

Spring 2016
Edition

ISO 20022 Newsletter

Volume 8, Issue 1

Spring 2016 Edition

Including “Focus on Asia”

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Introduction

This edition of the newsletter focuses on **Asia markets ISO 20022 developments**, complementing the last RMG meeting hosted by Japan in December 2015.

We start with a note from the RMG Convenor. Followed by ISO 20022 news globally and coverage of events focusing on ISO 20022 including a report on ISO 20022 coverage at the **Standards Forum** in Singapore.

Continuing with the Asia theme, we turn to two articles on Asia region

1. **ASEAN integration** – Discussing expanding the use of ISO 20022, notably payments and securities, across Asia region markets.
2. **ABMI (Asian Bond Market Initiative)** – A view of the Asia Bond Market Initiative, an effort to construct a regional market infrastructure for bond operations.

A number of articles give us detailed views on FX, Payments, and Securities in Asian/APAC markets

3. **FX – From China**
4. **Payments – Japan (BOJNet), New Zealand Singapore (G3)**
5. **Securities – Singapore (SGX)**

Turning from Asia: The article from the European Central Bank (ECB) gives us insights into the successful use of the ISO 20022 messages for securities market operations (T2S, Target2 Securities). Followed by status reports from the **Tokyo RMG meeting**, the **Registration Authority** and the **Payments SEG**.

We close with summary information about the Newsletter, a request for **news items** and **article submissions**.

Our thanks to all our contributors.

By Robert J. Blair, RMG
Communications Group
Convenor, asc x9



Registration Management Group Convenor's note



With over 400 messages in the ISO 20022 repository with a further 40 in the pipeline demand for ISO 20022 has never been higher and it's very rewarding to see the value of the standard, the SEGs and the RMG processes serving an increasing diverse number of business areas. Recently, when I spoke at a conference involving 200+ corporate treasurers in London and I was pleased that ISO 20022 was promoted by them as the basis for improving their business and their processes. The message from that community was very clear which was that they want to get more closely involved and I was pleased that CGI was seen by them as the vehicle to do that.

Regulators and central banks are also becoming increasingly active and I am really pleased that the public sector bodies in our industry are increasingly thinking about how ISO 20022 can best support their needs and objectives. I have for many years considered that the value of ISO 20022 extends across all parts of our industry and my sense is that the recent changes to the rules for membership to the RMG will serve us well in facilitating engagement by an increasingly diverse range of stakeholders.

In European new regulatory reporting requirements will be introduced soon using ISO 20022 and the Business Justification from ESMA that will be evaluated by SEG experts from both the Securities and Derivatives markets is an important development. The timescales for this work are short and so I welcome the engagement of new experts into the ISO 20022 SEG processes covering the Derivatives market.

Also in the cards market work is continuing to create a foundation for interoperability between the widely used standard of ISO 8583 and ISO 20022. Publication of the ATICA version 1 messages, which cover the acquirer to card issuer, was published recently. This is an evolving area of work which as it matures is set to unlock tremendous value for all participants in the card market.

As we move forward together during 2016 my ambition is to ensure that ISO 20022 RMG continues to add value to its members and that the membership grows. In particular, as seen through the articles in this newsletter, the ASEAN+3 countries are very active and to be able to bring more of that regional expertise to the RMG is a tremendous opportunity I shall be exploring this year.

Best regards,
James Whittle
RMG Convenor,
Payments UK

News | @ A Glance

Increasingly, **new work is driven by regulatory requirements**. Payments, Securities and notably Derivatives have all been the subject of recent and current attentions. Prominent examples include:

- Payments – The new ISO 20022 messages for Cross Border Transactions Currency Control Reporting (CTCCR) submitted by the Russian Corporate Market Practice Group (RUCMPG)
- Securities – The European Central Bank's new ISO 20022 messages for **Money Market Statistical Reporting (MMSR)**.
- Derivatives – Increased requirements for messages driven by recent regulation.

Derivatives – : ISO 20022 candidate messages will be developed to address regulatory reporting requirements in the UK, the EU, and the US. A subgroup of the Securities SEG will be formed to address these. These new messages will create an opportunity to further interoperability of existing derivatives messages with ISO 20022. (Resolution 15/336 – Derivatives SEG)

Cards Messages - The cards industry is in the process of replacing 40 year old card standards (ISO 8583) with a comprehensive ISO 20022 message set. As discussed and resolved at the Tokyo RMG meeting, the initial set of messages has been published as version 01

(ATICA). A follow-on version with additional capabilities is now in planning. (*Resolution 15/332 Appeal ATICA Publication Decision*)

BSB Newsletter - Bank Services Billing (BSB or camt.086) is the subject of a recent newsletter published by TWISTStandards. This message is used by banks to periodically report fees to their wholesale clients. BSB is receiving increasing adoption as reflected in the newsletter, with 16 major banks having implemented. BSB is supported by 13 financial applications and is available for accounts held in over 100 countries. A related code standard, AFP (Association for Financial Professionals) Global Service Codes is used to standardize the identification of line items on a billing statement and enjoying growing adoption. [Copies of the newsletter are available at the TWISTStandards.org site.](#)

Adoption Reporting – The number of markets and market infrastructures using or implementing ISO 20022 continues to grow. The latest adoption reporting documentation tells the story. 83 communities and/or market infrastructures have submitted reports to be included in the latest reporting (October 2015). More are asked for. This information benefits all those implementing or planning to implement ISO 20022. Adoption reporting documentation and details are available on [Adoption page](#) on the iso20022.org website.

Real Time Payments Group (RTPG) – Celebrating its one year anniversary, this group has made progress in harmonizing the ISO 20022 payment messages for the numerous payments markets in various stages of activity (from planning, to development, to production) addressing real time payments (aka faster or instant payments). The RTPG comprises a broad group of more than 70 stakeholders from 17 countries. A dedicated page for the RTPG is now available on the ISO 20022 website for the publication of the usage guidelines and information about/ from the group. The RMG approves the ISO 20022 RTPG Message Usage Guidelines (MUG) as Phase 1 of its work. https://www.iso20022.org/payments_rtpg.page

Canada's Payments Initiative (By Mark Brule, Director, Payments Innovation Areas of expertise: Payments Innovation, ISO 20022, information technology, application services) The Canadian Payments Association (CPA) is preparing to launch ISO 20022 as part of its payments modernization initiative. The CPA has been working closely with member financial institutions and key stakeholders for more than two years on the development of ISO 20022 based messages and on the rules required for its adoption and implementation in Canada. The path to adoption for domestic, low-value payments, which is a voluntary initiative for CPA's members, begins with publication of ISO 20022 rules and standards, planned for April 2016.

A comprehensive plan to support the industry and monitor progress is being developed by the CPA. The Association will further promote awareness of the standard and continue to educate its members and stakeholders on the standard, its use and benefits.

Among these initiatives is a recently published CPA Research Paper, *The economic benefit of adopting the ISO 20022 payment message standard in Canada* ([Read it here](#)). The paper draws on discounted cash flow analysis to estimate the cost-savings to Canadians in anticipation that ISO 20022 adoption will expedite cheque elimination in favour of lower cost electronic payments. The CPA continues to work with the industry in preparation for launch and towards implementation. Further updates throughout 2016 will be available on the CPA's website: www.cdnpay.ca.

Elections – New SEG management team members include:

Payment SEG – Susan Colles has stepped down, Mr. Harri Rantanen, SEB, is the new Convenor (from April 2016) A Vice Convenor will be sought to fill the position left vacant by Harri's move.

Securities SEG - Mr Dominique Forceville, SWIFT, is the new Secretary,

Technical Support Group - Mr Anthony Coates, Deutsche Bank, is the new Vice Convenor.

