



Presentation will begin at 12:03GMT

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Global webinar for third-party providers

Partner Programme / Third-Party Provider Readiness

October 2022

Agenda

1. Admin notices
2. ECB announcement – T2 delay and Swift considerations
3. XML namespace prefix
4. Demo: SWIFT Partner Testing
5. SWIFT Go
6. Payment Pre-validation
7. Close



Admin notices

- This presentation is being recorded
- The content will be published on SWIFT.com (<https://www.swift.com/standards/iso-20022/iso-20022-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 Webinar for 3rd Party Providers](#)
- 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



– ECB announcement – T2 delay and Swift considerations

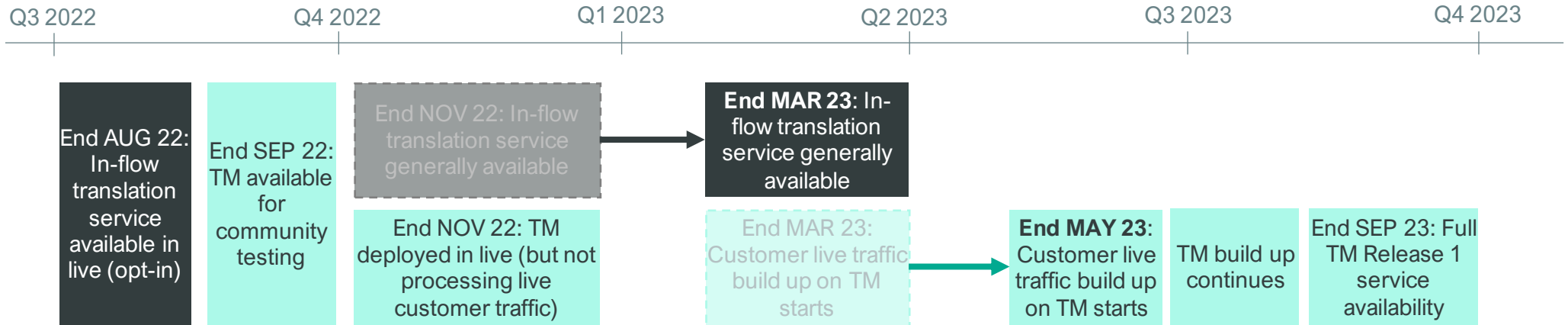


ECB announcement – T2 delay and Swift considerations

- On 20 October 2022, the Governing Council of the European Central Bank (ECB) [announced that it will reschedule](#) the launch of its new real-time gross settlement (RTGS) system and central liquidity management model, T2, from 21 November 2022 to 20 March 2023. This decision effectively delays the ISO 20022 migration within the Eurosystem by four months
- Swift in consultation with its global community, have considered the implications of this decision on the start of the ISO 20022 migration for cross-border payments with a view to further analyze and validate impacts on the timeline for CBPR+ with a view to maintaining operational and business continuity across the global financial system
- An overwhelming majority of our global community has requested that Swift align the start of the global ISO 20022 migration for CBPR+ with the ECB's updated timetable to ease implementation
- In response, we have taken a decision to accommodate this request, and Swift will begin the ISO 20022/MT coexistence period for all users on 20 March 2023
- Please refer to the [KB article](#) for further information on this decision including a set of FAQs



Revised ISO 20022 and Transaction Manager activation timeline



Activation summary for CBPR+

- FINplus CBPR+ service live for opted-in institutions remains available since 21 August 2022
- Global roll-out of CBPR+ live with In-flow translation service moves
 - from 20 November 2022
 - to 20 March 2023
- ISO 20022 cross-border migration ends on 23 November 2025. MTs for payments and reporting messages will retire from the FIN many-to-many service

Activation summary for Transaction Manager

- Technical readiness of Transaction Manager in live remains November 2022
- Activation of Transaction Manager traffic build-up moves
 - from end of March 2023
 - to end of May 2023
- Completion of the Transaction Manager traffic build-up remains by the end of September 2023. Observation and monitoring period reduced to still allow complete traffic build up as originally planned

■ CBPR+ live (including In-flow translation) related milestones

■ Transaction Manager related milestones



– XML namespace prefix



XML namespace prefix

An XML namespace prefix is an abbreviation for a full XML namespace. A namespace allows a non-ambiguous identification of all XML tags, that belong to different XML elements.

