Presentation will begin at 12:03GMT

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

Global Webinar
for Complementors

Swift

March 2024

Complementors Team

Agenda

1. Admin notices

2. Swift Essentials – Katarzyna Szostak-Markiewicz

3. Corporates Strategy – Stephan Koehler

4. CBPR+ standard updates – Dean Chard

5. CBPR+ self-attestation – Supriya Dahiwelkar

6. Q&A

Swift

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 Webinar for Complementors occur the last Thursday of every month and you can register 2 weeks before each event here: Global Webinar for Complementors
- 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 webinar for Complementors 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

Swift

Swift Essentials
Benefits for Swift Providers

Swift

What is Swift Essentials?

What

On January 1st, 2024, Swift Essentials model for Swift value-added products and services went live. It consists of the leading capabilities we have developed with the community in recent years.

Why

To create a new standard and elevate the end-to-end cross-border transaction experience.

The value-added services included in Swift Essentials aim **to improve end-to-end transaction processing** and **deliver a high-quality service standard that customers expect today,** as well as support the industry more broadly to achieve the G20 targets for improvements in **speed, cost, choice, and access in international payments.**

Swift Essentials is part of Swift strategy to enable an **instant, frictionless, cross-border experience around the world.**

Swift

Swift Essentials sets a new standard for transaction services
These services are now available to customers in scope under a yearly invoice.

Swift Essentials

- **Swift gpi**
- **Swift Go**
- **Pre-Validation**
- **Case Management**
- **SwiftRef**
- **Swift Securities View**
- **Payment Controls**
- **Transactions Screening** (optional)
- **KYC**

Fast & Secure
- Faster payments, increased fraud prevention and compliance
- Supports the G20 Target

Frictionless
Streamlines the end-to-end payments process

Better end-Customer Experience
Improves your end-customers' experience through seamless transactions and faster issue resolution

Reduce costs
Greater efficiencies across the payments and securities lifecycles

Swift

Help your customers to upgrade their end-to-end cross-border experience

Payment Pre-Validation
Allows to check and prevent for payment errors upfront, increasing efficiency and cost savings. Includes country specific content validation and account validations via Central Beneficiary Account validation solution.

Payment Controls Service
Allows to mitigate payment processing risk through anomaly detection, allowing you to detect fraudulent payments before they go out the door and in flight.

Swift GPI
Helps to ensure that international payments meet the industry's needs for speed, traceability and transparency.

KYC Registry
A central repository hosted by Swift removing the need for bilateral exchange of KYC documents.

Transaction Screening Service
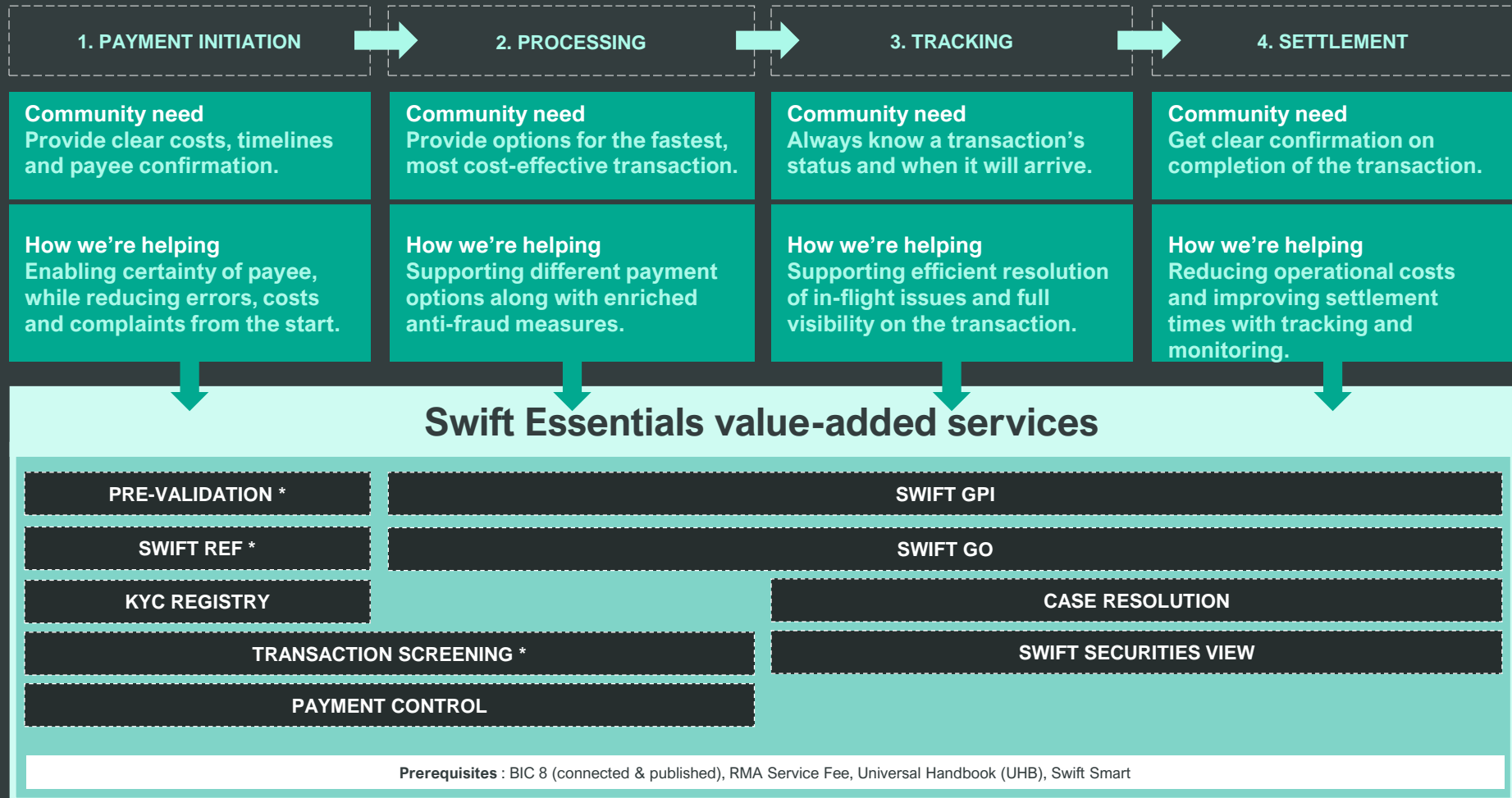Screens against sanctions breaches to assist in compliance efforts (available as an optional component).