Reminder – The ISO 20022 groups and subgroups are switching from ISO Livelink to a SharePoint workspace site provided by the Registration Authority.

Events | Standards Forum@Sibos, Singapore

A week of standards dialogue and collaboration



By the Standards Forum Team

As the financial industry continues to be confronted by new challenges, from regulation over transformation to competition, the Standards Forum at Sibos, Singapore, explored how standards offer a way to meet these challenges collectively, to reduce industry costs and unlock new value.

More than 65 industry experts and countless audience participants shared insights and expertise across twenty sessions, focusing on Harmonisation, Regulation, Innovation and Implementation as four main themes.

The Standards Forum wrap-up report contains an overview of all outcomes, quotes, pictures, calls to action and links to supporting material.

Below a summary of the main outcomes per theme:

Harmonisation: From fragmentation to a harmonised approach.

The growth in ISO 20022 adoption brings opportunities, as well as challenges. As ISO 20022 implementations increase, variability in the ways in which the standard is deployed in terms of message versions, market practice rules and release timetables is multiplying.

In workshops, presentations and debates, speakers and audience all agreed with the following conclusions:

1. Global ISO 20022 market practice is a must for all business areas.

Market practice should focus on a 'common core', take into account end-to-end processes, be syntax-independent and involve all relevant stakeholders. The experience and expertise of existing market practice groups such as CGI, PMPG, RTPG and SMPG should be leveraged to establish and evolve global market practice for all business areas.

2. Market infrastructures have an important role to play in ensuring a harmonised, cost-effective roll-out of the standard for their members. As market infrastructures around the globe are driving ISO 20022 adoption as part of industry transformation initiatives, they recognize they bear a responsibility to ensure a consistent, predictable and harmonised implementation for their members. More than 10 market infrastructures endorsed SWIFT's ISO 20022 Harmonisation Charter, which contains a series of recommendations designed to support a harmonised roll-out.

3. Break the silos: don't forget to look at

cross-business domain harmonisation.

Regulation: From talk to action.

The intersection of standards and regulation has been a recurring topic at the Standards Forum. Over the last several years the Forum has witnessed furious agreement between regulators, standardisers and the industry about how standards can both boost the effectiveness of regulation and reduce the compliance burden. This year, the Forum witnessed some actual concrete standardisation results in the regulatory space, some further calls to action, and the arrival of a new standards buzz word:

1. ISO 20022 is becoming the default standard for local and cross-market regulatory initiatives and helps turn big data into smart, high-quality data: ESMA is backing ISO 20022 for MIFID reporting, the ECB is using ISO 20022 for daily reporting of money market operations, the LEI should be used as a best practice model for other identifiers – and the list keeps growing steadily.
2. Banks would welcome a holistic, harmonised approach from regulators: Regulators should harmonise requirements and identify data sets, before issuing regulations and mandating standard specifications – and let the industry come up with detailed standards and 'regulatory market practice'.
3. APIs are a hot topic – also in the regulatory space – and rely on standardised data, just like messages

Innovation: From a level playing field to new, competitive services

From business & data model, over the comprehensive set of granular, structured messages to modern, flexible technology – an increasing number of stakeholders are using the many facets of the standard to develop new services and streamline internal and external communication and processes.

Some highlights:

1. ISO 20022 can increase efficiency and reduce risk in the corporate-to-bank space, enabling services such

as transparency of fees, enhanced reconciliation and risk management.

2. ISO 20022 supports industry transformation in the core banking and securities space, as building block for new services such as real-time payments and the golden source of information in some securities projects.
3. Thanks to its business and data model, ISO 20022 enables to optimise and rationalise institutions' own internal data architecture, much needed to comply with regulation and the fast evolving financial landscape.

Implementation: From conversion to full implementation

As a result of increasing market infrastructure adoption, local regulation or commercial necessity, financial institutions are examining how ISO 20022 should be implemented within their messaging, transaction processing and back-office environments.

What are some of the best practices to plan an implementation roadmap for an organisation?

1. Do a full ISO 20022 implementation, not a translation
2. When MIs adopt ISO 20022 for transformational initiatives, they should make sure to use some of the new, data-rich functionalities ISO 20022 has to offer
3. Make the business case to drive internal efficiency: lots of internal messages/APIs can benefit from the ISO 20022 data model.

The Standards Forum continues the dialogue in 2016 at the Standards Forum in Malaysia (29 February 2016), Standards Forum in the Philippines (8 April 2016), Standards Forum in New York (12 May 2016). More information on www.swift.com/standards.

Asia | Regional

ISO 2022 – A Key Ingredient to ASEAN Integration

With 2015 drawing to a close, the Association of SouthEast Asian Nations (ASEAN) region drums to a new beat with renewed ambitions for the coming 10 years.



Jean Chong
Manager
Securities Markets Infrastructure
SWIFT



Alexandre Kech
Head of Securities
Markets & Standards
SWIFT



Michael Moon
Head of Payments
Markets SWIFT

Adopted during the recent 27th ASEAN Summit in Kuala Lumpur in November 2015, is the ASEAN 2025: *Forging Ahead Together* (ASEAN 2025), to continue the vision of developing a regional community that is “politically cohesive, economically integrated and socially responsible”. Contributing to the broad directions of the ASEAN 2025, are the ASEAN Community Vision 2025, ASEAN Political-Security Community (APSC) Blueprint, ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 and the much discussed ASEAN Economic Community (AEC) Blueprint 2025.

Prior efforts in economic integration, have provided an excellent platform for businesses to grow not only regionally but also internationally.

However, recognising the complex challenges inherent to financial market integration initiatives, some anticipated statements coming out from the new AEC Blueprint 2025 are payment and settlement systems will be further enhanced in several areas such as promoting standardisation and developing settlement infrastructure for cross-border trade, remittance, retail payment systems and capital markets; to provide an enabling environment to promote regional linkages and payment systems that are safe, efficient and competitive and particularly; a certain level of harmonisation of standards and market practices based on international best practices (such as ISO 2022) is required to foster stability and efficiency within as well as outside the region¹.

ISO 2022 well positioned for ASEAN regionalisation

Encouraged by the government level support

¹ ASEAN Economic Community Blueprint 2025, A.4, Para 18 (ii)

and focus on financial market infrastructure development and regionalisation initiatives, ISO 2022 is well positioned to be the “standard of choice” for the region. Particularly, for cross-border efforts, it is imperative to establish a common and internationally recognised set of standards to better facilitate interoperability among participating entities as well as to benefit from operational efficiency such as enhanced levels of capability for straight-through-

ISO 2022 is well positioned to be the “standard of choice” for the region

processing. In many cases, the adoption of ISO 2022 was driven by its attractive features such as being an international, XML based, free and open standard that covers all financial business domains and is robust enough to adapt to financial technology

Prior efforts in economic integration, have provided an excellent platform for businesses to grow not only regionally but also internationally

advancements.

Some such regional initiatives are already including ISO 2022 in their integration efforts. For instance, the ASEAN Working Committee on Payment & Settlement

Systems (WCPSS)² plans to adopt ISO 2022 for cross-border payments within ASEAN. Together with the introduction of an ISO 2022 rulebook to detail message usage instructions and establishing a Closed User Group (CUG) this will accommodate creation of a standardised environment and improve the efficiency and international standing of ASEAN banks.

On the same thread, the ASEAN+3 Bond Markets Forum (ABMF)³ appreciates that standardisation and harmonisation of securities transactions in the region goes hand in hand. With that, ISO 2022 has been an important guiding framework in many of its internal discussions. This also had a knock-on effect on associated development forums, such as the Cross-Border Settlement Infrastructure Forum (CSIF), in its efforts to establish a regional settlement intermediary (RSI). Standardisation was identified as one of its key principles to establish a RSI and the use of ISO 2022 is being considered as the standardised interface messages. In the above mentioned initiatives, SWIFT is an active contributor to member discussions, given SWIFT’s knowledge and expertise in standards, especially on the subject of ISO 2022.

