



Roundtable discussion

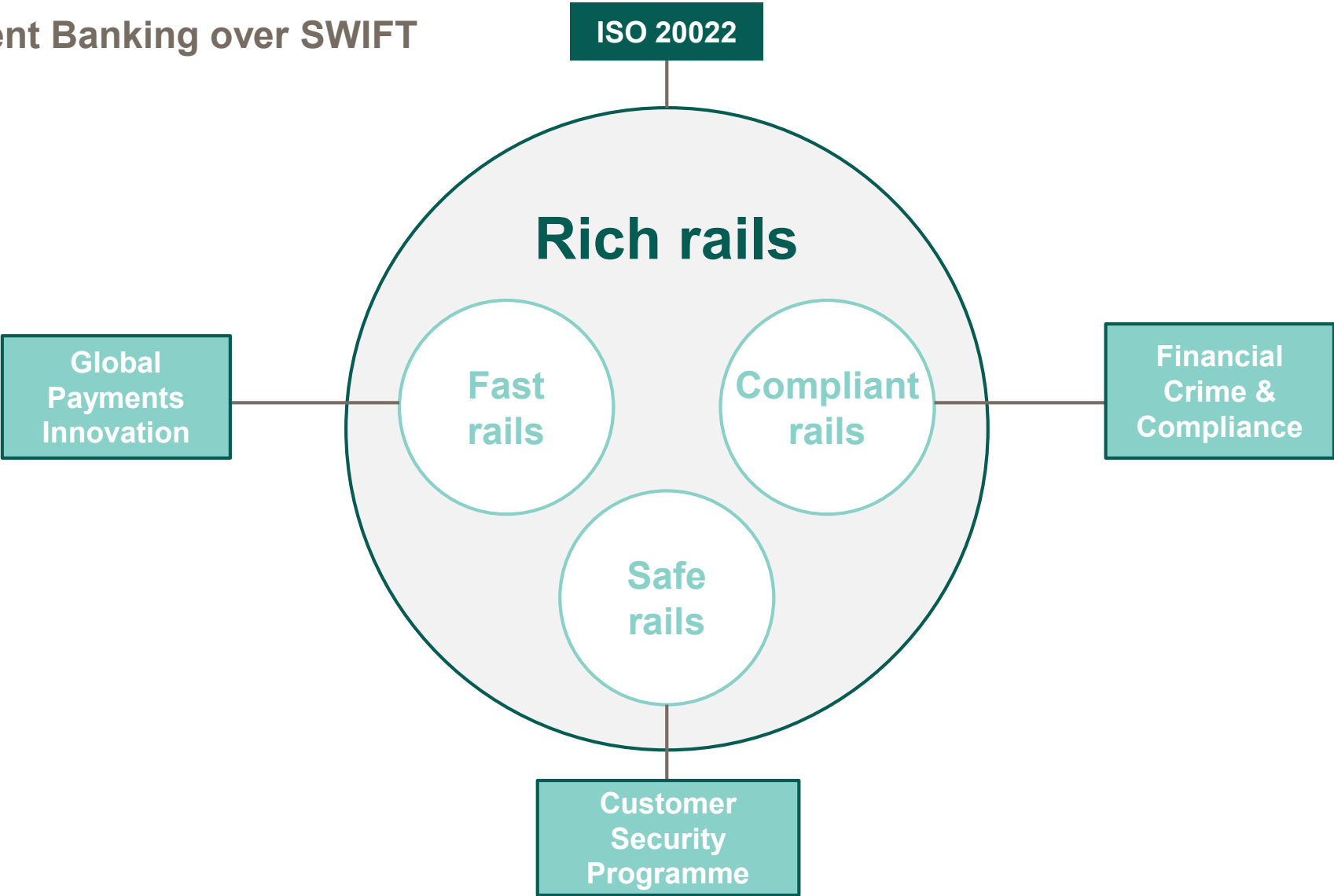
ISO 20022: opportunities & challenges

AusPayNet Summit

Bill Doran, Head of Oceania, SWIFT



Correspondent Banking over SWIFT

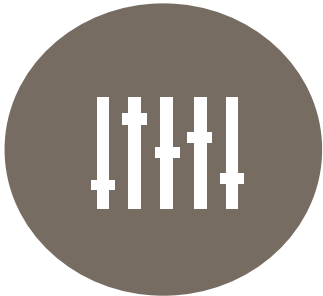


ISO 20022 for cross-border payments – industry migration

Drivers:

Rich rails (regulation & innovation)

Payments MI adoption
(e.g. NPP, EU, US, UK,..)



