PMPG
Payments Market Practice Group

PMPG Monthly Meeting Minutes

19th December 2024

Thursday 19th December 2024

Via Teleconference

Attendees

Co-Chairs	Community
Beth Geller	US
Paula Roels	Germany
Members	
Celia Ardyasa	Australia
Cristian Cengher	Austria
Sarit Daniel	Canada
Yan Zhang	China
Sylvain Dauge	France
Mauro Pernigo	Italy
Atle Fjereide	Nordics
Sean Mouton	South Africa
Dominik Vogel	Switzerland
Chloe Jenkins	UK
Raghu Srinivasan	US
Stephen Wojciechowicz	US
Secretariat (Swift)	
Neil Buchan	
Rachel Palmer	
Mabel Lu	

Apologies

Members	
Vitor Balao	Brazil
Patrick Yeh	Hong Kong
Alan Hwong	Singapore
Damien Godderis	Belgium/Luxembourg
Mike Tagai	Japan
Mike Pruiksma	Netherlands

External Participants

Name	Organisation
Nicolas Stuckens	Swift
Catherine Banneux	Swift

Agenda

Item	Subject	Paper	Facilitator
1	Opening		
1.1	Approval agenda & minutes previous meeting	*PMPG Draft Minutes 20241121 v0.01*	Co-Chair(s) ('5)
1.2	Matters arising/actions previous meeting	*Verbal*	Secretariat ('5)
2	ISO 20022 Update		
2.1	Update on contingency measures & stricter validation post Board meeting (inc. revised MT 101 strategy)	*Verbal*	N. Stuckens ('30)
~~2.2~~	~~Updates from the corporate workshop~~	~~*Verbal*~~	~~B. Goemans ('20)~~
2.3	Update on CASE	*Verbal*	C. Banneux ('20)
3	Work Group Updates		
3.1	CBDC Update	*Verbal*	M. Pernigo ('10)
3.2	Interbank statements update & approval to publish	*Verbal*	C. Jenkins ('5)
3.3	CCC paper promotion	*Verbal*	P. Yeh ('5)
4	AOB		
4.1	Update on Fed migration	*Verbal*	B. Geller ('10)
4.2	Update on TARGET2 base message upgrade	*Verbal*	P. Roels ('10)
	Closing		

1. Opening

1.1. Agenda & Minutes of Previous Meeting

The Co-Chair welcomed the PMPG members to the December meeting.

She invited comments on the draft meeting agenda for this virtual meeting. It was advised that Brice Goemans from Swift would not be able to attend. No further comments were raised; thus, the agenda was considered approved.

She then went on to ask if any PMPG member had any objections to the minutes that had been shared for the November meeting. No comments were raised; thus minutes from the November virtual meeting were considered approved.

1.2. Matters Arising/Actions from Previous Meeting

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

Matters Arising

The Secretariat highlighted one matter arising since the previous meeting:

#1 – Approval was requested and subsequently granted for the publication of the PMPG's updated Dodd Frank paper.

> **ACTION**: *Secretariat to publish the paper and liaise with the US representatives on a promotion strategy.*

2. ISO 20022 Update

2.1 Update on contingency measures & stricter validation post Board meeting

2.1.1 Contingency solution

Nicolas Stuckens from Swift joined the meeting to provide an update on the outcomes of the recent Swift Board meeting. He reported that the official adoption rate, based on November's figures, stood at 29.1%, while the latest data shows an increase to 34%, which is close to the projection. It was noted that while some banks are postponing their go-live dates, they remain committed to completing the migration by November 2025.

He further explained that the Board has approved the Contingency Solution and its pricing, which will be published in January 2025. The solution is designed as a last-resort measure for smaller banks unable to meet the migration deadline, ensuring business continuity. Key points include:

- **MT-MX Translation**: Critical MT payment instructions will be translated into MX if the MT satisfies additional validation requirements outlined in the SR 2025 documentation.
- **Non-compliant MT Messages**: Other MT payment instructions will be rejected (NAK'd) by the network after November 2025.
- **Translation Charges**: MT-MX translation will incur a fee, with automatic enrollment for banks.
- **In-flow MX-MT Translation**: Existing translations will also become chargeable starting in 2026. Banks must opt-out after November 2025 to avoid unnecessary fees.