² The ASEAN Working Committee on Payment & Settlement Systems (WCPSS) the ASEAN Working Committee on Payment & Settlement Systems (WCPSS), under the remit of the ASEAN Central Bank Governors process, is working towards further economic integration and cooperation.

³ ASEAN+3 Bond Markets Forum (ABMF), operating under the ambit of ASEAN+3 and comprising of bond market experts from the region, was established in September 2010 as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transaction in the region.

Other key considerations

Aside from standardisation, some other key considerations that can help expedite regionalisation projects are such as:

Reuse Existing Infrastructure

Projects involving market infrastructures can involve significant capital investments. A way to moderate the financial impact of regional projects, is to reuse existing infrastructure where possible, rather than building a completely new system. In addition, leveraging existing infrastructure could contribute to time-saving efforts during the implementation stage. More so, if member countries have a common infrastructure and connectivity provider.

Tap into Global Expertise and Presence

ASEAN is fortunate to have many reference points for success stories involving the integration of financial market infrastructures. Target2-Securities and in Europe and the South African Development Community (SADC) are some examples of successful regionalisation initiatives utilising ISO 20022.

Not limited to case studies, ASEAN members can also engage global organisations who have contributed to these initiatives for assistance. For instance, through organisations such as SWIFT, member countries can leverage off the experience, expertise, infrastructure presence and global footprint to advance their financial integration initiatives, in an operationally-effective, cost-efficient and compliant manner.

Leverage Active Networks and Communication Forums

Establishing development forums or groupings has proved to be important in communicating and lobbying strategies of the various initiatives. These networks and forums can also be used to facilitate governance, determine standards, agreed on market practices and in some cases, manage the overall project.

For the ASEAN region and beyond, we can expect to see many more financial market infrastructures in the region working towards upgrading their cross-border payment and settlement facilities to be at par with international standards and promote operational efficiencies in the business.

While some of these initiatives may be mutually exclusive domestic focused projects, garnering attention recently are cross-border regional linkage efforts, and often those involving ASEAN member countries. Irrespective of scale, it is an obvious and continuing trend that these projects are prioritising standardisation to accelerate cross-border financial communication and infrastructure linkages towards a successful harmonised implementation. •

Asia | Regional The Asian Bond Markets Initiative and ISO 20022

This article explains the recent developments particularly in the Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China, Japan, and the Republic of Korea (ASEAN+3)

*By Tomo Yamadera,
Asian Development
Bank*

There have been notable progresses in standardization in East Asia. It is expected that ISO 20022 will be implemented in key market infrastructures by 2020 in many Asian countries.

ASEAN+3 ministries of finance and central banks have been supporting bond market developments as the Asian Bond Markets Initiative (ABMI) since 2003 as a lesson from the Asian Currency Crisis in late 90s, which was caused by heavy dependence on USD short-term finance, and sudden reversal of capital flow caused contagious economic crises in the region. Therefore, development of local currency (LCY) bond markets was promoted to change the situation.

Thanks to the efforts under the ABMI, the amount of LCY bonds outstanding in

ASEAN+3 (excluding Japan) has grown sharply. In the wake of the recent global financial crisis, LCY bond markets could function as an effective alternative source of financing for the governments and corporations.

However, there still remain issues to be addressed. For example, a bond market in each economy is still fragmented because of different level of market developments, economic size, and currencies. Of course, Asia will not move to a single currency, but it is necessary to consider how to connect the markets more efficiently and improve straight-through-processing (STP) by harmonizing and standardizing message flows and message items, and by streamlining regulations and market practices.

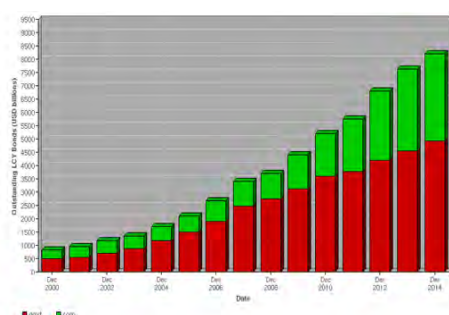
To achieve the objective, the ASEAN+3 Bond Market Forum (ABMF) was established in 2010, with endorsement by the ASEAN+3 Finance Ministers, as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transactions in the region. The ABMF members are nominated by the regulators, central banks and authorities, as national

members and experts. Besides, subject matter experts in the region are drawn as international experts. To facilitate discussion, the Asian Development Bank (ADB) serves as the Secretariat.

ABMF has started its discussion under two sub-forums: Sub-Forum 1 (SF1) focuses on practices, rules and regulations related to the markets. It began the work to collect information on regulations and market practices of each bond market. Sub-Forum 2 (SF2) focuses on enhance regional STP through the harmonization of transaction procedures and standardization of messages.

In its first phase of the activity (2010–11), SF1 worked on collecting legal and regulatory information for the individual ASEAN+3 markets, and SF2 identified detailed information on bond transaction flows. As a key output of ABMF Phase I activities, a comprehensive ASEAN+3 Bond Market Guide was published in April 2012. The Guide aimed to dispel persistent misperceptions about ASEAN+3 markets.

The information and findings gathered during Phase I became the foundation of the next phase (2012–13). In Phase 2, SF1 developed a proposal of a common regional bond



issuance framework called the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF). SF2 continued a study to identify transaction and settlement flows of government and corporate bonds including interest payments and redemptions. Based on the survey results, SF2 provided policy recommendations to implement cross-border STP through the harmonization and standardization of transaction flows and message items.

With continued discussions and consultations, ABMF members submitted key policy recommendations for AMBIF and standardizing bond transaction flows and message items to the ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting in May 2013.

In addition to ABMF, Cross-border Infrastructure Forum (CSIF) was established under ASEAN+3 to: (a) enhance dialogue among policy makers and operators of bond and cash settlement infrastructure in the region; (b) assess the existing settlement infrastructure and identify comprehensive issues and requirements to facilitate cross-border bond and cash settlement infrastructure in the region; (c) develop common basic principles for cross-border bond and cash settlement infrastructure with a medium- and long-term perspective; and (d) discuss prospective models, overall roadmap and implementation plan for establishment of cross-border bond and cash settlement infrastructure in the region.

After a few meetings, CSIF members chose the CSD-RTGS Linkage, which connects national CSDs and real time gross settlement (RTGS) systems operated by Central Banks, as preferred model which enables the local bonds to be settled in Delivery versus Payment (DVP) via central bank money, which ensures safety of settlement and is compliant with the international standards as well as being cost efficient. CSIF members will discuss the linkages and implement where agreed. It is expected that the first linkage will be materialized by 2018.

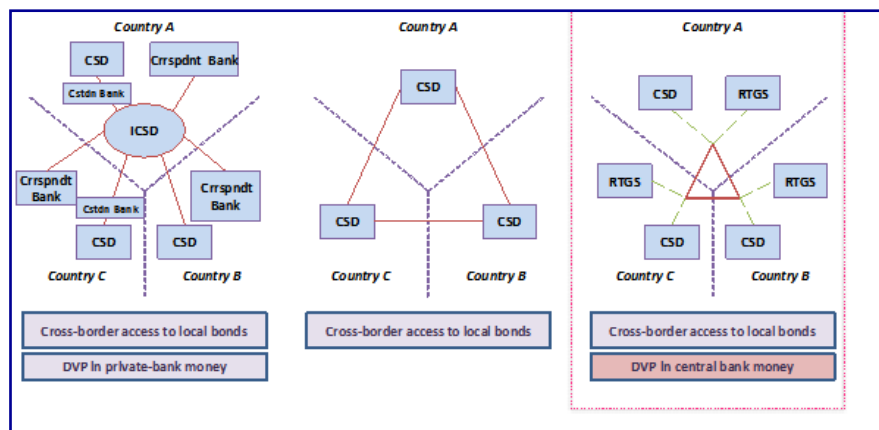
Under the phase 3 (2014-) of ABMF, all CSDs of the 10 markets where bond markets already exist have agreed to adopt international standards (ISO 15022 or ISO 20022). Besides, all central banks in ASEAN are also expected to adopt ISO 20022 for their RTGS by 2020. It is important to note, by 2020, ASEAN+3 would establish technical foundation that supports the CSD-RTGS Linkages if they wish to be linked.

