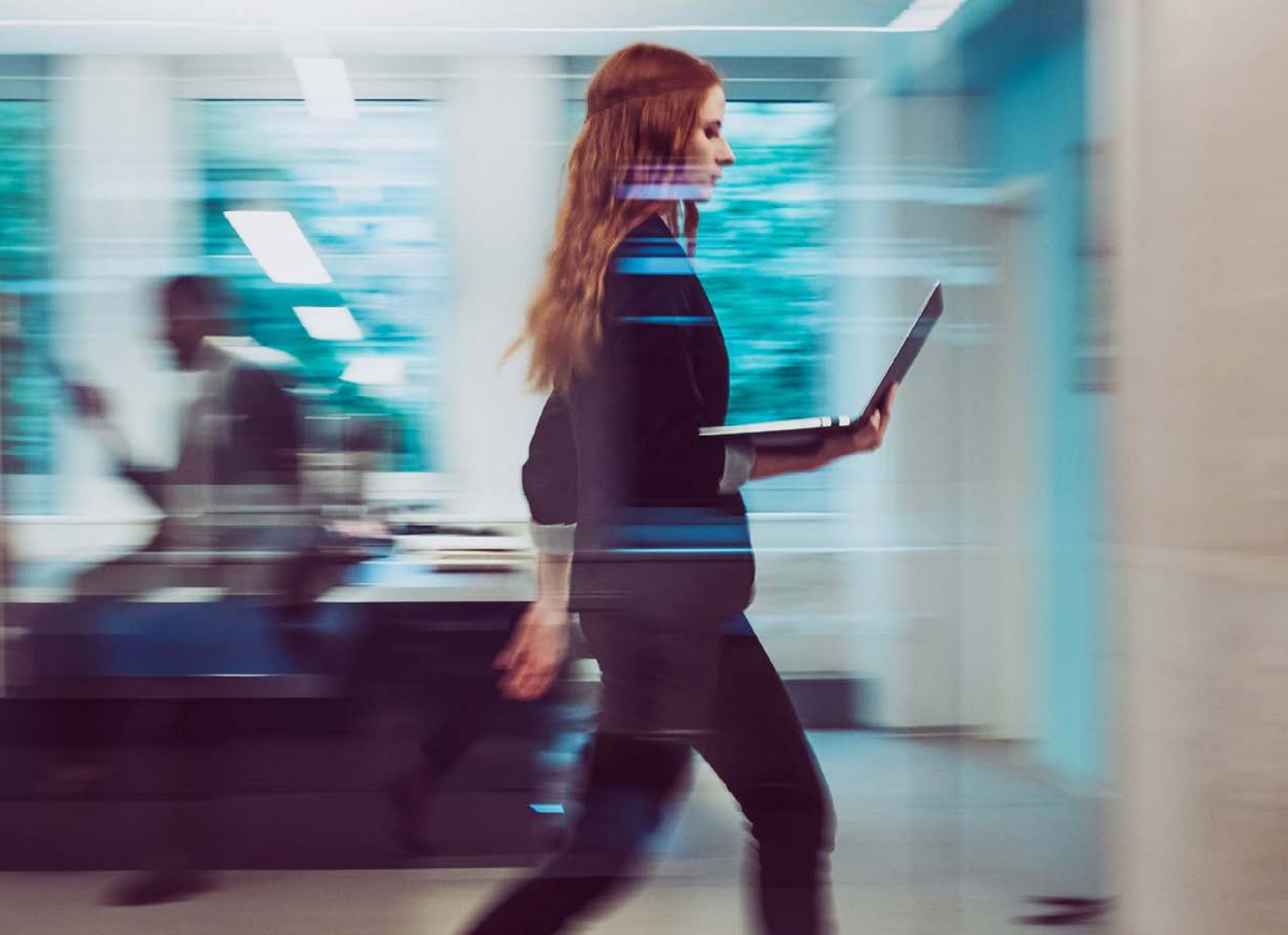


ISO 20022 is coming
in November 2022

TOMORROW BEGINS TODAY



Ulster Bank



Over the next four years, we'll be working to help you and your business transition in readiness for ISO 20022 regulatory changes.

