

PMPG Monthly Meeting Minutes

MARCH 2024



Tuesday 5th – Thursday 7th March 2024

In-Person and Via Teleconference

Attendees In Person

Co-Chair	Community
Michael Knorr	US
Members	
Celia Ardyasa	Australia
Cristian Cengher	Austria
Sarit Daniel	Canada
Atle Fjereide	Nordics
Beth Geller	US
Damien Godderis	Belgium & Luxembourg
Laurent Lafeuillade	France
Mauro Pernigo	Italy
Paula Roels	Germany
Raghu Srinivasan	US
Dominik Vogel	Switzerland
Patrick Yeh	Hong Kong
Secretariat (Swift)	
Neil Buchan	
Juliette Kennel	
The Secretariat Palmer	

Attendees via Teleconference

Member	Community
Chloe Jenkins	UK
Sean Mouton	South Africa
Mike Pruiksma	BeNeLux
Masayuki (Mike) Tagai	Japan
Yan Zhang	China

Apologies

Members	
Alan Hwong	Singapore

External Participants

Name	Organisation
Stephane Mahieu	FATF
Alan Ketley	Wolfsberg Group

TUESDAY 5TH MARCH

1. Opening

1.1. Agenda & Minutes of Previous Meeting

The Chair welcomed the PMPG members to the meeting and thanked those that had been able to travel to Switzerland and those who were joining remotely for giving up time in their agendas.

He invited comments on the draft meeting agenda for this March in-person meeting. No comments were raised; thus, the agenda was considered approved.

The Chair went on to ask if any PMPG member had any objections to the minutes that had been shared for the February meeting. The Secretariat mentioned a comment from one member regarding the list of PMPG members and how they are documented in the minutes, proposing that the term '*country*' be amended to '*community*' in order to align with the Swift terminology. The Secretariat confirmed that this will be amended for future versions of the minutes. No further comments were raised; thus minutes from the February virtual meeting were considered approved.

The Chair welcomed Damien Godderis, who had recently been appointed as the new representative for the Belgium and Luxembourg communities and thanked him for attending the meeting.

1.2. Matters Arising/Actions from Previous Meeting

Matters Arising

The Chair called upon the Secretariat to talk through the matters arising and actions from the previous meeting.

The Secretariat advised that the Brazilian community had officially nominated Vitor Balao. The group would review his CV ahead of providing support for his nomination to join the PMPG.

The Secretariat then went on to inform the group that the ISO 20022 Structured Address Excel document on the PMPG website had been corrected and re-uploaded as version 1.6 following a report from the Finnish community on missing country samples that had been erroneously removed during previous updates.

Actions from Previous Meeting

The Secretariat highlighted a few actions from February's meeting:

#1 - Following the request from one community to publish the PMPG monthly meeting minutes on the PMPG's website on swift.com and the concern from Swift that this would have a 'cost per document' implication, the Secretariat confirmed that, upon further investigation within Swift, there is no cost associated. However, the ambition of the swift.com team is have a 'green' approach and to not have unnecessary or duplicate documents on the website.

The group discussed whether they would prefer anonymized minutes to be available in the public domain or a summary of key points. It was decided that anonymized minutes was the preferred approach.

It was also agreed that the Secretariat would post on LinkedIn as soon as the public minutes are available each month.

#2 - The Secretariat confirmed that the PMPG had provided majority support to endorse the HVPS+ Payments Interoperability Charter, following the request from the HVPS+ co-Chair Rob Magee in the previous meeting, and that she had confirmed the same to the HVPS+ co-Chairs.

The Chair opened up the floor to any thoughts or comments from the group ahead of starting with the formal agenda.

One member raised a request from their community, stating that, considering that the finalized Funds Transfer Regulation is due to be implemented in the coming months, they believe that the PMPG should start thinking about writing a paper on the usage of IDs in payments.

The Secretariat went on to pose a question to the group regarding the status of the PMPG's ISO 20022 MI Migration Strategy document and when it was likely to be updated and re-published. After some discussions, the group decided that, considering the fact that MIs may change their dates and migration approach more quickly than the PMPG may be able to keep the document updated, they would remove the document from their website. One member suggested that the CPMI PIE task force effort was the best place for this information to be collated and documented going forward, and that the PMPG document be replaced with a note to point any readers to the upcoming CPMI PIE taskforce report, due in September 2024.

The group went on to briefly discuss the Interbank Statement paper, which had been circulated for comment. Some members felt that more time was needed for a more thorough review with their communities, so asked the Secretariat to extend the deadline by another week.

2. FATF Recommendation 16 Revision and Consultation

The Chair welcomed Stephane Mahieu from FATF to the meeting.