Adoption schedule of international standards by CSDs in ASEAN+3

It is expected that the region will move to further standardization as follows:

2015-2016: Standardization phase

(i) Agreeing reference model of DVP flow and



Adoption schedule of international standards by CSDs in ASEAN+3

essential and minimum items, (ii) prompting ISIN and BIC, (iii) supporting establishment of standard evaluation group (SEG) such as Securities SEG and Payments SEG in the region to promote ISO standards, (iv) conducting study on collateral and repo services including interest payment flows, and (v) supporting CSIF;

2017-2018: Implementation phase

(i) Support establishment of SEGs and ISO TC68 national mirror committee in each economy which become ready to support financial services standardization, (ii) Implementing standards in the economies where adoption and migration to the international standards are ready, (iii) Reviewing the reference model and standard message items by the group members and experts, and (iv) Coordinating regional activities of harmonization and standardization in economies which are ready to contribute to such activities;

2019-later: Full operational phase

(i) Participating in international standardization through SEGs and ISO TC68 activities, (ii) Implementing international standards, (iii) Reviewing the reference model and standard message items, and (iv) Confirming operationalization of the regional activities of harmonization and standardization in ASEAN+3; and (v) Promoting further harmonization and

standardization in the region,

In the last fifteen years, the bond markets in ASEAN+3 have developed significantly, and will keep growing further. The markets will be connected via the CSD-RTGS linkages hopefully in the next five years, which would change the landscape of the markets very differently. Asia will evolve continuously not only as the source of global economic growth but also an important capital market through standardization and harmonization. •



Asia | FX

Steps towards ISO 2022 in China Inter-bank Market

Till the end of 2015, the number of members of China Inter-bank Market exceeds 10000, and yearly trading volume amounts to 700 trillion RMB.

China Inter-bank Market and IMIX

China Inter-bank Market includes FX market, money market, bond market and derivatives market. Till the end of 2015, the number of members of China Inter-bank Market exceeds 10000, and yearly trading volume amounts to 700 trillion RMB.

In 2004, China Foreign Exchange Trade System (CFETS), infrastructure provider and technical platform of China Inter-bank Market, started to work on messages standards of China Inter-bank Market, so as to enhance inter-system connectivity and improve message transmission efficiency.

Three National Industrial Standards have been published so far, including "Inter-bank Market Metadata", "Inter-bank Market Information Exchange Protocol (IMIX)" and "Interbank Market Data Interface". These three standards jointly form the basis of the Unified Business Data Exchange Platform (see Picture 1).

Ever since its release, IMIX Protocol has been widely used

in China's Inter-bank market, covering pre-trade, trade, and post-trade processes. IMIX is used not only between inter-bank market participants and CFETS, but also between CFETS and other inter-bank infrastructures, such as Shanghai Clearing House, Shanghai Gold Exchange, China Central Depository & Clearing Corporation, etc.

Steps toward ISO 2022

While establishing domestic industrial standards, CFETS also seeks to make China Inter-bank Market standards more internationalized, to keep in line with the

After some research work, it is found that the business process of China differs from that of major developed countries in some aspects. For example, in post trade confirmation, trades are confirmed among trading members and Central Matching Utility, rather than between trading members; and due to regulation reasons, there are fields in post-trade confirmation messages specific to Chinese market.

Therefore, the steps toward ISO 2022 in China Inter-bank Market is not only adopting the existing ISO 2022 messages, but also taking part in developing new messages and change requests specific to Chinese market.

After gap analysis of the current ISO 2022 messages and IMIX messages, CFETS developed and submitted two BJs "FX Post Trade Trade Capture" and "FX Post Trade Confirmation" in January 2014.

Message models and Message Definition Report (MDR) were approved by the Registration Authority in October 2015, and they are currently under evaluation by FX SEG. The eight "FX Post Trade Trade Capture" and "FX Post Trade Confirmation" messages are designed to be implemented in the orange boxes shown in Picture 2.

Now, CFETS is taking a more active part in the ISO 2022 than ever before. Apart from submitting Business Justifications, CFETS also assigns experts to join ISO 2022 RMG and FX Standards Evaluation Group (SEG), and Mr. Xu, Executive Vice President of CFETS, was elected the vice convenor of FX SEG.

Plans for the future

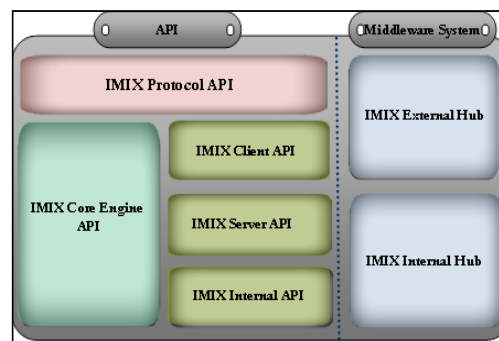
Developing these two sets of messages is only the beginning, the plans to further promote ISO 2022 in China Inter-bank Market are as follows.

After "FX Post Trade Trade Capture" and "FX Post Trade Confirmation" messages are approved and published, CFETS will implement these messages in CSTP and Trade Confirmation Systems, and Unified Business Data Exchange Platform (currently based on IMIX) will be changed to include both IMIX and ISO 2022.

By Weiwei (Diana) Shen
Manager
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China Foreign Exchange Trade System



CFETS will also try to adopt ISO 2022 in more business areas, covering more financial products. If the existing ISO 2022 repository cannot meet the needs of Chinese market, CFETS will submit new messages and change requests to fill the gap, or transfer suitable



Picture 1 - Unified Business Data Exchange Platform

parts of IMIX into ISO 2022 by reverse engineering. In this way, ISO 2022 will be more suitable for the Chinese market.

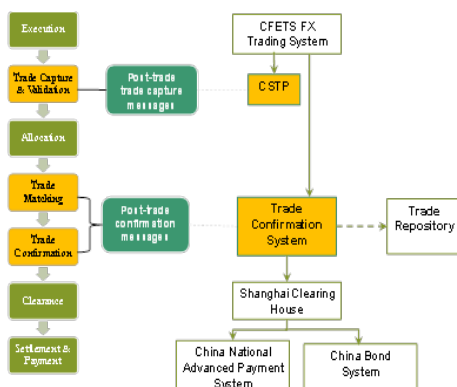
Meanwhile, CFETS will take ISO 2022 into account in the development of IMIX. With the development of China Inter-bank Market, new messages and components are being added to IMIX all the time. In the future, before adding new messages, CFETS will always take a look at the ISO 2022 repository first, making sure that messages already included in ISO 2022 will not be added again in IMIX.

By using the existing ISO 2022 messages rather than adding new IMIX messages in new requirements, IMIX will be more convergent to ISO 2022.

Conclusion

Although quite a lot has been achieved in promoting ISO 2022 in China Inter-bank Market, a lot more is yet to be done.