Transaction Manager generates MX documents with the prefixes **head** in the Business Application Header and **pacs** in the business payload

Namespace
definition (xmlns)
with default
(empty) prefix

Business Application Header (BAH) without specified prefix

```
<AppHdr xmlns="urn:iso:std:iso:20022:tech:xsd:head.001.001.02">
<Fr>
<FIId>
<FinInstnId>
<BICFI>BIC4BEBB</BICFI>
</FinInstnId>
</FIId>
</Fr>
```

Namespace
definition (xmlns)
with **head** prefix

Business Application Header (BAH) with specified namespace prefix **head**

```
<head:AppHdr xmlns:head="urn:iso:std:iso:20022:tech:xsd:head.001.001.02">
<head:Fr>
<head:FIId>
<head:FinInstnId>
<head:BICFI>BIC4BEBB</head:BICFI>
</head:FinInstnId>
</head:FIId>
</head:Fr>
```

Workaround

Customers who cannot process inbound CBPR+ with XML namespace prefix can test on FINplus pilot current (without Transaction Manager) until they have implemented a permanent resolution

Key messages

ISO 20022 *does not guarantee* uniqueness of the named type. That is, named types with the same name but belonging to different namespaces could appear in the Envelope, BAH, Document, or Extension namespaces.

For this reason, SWIFT considers that *support for XML Namespace Prefixes is a requirement for safe processing of ISO 20022 XML.*

Transaction Manager implements this requirement and any messages processed by Transaction Manager will be using XML namespace prefixes.

See details

- [TIP 5025610 \(CBPR+ ISO message processing with XML namespace prefix\)](#)
- [Transaction Manager - Operations Guide](#)

Messages not processed by Transaction Manager **may also contain XML namespace prefixes as any institution may send such messages with a namespace prefix**, including after the CBPR+ go-live date.

It is therefore critical for all customers to be able to process messages with a namespace prefix before the CBPR+ go-live date, or to define a resolution plan with their vendor to enable this capability without delay.

Additional information

- Off-the-shelf XML parsers seamlessly process namespace prefix
- [TIP 5025610 \(CBPR+ ISO message processing with XML namespace prefix\)](#)
- [Transaction Manager - Operations Guide](#)
- [XML namespace](#)



- **Live demo: SWIFT Partner Testing**
See recording for content.