Messaging Scope:

Cross-border payment
MT messages categories
1, 2 and 9

No migration for
treasury/FX (cat 3),
Securities (cat 5) or trade
finance (cat 7)
messaging



Timing:

2021 – 2025
(4 years of coexistence)

Nov 2021 aligned to ECB
go-live



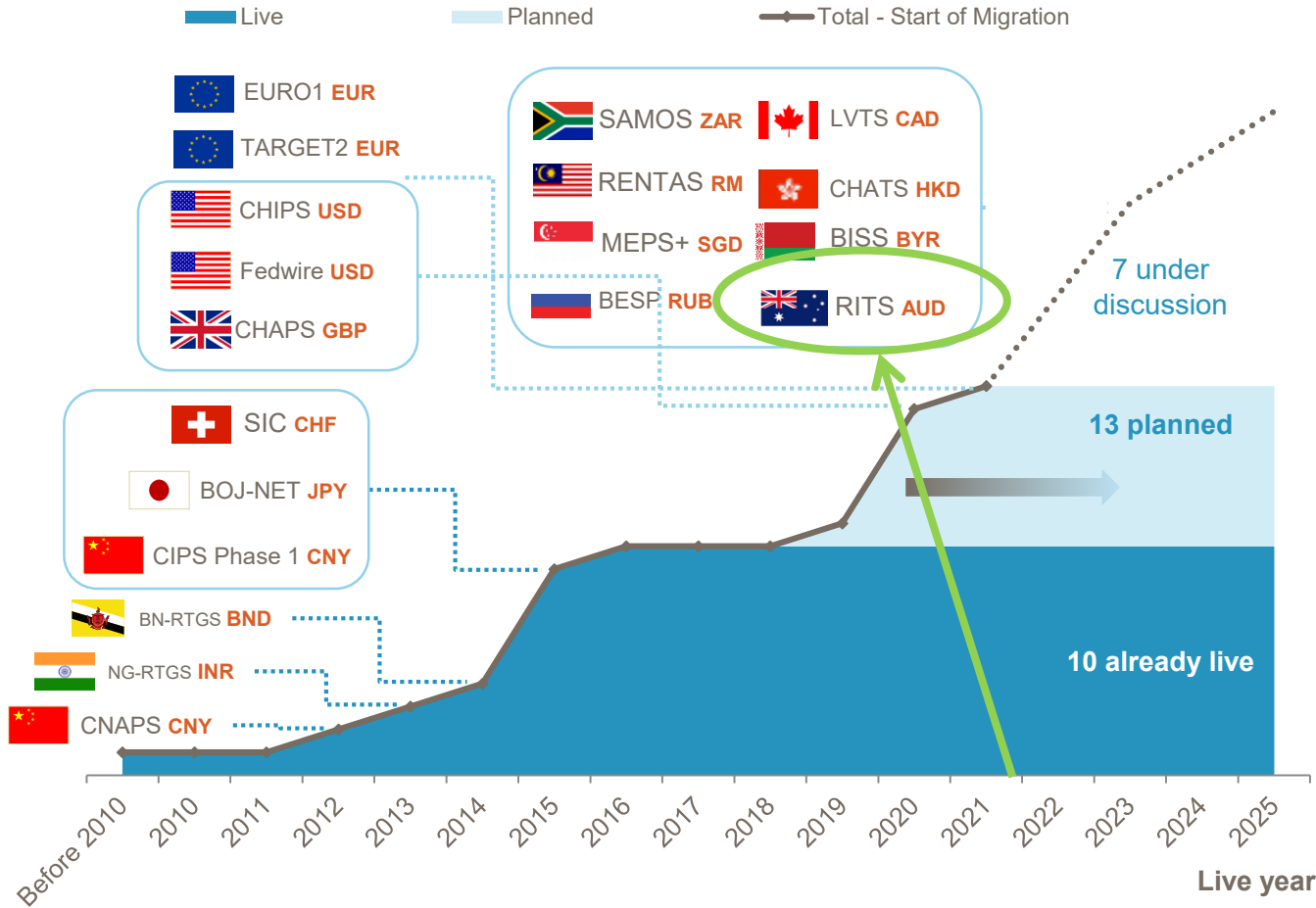
Market Practice:

Cross-Border Payments
and Reporting (CBPR+):