Swift Go
Enhances payments value proposition for SMEs and consumer customers by offering payment service level agreements and predictable fees

SwiftRef
Provides the information required to correctly route payments in a variety of formats.

Case Management
Allows to streamline the exceptions and investigations process

Swift Securities View
Helps to reduce settlement fails through clear end-to-end tracking in post-trade processing.

Swift

Swift Essentials opens up the full advantage of the value-added services we offer today.
These capabilities have the potential to significantly upgrade the end-to-end cross-border experience.

1. PAYMENT INITIATION	2. PROCESSING	3. TRACKING	4. SETTLEMENT
Community need Provide clear costs, timelines and payee confirmation.	**Community need** Provide options for the fastest, most cost-effective transaction.	**Community need** Always know a transaction's status and when it will arrive.	**Community need** Get clear confirmation on completion of the transaction.
How we're helping Enabling certainty of payee, while reducing errors, costs and complaints from the start.	**How we're helping** Supporting different payment options along with enriched anti-fraud measures.	**How we're helping** Supporting efficient resolution of in-flight issues and full visibility on the transaction.	**How we're helping** Reducing operational costs and improving settlement times with tracking and monitoring.

Swift Essentials value-added services

PRE-VALIDATION *	SWIFT GPI
SWIFT REF *	SWIFT GO
KYC REGISTRY	CASE RESOLUTION
TRANSACTION SCREENING *	SWIFT SECURITIES VIEW
PAYMENT CONTROL	

Prerequisites : BIC 8 (connected & published), RMA Service Fee, Universal Handbook (UHB), Swift Smart

★ Clients will be given the opportunity to opt in for TSS

1) Onboarding services are not included in the Essentials pack
2) Inclusion of new products & new versions of below products are subject to approval
3) Pre-Validation includes CBAV and SwiftRef includes the API services

Swift

As a provider what do I need to be aware of?

Who is in scope?

- Swift Essentials is a new mandatory model change for all in scope clients, that entitles them to leverage any of the component services.

  Swift Essentials is mandatory for all non-Fixed Fee Financial Institutions, including:

  ✓ Shareholder S.W.I.F.T. SCRL (MEMB)

  ✓ Non-Shareholding Member (MEWS)

  ✓ Submember S.W.I.F.T. SCRL (SUBM)

  ✓ Supervised Financial Institution (SUPE)

  ✓ Non-Supervised Active Fin. Industry (NOSU)

  ✓ Payment System Participant (PSPA)

  ✓ Securities System Participant (SSPA)

- Your customers are now entitled to use any of the component products and may reach out for support to leverage them (including API support via your application).

- Make sure you understand which customers of yours are in scope of Swift Essentials

- How can I find more information:

  - Visit the Swift Knowledge Centre on Swift.com and search for the Swift Essentials Support Page
  - Watch the Swift Essentials Overview Video

Swift

How will Swift Essentials impact me?

As a Swift Provider you need to be ready for:

- Inbound queries from existing and new customers interested benefiting from the solutions they are now entitled to within Swift Essentials.

There are new opportunities for you as:

- Your offer expands, and you're better able to meet your customer's needs.

- Your customers look to take advantage of the products and services they are now entitled to, they may look to you for implementation support.