Hopefully, with the joint efforts of CFETS and other Chinese financial institutions, ISO 2022 will be more widely used in China, and the transmission efficiency and connectivity between China Inter-bank Market and other global financial markets will be further enhanced. •



Picture 2 - "FX Post Trade Trade Capture" and "FX Post Trade Confirmation" messages implementation scheme

internationalization of China's financial market and RMB. One strategy is to get involved in the implementation of ISO 2022.

Asia | Payments

Singapore's use of ISO 2022 for domestic payment systems

Technical Considerations for ISO 2022 Implementation



By Lim Heng Hai, Principal Consultant of TechCreate Solution
Member to ISO TC 68" by SPRING Singapore, Member of the ISO 2022
Registration Management Group,
Vice Convenor of Singapore Payment SEG,
Core member of G3 PMO from Jan 2011 to May 2014

ISO 2022 was identified as the Interbank message standard when the banking industry in Singapore commissioned the G3 (GIRO Generation 3) Project in Oct 2010.

Some of the key considerations for adopting the standard are:
adopted globally for interoperability; open standard;
data fields can be easily extended;
support straight-through processing with richer payment information.

associated with XML include more processing power (in terms of CPU and memory) and increase in message size.

Based on feedback from the vendor, their software application requires around 36% additional CPU and memory to process ISO 2022 message definition than their current ISO 8583 definition. The additional processing resources are easily mitigated by more power servers as annual hardware cost has been decreasing while annual processing power has increased.

consider to raise a change request to the ISO 2022 Payments Standards Evaluation Group. In raising such request, the user should ensure that the business justifications are clearly documented. Refer to the following URL https://www.iso2022.org/standards_evaluation_groups.page for details on change request submission.

While performing mapping to existing data, especially for user that use digital signature for non-repudiation purpose, user should consider adopting the ISO 2022 business application header (BAH) as it is the only ISO 2022 component that supports digital signature.

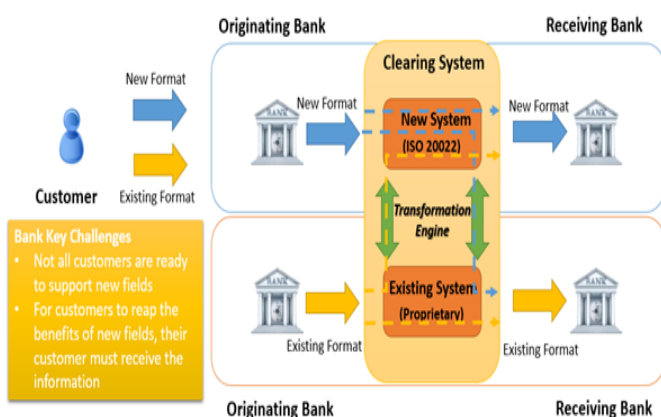
The other benefit of the BAH is that it uses Greenwich Mean Time (GMT) for the creation date and timestamp. This field is very important for cross-border transaction as all countries can use a common timestamp for troubleshooting purpose, especially for real-time transactions.

In addition, the BAH also has a duplicate transaction indicator. With the indicator, the credit transfer transaction can be re-sent with the same message identifier. This is very useful from transaction book keeping and reconciliation purposes.

Subsequently, user should review the list of mandatory and optional data across the various payment system ISO 2022 message definition to ensure interoperability. There are two potential sources of information for the exercise, namely SWIFT Mystandard portal or the harmonized Real-Time Payment Message Definition prepared by the Real-Time Payment Working Group (RTPG). The harmonized Real-Time Payment Message Definition would be made available on the www.iso2022.org website in early 2016.

In evaluating the need to have additional ISO 2022 data field, this author suggests three criteria for consideration.

Firstly, data that enrich payment details to facilitate straight-through process like ultimate debtor, ultimate creditor and intermediary banks (Please refer to ISO



Picture 1 - Illustration of a phased implementation of ISO 2022

One of the main technical concerns of ISO 2022 implementation lays on banks' ability to process the proposed Extensible Markup Language (XML) for ISO 2022 in their message flow. Traditionally, most banks' infrastructures are designed to process fixed length or delimited flat file. In this article, we will share some of the technical design considerations to mitigate some of the technical concerns and challenges.

In order to minimise development and maintenance effort, it is important to have a similar message definition for both the batch and real-time payment services. Where possible, the payload for Credit Transfer, Direct Debit and Customer Statement should be similar too. However, the message structure can vary. For example, multiple credit transfer and/or debit direct transaction can be included in one batch file while there is only one real-time transaction per message.

Some of the key technical challenges

message, the message size is more than 6,400 bytes, around 40 times more than existing proprietary message size. In order to mitigate the challenge on message size, it is important that the potential user (refer to as "user") adopt a prudent and pragmatic approach to define the ISO 2022 message definition.

User should firstly ensure that all existing data fields and transaction codes are mapped to the ISO 2022 dictionary and its repository. It is important to ensure all transaction codes are mapped as many of such codes are associated with bank internal processing requirement. For example, monthly salary transactions are posted as a single entry in the corporate customer account while multiple transactions are sent every month.

Some banks also offer customer better interest rate when the transaction tagged as salary payment is paid into the account monthly. Where codes are not found in the ISO 2022 repository, user should

In term of message size, the credit transfer message size for a proprietary batch file is typically less than 150 bytes; N A C H A definition is around 94 bytes (excluding addenda) and ISO 8583 (for Financial transaction card originate messages) is around 600 bytes. For a ISO 2022 Credit Transfer transaction



2022 Message Definition Report for definition of the terms). User should also note that such information is useful for banks' compliance check.

Secondly, user should expand reference and account number field so that more information is available for automated reconciliation and more account types can be supported.

Lastly, user should avoid including information that is not required for domestic transaction. For example, foreign exchange and address related information.

With the increase in message size, additional technical and operations considerations should be made for incoming files and reports. Traditionally, bank will only process one incoming file or report per settlement. However, this may result in performance issue as the ISO 2022 message size is 40 times more than existing message definition. User can consider limiting the number of transactions per file to say 100,000 transactions.

With the arrangement, file size can be capped around 100 Megabytes after compression which is a much acceptable data size for downloading via Wide-Area Network or

archiving to Offline media for the relevant contingency arrangement.

Finally, it is important for user to evaluate the implementation approach for the ISO 2022 definition, especially for the batch payment service. Traditionally, there are two approaches, namely the **"Big Bang"** approach whereby all banks will migrate to the ISO 2022 definition on the system cut-over date or the **"Phased"** approach whereby banks will migrate to the ISO 2022 definition in phases, for example two definitions will coexist for a period of time as illustrated in picture 1.

For the successful implementation of the **"Big Bang"** approach, all banks' system must be ready on the cut-over day and the implementation program team will need to ensure that all banks have thoroughly tested their systems. In addition, clear fallback and cut-over criteria are communicated and tested. Minimally, an industry table-top exercise should be conducted to ensure all parties understand the fallback, cut-over and communication plan.

The **"Phased"** approach is not an ideal

implementation approach as banks will most likely need to support both systems during the implementation period or implement system capabilities at their channels to reject additional data for the extended fields. It is also very challenging to manage the customer communication, especially on when the next group of banks will support the extended fields and additional testing scope when those banks are ready to support the extended fields – this is challenging as testing on a "live" system often restrict the number of "testing windows".

Incorporating the various considerations above, the G3 Real-Time and Batch Payment services were implemented successfully in Singapore in Mar 2014 and Apr 2015 respectively. With the successful implementation of ISO 2022 definition for the market infrastructure, the banking industry is currently working on an ISO 2022 definition for Corporate-to-Bank Payment Initiation and Payment Status Report targeted to be gazetted as a Singapore Standard in early 2016 to reap the full benefits of the ISO 2022 infrastructure. •

Asia | Payments

The New BOJ-NET: Adoption of ISO 2022 and beyond

From October 13, 2015, the BOJ has been involved in ISO 2022 as an "implementer," by completing full launch of the new Bank of Japan Financial Network System (BOJ-NET), the on-line funds transfer and JGB settlement system between the BOJ and financial institutions.