One member inquired about the translation service for MT199/299, which is outside the scope of the Contingency Solution. The end date for MT199/299 will be discussed further and confirmed by the CBPR+ Working Group.

Lastly, the Knowledge Base (KB) tip regarding the Contingency Solution will be updated to reflect this latest information.

2.1.2 pain.001 adoption plan

Nicolas shared the outcome of CBPR+ workshops on pain.001 adoption. Six major problems have been discussed because pain.001 adoption relies on the readiness of counterparties. MT101 is not as structured as pain.001 which makes translation difficult. The level of readiness is low and in-flow conversion is at 0% now. The Board supported the industry's recommendation to descope MT101 from the Nov 2025 end of coexistence date.

Interbank MT101 will be allowed after Nov 2025; MT101 MT-MX conversion will be taken out of the contingency solution slide. Pain.001 MX-MT in-flow translation will be available from Nov 2025 to enable the mandatory to receive situation. Relevant rule book and an implementation roadmap will be developed to help the industry migrate to pain.001.

For C2B pain.001, Swift will not force the migration but will incentivize corporates to adopt pain.001. The Corporate WG is working on the pain.001 rules and usage guidelines which were deployed in Nov 2024.

2.2 Update on Case Manager

Catherine Banneux from Swift joined the meeting and shared the timeline and key features of the E&I solution adopting camt.110 and camt.111 through the Case Manager.

- Pilot by 31 banks and 5 vendors has been successfully conducted in 2024. Opt-in early adoption will continue till Nov 2025.
- From Nov 2025, all FINPlus users are mandated to receive camt.110. Opt-in early adopters are mandated to respond to camt.110 with camt.111.
- From Nov 2026, all FINPlus users are mandated to send and receive camt.110 and 111.
- Stop & Recall users: camt.056 and camt.029 have the same milestones as camt.110 and 111. MT192 will be removed from the tracker as of Nov 2025.

Testing has been successful on the key use cases with UG validations. The UGs will be updated and the SR2025 collection will be published soon.

Catherine shared details of the central orchestration capabilities of the Case Manager, such as business validation against the payment instructions, pre-check, pre-population, smart routing and E2E tracking which have been tested and will be expanded according to community needs.

Q&A

To increase industry awareness on the mandated migration, targeted campaigns have been kicked off with priority given to the top 75 banks, as well as the legacy-Case users. Further consultation will be conducted together with the ISO squad for the wider community's adoption.

One member raised the need for a new market practice for E&I to be defined and published with the E&I UGs and the case rulebook.

ACTION: *Secretariat to add E&I market practice discussion into the PMPG 2025 Book of Work.*

3. Work Group Updates

3.1. CBDC Update

A member shared information about the Eurosystem's Digital Euro project. The digital euro would be issued by the ECB to end customers in electronic form to support retail use consumer to merchant and person-to-person payments. The D€ aims to be a European acceptance circuit competing with cards international and domestic schemes. The D€ would be the only CBDC competing directly with the private sector.

Questions from the group:

1. Role of bank: customer open D€ account in Euro system with banks, the bank performs KYC on the customer and provide APP for D€ payment instructions. Customer has more privacy, and central bank do not need to perform KYC on millions of customers. Detailed legal arrangements e.g. who could own D€ (digital cash) and with which type of device are still under debate (social inclusion issue).
2. What issue D€ aims to solve: no clear expectation currently.
3. Competing with V/M may cause profit loss for the commercial banks.

The member illustrated the market share of different payment schemes: V/M processed over 36 billion transactions in Europe in 2023 while domestic circuits processed around 20 billion separately. It was also clarified that the 20 billion SEPA transactions for B2C, C2C or B2B payments are out of scope of D€ system. He also clarified that the 22M TARGET 2 and 104M TIPS payments in the year 2023 are also out of scope.