Swift

Benefits of Swift Essentials for your End-Customers

Elevates your end-customer experience

Improves end-to-end transaction processing, giving you the tools to deliver the high-quality service that your customers expect.

Raises the bar for the industry

Sets a new standard for transaction services, uplifting the entire financial industry.

Simple and predictable

One invoice at the start of each year, covering all the services included.

Swift

Benefits of Swift Essentials solutions implementation for You

Elevates your end-customer experience

Increase your attractiveness on the market, as your customers will be able to take the advantage of the Swift Essentials solution they are now entitled to.

Raises the bar for the industry

The existing customers will continue to grow with you, at the same time new customers will be attracted by your enriched offer.

Simple and predictable

Simplifies customers onboarding process significantly by exposing Swift's APIs in your application.

Swift

How to achieve this?

Familiarize with the products and scope of Swift Essentials available on the Swift Essentials Knowledge Page

Analyse which services you need to expose to bring the most value to your existing customers or to attract new target group

Together with your customers plan the implementation details

Swift

Platform Partnership Programme
Creating and expanding Swift's platform ecosystem

Platform Partnership Programme consist of:

Value added services Enablers

Embed Swift API value added services into the own solution, e.g. Payments hub, TMS/ERP.

Business Connect Enablers

Embed Swift connectivity and APIs into own solution

Ancillary providers

Extend the Partner API service to the global Swift community e.g. Trade document validation

More information can be found on swift.com

How Complemetors can harness our evolving cash management capabilities for corporates

Swift

Delivering end-to-end quality
For financial institutions and their corporate clients

Swift's strategy is to drive an instant and frictionless transaction experience end-to-end.

Supporting the corporate business of financial institutions (FIs) is a core element.

*For **both** connected and non-connected corporates.*

Enable rich data via ISO 20022

Achieve an overall uplift in experience

Help banks deliver value to end-clients

Capture and validate richer ISO 20022 data at the source and make it readily available across the processing chain.

Enable easier corporate adoption of standards, tools and services while reducing institutions' costs, which in turn enables delivery of an improved experience for all corporate clients.
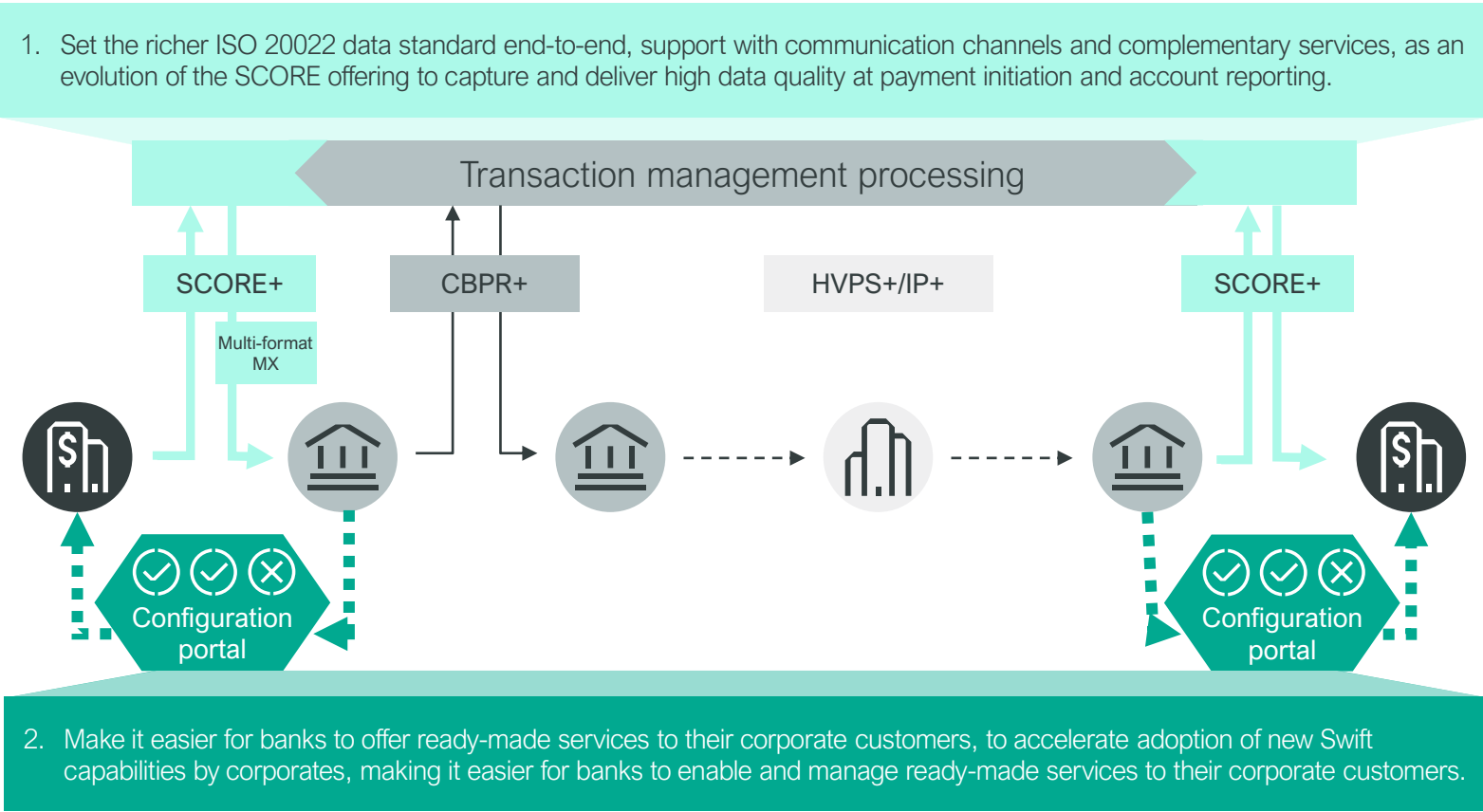
Swift

