

**ECB**  
DG-MIP  
T2-T2S Consolidation

# SWIFT Mitigation Measures

AMI-Pay Meeting  
11 May 2020

## Introduction



- Following the AMI-Pay meeting in April 2020 the ECB continued the dialog with SWIFT on its new approach to ISO 20022 adoption
- SWIFT has committed at senior level to deliver four mitigating measures to **minimise the impact on the European banking community** in close collaboration with ECB and European banks
- These mitigation measures allow **removing dependencies between the SWIFT ISO migration and the T2-T2S Consolidation**
- Implementation of the mitigating measures has commenced end of April 2020 with the **creation of the Eurozone Market Practice Working Group**
- SWIFT is to publish its **blueprint** setting out the above measures and associated deliverables, timeline and customer impact early May

## Eurozone Market Practice Group



- Newly established **Eurozone Market Practice Working Group** meets to review draft usage guidelines documented by SWIFT
- Group consists of SWIFT standards, European banking, 4CB, EBA Clearing and ECB representatives which have contributed in creating the initial ISO 20022 usage guidelines for the T2-T2S consolidation project
- Aim of the group is to publish the first mitigating measure, i.e. a new market practice for cross-border payments via Eurozone market infrastructures (so called one-leg out payments) by end of June 2020
- Group meets regularly, so far on 27 April. Next meeting is to take place today afternoon

## Mitigating measures (contd.)



- In addition SWIFT will:
  - Provide **validation software** that can be used in a production environment to check that messages conform to the published Eurozone PMI usage guidelines. The software will be made available free of charge to any T2 member party.
  - Provide **on-premises translation software** that can be used by intermediary T2 member banks to translate from ISO 20022 payment messages to MT for the cross-border leg of 'leg-out' payments. This software will be provided free of charge for the period between the November 2021 go-live of T2 (and EURO1) and the availability of the new SWIFT platform.
  - Provide an opt-in '**Closed User Group**' (CUG) messaging channel for ISO 20022 payments and cash reporting traffic, based on the SWIFTNet InterAct service. This channel will enable European intermediary banks to exchange ISO 20022 messages with other SWIFT users where those users declare their ability to work with ISO 20022 by joining the CUG.

## Next steps



- Continue dialog with SWIFT
  - Observe work of the Eurozone market practice working group
  - Report proposals originated from the group and
  - Highlight if additional mitigating measures are identified and need to be applied
  - Escalate any undue delays
  
- Continue dialog with European banks via AMI-Pay
  - Follow closely the implementation of mitigating measures according to SWIFT's blueprint

# Thank you for your attention!

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