Payments Interoperability and Extension (PIE) Task Team #3

Fostering ISO 20022 Harmonisation

Status of Phase III Conclusions and Transition to Effective Use

May 2026

Key Developments

Clarifications reduced ambiguity without raising new implementation expectations

While reviewing the current alignment status and market roadmaps towards 2027, as outlined in the January 2025 report, the PIE TT3 also considered relevant industry developments and feedback. In this context, the PIE TT3 engaged closely with the ISO 20022 Harmonisation Panel to support consistent interpretation of the minimum data requirements. This collaboration has led to clarification notes on selected items, which in turn inform the evolving alignment landscape.

	Requirement	Initial Assessment	Updated status	Clarification
1	To use the appropriate ISO 20022 message for a particular business function	Partially aligned	Aligned	The Harmonisation Panel clarified that CPMI does not expect market infrastructures to introduce E&I messages where such functionality is not currently supported and there is no established market demand.
4	To use a common time convention across all ISO 20022 messages associated with cross-border payments	Partially aligned	Aligned	Requirement #4 was clarified to apply exclusively to the format of timestamps in the message payload. It does not apply to Business Application Headers used for routing or internal processing
8 & 9	To use a unique and structured identification of all financial institutions & entities involved	Partially aligned	Aligned	The Legal Entity Identifier (LEI) remains an optional additional data element for identifying financial institutions and other legal entities

Partially aligned   Aligned

Key Deliverable

Updated report incorporating industry feedback and clarification notes

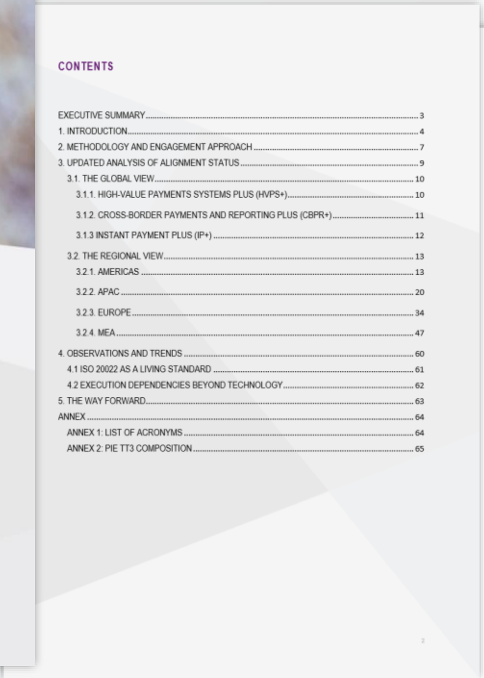

Follow-up report

FOSTERING ISO 20022 HARMONISATION

Cross-border payments interoperability and extension (PIE) taskforce

Industry task team 3

January 2026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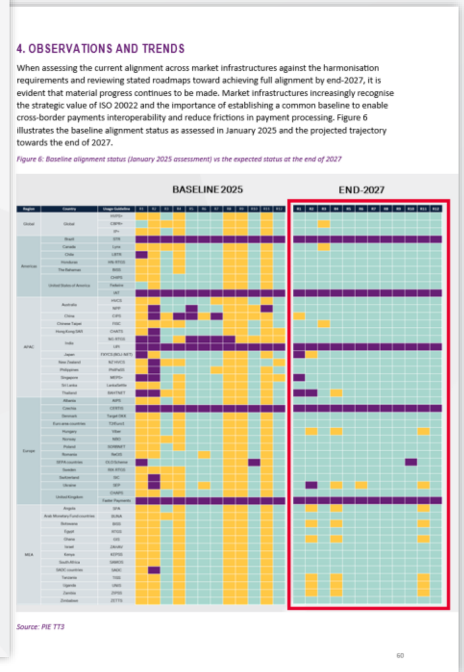
4. OBSERVATIONS AND TRENDS

When assessing the current alignment across market infrastructures against the harmonisation requirements and reviewing stated roadmaps toward achieving full alignment by end-2027, it is evident that material progress continues to be made. Market infrastructures increasingly recognise the strategic value of ISO 20022 and the importance of establishing a common baseline to enable cross-border payments interoperability and reduce frictions in payment processing. Figure 6 illustrates the baseline alignment status as assessed in January 2025 and the projected trajectory towards the end of 2027.