Stephane explained that the FATF has issued a public consultation on Recommendation 16 revisions, with a view to receive industry feedback by 3rd May. He went on to say that there will be a Private Sector Conservative Group of the FATF meeting on 4th and 5th April in Vienna, to which various industry groups had been invited to share views on the consultation. The PMPG advised that the Austrian PMPG representative would be attending on behalf of the PMPG.

Stephane advised that the current intention is for FATF to publish their final document in October, with accompanying guidance. The group discussed the various questions in the Consultation document, with a focus on:

- The language proposed. The PMPG felt that the language used with the document should reference ISO terms as they felt that the way that ISO 20022 describes business roles is more precise and less open to misinterpretation;
- The implementation timelines. Stephane advised that FATF expects feedback from the industry on timelines. The PMPG favoured a date by when the revised Recommendation should be implemented by and offered to include their view in their response;
- Identification of parties with the payment, recognizing that the reliability of Debtor vs Creditor information is different from an intermediary perspective.

The PMPG decided to respond to the Consultation and has mobilized a small task force of PMPG members to work on the response.

3. Wolfsberg Group

The Chair welcomed Alan Ketley from the Wolfsberg Group, who joined the in-person meeting remotely, and gave him a high-level overview of the discussions that had taken place with Stephane in the morning.

The group discussed their expectations and views with regards to the outcome of the FATF consultation.

No follow up actions were noted.

4. Structured Customer Data

One member started by informing the group that there had been feedback from one RTGS operator regarding the upcoming hybrid postal address implementation.

As there are multiple rules to be enforced (i.e., allow fully structured, allow fully unstructured with 3 x 35 characters in AddressLine and allow hybrid with minimum town name and country plus 2 x 70 in AddressLine), MIs that are not on Swift and therefore do not have the benefit of NVAL have to implement said rules in their own systems and infrastructure to ensure interoperability with CBPR+.

The feedback from the RTGS operator in question was that they cannot justify the cost for implementing the rules as network-validated for only one year, i.e., the grace period between 2025 and 2026.

The member went on to say that they are asking that these rules be textual rather than formal, allowing for a simpler implementation in their back-end systems. It was explained that this may also apply to vendors and that, if this were to be the case with textual rather than formal rules, then it would create a discrepancy between CBPR+ and HVPS+.

Another member asked whether the vendors and MIs should not simply take the xsd and import it into their systems, to which the group responded that this will not be possible for this particular RTGS operator as they code the rules.

The PMPG acknowledged the challenge for some of the RTGS operators, but saw the necessity for CBPR+ to maintain the position of implementing the CR as submitted, including the grace period.

The Work Group Lead then went on to present the current draft of the Postal Address paper, explaining that the work group had included several use cases/scenarios and some mapping principles between MX and MT. The member displayed the proposed priorities of elements in a structured or hybrid MX message when translating into the MT sub-fields 1, 2 and 3 and requested the group's support. The group agreed to the proposed priorities, making a few suggestions to improve the quality of the document, such as including more examples to better present and complete the use cases and priorities.

The Work Group Lead then asked for the group's input on the scenario whereby a corporate client may today send a pain.001 with a hybrid address before the interbank space is ready. The group discussed and agreed that the PMPG's recommendation should be that the pain.001 map as unstructured into the MT 103 (non-F option) and pacs.008.

A member asked if it was possible to have differences in structure at debtor and creditor level, i.e. debtor as fully structured and creditor in hybrid. The group confirmed that it is possible and is common practice already to have more structured data on the debtor side as it is data that the banks have control over.

Juliette advised that Swift is working on a communication strategy on the hybrid address and asked whether the PMPG will also be doing the same through their channels to ensure that all impacted parties are aware of the upcoming changes. The Group agreed to start actively promoting the paper once it has been published.

It was further discussed that the communication strategy from Swift also needs to include those MIs using the IAP. Swift representatives in the meeting agreed and confirmed that Swift will work on this to update the IAP in line with HVPS+, with an advance version being available this year.

One member further detailed the need for a 'to do' list for the industry, which includes actions such as tidying up client databases.

The Secretariat went on to ask what plans there were for updating the PMPG's ISO 20022 Structured Postal Address Excel document to include hybrid address samples. The group discussed the possibilities and agreed upon including a separate tab in the existing document to show various hybrid examples. Swift representatives mentioned that the SwiftRef team is working on a similar exercise and that they could schedule a meeting between them and the PMPG hybrid address work group to see where efforts could be combined.

With no further comments or agenda items, the Chair closed the meeting for the day.