The designed operation flow was shared in the meeting for both account opening, consumer initiated or merchant-initiated payments. Several issues have been raised by the member to the community including the value of the new payment service to customers, the potential of funds moving from existing normal accounts to D€, and how to incentivise the market adoption and compete with the BigTech who can easily attract customers as D€ distributor or merchants as an acquirer using existing APPs and potentially at a lower fee.

There were also concerns regarding the expected even larger gap between large retailers and small merchants and relevant social issues.

A US member shared that although there is not digital dollar coming up in the US market, one of the big discussions is the fraud and scam liabilities of the new service providers. The member agreed that the topic should be brought to the attention of the D€ system development to protect end customers.

Besides, he pointed out that so far, the complete commercial compensation model, such as the fee a merchant should pay to its acquirer being shared with issuer PSPs and funding PSPs is still uncomplete.

Regarding fund settlement flows, he pointed out potential cost and operational issues on additional billions of fund movement transactions for D€ transactions. The cost of upgrading ATM machines or POS machines is also worth more attention.

> **ACTION:** *Secretariat to add more discussion sessions on this topic in 2025, including the January meeting and April in-person meeting.*

3.2. Interbank Statements paper – update and approval to publish

The group has received all the feedback, and the Interbank Statement paper is ready for release. The quoted securities paper's URL will be added once it is received from Swift Standards Team.

> **ACTION:** *The member will send the definitive version to the Secretariat for format alignment. Secretariat to publish the paper.*

3.3. CCC paper promotion

The Secretariat confirmed that the proposal confirmed was to ask relevant members to work out a video for promoting the CCC paper on LinkedIn.

> **ACTION:** *Secretariat to further confirm the arrangement with the member when he is back in January.*

4. AOB

4.1. Update on Fed migration

The US member updated the group with the Fed ISO migration dashboard. The Fed has been publishing the milestones and is committed to the March 10th big bang migration date.

The dashboard shows numbers around readiness of two mandatory testing groups of Fed users using FedLine Direct and FedLine Advantage. The Fed will make a go or no-go decision on February 21st.

Most banks have completed certification and are engaged in peer testing with other banks.

CHIPS users can use CHIPS as one of the contingencies. The other contingency option is FedLine Advantage. There is no roll back plan for Fed ISO migration.

More updates are available on Fed website.

> **ACTION:** *The US member to invite Fed and Clearing House to give more updates in the April in-person meeting.*

4.2. Update on TARGET2 base message upgrade

4.2.1 TARGET2 unfreeze strategy

The German member shared TRAGET2 discussion on the unfreeze strategy which aims to align ISO version in June 2026 to the 2025 base message version, and in Nov 2026 to 2026 base message version. CBPR+ still does not have a plan to migrate to a newer version base message. The European banking community face challenges including:

- Discrepancy between TARGET2 and CBPR+ will bring risk of friction and require extra measures by European banks two support both versions
- Two big upgrades within 5 months require the European industry to accommodate two major projects consuming scarce resources
- At the same time, banks are busy with the CBPR+ migration requirements such as hybrid postal address and the deployment of new ISO 20022 messages (including E&I)

ECB will need to escalate the topic to the Market Infrastructure Board for potential reconsideration of the unfreeze strategy. The industry and the T2CG will collaborate and support the review process and find the best solution for the community.

4.2.2 CPMI ISO harmonization data model

CPMI will publish in the first week of January a paper on the development of the ISO harmonization data model for enhanced cross-border payment. CPMI will initiate a panel with industry experts, including the co-Chairs of PMPG, to discuss evolution of ISO 20022 data harmonization model and maintenance until at least 2027, for example, the LEI proposition.

5. Closing

The Co-Chair thanked the PMPG members for their great collaboration and contributions in 2024 and closed the meeting.

Next meeting: Thursday 16th January 2025 (via teleconference)

Embedded Working Documents:

1. Actions & Watch List

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2. PMPG Document Centre

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