the discussions in a KB article (5025314). The key points are documented in the timeline below.

Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023

Community testing

September

Live deployment
November

Start traffic build-up
March

Traffic build-up period

Build-up completed
End August

Aug 22: **In-flow translation service** available in live in August 2022 (opt-in)

Sep 22: TM available for **community testing**

Nov 22: **In-flow translation service** generally available

Nov 22: TM **deployed in live**, but will not process live customer traffic

End Mar 23: **Customer live traffic** build up on TM, over a period of 6 months

End Aug 23: **Full-service availability** with all cross-border ISO 20022 flows on TM

There are three essential reasons for **decoupling the go-live of ISO 20022 and the start of the TM traffic build-up**:

- **Global/systemic risk** – avoidance of a 'big bang' implementation of TM with the start of the ISO 20022 migration

- **Risk of disruption for community members** – reducing the risk of troubleshooting of operational issues

- **Position of SWIFT's overseers** – do not want to risk a 'big bang' implementation of TM and are supportive of the decoupling

The TM activation plan update remains within the framework of board paper IR864 that was shared in September 2021 which then, also included a gradual activation and traffic build-up on TM.

ISO 20022 coexistence

What is the impact of the TM traffic build-up?

- From November 2022, ISO-initiated transactions will benefit from the in-flow translation service ensuring interoperability between users of ISO and legacy format messages

- During the coexistence period, a rich ISO 20022 message could be followed by a legacy format – which may result in data truncation

- Transaction Manager can protect and propagate data for cross-border, but only for transactions that it manages – which is expected to build up gradually in the system over a period of 6 months starting Q1 2023

- When Transaction Manager does not process a transaction (for example, between November 2022 and end of March 2023 and during the 6-month traffic build up period), the risk of data truncation remains, however it is a quantifiably low and manageable risk

Cross-border data truncation concerns (pre-TM traffic build up): When will data truncation potentially occur?

Data truncation will occur if:

1. There is rich ISO 20022 data at origination, and

2. The message has passed through a 'weakest link' intermediary (i.e. not able to relay ISO 20022 content), or a market with a non-ISO 20022 market infrastructure

Next steps

On-going actions:

SWIFT continue to work with the community to manage this risk by conducting:

- Surveys/discussions with other key markets globally to assess potential of rich ISO 20022 data at origination from Day 1
- On-going campaign on ISO 20022 readiness with key intermediaries
- Market practice is being developed by PMPG & CBPR+ for handling payments where missing data or truncation has occurred (or is suspected):

1. **PMPG Best Practice Guidelines for the Payment Industry Migration to ISO 20022 (UPDATE)**
    - Documentation on mitigating implementation risks by limiting the usage of the rich data at the beginning of the migration.
    - Focus on discouraging usage of extended information avoiding any loss of data for traffic subject to clearing and settlement via a Market Infrastructure which is not fully ISO 20022 enabled yet
    - Expected availability: **July 2022**
2. **CBPR+ Market Practice Guidance on how to handle data integrity reporting (NEW)**
    - A common market practice on how to report truncated or missing information in the MT Standard sent to an Agent
    - Focus on:
        - **identifying the essential missing data** to be sent from the sender of an MT message to its receiver
        - defining the **roles and responsibilities for reporting missing or truncated information** to the next Agent in the payment chain when this next Agent will only receive the MT generated from previous agent who received richer data in the multiformat message
        - to provide a **format to carry the essential missing data** and the truncated data
        - Expected availability: **July 2022**

Key takeaways

ISO 20022 readiness	Data truncation	Market Practice	Get in touch
…is top priority!	Risk of data truncation is expected to be low	Market practice guidelines are being developed	Any further questions, contact your SWIFT representative

– **Testing**

Financial institution readiness journey towards November 2022

Set up your testing environment

1	Upgrade your interface
2	Configure your interface and Set-up your test connectivity
3	Test (self-testing or testing with SWIFT)