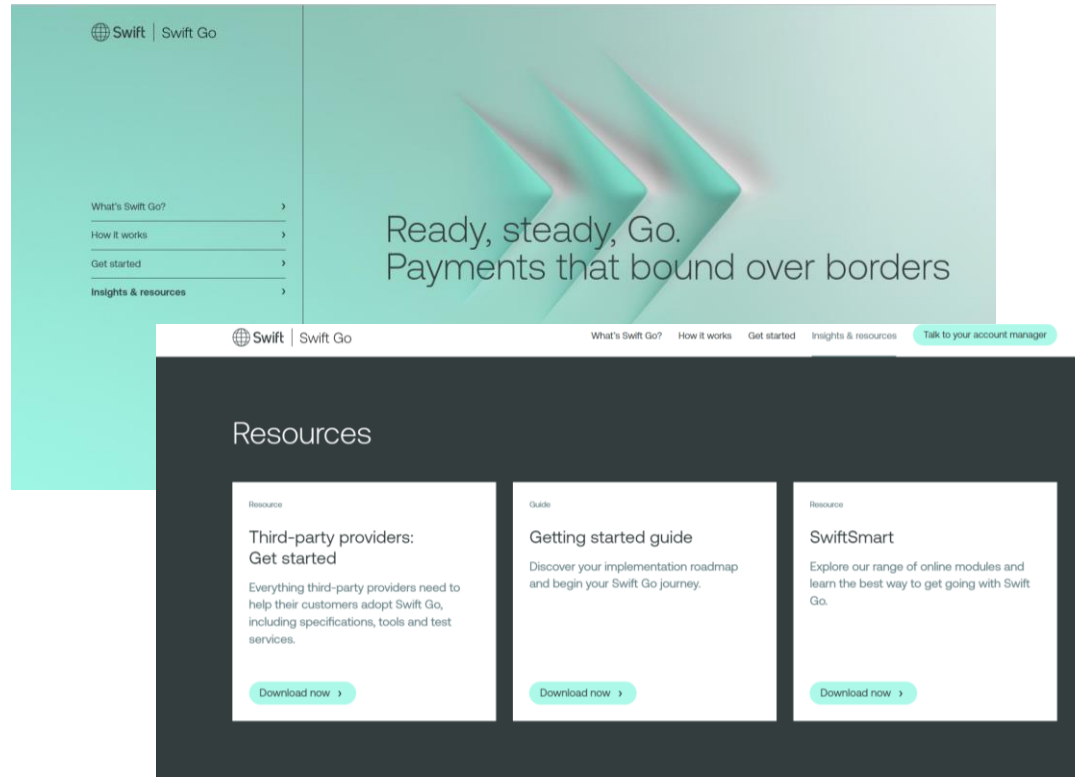


SWIFT Go

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

SWIFT Go all in one place

Page on SWIFT.com has been published to provide a single source of all the information, tools, and resources you need to support SWIFT Go.



[What is SWIFT Go?](#)

[SWIFT Go for third-party providers](#)



Congratulations! First application providers to self-attest as 'SWIFT Go ready'



SWIFT Go on SWIFT.com page will be enhanced to list all the application providers that self-attest as 'SWIFT Go ready'. The page on SWIFT.com will be promoted to banks and financial institutions so they know who they can work with to benefit from SWIFT Go



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

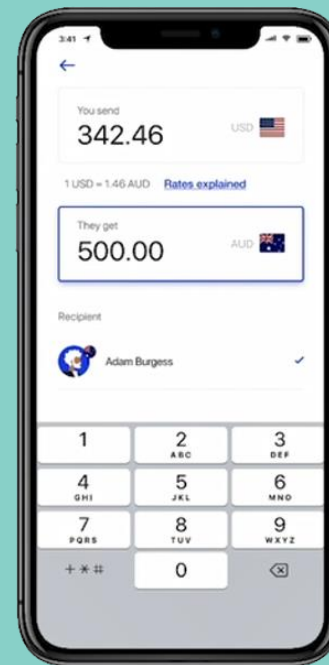
- SWIFT Go fees pre-agreed bilaterally between the relevant correspondent banks (simple fee options)
- Single format
- Rely on payment pre-validation capabilities and other strategic platform capabilities

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




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 [SWIFT Go Single Format](#); this includes but is not limited to:
 - Use of correct service type identifier
 - No fees on the message itself (transaction fees are settled outside of payment message)
 - Stricter set of validations around fields/elements
 - 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
<p>Register with SWIFT by joining the Partner Programme</p>	<p>Download the SWIFT Go rule book</p>	<p>Access MyStandards SWIFT Go Vendor Community and develop against the SWIFT Go Single Format specs</p>	<p>Test using SWIFT Go Vendor Readiness Portal</p>	<p>Self-attest as SWIFT Go 'ready':</p> <p> SWIFT Go ready declaration</p>
<p>Notes:</p> <p>Required to gain access to Knowledge Centre</p>	<p>Available for all registered partners</p>	<p>Requires MyStandards registration (free)</p>	<p>User-to-application testing of SWIFT Go Single Format compliant MT 103 & 199, pacs.008 & TRCK</p>	<p>List of 'ready' vendors to be published on SWIFT.com after completing testing and self-attestation declaration</p>

Note: for API based communication vendors can follow the established [API readiness journey](#)