As a business ourselves, we'll be changing our systems to align with the new regulation and we'll be there to support you every step of the way as well.

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2022 XML (eXtended Mark-up Language) is an established global standard for payments messaging. Most payments to and from the European Union are already based on this standard.

Over time, ISO 2022 XML will be used by all payment service providers (PSPs) in the UK for all payment products starting with CHAPS and international (currency) payments.

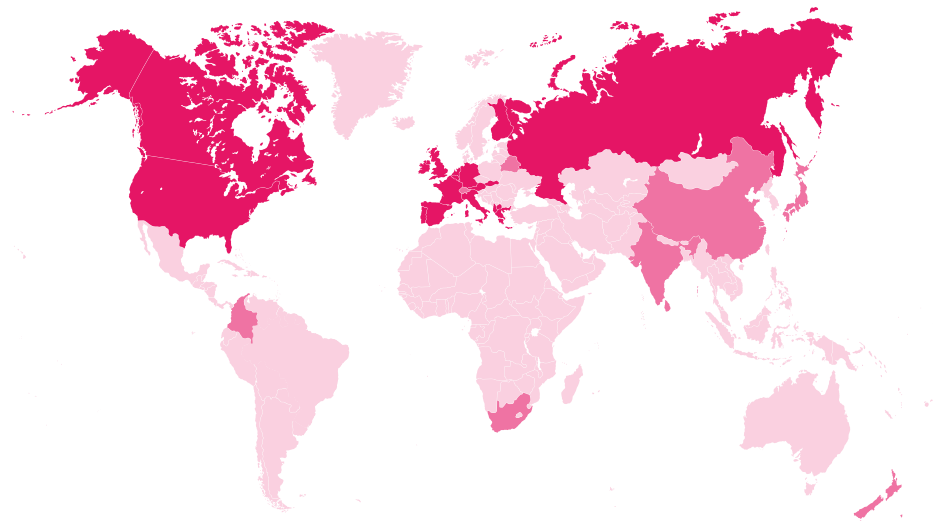
It will deliver a common language and model for exchanging payments data across the globe, provide richer and higher quality information than current messaging standards and better enable future innovation and development in the UK payments ecosystem.

Depending on the payment types and payments data services you use, it also means there may be a need to make changes to the way you send/receive and process domestic and international payments, which in turn will bring many future benefits.

ISO 2022, first published by International Organization of Standardization (ISO) in 2004, has already been adopted in 70 countries – including China, India and Japan – to replace domestic or legacy formats.

Clearing House Automated Payment System (CHAPS) and TARGET2 Euro payment (T2) are on track to migrate sterling and euro payments to ISO 2022 XML over time. SWIFT will also migrate cross-border payments requiring a coexistence of current and new ISO 2022 XML message standards until 2025.

Within five years, it's predicted that around 80% of high-value global payments by volume and 90% by value will have migrated to ISO 2022.



Planned	Live
Belarus	Bangladesh
Canada	Brunei
Eurozone	Colombia
Hong Kong	China
Malaysia	India
New Zealand	Japan
Russia	Jordan
Singapore	Kosovo
United States	South Africa
United Kingdom	Switzerland

Source: SWIFT ISO 2022 migration consultation study

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Benefits of ISO 2022 XML

The main benefit of adopting ISO 2022 XML is a far better payments experience for all users, reducing multiple payment scheme and bank in-house formats to a single industry-wide standard.

The migration to ISO 2022 XML will also enable improved user functionality, harmonising different business and operational rules to one single “rulebook” for all participants in the payment chain (although small differences may exist between the schemes), improvements in how customers initiate and collect payments and simpler bank processing.

The richness of data carried in ISO 2022 XML payment instructions will also foster new innovative services, which among other benefits will enable progress towards further digitalisation of corporate treasury.