By Takaaki Kurebayashi,
Head of International
Standardization Group,
Bank of Japan
(RMG Member Delegate for
Japan)



In the ISO 2022 community, the BOJ has been playing a role as a "standardizer," functioning as the secretariat for the ISO/TC68 Japan's committee. In addition to this, from October 13, 2015, the BOJ has been involved in ISO 2022 as an "implementer," by completing full launch of the new Bank of Japan Financial Network System (BOJ-NET), the on-line funds transfer and JGB settlement system between the BOJ and financial institutions.

Main features of the new BOJ-NET

The new BOJ-NET has three main features: "Most Advanced IT", "High Flexibility" to adapt to changes in financial services and various needs, and "High Accessibility" to cope with changes in the financial environment such as globalization of financial transactions and networking of market infrastructures. The third feature is achieved by adoption of international standards such as ISO 2022, BIC and ISIN for greater interoperability, and enhancement of system capability to extend BOJ-NET operating hours.

ISO 2022 adoption

The new BOJ-NET was launched after a series of discussions with market participants since 2009. Based on the market support, expressed in the public consultation in 2009, for the three main features of the new BOJ-NET, the BOJ organized a forum of market participants from 2010 to 2011 to determine functions and

specifications for these features. As a result of these processes, the BOJ decided to use XML-based messages for all transactions through the new BOJ-NET and to adopt ISO 2022 for transactions selected as ISO 2022 is especially instrumental in achieving smoother STP process. At the outset, the BOJ-NET adopts ISO 2022 based messages for Foreign Exchange Yen Clearing, Funds Transfer with Yen account for foreign central banks and Transfer of JGBs on both of FOP and DVP basis.

Extension of the operating hours

"Forum towards making effective use of the New BOJ-NET" was established in August 2013 for discussion among market participants about how to make the most of the new BOJ-NET and, for that purpose, how long its operating hours should be extended and when such extension should be implemented. In response to discussion in the forum and after a public consultation, in May 2014, the BOJ released that it plans to extend the operation hours up to 21:00 for both BOJ-NET Funds Transfer Services and JGB Services from February 15, 2016. The extension of BOJ-NET operating hours will achieve a longer overlap of operating hours with Asian and European markets and will encourage smoother cross-border settlement of the Japanese yen and JGBs, which enables:

- same-day remittance in JPY for customers in Asia and Europe (until CET 13:00);
- faster and safer funding of foreign-currency

by using JGBs as collateral; and

- faster and safer posting of collateral to foreign CCPs and trading counterparties.

Discussion goes on

After the extension of the New BOJ-NET's operating hours up to 21:00, the BOJ will continue to discuss with financial institutions about their effective use of the New BOJ-NET including the possibility of further extension of operating hours.

By taking advantage of the enhanced accessibility of the New BOJ-NET, the BOJ aims to build an infrastructure that facilitates the smooth delivery of the Japanese yen and JGBs anywhere and anytime. The BOJ is continuing discussions with ASEAN+3 peers on the possibility of establishing a cross-border securities settlement infrastructure (so-called "CSD-RTGS linkage") in the region.

The BOJ will continue discussion with relevant stakeholders for effective use of the new BOJ-NET leveraging adoption of international standards such as ISO 2022 and longer operating hours, with its clear intention of contributing to a range of policy objectives, including improvements in the safety and efficiency of Japan's payment and settlement system, the revitalization of the financial market and enhancement of financial services.

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Asia | Payments

New Zealand's Payments Strategy

By Tim Duston, Payments NZ

New Zealand Exploring 'Informative Payments'

New Zealand's self-regulatory body for the payments industry, Payments NZ Limited, has assessed how changes in digital technology, shifts in customer expectations and behaviour, and the move to a more mobile and connected global economy are likely to impact New Zealand's payment systems.

That work has been undertaken as part of an initiative called Payments Direction. This strategic initiative will establish a long-term roadmap, setting out strategic themes and major activities for Payments NZ to undertake over the next 10 years.

"Payments are increasingly faster, more mobile, more informative and linked across the value chain."

As part of Payments Direction's environmental scan, Payments NZ produced 'Re-mastering payments messaging', a comprehensive discussion paper examining New Zealand's strategic opportunity in adopting the ISO 20022 payments messaging standard.

That discussion paper noted the clear worldwide trend towards modernising messaging standards to support more informative payments, with ISO 20022 emerging as the most widely adopted and future proofed standard.

The environmental scan identified five key themes that describe the trends and influences currently occurring in payments. One of

paymentsnz

the themes included the need to support and enable informative payments.

New Zealand has a relatively new bulk electronic clearing system called *Settlement Before Interchange*, which was established in 2012. Settlement Before Interchange uses SWIFT settlement messaging in ISO 20022 format, but the underlying transaction information remains in a proprietary file format that has limited information carrying capacity.

The next step in Payments Direction is for Payments NZ to commence an in-depth industry engagement phase in early 2016 to better understand the strategic outcomes industry sees in being able to send and receive more relevant and rich information with payments, and how informative payments could support data driven innovation and provide new value propositions. •

Payment instruments and payment systems need to:

- support immediacy in commercial interactions, irrespective of location;
- allow information of value to be transmitted with the payment;
- and open the way for new payment propositions to be delivered.

Asia | Securities

Issuer to Investor Straight Through Processing Enabling innovation with ISO 20022 in Singapore

Once deemed an idealistic concept for Asset Servicing, the ability to skip all in-between steps and to receive corporate actions directly and electronically from the Issuer is now possible for the Singapore market through SGX's innovative and market-changing announcement process.

By Parasuraman Nurani,
Vice President – Market
Data and Connectivity,
Singapore Exchange



Straight through Processing (STP), and more specifically End-to-End STP of Corporate Actions, traditionally means processing of corporate actions in a seamless fashion without human intervention – from Issuer to Investor.

In a groundbreaking development for Asset Servicing, Post Trade Processing and News/Data dissemination, SGX has succeeded in delivering a process for the market to receive structured data direct from the Issuer, thus realising a true end-to-end STP of Corporate Actions. This process marks a significant step towards mitigating, and potentially eliminating, the risks of "Announcement Scrubbing", and has made the concept of "Golden-Source" a reality.

Life before STP

Since 2004, SGX has offered Issuers an electronic platform to submit their corporate

announcements as PDF files, which could be downloaded via the SGX website by respective participants, including sub-custodians, local depositories, share registrars, data vendors and service providers. As described above, they would then manually extract, interpret and convert the unstructured data to structured data. This is still a common practice in many markets globally.

SGX's aim was to re-engineer the Issuer submission portal to enable input of structured data by the Issuers and create an ISO standards-based data feed. SGX's innovative approach to enabling STP. The needs of various stakeholders within the financial ecosystem have been addressed as a result of SGX's STP initiative:

- **Issuers:** They want efficient channels for communicating with their investors,

faster processing of corporate actions and minimal claims and queries.

- **Intermediaries:** Participants such as global custodians, sub-custodians, brokers, dealers, data & information vendors etc. want timely, accurate and structured data to enable STP downstream and provide investors with actionable information. The SG-NMPG member institutions are a key part of this community.

- **Investors:** This group wants timely and accurate issuer information that enhances trading confidence and accuracy of investment portfolio decisions.

- **Market infrastructure providers:** This group, which includes SGX as market regulator and the central depository (CDP), look for transparency and

information democratisation. They also benefit from structured data to process corporate actions faster and more accurately, while SGX's data management and operations teams require efficiency of input and minimal manual intervention.