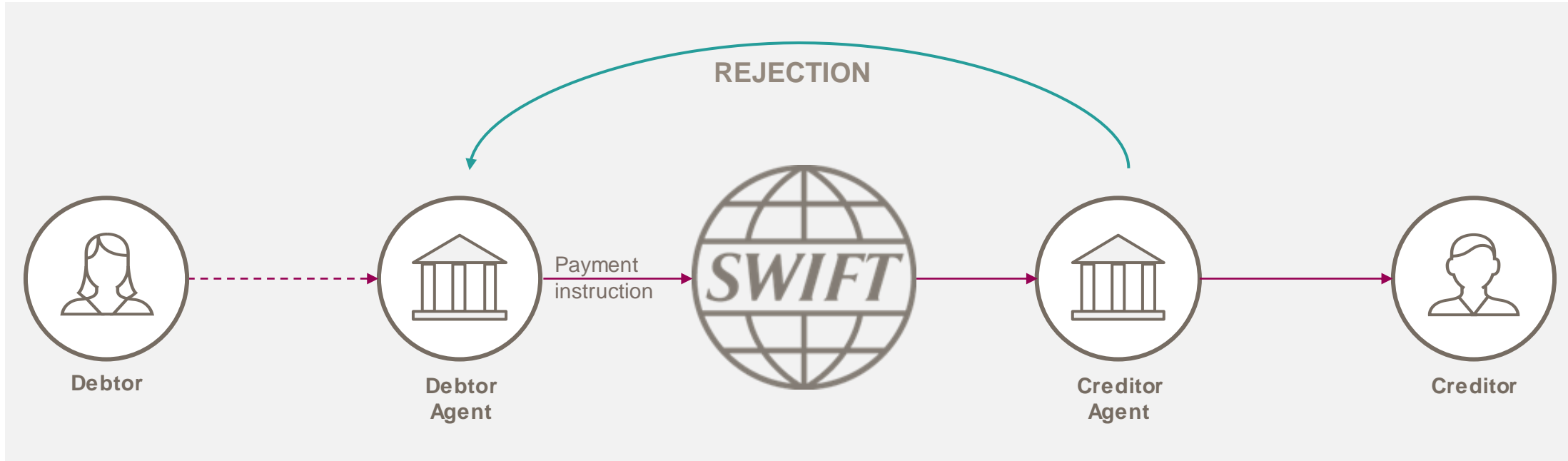


Global webinar for third-party providers

– Payment Pre-validation



Payment transactions challenges



- More than **5%** of sent payment instructions fail STP, costing the industry around **2B EUR annually** - it represents **more than 35 million** payment transactions per year
- A payment not credited on time creates **delays** and potentially **incurs late fees**, therefore has **negative impact** on **customer planning** and **satisfaction**
- Issues handling, thus reparation costs are often **expensive manual processes** to run and maintain



Typical reasons of payment frictions



Incorrect
account
details



Incorrect
identifiers and
codes



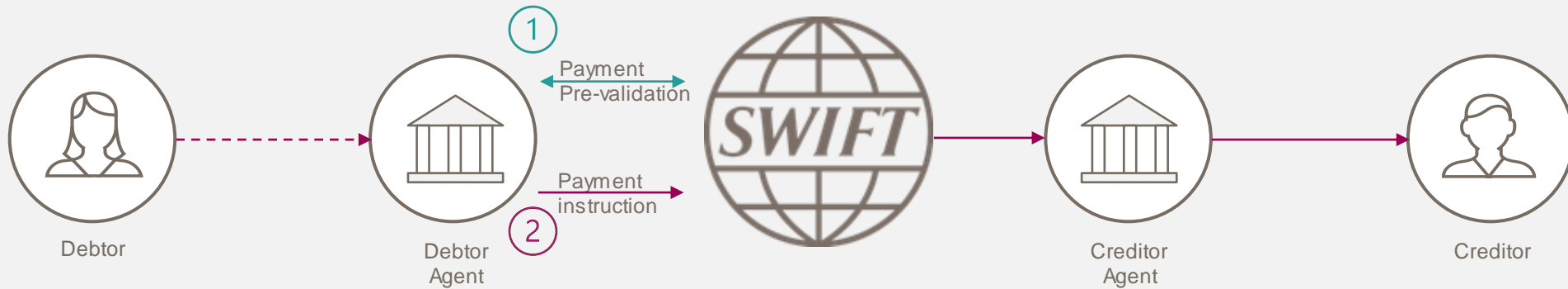
Unknown
local market
practice

Quantitative analysis shows **65%** of root causes could be addressed with **pre-validation**.

The API is designed to support banks and corporates to prepare their cross-border payment requests and check, if the payment information is valid and in good standing with the country-specific requirements at the destination.



Payment pre-validation: What is it?



Payment Pre-validation

A set of **API** services which can be called **BEFORE** sending a payment instruction

1

LIVE

- Beneficiary account verification
- Validate payment purpose code
- Validate payment purpose
- Validate amount
- Validate account format
- Validate financial institution identifier
- Validate category purpose

Collaborative service

Central service



Key Payment Pre-validation benefits

Best customer experience

- Step by step guidance how to make successful payments
- Suggest corrections at the payment phase
- Deliver payment faster

Compliance

- With international and domestic requirements
- Increase certainty before reaching out the beneficiary bank

Reduced operational cost

- Automated detection and corrections of payments errors
- Fewer payment exceptions and investigations



What do application providers need to do to support Payment Pre-validation?

