

Harmonised ISO 20022 data requirements for cross-border payments

CPMI Report



Market Infrastructure and Payments European Central Bank

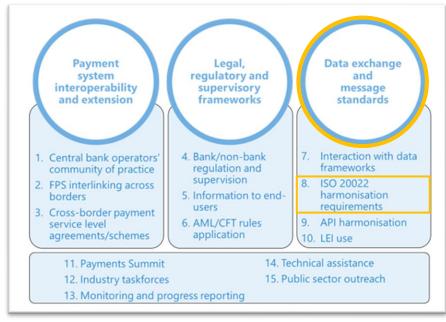
G20 priority – Enhancing cross-border payments

- G20 targets: faster, cheaper, more transparent and more inclusive cross-border payments while maintaining their safety and security
- Roadmap: In 2020, Financial Stability Board (FSB), Committee for Payments Market Infrastructures
 (CPMI) and other relevant international organisations developed Roadmap to address these challenges
- Key Roadmap element: publication of <u>quantitative targets</u> to be achieved by 2027
- Next phase of work: In October 2022, G20 Finance Ministers and Central Bank Governors endorsed:
 - Plan for prioritising work under the Roadmap to achieve the quantitative targets
 - Plan for enhancing engagement with the private sector and with jurisdictions beyond the G20
- Priority themes and actions: In February 2023, the FSB outlined actions that will be taken under the three priority themes to move the Roadmap forward and achieve the targets by 2027
- Harmonised ISO 20022 data requirements: On 17 October 2023, <u>final CPMI report</u> published as part of priority theme "Data exchange and message standards"



Enhancing cross-border payments – Priority themes

- Priority themes cover:
 - Payment system interoperability and extension
 - Legal, regulatory and supervisory frameworks
 - 3. Data exchange and message standards
- Priority action 8 covers:
 - Finalising ISO 20022 harmonisation requirements
 - Promoting real-world implementation of ISO 20022 harmonisation requirements



Source: FSB report to G20 - Priority actions for achieving the G20 targets



CPMI Report – Supporters and news flashes



















CPMI Report – ISO 20022 data harmonisation requirements

- To use the **appropriate ISO 20022 message** for a specific business function
- **2** To use ISO **externalised codes** for payments and payment-related processes
- To support/restrict the **character set** used for ISO 20022 cross-border payment messages to current market practice
- To use a common **time convention** across all ISO 20022 messages associated with cross-border payments
- To include a **unique end-to-end reference** for all cross-border payments
- To ensure full transparency on amounts, currency conversions and charges of cross-border payments

- 7 To recommend use of **account numbers** (or proxies) to the extent possible
- To uniquely **identify all financial institutions** (FIs) involved in an internationally recognised and standardised way
- 9 To **identify all entities** involved in a cross-border payment in a standardised and structured way
- To **identify all persons** involved in a cross-border payment in a standardised and structured way
- To provide a common minimum level of **postal address information structured** to the extent possible
- To cater for the transport of customer **remittance information** across the end-to-end cross-border payment chain

Q Next steps

- Conduct detailed gap analysis between CPMI ISO 20022 data harmonisation requirements and current T2 implementation
- Draft change requests for T2 releases in 2025, 2026 and 2027 if applicable