Network validation rules



2025: 87% of the High Value Payment System volume will be ISO based



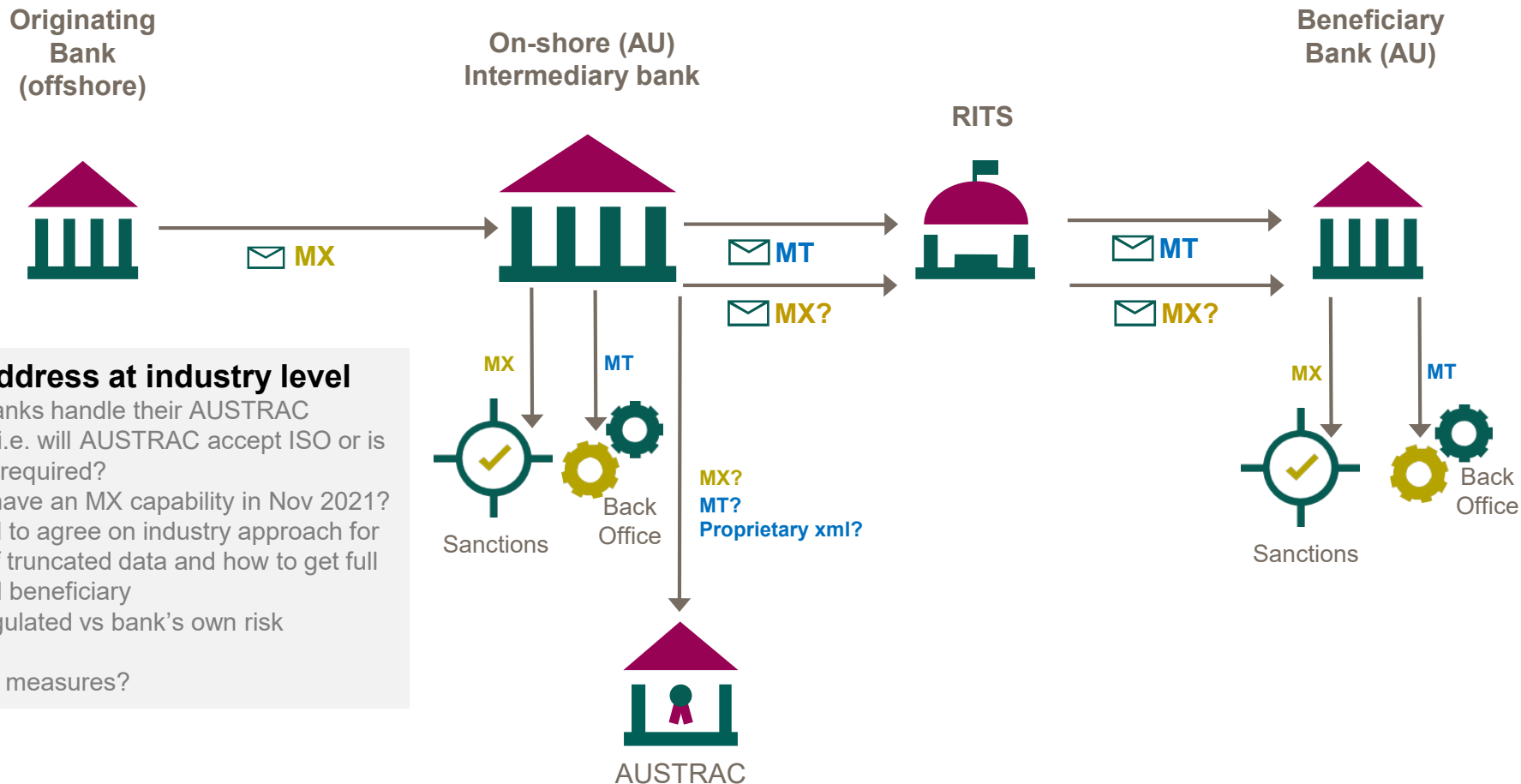
- ISO 20022 is being adopted in 70+ countries and has already been introduced for HVPS in Japan, Switzerland and China.
- The US, the Eurozone and the UK will all modernise their HVPS almost at the same time and migrate to ISO 20022.



How am I impacted? (when RITS is not used for final leg clearing and settlement)



How am I impacted? (when RITS is used for final leg clearing and settlement)



Group discussion

Goals of today's discussion:

- 1. Raise awareness**
- 2. Mobilise industry**
- 3. Agree on main challenges and opportunities –
some may result in industry-level focus**

Opportunities

1. **Richer data** (more remittance information, e-invoicing, reconciliation, etc..)
2. **Structured data** bringing higher rates of straight through processing (**STP**)
3. **Harmonisation** (domestic and x-border)
4. **Compliance / Regulation** (enhanced screening and financial crime investigations)
5. **Innovation** (extensible standards making industry more responsive to emerging technology and industry needs)
6. Better data means better **Analytics** (business intelligence)

Challenges

1. **System readiness** (legacy back office systems, network bandwidth, etc..)
2. Reliance on **vendors** (versions, timings, etc)
3. **AUSTRAC** IFTI reporting (new format, richer data)
4. **Translation** to shield certain back office systems (local/central)
5. Management of **truncated data** (locally and also carriage through domestic system)
6. **Different approaches** in each country (for global / regional banks)

Group discussion: discuss these (and any other) opportunities and challenges. Rank your top 2 opportunities and your top 2 challenges including rationale

Thank You

