A flavor of T2/T2S consolidation project
➢ Context
➢ Impact
➢ Challenging
Before Covid crossed our path

- **Project context** - Global worldwide payment protocols migration to ISO 20022 standard
- **Risk of non-compliance** - No payment business will be possible
- **Two-phased roadmap**

- **Nov 2021**
  - Bing Bang for EU MI

- **End 2025**
  - End of ISO migration

- **2021**
  - EU Temporary EPA Euro System
  - One-to-Many
  - Market Infrastructures

- **2022**
  - All SWIFT, OSE, CKL, LTB, CHAPS, NIBOR, UBS, FIDLE, LIFFE

- **2024**
  - All SWIFT

- **Many-to-Many**
  - Financial Institutions

- **Implementation of new messaging protocols and adapting the legacy systems**

- **Coexisting period for Many-to-Many from 2021 to 2025**
Current timeline

- Specifications: 02/01/18 – 23/12/19
- Development and 4CB Testing: 02/01/19 – 13/08/21
- Eurosystem Acceptance Testing (EAT): 04/05/20 – 30/09/21
- CB Testing: 01/06/21 – 30/09/21
- User Testing (UT) Execution: 01/12/21 – 30/09/22
- Migration: 23/08/22 – 21/11/23
Many-to-many SWIFT’s new strategy

- March 2020, SWIFT board: new approach to the adoption of ISO 20022 for cross-border payments and cash reporting messages
- **New capabilities** will maintain complete data and state information for transactions centrally
  - This will relieve institutions of the obligation to pass on complete data
  - This will eliminate the problem that intermediaries may "break the chain"
- Use of MT for x-border/reporting will be extended by one year - **end of 2022** – and will be retired in **November 2025**
- From the end of 2022:
  - Option to send and receive MT or ISO 20022 through **FINplus messaging service or APIs**
  - MT supported for backward compatibility only: new developments will be based on ISO 20022 data only
- This is to avoid community investment in a short-lived, messaging-only ISO 20022 solution
- Market practice defined with CBPR+ will be the basis for the ISO 20022 messages and data model in the new approach
- Being ready to receive ISO 20022 for x-border payments in November 2021 is no longer required
Governance BNPP Group

- Steering Committee
- Filière Swift
- Service provider: SWIFT
- Direct participation domestic markets France, Italy, Luxemburg and Belgium
- Central follow-up
BNP Paribas Fortis before consolidation project

- T2S: NBB-SSS
  - Fixed Income & ALM Treasury
  - E2E Operations Invest
- T2 direct participant

BNP Paribas Fortis after consolidation project

- No changes
  - direct participant T2:
Minor impact on Global Markets and ALMT back office

TFLM: Liquidity Management

- CLM
- Intra-day liquidity
- technical accounts Instant Payments via TIPS

Settlement teams

- manual payments MT 2 MX
- back-office systems are sending XML format to our Payment Engine
  - FX All
  - Murex
  - Calypso
  - Idriss
  - FIAMS
New central liquidity management

- T2S
  - Dedicated account
  - Standing Facilities settlement
- Main Cash Account
  - Liquid Activity
  - Ancillary System Payments settlement
- CLM
  - Dedicated account
  - Instant Payments settlement
  - Large-value Payments settlement
  - Dedicated account
  - Liquid Activity
Still challenging

- Complex
- All banks have to be ready (big bang)
- New Initiatives (TIPS, Digital EURO,...)
- Covid still having a huge impact on the way we work
Thank You