Application providers who support [Payment Pre-validation Consumer API](#) need to:

- Implement an API client and issue API requests towards SWIFT to validate cross-border payment information

Application providers who support [Payment Pre-validation Data Provider API](#) need to:

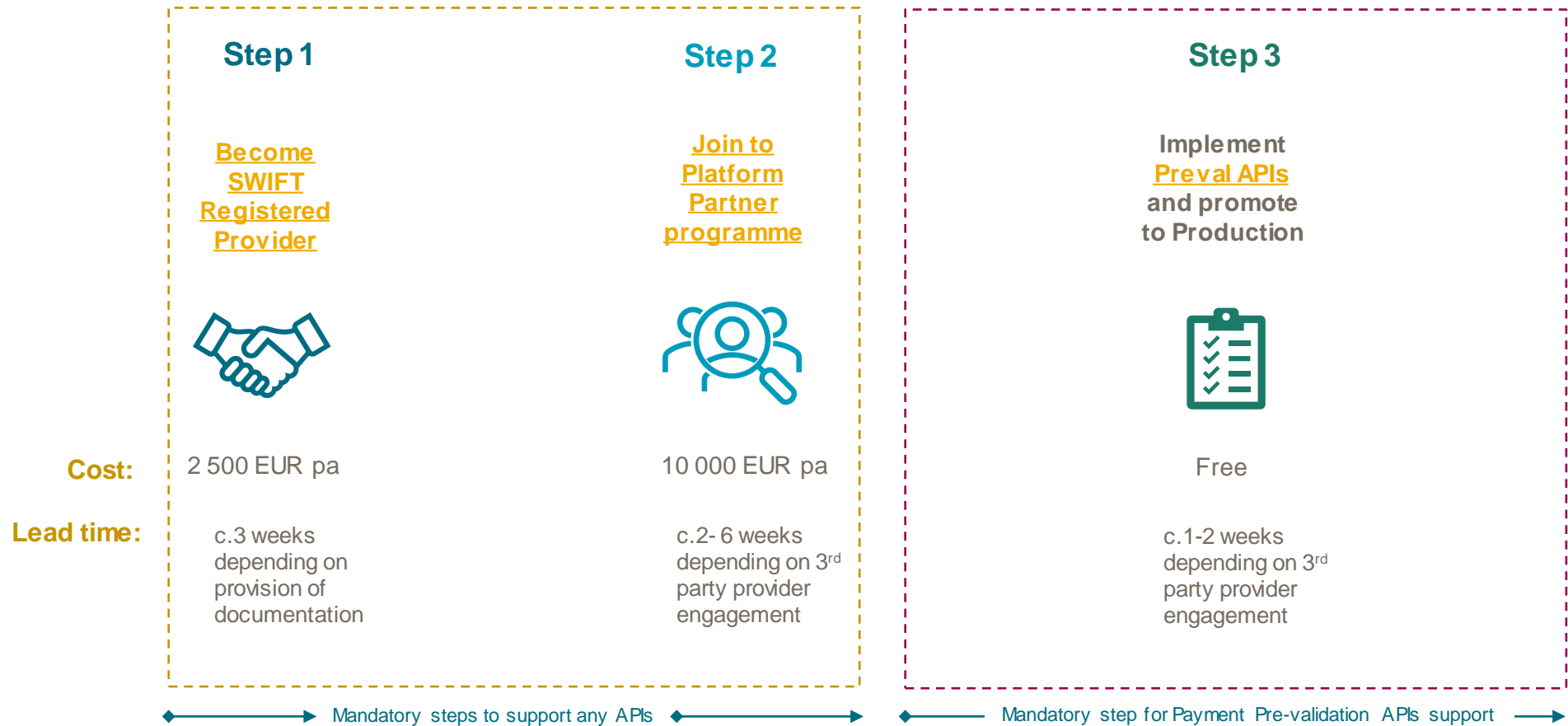
- Open an API channel to facilitate the incoming pre-validation requests from SWIFT
- Expose a web server containing the service of validating account and optionally matching names
- Comply with functional specifications (standardised responses)

Additional useful information

- [Payment Pre-validation](#) webpage
- [Payment Pre-validation FAQs](#)
- [Platform Partner programme](#)
- [How to become a Partner](#)
- SWIFTSmart course: [Introduction to Payment Pre-validation Services](#)



Payment Pre-validation: 3rd party provider readiness journey





www.swift.com

If you have any questions, please contact your account manager
or raise a case via the [Support](#) page