Prepare for Live deployment

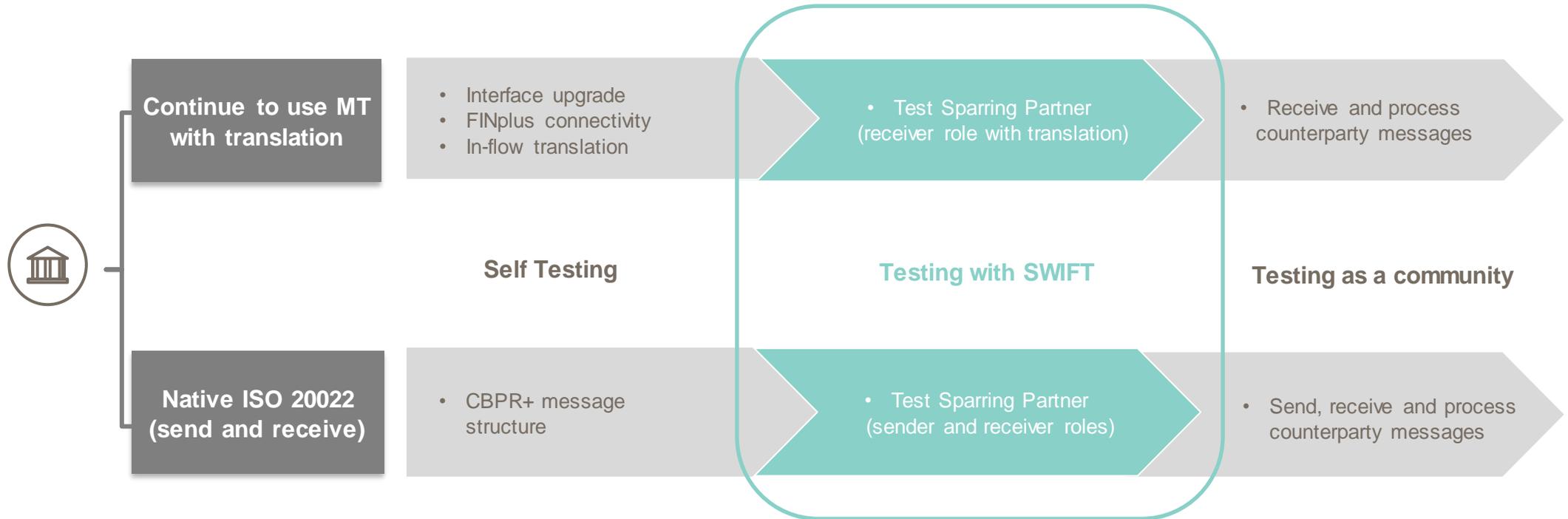|	
1	Upgrade your Live interface
2	Bootstrap FINplus RMA (as of July)
3	Configure your interface and Set-up your live connectivity

- If using a third-party FIN interface, work with the vendor to ensure the product supports multi-format message handling and recognizes the signature from the platform.
- Perform end-to-end testing to ensure successful straight-through processing from the interface to the back-office applications.
- If using a service bureau, work with the vendor to ensure they you receive and process the output from the service bureau.

Visit ISO 20022 Customer Adoption page on the Knowledge Centre for detailed information or register for one of our upcoming webinars!

Customer ISO 20022 readiness will drive the customer testing journey

The ISO 20022 adoption approach will determine the scope of functional testing

Continue to use MT with translation
- Interface upgrade
- FINplus connectivity
- In-flow translation
- Test Sparring Partner (receiver role with translation)
- Receive and process counterparty messages

Native ISO 20022 (send and receive)
- CBPR+ message structure
- Test Sparring Partner (sender and receiver roles)
- Send, receive and process counterparty messages

Self Testing   **Testing with SWIFT**   **Testing as a community**

Customers could also have an hybrid approach, continue to use MT with translation or send and receive ISO 20022 natively (depending on their branches or back office applications ISO 20022 readiness)

– **RMA**

Relationship Management Application (RMA)

- FINplus RMA bootstrap completed, and central consistency checks enabled on 30 July 2022.
- Registered early adopters can start exchanging CBPR+ messages on the FINplus live service from 21 August 2022.
- General availability of live CBPR+ messages on 20 November 2022.

Next steps:

- A bank / their 3rd party provider should **connect to the RMA Portal** and verify the bootstrapped records, to identify any discrepancies between the central database and the local database and take corrective actions where needed.
- Before go-live in November 2022, **extract the bootstrapped FINplus authorisations from the RMA Portal** and import the generated distribution file into the RMA interface.

For more details on the FINplus RMA bootstrap, the consistency checks, and related set of readiness activities, see the RMA Portal Getting Started document.