Examples of corporate benefits after migration to ISO 2022 XML



XML is used globally

Once created – say for SEPA – it can be tweaked and amended to handle payments globally across other banks/countries. Defacto the standard message type for instant payment around the globe. Used in securities and trade transactions as well.



Supported by most banks in 70 countries

Corporate will no longer need to use bank/scheme proprietary formats, eliminating a technology barrier to choose better payment providers.



XML simplifies development and support

Smaller team support payment IT/operations, development can be outsourced, major ERP vendors offer XML “out of the box”.



Standard can be used for most payment types

Including most domestic supplier and ACH-type payments. Cross-border, wire/urgent currency agnostic. Payroll payments. A wide range of standardised purpose codes can be used (e.g. SALA). Natively supports POBO.



Fewer maintenance and future development costs

After initial investment – if never done before – single interface, less IT, operational and support costs, access to alternative channels (Swift FIN vs Swift FileAct).



Enable payment processing efficiencies

Standardise information to make payments, a way to internally process them, ERP file generation, delivery of payment instruction to the bank channels. Interoperability allows rerouting.



Access to multiple delivery channels

Increase the delivery options to include file upload, FTP, H2H, Swift FileAct, EBICS and Open Banking to better fit the need of the corporate organisation and bank partnership strategy



Exchange enriched data/remittance information

Extended data to identify the parties in the transaction. Up to 140 characters of unstructured or structured information to send or to receive to/from suppliers around the globe leading to increase in (automated) reconciliation efficiency. Improved decision-making based on better data.



Increased ability to control payment processing and reports generation

Enables payment method indicators like CHK or TRF, URGP. Batch Booking tags allow to ask for a consolidated single entry in the statement.



CGI Group fosters further simplification

The Common Global Implementation Group guidelines foster further standardisation along country specific modifications, supported by all major banks around the globe.

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Ulster Bank and ISO 20022 – How will it affect you?

Ulster Bank will start supporting the new ISO 20022 XML messaging for UK formats in the inter-banking space from the published industry migration dates .

We will, however, gradually introduce changes to our customer experience depending on the payment type and channel used. While we work to minimise disruptions to our customers' operations, a variety of changes are expected to occur, especially for those customers who have a direct link to our payments infrastructure. Other customers may notice fewer changes and less impact, and be required to make fewer changes to their day-to-day operations.

Our ISO 20022 migration strategy is being determined by the approach taken by the scheme operators and regulators. We're currently finalising our core payment systems to be able to support all the ISO 20022 requirements and are finalising the timings of the transition states.

Ulster Bank's systems are being updated to support all of the ISO 20022 requirements, with details and timings of the anticipated transition phases currently being finalised.

Most banks have already started their journey to migrate the UK payment offering to ISO 20022, something that will not happen overnight but will take years to fully implement.

Keeping up to date with the latest developments and understanding the key points can be difficult and for this reason we'll be producing a series of ISO 20022-themed brochures to aid understanding of what this means for our customers.

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In 2020, SWIFT and the European Central Bank (ECB) decided to delay its implementation of ISO 20022 XML for currency and euro payments respectively to November 2022.

The Bank of England has also changed its approach to CHAPS, with CHAPS set to go live – limited to the inter-banking space – in June 2022, followed by full XML enhanced message adoption in February 2023 and additional compulsory requirements by 2024. All coexistence of ‘old’ and ‘new’ payment messaging formats are currently planned to end by 2025.



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We're at an early stage of the migration to ISO 2022 XML and not yet able to tell you exactly what changes you will see and/or need to make to your payment operations. We'll share more information in the coming months on specific changes you may need to make before the CHAPS, Euro and SWIFT transitions to ISO 2022 XML commence in mid-2022.

When the detail of changes is clear, we'll work with you to support potential internal system changes, testing and operational readiness for ISO 2022 XML by the transition dates.