How will we achieve this?
For financial institutions and their corporate clients

1. Set the richer ISO 20022 data standard end-to-end, support with communication channels and complementary services, as an evolution of the SCORE offering to capture and deliver high data quality at payment initiation and account reporting.

Transaction management processing

SCORE+   CBPR+   HVPS+/IP+   SCORE+

Multi-format MX

Configuration portal

Configuration portal

3. Explore options to enable banks to scale Swift capabilities to corporates not connected to Swift

2. Make it easier for banks to offer ready-made services to their corporate customers, to accelerate adoption of new Swift capabilities by corporates, making it easier for banks to enable and manage ready-made services to their corporate customers.

Swift

How will we achieve this?
Create end-to-end ISO 20022 standard: starting with payment initiation and cash reporting
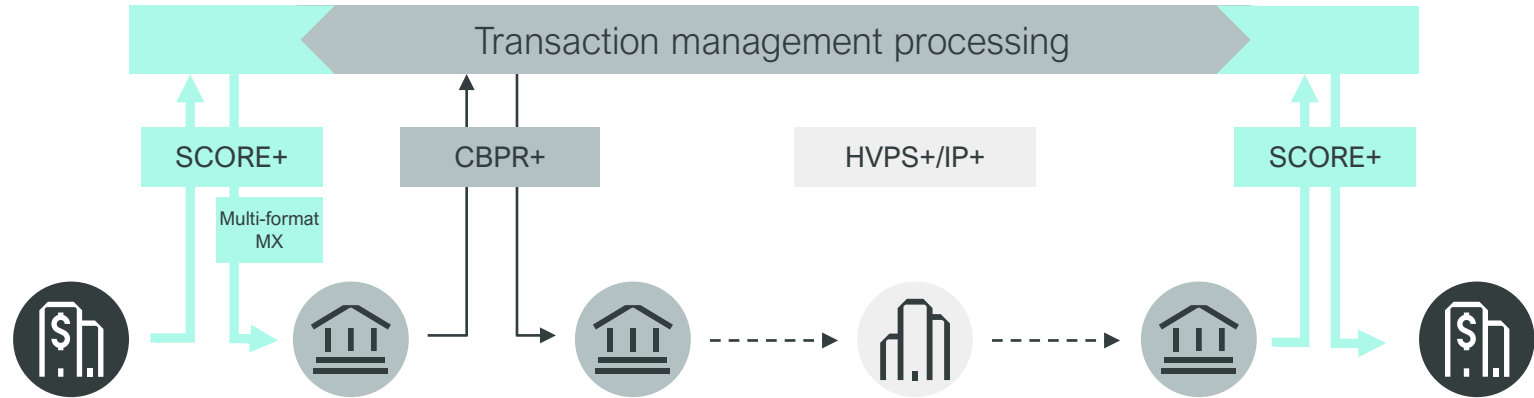
Deliverables: Create end-to-end ISO 20022 standard