Figure 6: Baseline alignment status (January 2025 assessment) vs the expected status at the end of 2027

Source: PIE TT3

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Progress Update

Snapshot of convergence across market infrastructures

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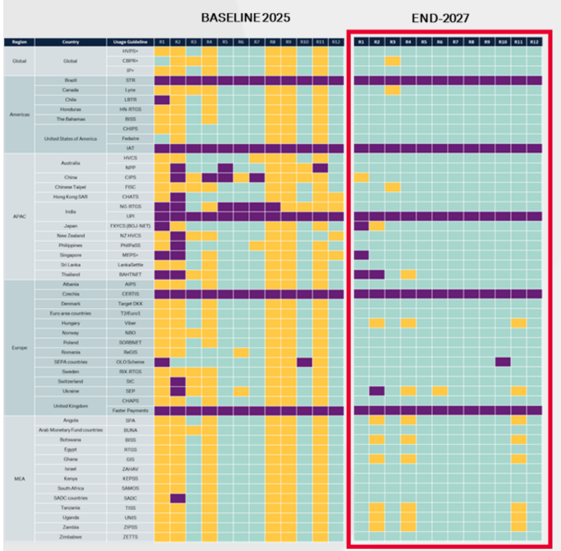

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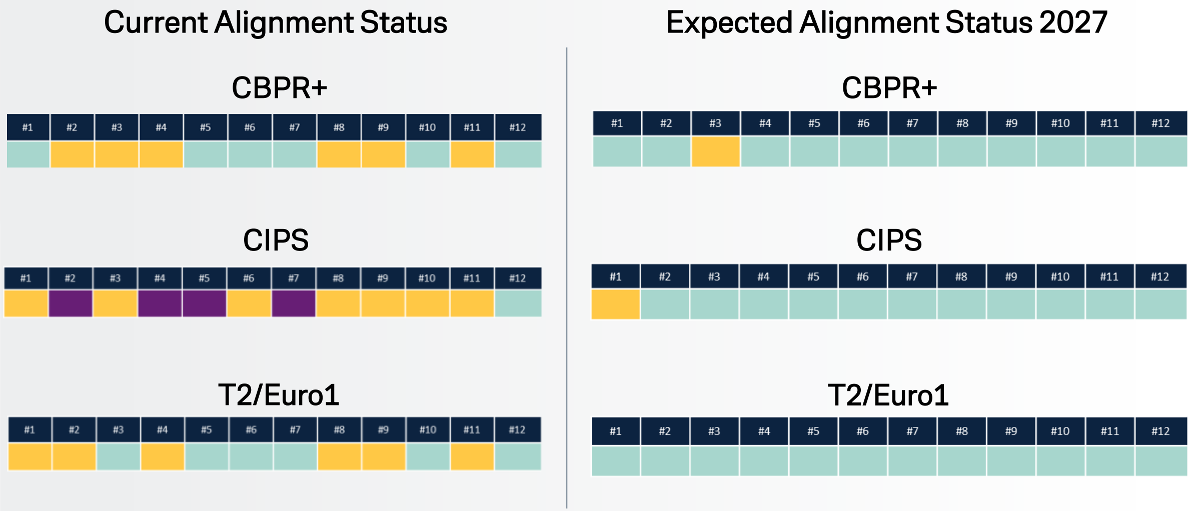
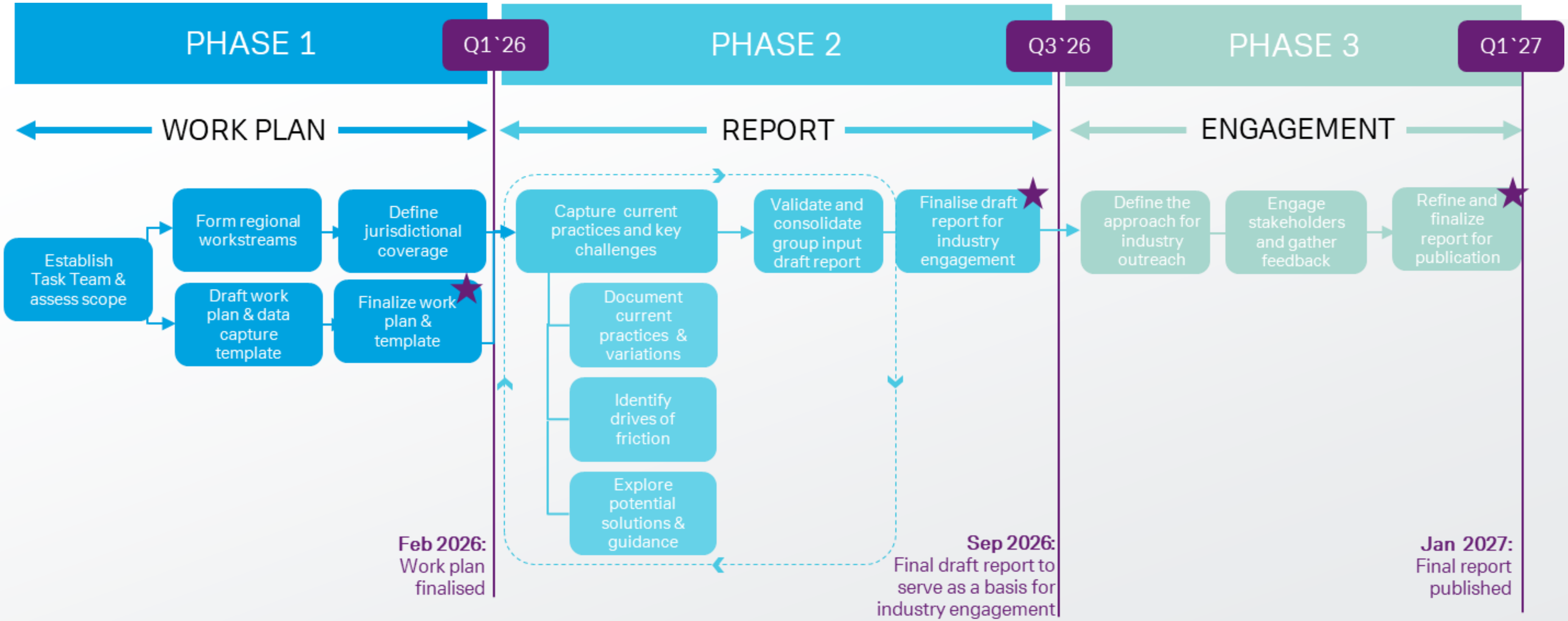