Engaging with market participants

SGX recognised the variety of needs among the stakeholder groups, ensuring their views were taken on board and that ultimately they were comfortable with the changes being proposed.

SGX began the STP process by engaging with the SG-NMPG members and SWIFT to identify the Corporate Actions events applicable to the Singapore market. This group identified about 38 event types prevalent in the market, and reviewed each to define the message content and structure in ISO format. In the process, a few market specific data fields identified are not available in the ISO standard message templates. The flexible ISO 20022 standard allows the creation of market specific extensions and was used to cater to these fields.

In addition to the 38 ISO event types identified, a number of other announcements and disclosures are required by both regulators and investors. Such announcements include Financial Statements, Annual Reports, Profit Guidance, Announcement of Appointments/Cessations, Disclosure of Interests of Directors/Management, Listing of new securities/products etc.

These types of announcements formed a further 40 templates, for which SGX had to derive its own XML-based proprietary standards.

Once these templates and message structures were finalised, SGX worked with Issuers to develop a unique User Interface (UI) design and workflow that spoke the Issuers' language.

In this context, it is important to recognise that the Issuer community is diverse, and may not be familiar with existing Asset Servicing processes and practices. Given this, intuitive wizards and widgets were created for the Issuers to select the appropriate template to facilitate ease of data input. The UI was developed in an iterative manner to cater for

changes and incremental improvements based on user feedback.

SGX also tested the messages generated from the submissions made on the new UI with prospective subscribers and incorporated their feedback into the final product.

Adapting to local needs and making it workable

There were three primary aspects that SGX needed to consider to ensure the STP initiative was practical for the market place:

1. **Co-existence of ISO 15022 and ISO 20022 standards:** Based on feedback from stakeholders, the decision was made to support both ISO 15022 and ISO 20022 messages.

Much of the Asset Servicing community had made considerable investments over time to support ISO 15022 and



so it was important to adapt to their existing infrastructure. However, SGX also wanted to ensure that we were ready to offer the newer ISO 20022 for anyone who had already transitioned to this standard.

Key advantages of the ISO 20022 standard include the provision of standard structure and terminology related corporate actions, the ability to expand to local market needs, comprehensive documentation and support from SWIFT. More importantly, it is based on more common XML standards.

2. **Flexible connectivity options:** While there were a number of Asset Servicing

firms on the SWIFT network, there were some institutions that did not have SWIFT connectivity. For this group, SGX enabled data dissemination over secure Internet channels in ISO 20022 messaging standards, since ISO 15022 is not an option for these subscribers.

In addition to the ISO 20022 structured feed, we also included the dissemination of non-ISO messages and PDF documents pertaining to other announcements not available as ISO templates submitted by Issuers.

3. **Completeness of Information from Issuers:** The inclusion of non-ISO corporate action announcements (Financial Statements, Profit Guidance etc.) completes the suite of announcements that can be made by issuers via the STP initiative. It also provisions for wider adoption by other users such as Data and News Vendors.

The outcome

SGX executed the STP initiative through the revamped SGXNews, which is provided on ISO standards adopted by the market since March 2014. Thus far, over 75,000 announcements have been made using the new platform across multiple templates.

SGX invested significant time and resources in training and conveying these changes to Issuers, including the importance of data accuracy, and issuer education is ongoing. SGX also instituted a data quality team that continuously monitors and measures the quality of submissions.

Customer-centric innovation and design are the key features that underpinned the success of this initiative. ISO standards provided an important framework for innovation process, and this was complemented by valuable industry collaboration.

The market worked together with SGX to provide ideas, feedback and solutions, which helped to make our platforms more transparent, efficient and valuable for all. •

Securities | T2S

T2S Goes Live !



*Written by Marc Bayle
Director General Market Infrastructure
and Payments
European Central Bank*

TARGET2-Securities (T2S) is an integrated, pan-European IT platform, which processes the real-time settlement of securities transactions across Europe in central bank money. It was built by the Eurosystem (made up of the European Central Bank and all of the national central banks in the euro area), with the support and input of the market.

T2S brings an array of benefits to its users and to the European financial markets more widely. With T2S, cross-border securities settlement can now cost the same as domestic settlement. It also provides a single, standardised gateway to the European financial markets, removing the need for market participants to maintain separate accounts in separate systems in various countries. It also means foreign investors have easier access to the whole European financial market, which will attract more investment.

Moreover, by enabling users to hold centralised pools of collateral on the platform, it is easier for them to fill liquidity gaps in one country with “spare” collateral in another, avoiding the costly and time-consuming transfers that were needed before T2S. This is a particularly important benefit in the light of today’s stricter capital requirements. In addition, T2S provides the highest standards of reliability, security, resilience and availability, bringing greater stability to Europe’s financial markets.

The platform went live on 22 June 2015 and is operating smoothly. The 23 central securities depositories (CSDs) that have committed to joining T2S will migrate to the platform in waves. The first wave is already complete and five CSDs are now fully operational in T2S. The remaining CSDs and their markets will migrate to the platform over the course of the next two years, with the next migration wave planned for 28 March 2016.

Of course, it may well be that once the initial 23 CSDs have migrated and they start to reap the full benefits that T2S offers, further markets and user groups will wish to join the platform. Some markets are already signalling

their interest in moving to the platform in the future. For example, the Norwegian and Swedish National User Groups have recently been restarted because of the high interest the local markets have in T2S following the launch of the platform..

Any new participants from outside the euro area will also be able to decide whether to join for securities settlement exclusively in euro, or whether to bring their own currency as well.

This decision is made by the central bank of the respective country. The Danish CSD, VP Securities, will migrate to T2S in the second half of next year, but Danmarks Nationalbank will also make Danish krone available for settlement in T2S from 2018. The platform is

T2S is a success because it is a state-of-the-art, tailored platform that is efficient and effective.

set up to process any number of currencies.

T2S is a success because it is a state-of-the-art, tailored platform that is efficient and effective. One of its features making it modern is its use of ISO 20022 messages. The CSDs and the national central banks migrate to ISO 20022 messages at the same time as they join T2S. T2S is built on existing ISO 20022 messages (such as `sese23 SecuritiesSettlementTransactionInstruction` and `camt.053 - BankToCustomerStatement`), but T2S also initiated the development of about 80 new messages (such as `acmt.025 AccountQueryListV01` and `col.002 CollateralValueReport`).

T2S will operate in “coexistence” mode to ensure interoperability between ISO 15022 and ISO 20022 users. Interoperability is ensured as certain aspects of the ISO 20022 messages used by T2S (such as the limit on the number of characters) have been aligned



to their ISO 15022 equivalents. T2S-specific messages also have some features that make them more adapted for use in T2S. For example, the list of possible code values is restricted to the values that are allowed in T2S and optional message elements are made mandatory if their use in T2S is compulsory. Requiring the use of ISO 20022 messages in T2S helps bring greater harmonisation to the post-trade industry. We all know how important it is to be speaking the same language when talking to friends and colleagues and the same is true for IT infrastructure! A common language makes the whole process smoother and less complex. The more users who move to ISO 20022, the easier it will be to exchange data throughout the financial industry. The use of ISO 20022 messages and the development of T2S are all steps in the direction of a more harmonised post-trade environment. •

More information about T2S can be found on www.ecb.europa.eu

Securities | Europe

Registration Of The Money Market Statistical Reporting Messages In Euro (MMSR)

By Josep-Maria Puigvert Gutierrez , European Central Bank

Securities

The MMSR is a new daily statistical data collection of the European System of Central Banks (ESCB) starting in April 2016, with full regular reporting from July 2016. The MMSR will cover market transactions in the secured, unsecured, FX Swaps and Euro OIS Swaps segment of the euro money market reported by euro area resident monetary financial institutions (with the exception of money market funds and central banks).