- Introduction a single ISO 20022 usage guideline for payment initiation and reporting (CBPR+ & HVPS+ compatible)
- Enable corporate-to-bank communications on FINplus and API
- Introduce in-flow translation for key formats (banks)
- Extend transaction manager orchestration and preserve data quality/integrity end-to-end
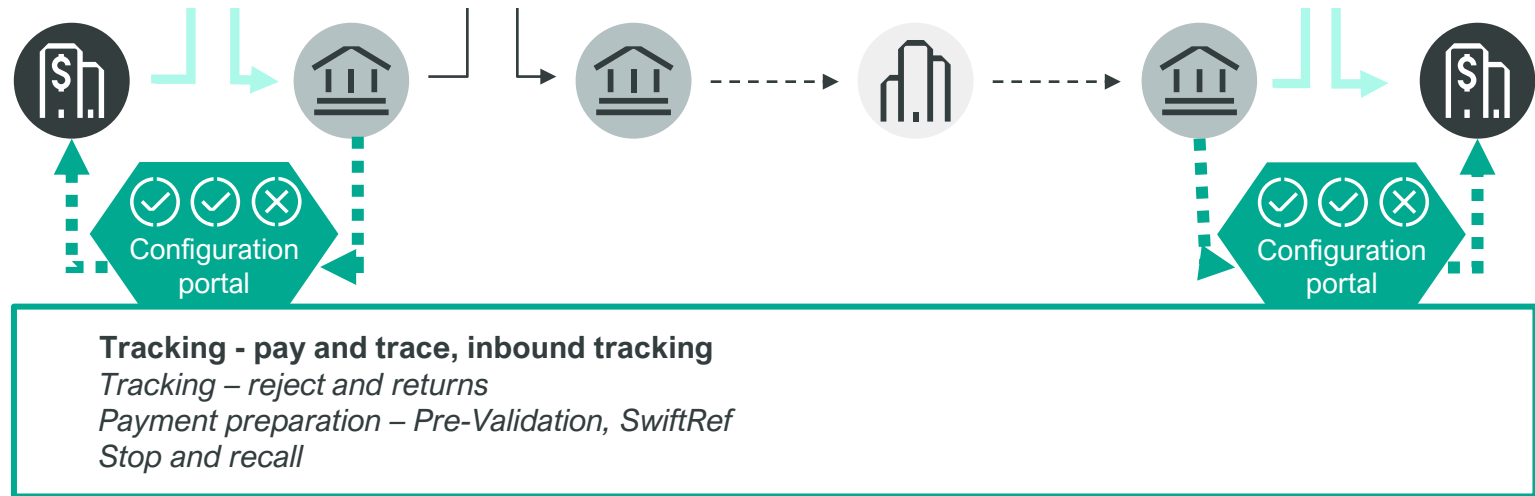
Benefits for banks

- Leverage investment for ISO 20022 for CBPR+ to get started
- Gain better customer insights with rich data captured at source and available throughout the life cycle

Benefits for corporates

- A single standard facilitates mapping across banks
- Transaction Manager ensures E2E data preservation

Swift

How will we achieve this?

Enable financial institutions to offer ready-made services: Starting with Tracking for corporates

Tracking - pay and trace, inbound tracking
Tracking – reject and returns
Payment preparation – Pre-Validation, SwiftRef
Stop and recall

Deliverables: Enable FIs to offer ready-made services

- Deliver bank management portal (configuration portal) for "ready-made" services
- Enable bank managed access to tracker (API & FINplus) for connected corporates
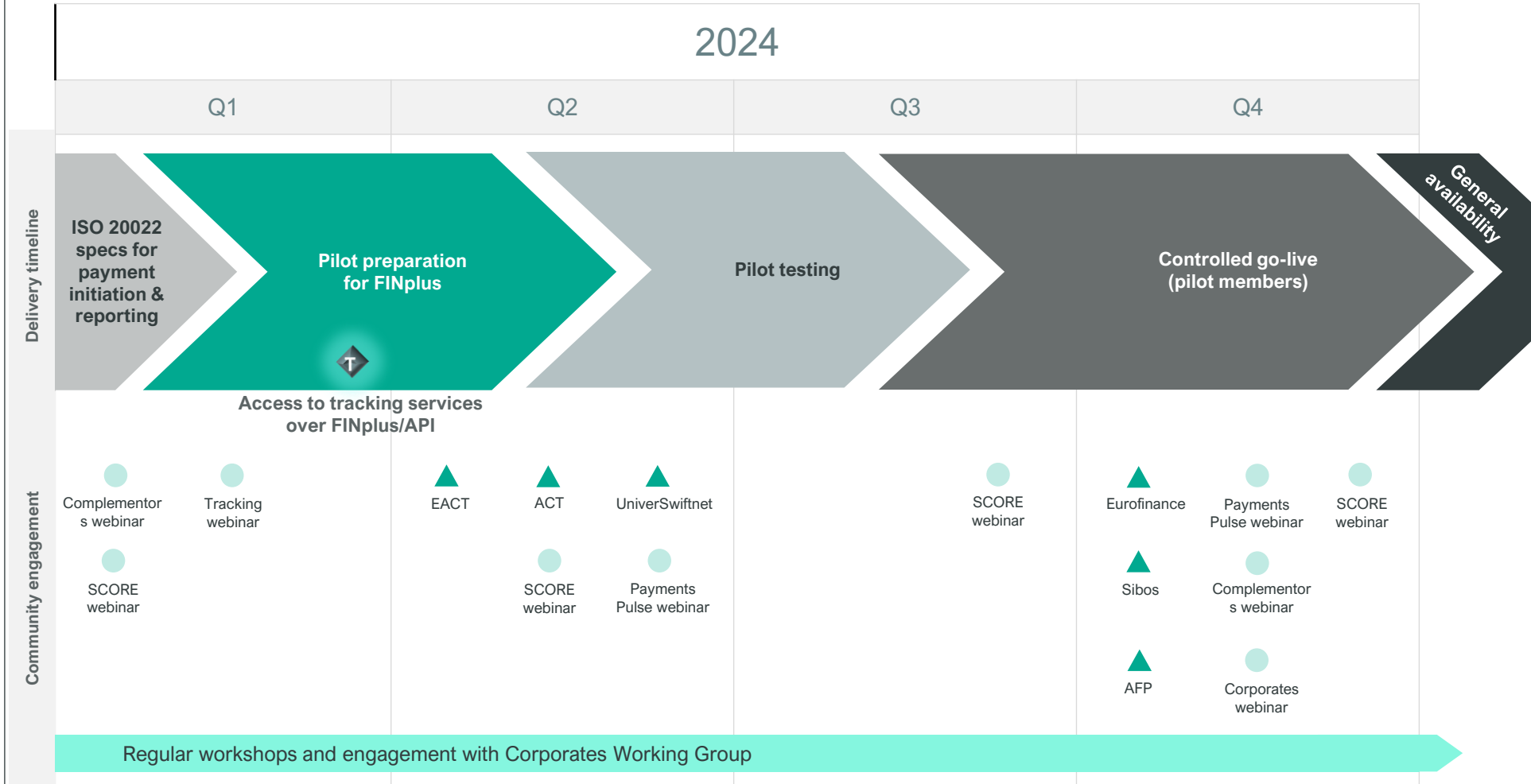- Develop roadmap of ready-made services enabled by banks (configuration portal)