From Alignment to Effective Use

Following the publication of the updated report, PIE TT3 has launched a new phase of work focusing on regulatory reporting and the consistent use of selected ISO 20022 data elements and external codes sets to support effective implementation and global alignment.



Key deliverable Key milestone

Usage Template

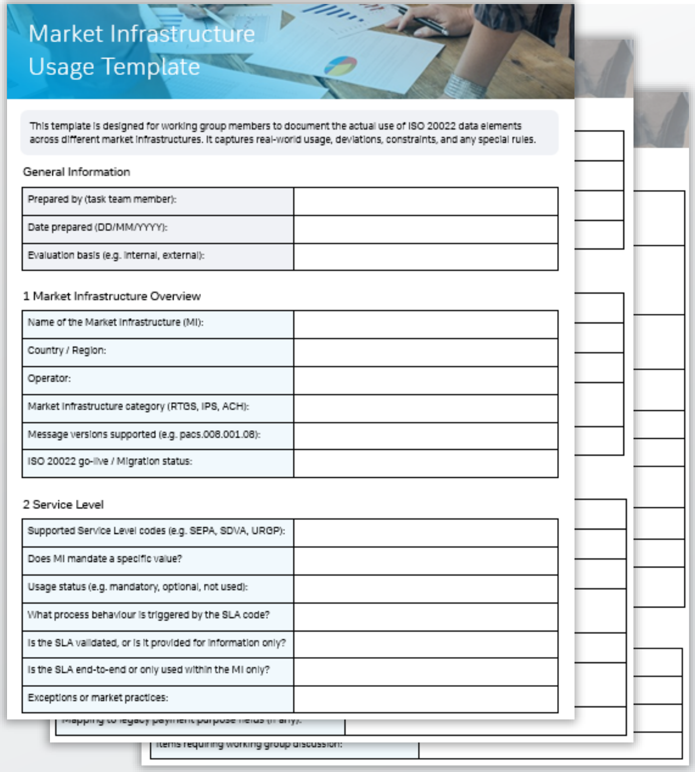
Service Level

Local Instrument

Category Purpose

Purpose

Regulatory Reporting



Market Infrastructure Usage Template

This template is designed for working group members to document the actual use of ISO 20022 data elements across different market infrastructures. It captures real-world usage, deviations, constraints, and any special rules.