SWIFT Go

New solution for simple, low-value cross-border SME/SMB and consumer payments

SWIFT Go
Making simple, low-value cross-border payments as easy, predictable, transparent and low cost as domestic payments

Predictable, upfront, end-to-end
– Amount, time, fees and FX (if applicable) known before payment is sent
– Status of the payment available to the end customer (through participant bank)

Easy
– SWIFT Go fees pre-agreed bilaterally between the relevant correspondent banks (simple fee options)
– Single format
– Rely on payment pre-validation capabilities and other strategic platform capabilities

Faster
– Improve current gpi service level on speed
– Instant where available

Competitive prices
– Competitive commercial conditions (fees, FX)
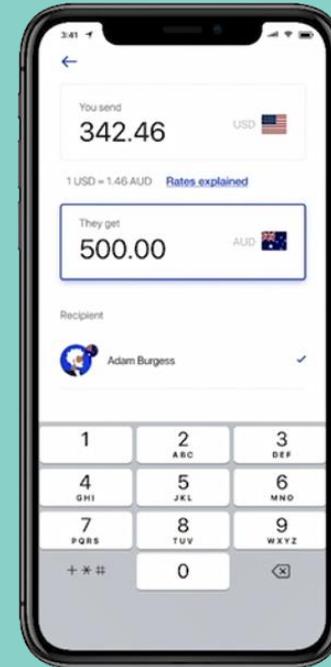
For illustration purposes only

✓ **SME**

✓ **Consumer users**

This initiative includes a legal stream to ensure compliance with EU competition laws

Helping banks improve their servicing for low value payments

Enhanced customer offer

- Full predictability of payment conditions (time, fees, amount)
- Full payment value delivered to end customers through SWIFT Go banks
- Reduced processing times, instant where available

Standardisation

- Aim to provide a single format (common currency guide for SWIFT Go banks)
- Simplified fee options help banks bilaterally agree, implement and calculate the commercial conditions for SWIFT Go

Cost reduction

- Higher STP thanks to a common currency guide and a stricter network validation, also include a roadmap towards full STP
- Central Reporting Engine delivered by SWIFT, to help with reconciliation and bilateral billing between correspondents

Banks Onboarding Roadmap Update

We have additional banks live since the last webinar

Banks / roles already live

UniCredit Group
Instructing, intermediary, instructed
EUR/USD
UNCRITMM

网商银行 MYBANK
Instructing / Instructed
EUR/USD
ZHECCNBB

BBVA
Intermediary (EUR),
instructed EUR/USD
BBVAESMM

SOCIETE GENERALE
Intermediary
EUR
SOGEFRPP

BNY MELLON
Intermediary / Instructed
USD
IRVTUS3N

DNB
Instructing
USD
DNBANOKK

Deutsche Bank
Intermediary
EUR
DEUTDEFF

J.P.Morgan
Instructed USD + US-ACH
CHASUS33

中国民生银行 CHINA MINSHENG BANK
Instructing / Instructed
EUR/USD
MSBCCNBJ

YapıKredi
Instructing / Instructed
EUR/USD
YAPITRIS

Banks / roles that went live in Q2 (*)

QNB AL AHLI EGYPT
Instructing / Instructed
EUR/ USD
QNBAEGCX

I&M Bank LIMITED
Instructed
USD/EUR/GBP
IMBLKENA

浦发银行 SPD BANK
Instructed
EUR / USD
SPDBCNSH

Citi
Intermediary
USD/EUR/GBP
CITIUS33/CITIGB2L/CITIIE2X

創興銀行 Chong Hing Bank
Instructed
USD
LCHBHKHH
(June 18th)

SeABank
Instructed
USD
SEAVVNVX
(June 25th)

HDBank
Cam kết lợi ích cao nhất
Instructing/ Instructed
USD
HDBCVNVX
(June 25th)

(*) Some banks are still finalizing the setup
of their reachability / bilateral fees into SWIFT REF

Banks Onboarding Roadmap Update

With more banks / roles / currencies following shortly

Banks / roles going live in Q3 2022

GarantiBank

Instructing
EUR/USD
TGBATRIS

BANK OF GEORGIA

Instructed
EUR/USD
BAGAGE22

BBVA

Instructing
EUR/USD
BBVAESMM

Citi

US-ACH

Instructed
EUR
DEUTDEFF

BNY MELLON

US-ACH
IRVTUS3N

BANK OF DONGGUAN

Instructed
USD
DGCBCN22

FAB First Abu Dhabi Bank

Instructing / Instructed
EUR / USD / GBP
NBADAEAA

NBK

Instructed
USD
NBOKKWKW

ABK

Instructing
EUR / USD
ABKKKWKW

Onboarding status

64 banks (at least) will be live before the end of 2022.
Other banks are invited to confirm their plans ASAP (the onboarding will be free of charge only for banks going live in 2022)