WEDNESDAY 6TH MARCH

1. PMPG Terms of Reference

Considering the recent changes in governance with the PMPG no longer formally reporting into the Swift Board as of January 2024, the PMPG took the opportunity to discuss any additional changes to the Terms of Reference ("ToR") to make them more complete, as well as to re-define the relationship with Swift. It was agreed that the PMPG still wishes to retain a close relationship with Swift.

The Secretariat presented a high-level comparison between the HVPS+, SMPG and PMPG ToR to highlight areas covered by other industry groups that are not present in the PMPG ToR.

The group then divided into 2 work groups in order to brainstorm potential changes.

The group re-convened to share an overview of their discussions, with key items being:

- the need to include wording that demonstrates a close relationship with Swift;
- the need to streamline the group's mission and scope;
- the need to include a more detailed description of the roles and responsibilities of the members, Chair(s) and Secretariat;
- the need to include a description of the role of the Chair(s) and how they are nominated, elected and re-elected;
- the need to define that a Chair holds voting rights on behalf of their Community as if he/she were a standard member.

The group debated in detail the role of the Chair and whether 2 Chairs are required or if there should be a different structure going forward, such as Chair and vice Chair, with the latter giving different members the opportunity to hold the Chair role. It was agreed that the Secretariat would document the roles and responsibilities of a Chair and vice Chair set-up, as used in other groups such as ISSA, and share these with the PMPG in order to vote on whether this is the way forward.

It was also agreed that the Secretariat would collate all feedback from the 2 work groups and write a first draft of the new ToR. The Secretariat would share the draft ToR once the group has agreed on the future Chair set-up as the ToR will make reference to the Chair nomination, election and renewal process.

The group agreed to set themselves a target date of mid-2024 to have the new ToR finalized and published.

2. Review of Action & Watch List

2.1. ISO MI Migration Strategy document

As discussed at the beginning of the meeting on Tuesday, the group agreed to remove the document from the PMPG website as there is ongoing, overlapping work being carried out by the CPMI PIE Taskforce. The group therefore did not debate this item any further.

2.2. Guidelines for Legacy Market Infrastructures

The group agreed to put efforts first into the Hybrid Address paper, and potentially address this topic at a later stage.

2.3. CPMI PIE Taskforce Update

One member gave an update of the latest work of the CPMI PIE taskforce, which has as objective to take stock of the regional market practices which still need to be enhanced to comply with the CPMI core data model. It was explained that the work group has agreed to prioritize the top 100 markets by Swift cross-border volume, with a view to publish their findings in a report which is due by end of Q3 2024.

The member went on to say that, in parallel, they are looking at what guidance is required for any market infrastructures who are still not planning to migrate to ISO 20022.

Another member continued to give an update on another of the PIE taskforces, explaining that the mission is to look at the interlinking of faster payment schemes. They advised that there are 3 separate streams within this group – one looking at the technical set-up of such schemes, such as Project Nexus, another looking at one-leg-out transactions and the third one looking at bank's individual 24/7 offerings between their own accounts.

They went on to give an update of the task force that he is leading, which is looking at initiatives that are currently in the market which are supportive of the G20 initiatives, both global and domestic, and also looking at best practices and show opportunities of how the industry could benefit from the G20 initiatives. He explained that they are planning to document findings more frequently, in the form of short bulletins rather than the market waiting for the full report later in the year.

Paula explained to the group that, not only are the taskforces responsible for creating the reports, but also for defining actionable items to ensure ongoing dialogue and actions to address.

Michael agreed and stated that the ambition is also to have an overview of the current status of the market, as well as a roadmap and 'to do' list for smaller markets to help them on the road to implementing the CPMI core data model.

2.4. Structured Remittance

The Work Group Lead gave an update of the current status of the Structured Remittance paper, explaining that they had received several comments and feedback from various communities.

It was explained by one member that, starting in March 2025 once Fedwire is live on ISO 20022, the only means of paying tax obligations cross-border into the US is to use structured remittance, so the paper was timely to include this as a use case for the industry to refer to.

The group discussed other use cases for structured remittance and the value that the paper will bring to the industry as educational guidance on how to use it, with one member suggesting that it become an evolving document and that, as the industry migrates, the PMPG could start to include appendices with country-specific guidance.

2.5. Regulatory Reporting

The Work Group Lead updated the group on outstanding actions and next steps on the Regulatory Reporting topic, which were:

- removal of the Japan-China use case from the paper upon the request from the Japanese community and replace with a South Africa-China example;
- submission of a Change Request ("CR") to ISO to externalize the 'Type' code list and to impose Usage Guideline rules to ensure usage of the regulatory reporting elements as detailed in the PMPG paper.

