

# ISO 20022

## Readiness Handbook: Corporate Customers

1 Nov 2022



Together we thrive

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We have created this guide to support you through the transition to ISO 20022, and the significant changes this will bring across the payments industry, how and why these changes will happen, and the benefits they can bring.

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Be ready for Change:  
ISO 20022 is coming  
in March 2023

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A man in a dark suit and white shirt is sitting at a desk outdoors. He is holding a mobile phone to his ear with his right hand and has his left hand on a laptop. A white coffee cup is on the desk next to the laptop. The background shows a blurred view of a building and some greenery.

# The Basics

ISO 20022 is an established and flexible standard for exchanging electronic messages between financial institutions, market infrastructures and end users, providing a structured format with room for additional payment related information.

Already the common language of choice for real time and low value / domestic schemes, ISO 20022 will become the de-facto standard for high value and priority payments in the domestic and international space. The migration will provide a new model for the global exchange of payment data, with richer and higher quality information than the existing standards. This will also be an enabler for future development and innovation in the payments ecosystem.

ISO 20022 is being adopted by SWIFT in their latest move to ensure optimal cross-border payment communication. The SWIFT ISO adoption programme begins on 20 March 2023, and will take place until November 2025; by which all major global payment infrastructures plan to adopt the standard. SWIFT plans to migrate all Customer and Inter-bank payments, as well as related advice and statement messages from the MT1xx, MT2xx and MT9xx series of messages to, the new XML based pacs (payments clearing and settlement) messages and camt (cash management) statements and advices.



## Existing Messaging Languages

Various non-unified message types. Often customised to cater for non-standard message content, with limited data capacity. Unable to keep up with the skyrocketing demand for data.



## New ISO 20022 Messaging

Globally consistent messaging across the industry, unifying many existing standards and improving reconciliation and interoperability. Allows for a stronger structure around enriched data sets.

# Potential Benefits

More than just a technology investment, ISO 20022 is the future of payment rails. Adoption of the standards aims to enable a better payment experience by driving a single industry-wide payment format with richer data, across various payment schemes. Although compliance is mandatory for all Financial Institutions, the migration brings with it a host of benefits and opportunities throughout the payments ecosystem.



## Global Reach

Used for payments globally across different banks & countries, removing technology barriers



## Harmonised Integration

Rationalised universal message type for all payments; ISO 20022 integrates smoothly with RTP schemes



## Reconciliation

Enriched structured data supports identification and automated reconciliation



## Automation

Standardised codes and dedicated message types facilitate the automation of exceptions & investigations



## Security

Richer data can strengthen fraud and AML controls



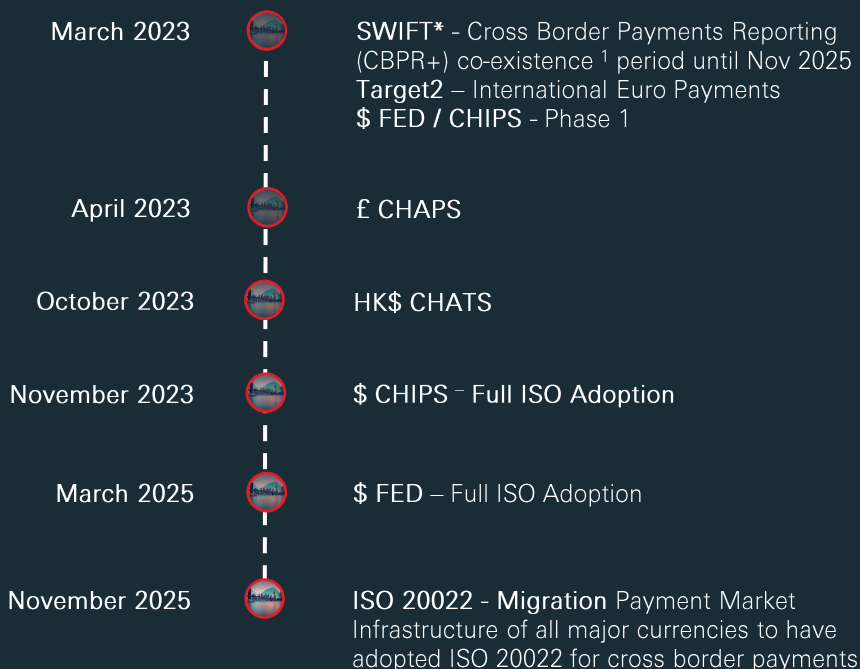
## Transparency

Increased levels of transparency and efficiency of payments through better structured data

# Migration Timeline

The adoption of ISO 20022 is due to take place over several years, with Payment Market Infrastructures (PMIs) of all major currencies either live or in the process of migrating to ISO 20022 by November 2025 for cross border payments. SWIFT are due to migrate existing message type series 1, 2 and 9 starting in March 2023, with adoption plans evolving in each market.