General Information

Prepared by (task team member):	
Date prepared (DD/MM/YYYY):	
Evaluation basis (e.g. internal, external):	

1 Market Infrastructure Overview

Name of the Market Infrastructure (MI):	
Country / Region:	
Operator:	
Market Infrastructure category (RTGS, IPS, ACH):	
Message versions supported (e.g. pacs.008.001.08):	
ISO 20022 go-live / Migration status:	

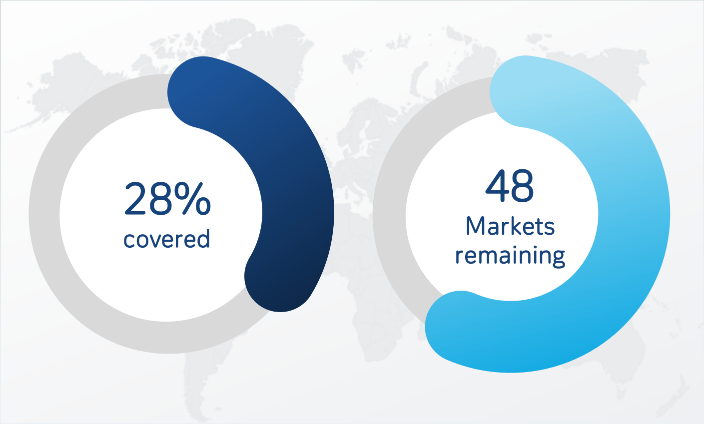
2 Service Level

Supported Service Level codes (e.g. SEPA, SDVA, URGP):	
Does MI mandate a specific value?	
Usage status (e.g. mandatory, optional, not used):	
What process behaviour is triggered by the SLA code?	
Is the SLA validated, or is it provided for information only?	
Is the SLA end-to-end or only used within the MI only?	
Exceptions or market practices:	

Progress Update

Coverage reflects early-phase data capture and iterative validation cycles

Total markets in scope	In final validation
75	5



Key challenges observed

Access to authoritative local information
Regulatory requirements and operational practices are often not fully documented and require validation through local market contacts.

Distributed and specialised expertise
Effective analysis requires combining deep local operational knowledge with cross-standard (ISO 20022) expertise, which is rarely concentrated in one role.

Uneven ability to leverage external networks
Contributors differ in their access to, or confidence in engaging with, external stakeholders needed for market validation.

Risk of local "tunnel view"
Local experts may fully understand domestic requirements but may not always identify tensions or misalignments with ISO 20022 without external challenge.

Need for iterative validation
Multiple validation cycles are typically required to reconcile local practice with ISO concepts (e.g. Purpose vs Category Purpose vs Regulatory Reporting).

Lesson Learned

Although ISO 20022 includes a Regulatory Reporting component, the regulatory objective it supports varies fundamentally across markets

	Regulatory Objective	Description	Example
1	**Macro-Economic and FX Supervision** Reporting obligations exist and may draw on payment data but are fulfilled outside the payment message.	> Regulatory reporting obligations exist for balance-of-payments, FX monitoring, or exchange-control purposes. Selected data elements are required within the payment to support these obligations, while authoritative reporting is fulfilled via dedicated reporting channels outside the payment message. > **Key takeaway:** Regulatory compliance is achieved via mandated reporting channels; ISO 20022 messages may be informational, but are not the primary reporting mechanism.	France, China, South Africa, etc.
2	**Transaction-Level AML and Sanctions Controls** It is driven more by AML, sanctions or supervisory controls, which require information at transaction execution time.	> Greater emphasis is placed on transaction-level controls (AML/CFT, sanctions, supervisory traceability), which often require information before or at execution. As a result, compliance-relevant data is increasingly embedded directly in the payment message, with ISO elements, such as Category Purpose, Purpose, or Regulatory Reporting, used more actively – though not always consistently or in a fully structured way. > **Key takeaway:** The payment message becomes an integral part of the compliance control framework, not merely a transport mechanism.	Jordan, Philippines, Japan, etc.
3	**No Domestic Reporting Requirement** No regulatory reporting objective is linked to the payment message.	> At domestic payment-system level, no regulatory reporting obligation or specific reporting data requirements are linked to the payment message. While institutions may derive statistical information from execution data, regulatory and statistical reporting is fulfilled outside the payment system, typically at institution level. > **Key takeaway:** ISO 20022 is treated as a pure payment instruction standard, with regulatory compliance handled elsewhere.	Switzerland, United States, Australia, etc.

This variation explains why ISO 20022 usage patterns diverge despite a high degree of technical alignment. It also underpins why TT3 focuses not only on standards alignment, but on how ISO elements are actually used in practice.