2.6. Guidelines for the Adoption of Chinese Commercial Code (“CCC”) – paper review update

The Work Group Lead advised that the work group had re-written the paper to remove a lot of detailed operational information, as well as include references to ISO 20022 rather than only MT. It was explained that there is now a draft ready for review by the PMPG, which contains the basic principles, screening guidelines and some use cases. He went on to say that the paper will also be circulated with the CCC Mirror Group in China in parallel.

2.7. Dodd Frank - paper review update

The Work Group Lead updated the group on the current status of the review of the PMPG’s paper on Dodd Frank, in that the draft is currently with The Clearing House for review and comment. The ambition is to get the updated paper published before the CHIPS ISO migration on 8th April 2024.

3. AOB

3.1. FATF Consultation response

Following the FATF discussion on Tuesday, the group re-visited the list of questions in the FATF Recommendation 16 Consultation document and divided them into sections, with a small work group of PMPG members taking responsibility for each.

The group agreed to have bullet points prepared ahead of the FATF meeting in Vienna on 3rd April, where the PMPG would send representation.

With no further comments or agenda items, Michael closed the meeting for the day.

THURSDAY 7TH MARCH

1. PMPG Annual Forum 2024

The group discussed both logistics and planning for this year’s Annual Forum in Beijing.

Swift had previously informed the group that, due to internal constraints on the Swift side, the Annual Forum could no longer be hosted by Swift on the Saturday before Sibos. The group therefore took the opportunity to brainstorm how the Annual Forum could be incorporated into the Standards Forum for Beijing and the years to come.

After some debate, it was suggested that an educational, early morning breakfast session on the Monday with a closed audience could be a valuable alternative, alongside a more interactive session on the Thursday. It was also suggested that the PMPG could hold one or two ad-hoc sessions throughout the week.

The group discussed the format that the Monday and Thursday sessions could take. It was suggested that the Monday could be an informative, educational session, deep-diving into upcoming regulations and the sunset of MT messages, as well as an overview of the PMPG’s work to raise awareness of important topics such as the introduction of the hybrid address. The Thursday session, on the other hand, could take more of a workshop style, with a focus on the domestic market.

The Work Group Lead then went on to give an overview of what the Annual Forum work group had defined as potential topics for the various panels, but the group suggested that now, with a proposed different format and different high-level messages, the work group should look at re-defining the topics and deciding which day they would best suit, as well as contemplating whether to invite a key-note speaker to the Monday session.

2. PMPG Promotions & Ad-hoc Events 2024

The Work Group Lead gave an update on what they had been working on with regards to PMPG promotions.

They explained that the website is soon to be re-vamped, with a more streamlined look that is more akin to the newly-published HVPS+ webpage on swift.com.

They also asked for volunteers to record a video to replace the current one on the main PMPG landing page.

They went on to say that they would like to start drafting a timeline, which would document any upcoming publications and events.

Other promotional items that were discussed were the Returns and Rejects webinar, which is still being edited by Swift, the proposal for more educational webinars throughout the course of the year and the in-person workshops.

With regards to the first in-person workshop in London, it was proposed that Swift could host it at their office.

Swift representatives suggested that, considering Swift is also planning a similar Standards event where they will hold a day dedicated to Payments and another to Securities, the PMPG could join forces with Swift Standards to co-host a Payments day, with one taking place in London and another one in New York. The group discussed the logistics and potential dates for the London event, with the week commencing 3rd June being the most optimal.

3. AOB

Request from Febraban

The Work Group Lead requested to discuss the recent request from Febraban, whereby the Brazilian community has a bespoke local practice for incoming cross-border USD payments requiring an FX conversion. It was explained that their current practice allows the Creditor to request a different FX rate from another bank, with the original Creditor Agent then issuing a new payment to move the funds to another account using the updated FX rate. This currently works well in MT and the Brazilian community has requested guidance on how to carry this out in ISO.

The Work Group Lead presented their thoughts in the form of a proposed payment flow and how this would be represented in ISO. The group reviewed the proposal and gave feedback. The group decided to remove 'Ultimate Debtor' in the original proposal, indicating that, as the second payment is technically independent of the first, the use of 'Ultimate Debtor' would be misleading.

It was agreed that the Work Group Lead would revise the payment flow and liaise with Vitor Balao, the new PMPG representative for Brazil, in order to confirm the PMPG's understanding on the current process and gain feedback on the ISO proposal.

With no further AOB items, the Chair thanked the PMPG members for the numerous fruitful discussions over the course of the in-person event and closed the meeting.

Next meeting: Thursday 18th April (via teleconference)