Benefits for banks

- Enable adoption for entire franchise, not branch by branch
- Reduce TCO through reduced IT efforts, update, maintenance and on-going investment for product enhancement

Benefits for corporates

- Harmonise experience across banks and branches
- Consistent experience and service level regardless of format and channels

Swift

Timeline

	Q1	Q2	Q3	Q4

Delivery timeline

ISO 20022 specs for payment initiation & reporting

Pilot preparation for FINplus

Access to tracking services over FINplus/API

Pilot testing

Controlled go-live (pilot members)

General availability

Community engagement

- Complementors webinar
- Tracking webinar
- SCORE webinar

- ▲ EACT
- ▲ ACT
- ▲ UniverSwiftnet
- SCORE webinar
- Payments Pulse webinar

- SCORE webinar

- ▲ Eurofinance
- ▲ Sibos
- ▲ AFP
- Payments Pulse webinar
- Complementors webinar
- Corporates webinar
- SCORE webinar

Regular workshops and engagement with Corporates Working Group

Swift

Interested in knowing more?
Next steps

Deep dive into the details

Listen to our webinar How our partners can harness our evolving cash management capabilities for corporates recorded in January 2024.

Reach out to your banks / corporates

Make sure you speak with your banks / corporates to collaborate on how these solutions can help everyone achieve their business goals with more and better data straight from the source.

Contact us

Reach out to your account manager to schedule a discussion and/or ask any additional questions.

Swift

Hybrid Postal Address change request for CBPR+ usage guidelines

March 2024
Global Webinar for
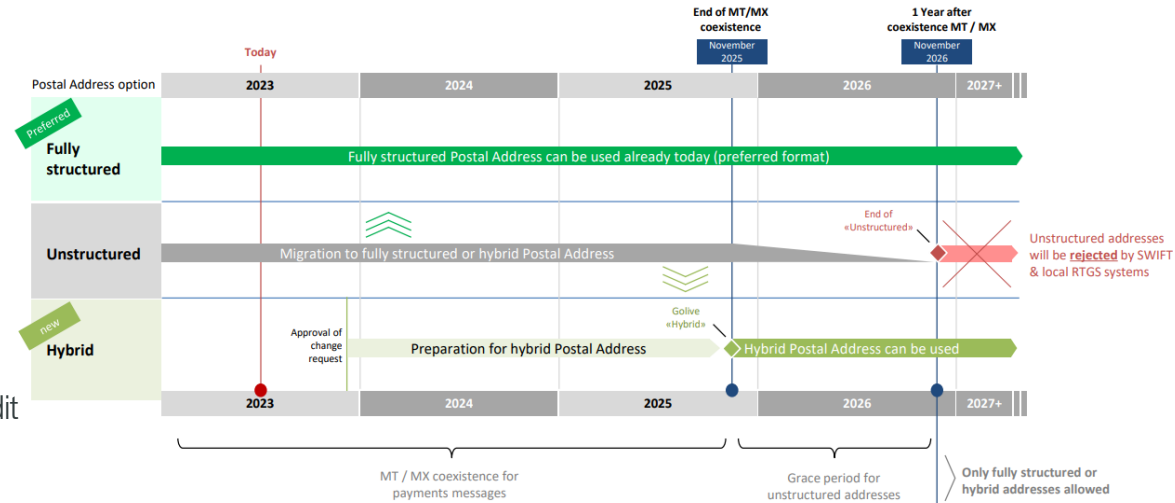Complementors

Swift

Key Points

- In May 2023 the Payments Market Practice Group (PMPG) raised a change request (CR) targeting Standards Release (SR) 2025.

