

Migrating to ISO 20022

Preparing for the new normal in payment messaging



Get ready for more efficient and effective screening of payments with ISO 20022. The new global standard from SWIFT is changing the way financial institutions, payment market infrastructures, and third-party vendors active in cross-border payments think about, process and use the enriched data that ISO 20022 offers.

2004

ISO 20022 is born

- SWIFT appointed Registration Authority of the ISO 20022 standard
- ISO 20022 introduces a common global language for payments messaging data



2013

Early adoption

- China is the first country to go live with ISO 20022, which is rolled out for CNAPS2 (including RTGS and ACH payments)
- Other early adopters: Switzerland, India, Japan



Benefits

- Reduces cost of payment processing
- Improves accuracy and efficiency
- Speeds processing
- Minimizes risk
- Improves transparency for better compliance

2021

Deadline change

- Concerns about complexity and migration timelines push this original deadline out to November 2022.
- MT messages to remain the standard for cross-border payments until then



2023

March

- SWIFT opens testing environment
- Organizations can test interfaces and messages with all partners
- Start of coexistence period (through 2025)
- Go-live with ISO 20022 for cross-border payments and reporting

By the end of 2023

- Use of structured data elements becomes mandatory
- Be processing payments using both MX and MT messages
- See MT messages progressively move to MX format

Are you ready?

By now you should:

- Be aware of your company's ISO 20022 strategy, and how messages will be mapped from MT to MX
- Identify how this strategy will impact your screening solution
- Prepare implementation programs to mitigate different impacts
- Start adapting the system to process ISO 20022 at the same time as MT messages
- Begin training and educating staff on new standards



In 2024, you should:

- Ensure your partners and vendors are ready to receive ISO 20022 payment messages from your organization
- Continue working with your screening provider to ensure you are fully prepared for the end of the coexistence period

2025

The new normal

- ISO 20022 becomes the global standard for high-value payment systems
- ISO 20022 messages are expected to support 80% of transaction volume and 87% of transaction value worldwide



The Ultimate Destination

Financial institutions that have fully implemented ISO 20022 will reap the rewards:

- Greater efficiency
- Lower cost
- Richer data for greater compliance and fraud prevention
- Higher straight through processing rates
- Fewer false positives

How LexisNexis® Risk Solutions can help.

LexisNexis® Risk Solutions is ready to support your company with the migration to ISO 20022. Our suite of financial crime screening tools can convert, map and screen incoming messages to ensure compliance with both the new standard and with international sanctions and regulations. Contact us to learn more.

<https://risk.lexisnexis.com/financial-services/financial-crime-compliance>