Once available, the statistics will provide significantly more detailed, timely and reliable information of daily money market transactions. The MMSR will make valuable information available regarding the liquidity, the depth and substitution effects within the money markets and on banks' lending and funding conditions, providing also vital information on the monetary policy transmission process.

Taking into account the large data volumes and the daily frequency of the data collection, a high degree of automation of the data flows between the reporting credit institutions and the Eurosystem is envisaged. In this regard, a full standardisation of the underlying taxonomy and data transmission format based on the ISO 20022 standard has been prepared by the European System of Central Banks and the message structure has been coordinated with the Bank of England. A set of four ISO 20022 reporting messages and an ISO 20022 status message containing feedback information have been jointly submitted to the ISO Registration Authority by the ECB, the Deutsche Bundesbank, the Banco de España and the Banque de France.

The candidate messages have been approved for registration by the Securities SEG in January 2016 following a positive evaluation of the Evaluation Team and have been published on the [ISO20022 website](https://www.iso20022.org/). The messages which were finally approved will serve both the MMSR in euro and the Sterling Money Market Data (SMMD) collection. •

Further information on the MMSR can be accessed following this link:

<https://www.ecb.europa.eu/stats/money/mmss/html/index.en.html>

The published MMSR messages can be accessed following this link:

https://www.iso20022.org/securities_messages.page

ISO 2022 Group Status | Registration Management Group Meeting

As the financial industry continues to be confronted by new challenges, from regulation over transformation to competition, the Standards Forum at Sibos, Singapore, explored how standards offer a way to meet these challenges collectively, to reduce industry costs and unlock new value.

The “Meet the Market” event was held at the Bank of Japan (BOJ) on December 1, 2015, during the ISO 2022 Registration Management Group (RMG) Tokyo meeting, to share challenges and opportunities of ISO 2022, from the experiences in Europe, the United States, Canada, China, Korea and Japan, among the members of RMG and ISO/TC68 Japan’s national mirror committee.

In the ISO 2022 community, the BOJ has been playing a role as a “standardizer,” functioning as the secretariat for the ISO/TC68 Japan’s committee. In addition to this, from October 13, 2015, the BOJ has been involved in ISO 2022 as an “implementer,” by completing full launch of the new Bank of Japan Financial Network System (BOJ-NET), the on-line funds transfer and JGB settlement system between the BOJ and financial institutions.

[Read the article about BOJ-Net](#)



*By Takaaki Kurebayashi,
Head of International
Standardization Group,
Bank of Japan
(RMG Member Delegate for Japan)*



ISO 2022 Group Status | Payments Standards Evaluation Group

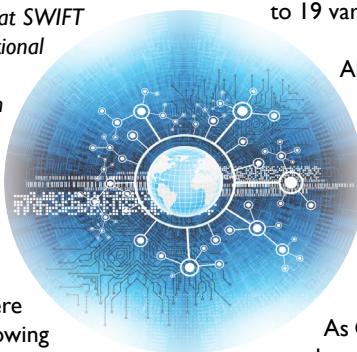
The Path is Bright

*By Susan Colles, Payments Standards Evaluation Group (SEG)
Convenor*

I remember the vibe of excitement in the auditorium at SWIFT headquarters when the Payment SEG held its organizational meeting well over 10 years ago.

The room was full with country representatives from across the globe. The excitement continues to grow as more and more organizations implement the various Payment messages within their financial processes along with new payment systems adopting the messages for new platforms.

The first set of Payment Initiation messages were published in September 2006 with now an ever growing library of over 64 messages addressing various additional business needs - Cash Management, Bank Services Billing, Payments Clearing and Settlement, Exceptions and Investigations to name a few. And there are more in the wings to be evaluated and published related to currency control and regulatory reporting requirements in various countries.



Each year the Payment SEG reviews Change Requests which either impact the various message schemas or Message Definition Reports (MDR) (yearly updates could be published) or the External Code Set (4 updates a year). For the 2015/2016 Maintenance cycle, seven Change Requests have been approved resulting in new versions of 25 messages in the Payments domain, targeted to be published in Q2 2016. A new version of the External Code set (published February 2016) addresses 95 additional Purpose code values submitted by which were reviewed and approved in Q4 2015. This is in addition to 19 various new codes published during 2015.

All of this activity is a prime indicator of the continual and growing usage and application of ISO 2022 in the Payments Domain across many countries - Canada, United States, Russia, Australia, Slovenia, and Europe (to name a few). There is not just a light at the end of tunnel, but a brightly lighted path to the recognition of a global financial standard.

As Convenor of the Payment SEG, I would like to thank and congratulate all the members of the SEG (former and present) for their dedication to attend meetings, review documentation, and expertise provided over the years. What has been accomplished would not have been possible without the members participation. You should be proud of the advancement of ISO 2022 in the financial industry!

ISO 20022 Group Status |

A View on 2015 from the ISO 20022 Registration Authority

By Jean-Marie Eloy, ISO 20022 Registration Authority

2015 was a busy year for the Registration Authority as well as the RMG and its subgroups.

The statistics tell the story. As of 31 December, 2015:

- 71 new messages published and 13 old messages archived
- 99 new versions of existing message definitions were published as a result of the 2014/2015 maintenance cycle
- Submissions for 66 candidate ISO 20022 messages received and processed
- 7 new Business Justification (BJ), 73 Change Requests (CR) and 7 Maintenance Change Requests (MCR). 2015/2016 cycle maintenance of 147 existing messages will be required.
- 30 candidate ISO 20022 messages under evaluation (7 BJs)
- An additional 9 BJs are in various process stages e.g. returned to submitter for comment, etc.
- Website statistics show active use of ISO 20022 publications and information. In the 12 months from Oct 2014 to October 2015 the site has seen:
 - 499,211 visits, up 17% from the prior year
 - 310,554 visitors, up 19%
 - Visitors come from 206 countries, up 6% and virtually all countries globally are involved.

The RA and the RMG provide a number of tools and services to facilitate creation and use of ISO 20022 schema. A few examples:

Variants: One Business Justification has been submitted thus far for the registration of 46 variants. Others in all domains are encouraged to register their implementations.

Dashboards see significant use. By rank in number of webpages (statistics as of November 2015):

- Ranked 8th – The Payments dashboard is the 8th most consulted webpage on the iso20022.org site with 3,508 accesses per month
- Ranked 24th – The Securities dashboard is 24th with 713 accesses
- Ranked 40th – The Cards dashboard is 40th with 394 accesses
- Ranked 48th – The Trade Dashboard is 48th with 295 accesses
- Ranked 59th – The FX dashboard is 59th with 184 accesses

This and prior issues of this newsletter are available on www.iso20022.org along with other useful information.

Articles and news focused on ISO 20022 are welcomed from all sources. Perspectives of interest for articles would include: the business case for use, the technologists perspective, tips and tricks, implementation experiences, description of planned or live applications of the ISO 20022 standard, the view of regulators, educators and others.

More guidelines and details are available in the editorial policy on www.iso20022.org.

Submitting News and Articles to the ISO 20022 Newsletter

The ISO 20022 newsletter is a great way of sharing your projects, achievements related to ISO 20022. If you have developed products, services and/or tools you can promote them here as well and share the benefits you can bring to the ISO 20022 community.

Find more information at www.iso20022.org.

To publish an article in the ISO 20022 newsletter, please contact the ISO 20022 Communications Working Group (iso20022ra@iso20022.org) and we will be happy to assist you.

Questions or comments ?

Please send your questions, comments or requests for additional information to iso20022ra@iso20022.org and we will get back to you in a timely manner.

This communication support has been developed by the ISO 20022 Communications Subgroup:

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