- The CR proposes changes to the Usage Guidelines (UGs) for Cross Border Payments and Reporting (CBPR+) on FINplus, all UGs will be impacted in some way.

- The CR proposes (where the Postal Address is used) to:

  ➤ Mandate structured elements Town Name and Country
  ➤ Allow either structured or unstructured elements to capture remaining address data
  ➤ Achieve this through the addition and amendment of formal and textual rules, from November 2025 (SR2025)

- The proposal introduces a hybrid (semi-structured) postal address. The hybrid is a strategic option with no retirement date planned.

- The CR applies to all agents and parties present in the UGs.

- The CR represents a change to the payment industry's original strategy of mandating a fully structured postal address from November 2025.

- The High Value Payments Plus (HVPS+) group have also committed to implementing this change, timelines will vary across each market infrastructure (MI) member.

- The CR was officially approved in December 2023.

Swift

Proposed Implementation

- It has been agreed that a one-year 'grace period' for a fully unstructured postal address be allowed from November 2025 – November 2026.

- In this period a fully structured, fully unstructured or semi-structured (hybrid) postal address will be permitted. A fully unstructured postal address <u>will not</u> be permitted in this period for parties where it is not permitted today, these include ultimate debtor, ultimate creditor, initiating party and various parties within the Structured Remittance Information block.

- In November 2026, the fully unstructured postal address will be retired and no longer permitted (excluding camt.052, camt.053 and camt.054).

- Statements (camt.052, camt.053) and debit/credit notifications (camt.054) will be updated to accommodate all address options but will not restrict usage of the three options at any stage.

- This approach de-risks the delivery of the CR and will afford SWIFT and the industry better intelligence on readiness for the adoption of a fully structured or semi-structured (hybrid) postal address

November 2025 – November 2026

Preferred

Fully structured

- All available address data is mapped into on of the 14 ISO20022 fields

- No co-mingling of data

- No combination with "AdrLine" allowed

```
<Cdtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <StrtNm>HOOGSTRAAT</StrtNm>
        <BldgNb>6</BldgNb>
        <Flr>18</Flr>
        <PstlCd>1000</PstlCd>
        <TwnNm>BRUSSELS</TwnNm>
        <Ctry>BE</Ctry>
    </PstlAdr>
</Cdtr>
```

Unstructured

- No combination with structured ISO20022 address elements allowed

- Difficulty to interpret data due to co-mingling of address elements

```
<Cdtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
        <AdrLine>1000 BRUSSELS</AdrLine>
        <AdrLine>BE</AdrLine>
    </PstlAdr>
</Cdtr>
```

new

Hybrid   *In scope of PMPG CR*

- Combination of structured ISO20022 address elements **and** up to 2 lines of 70 characters of unstructured "AdrLine" <u>allowed</u>

- Elements available in structured format must be mapped into the respective structured element (minimum: TownName & Country)

- Structured elements must not be repeated in the AdrLine element(s)

Network validation rules

Textual rule

```
<Cdtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <PstlCd>1000</PstlCd>
        <TwnNm>BRUSSELS</TwnNm>
        <Ctry>BE</Ctry>
        <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
    </PstlAdr>
</Cdtr>
```

Swift

November 2026 Onwards

Preferred

Fully structured

- All available address data is mapped into on of the 14 ISO20022 fields

- No co-mingling of data

- No combination with "AdrLine" allowed

```
<Cdtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <StrtNm>HOOGSTRAAT</StrtNm>
        <BldgNb>6</BldgNb>
        <Flr>18</Flr>
        <PstlCd>1000</PstlCd>
        <TwnNm>BRUSSELS</TwnNm>
        <Ctry>BE</Ctry>
    </PstlAdr>
</Cdtr>
```

Unstructured

- No combination with structured ISO20022 address elements allowed

- Difficulty to interpret data due to co-mingling of address elements

```
<Cdtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
        <AdrLine>1000 BRUSSELS</AdrLine>
        <AdrLine>BE</AdrLine>
    </PstlAdr>
</Cdtr>
```

new

Hybrid   *In scope of PMPG CR*

- Combination of structured ISO20022 address elements **and** up to 2 lines of 70 characters of unstructured "AdrLine" allowed

- Elements available in structured format must be mapped into the respective structured element (minimum: TownName & Country)

- Structured elements must not be repeated in the AdrLine element(s)

Network validation rules

Textual rule

```
<Cdtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <PstlCd>1000</PstlCd>
        <TwnNm>BRUSSELS</TwnNm>
        <Ctry>BE</Ctry>
        <AdrLine>HOOGSTRAAT 6, 18th floor</AdrLine>
    </PstlAdr>
</Cdtr>
```

Swift

Benefits of the Change Request

- In an industry readiness survey of corporates, conducted by the PMPG in April 2023, over half (54%) confirmed that under the current strategy they would not be capable of outputting fully structured postal addresses post November 2025. Therefore, they would bypass any rules by truncating or concatenating data.