Adoption by major Real Time Gross Settlement (RTGS) market infrastructures / currencies are currently planned as follows:



NB: Dates are accurate as of 1<sup>st</sup> November 2022

<sup>1</sup> During the co-existence period, both MT and MX messages will be supported by the SWIFT infrastructure

\* Following the ECB decision to delay the ISO 20022 migration of the Eurosystem to 20 March 2023, SWIFT announced (on 27 October 2022) that they too are delaying the start of the ISO 20022 migration to March 2023 (from the originally scheduled 20 November 2022 date). You can read the full statement on [SWIFT's website](#).

# How to Prepare

Making sure you understand the potential of XML for your business will allow you to make the most of the opportunities.

## Preparing for the future

Some market infrastructures already mandate corporates to provide XML as a standard while communicating with their Banks. With the increased worldwide adoption of the ISO 20022 standard, it is possible that more market infrastructures will recommend ISO as their messaging standard. Considering ISO in your technology plans will help to future-proof your business.

## Structured data requirements

SWIFT and all major market infrastructures have mandated structured addresses as a requirement for party fields that are not currently supported in MT, i.e. Initiating Party, Ultimate Debtor, Ultimate Creditor. We strongly recommend you, as our corporates, start looking at the data you currently provide to banks, and work closely with your Enterprise Resource Planning (ERP) and Treasury Management System (TMS) providers to start making required updates to the static data, to ensure you are prepared for ISO adoption.

## Capitalising on enriched data standards

ISO offers multiple benefits that will help to streamline your end-to-end processing. Early adoption will allow you to capitalise on enriched data by means of remittance information and enhanced end-to-end references, which will be available through ISO based cash management (camt) statements / advices.



# HSBC's Adoption Plans

## What are we doing?

At HSBC we are actively involved with SWIFT, and engaging with different market infrastructures as they are adopting ISO standards. We will align ourselves with the market requirements and delivery timelines set by different market infrastructures, and ensure we are well placed to comply with their respective adoption strategies, including any message types in scope for domestic payment scheme migrations. We will be introducing screen changes in a phased manner, and will communicate accordingly when a particular country is ready for implementation.

## What does this mean for you?

You can continue sending payments using existing methods (FIN Concentrator, Host to Host, File Upload). While we support a multitude of formats for our HSBC Connect customers, we have already kick started a file rationalisation programme.

As a result, a few file formats will not be supported - you should have already received a communication advising you of the change. Local country adoption may necessitate changes to existing formats; any impacted customers will be contacted separately, closer to the migration timelines.

## File based customers

For our File Based customers submitting files via HSBCNet, FileUpload and HSBC Connect (Host to Host, FileAct), please be aware that the use of MT103s, MT101s, among other file types are being demised. The recommended format for MT1xx is XMLV3\*, Ifile, Dynamic CSV. All impacted customers should be receiving a separate communication advising them of this. Should you have any questions about this, please contact the following dedicated team:

[global.connect.digital.migration@hsbc.com](mailto:global.connect.digital.migration@hsbc.com)

## MT101 / pain.001 submitting customers

Please note that HSBC will not be accepting pain.001 messages sent via SWIFT FINplus from March 2023. Exchange of pain.001 requires a specific RMA in place and existing MT 101 RMA's cannot be used. Customers are requested to continue using MT101 to fulfil their requirements. A new date will be communicated in due course once this capability is enabled later in 2023. (Any customers submitting pain.001 via SWIFT FileAct can continue to send pain.001 via SWIFT FileAct).

# Statements & Reporting



We will support the existing SWIFT based MT9xx as well as ISO 20022 statements and advices through our digital channels during the co-existence period (until November 2025). However, as we receive information that contains richer data, we look forward to passing this on to enhance your experience, with camt based statements. Our ability to provide enriched data will only be facilitated through the newer version of camt based statements, and will be rolled out in a phased manner starting March 2023.



As a country is enabled with this capability, we will send customers targeted communications giving them an opportunity to subscribe based on their readiness. HSBC will deliver camt based statements irrespective of the underlying payment message that HSBC received i.e. MT/MX. In countries where we are ready to send the ISO equivalent e.g. (camt.053) of MT 950, we can continue sending MT950 if the recipient is not ready to receive camt.053 until Nov 2025. The same applies to other camt/MT9xx messages.



Post the end of the co-existence period in November 2025, to enable our customers to benefit from the receipt of the enriched information, our current plans are to move away from MT based statements.



# Further Information

For further information on ISO 20022 plans, please visit our dedicated website [here](#), where you will find our latest videos, as well as podcasts and answers to FAQs.

We appreciate your business, value our relationship, and look forward to working with you on the forthcoming implementation of ISO 20022 payment messages. Should you have any further questions, please engage your Sales or Integration contacts.

Yours sincerely,

**Global Payments Solutions,  
HSBC**



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