APAC

1. BANGKOK BANK
2. Bank of Dongguan
3. BIDV
4. China Construction Bank
5. China Minsheng Bank
6. Chong Hing Bank Limited
7. DBS BANK LTD
8. HDFC BANK
9. Ho Chi Minh City Development Bank
10. ICICI BANK
11. JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM
12. KASIKORNBANK
13. MILITARY BANK
14. My Bank
15. OCBC NISP
16. SeABank
17. STANDARD CHARTERED BANK
18. Shanghai Pudong Dev Bank
19. ZHEJIANG CHOUZHOU COMMERCIAL BANK
20. ZHEJIANG RURAL CREDIT COOPERATIVE UNION

EMEA

1. ABU DHABI ISLAMIC BANK
2. AKBANK T.A.S.
3. AL AHLI BANK OF KUWAIT
4. AMERIABANK
5. ARAB JORDAN INVESTMENT BANK
6. BANCO COMERCIAL PORTUGUES
7. BANK ALETIHAD
8. BANKINTER
9. BBVA
10. CAPITAL BANK OF JORDAN
11. CRDB BANK PLC
12. DANSKE BANK
13. Deutsche Bank
14. DIAMOND TRUST BANK KENYA
15. DNB
16. EMIRATES NBD BANK
17. FIDELITY BANK
18. First Abu Dhabi Bank
19. FIRSTRAND BANK LIMITED
20. INTESA SANPAOLO SPA
21. I&M Bank LTD
22. KUWAIT FINANCE HOUSE
23. MASHREQBANK
24. National Bank of Kuwait
25. NATIONAL WESTMINSTER BANK
26. JOINT STOCK COMPANY 'STATE SAVINGS BANK OF UKRAINE'
27. JSC Bank of Georgia
28. JSC BASISBANK
29. JSC - TBC Bank
30. QATAR INTERNATIONAL ISLAMIC BANK
31. QNB ALAHLI EGYPT
32. Société Générale
33. STANDARD BANK OF SOUTH AFRICA
34. SVENSKA HANDELSBANKEN AB
35. THE CO-OPERATIVE BANK OF KENYA
36. THE MAURITIUS COMMERCIAL BANK LIMITED
37. Türkiye Garanti Bankası
38. Unicredit
39. Yapi Kredi

AM- UK

1. Bank of NY Mellon
2. Citibank
3. JP Morgan Chase
4. ROYAL BANK OF CANADA
5. WELLS FARGO BANK

What do application providers need to do to support SWIFT Go?

- Vendors that support payment initiation:
    - Third-party applications that generate/send/receive/process an MT 103 and/or pacs.008 must support the <u>SWIFT Go Single Format;</u> this includes but is not limited to:
        - o Use of correct service type identifier
        - o No fees on the message itself (transaction fees are settled outside of payment message)
        - o Stricter set of validations around fields/elements
        - o Specifically for payments in USD, EUR, and GBP (this currency list can be extended in the future)
- Vendors that support beneficiaries and confirmation:
    - Third-party applications that generate/send gpi confirmation codes must adhere to the stricter SLA (4hrs)

SWIFT Go: vendor readiness journey (messaging)

Step 1	Step 2	Step 3	Step 4	Step 5
Register with SWIFT by joining the Partner Programme	Download the SWIFT Go rule book	Access MyStandards SWIFT Go Vendor Community and develop against the SWIFT Go Single Format specs	Test using SWIFT Go Vendor Readiness Portal	Self-attest as SWIFT Go 'ready':

SWIFT Go ready declaration

Notes:

Required to gain access to Knowledge Centre	Available for all registered partners	Requires MyStandards registration (free)	User-to-application testing of SWIFT Go Single Format compliant MT 103 & 199, pacs.008 & TRCK	List of 'ready' vendors to be published on SWIFT.com after completing testing and self-attestation declaration

Note: for API based communication vendors can follow the established API readiness journey

SWIFT

If you have any questions, please contact your account manager
or raise a case via the Support page