- The risk of corporates and financial institutions (FIs) truncating and concatenating data under the current strategy post November 2025 is high. In the same survey over half (53%) of corporates confirmed they currently had no active project considering how to output fully structured postal addresses.

- The PMPG has found various corporates and FIs typically store postal address data as a (hybrid) combination of structured and unstructured.

- The CR should ease the migration toward more structured postal addresses by offering alternative implementation options, the first fully structured and the second a combination of structured and unstructured.

- The CR is designed to facilitate the industry successfully migrating to CBPR+ with no truncation or concatenation of postal address data. It should also guard against any resistance to the November 2025 retirement of MT payment messages.

- Whilst a combination of structured and unstructured data would be allowed the mandatory presence of structured town name and country elements should ensure the data quality is still sufficient to take advantage of structured data benefits e.g. improved sanction scanning.

Swift

Implementation Proposal

- SWIFT have published two preliminary collections of usage guidelines and their respective readiness portals in MyStandards

  ➢ SR2025 collection for use November 2025 – November 2026, this will allow all three address options (Usage Guidelines - CBPRPlus_Advance SR2025_GRACE PERIOD (Hybrid Postal Address) (swift.com))

  ➢ SR2026 collection for use November 2026 onwards, this will allow fully structured and semi-structured (hybrid) only, fully unstructured no longer permitted (Usage Guidelines - CBPRPlus_Advance Release SR2026 (swift.com))

- It should be noted that these usage guidelines are not final and will be further updated to incorporate other change requests as part of the normal standard release process for SR2025 and SR2026

Swift

CBPR+ self-attestation

Swift

ISO 20022 adoption for CBPR+ - Self-attestation renewal update

Self-attestation renewal

❑ **Out of 49 partners, 32** have renewed self attestations.
  ➢ If you have already sent a self-attestation form but have been asked further queries, then those cases would be worked on until queries are resolved in April If successful, will remain on the listing.

❑ We would look to **refresh the list by the end of April** and the ones not acted by 31st March will be taken off the list on webpage - Is your partner CBPR+ ready? | Swift

❑ **Self-attestation criteria** to be enforced - To list as CBPR+ ready, a minimum set of CBPR+ ISO messages MUST be supported. Further details will be shared in the coming months and this criteria will be enforced for the next round of self-attestation renewals.

Swift

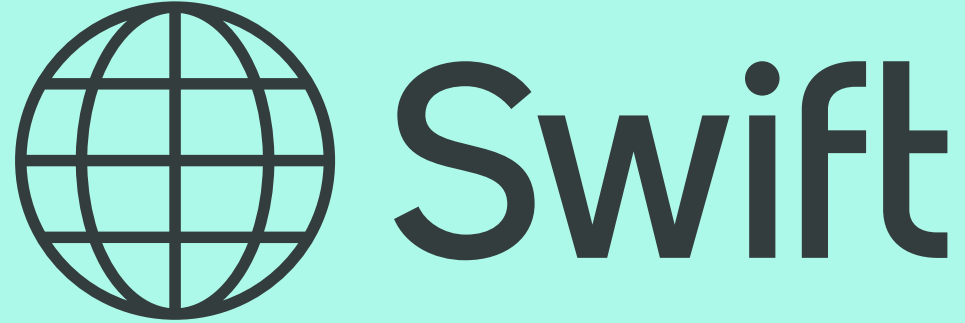# CBPR+ ISO 20022 Self-attestation and Compatibility label for Partners

Two options to differentiate yourself in the market

	Self-Attestation	Certification Label	Benefits	
Join the Partner Programme	✓	✓	Your company will be listed on CBPR+ readiness page on swift.com based on self-attestation	You will be **recognized** as successfully complied with defined requirements and will be published:
Download the CBPR+ usage guidelines	✓	✓		
Test using the Vendor Readiness Portal	✓	Optional		• At the top of CBPR+ readiness page
Self-attest as CBPR+ ready	✓			• In the Compatible Application Directory
Technical Attestation		✓		
FINplus testing Integration Test Bed		✓		
FINplus testing Test & Training TSP		Optional		You will receive a label that you can publish on your digital channels and use in your marketing collaterals
Functional Validation		✓		
Customer Validation		✓		
Obtain Swift Compatibility Label		✓		

Swift

Questions

March 2024
Global Webinar for
Complementors

🌐 Swift

Swift

If you have any questions, please contact your Account Manager
or raise a case via the **Support** page