It's important that if you don't currently make or receive payments that are already supported by ISO 2022 XML (eg SEPA credit transfers or Direct Debits), you start familiarising yourself with the changes ISO 2022 XML will bring to CHAPS and international transfers. If your organisation already uses ISO 2022 XML messages, you may want to start

Contact us

As you develop your own ISO 2022 plans, we'll continue to keep you informed with our developments along with any industry communications through our Communications Programme 2021. If you have any further questions, please contact us via email at ISOSupport@ulsterbank.co.uk

investigating any changes you might need to make to your initiation or collection of CHAPS, Euro and SWIFT payments.

We strongly recommend that you start discussions about the potential impacts brought by ISO 2022 XML and consequent changes you might need to make with third-party suppliers and technology partners who support your organisation's payments operations and systems.

In the appendix, you'll find sources of information for each payment scheme that will provide insight at a general and more technical level.

“It's a matter of compliance but we are also aware of the opportunities. We are participating in the industry debate at all levels. And we're keen to engage to understand the needs and requirements of our customers.”

**Giangiulio Bagnai, Associate Director
Regulatory Programmes.**

There are some useful resources available in the public domain that provide overviews of ISO 2022 XML and the different schemas.

There are also some links to training modules on ISO 2022 XML, which can all be found below. We encourage you to use these to build your organisation's knowledge further and to prepare for migration to ISO 2022 XML.

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Access to SWIFT MyStandards

All schemas are now available via SWIFT MyStandards. The owner of the relevant industry format will need to grant access to the specific SWIFT My Standards Community Group.

Once you have been given access to the Ulster Bank MyStandards Community Group, you can view the information for ISO 2022 XML under the option “Standards Releases”.

You must be registered for an account on [swift.com](https://www.swift.com) and full instructions on how to register can be found via [this link](#).

Explore MyStandards: no extra steps are required. Access can be via [this link](#) after registration has been completed.

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Bank of England – CHAPS

Contains all items related to the migration of the CHAPS payments to ISO 2022 CML, including CHAPS XML schemas.

ECB – Target2

Contains all items related to the migration of the Target2 payments to ISO 2022 XML, including Target2 XML schemas.

SWIFT ISO 2022 training – Key SWIFT Smart training sessions to support ISO 2022 learning

- **Introduction to ISO 2022:** understand how financial messaging standards are built using ISO 2022 XML. Discover who's using ISO 2022 XML and the role of SWIFT. **ISO 2022 introduction course**

- **What you need to know about ISO 2022 adoption for payments and reporting:** understand the essentials of ISO 2022 XML adoption for payments. Gain a view on how the ISO 2022 XML migration will affect you and your customers who are involved in the business of cross-border payments and reporting. **ISO 2022 adoption for payments and reporting**

- **Transaction and account reporting with ISO 2022:** understand the message flows of transaction and account reporting. List which ISO 2022 messages can be used for reporting. Know the related CBPR+ guidelines. **ISO 2022 transaction and account reporting**

SWIFT ISO 2022 main site

Clear information on SWIFT and the ISO 2022 XML approach, timeline and specific articles on different elements of the ISO 2022 XML programme.

- **Customer payments and transaction reporting using ISO 2022:** understand the SWIFT customer payment message flows and related transaction reporting. Identify the various parties involved in a SWIFT customer payment. Understand the differences between a SWIFT customer payment made with serial method and one made with cover method.

ISO 2022 customer payments and transaction reporting

- **Financial institution credit transfer and transaction reporting with ISO 2022:** understand the SWIFT financial institution credit transfer message flows and related transaction reporting. Identify the various parties involved in a SWIFT financial institution credit transfer. Know which ISO 2022 XML messages can be used in a SWIFT financial institution credit transfer.

ISO 2022 financial institution credit transfer and transaction reporting

- **Financial institution to financial institution credit transfer with ISO 2022 (pacs.009 core):** understand the structure of the pacs.009.001.08 and its related flows. Be able to interpret a pacs.009 for a specific scenario, following the CBPR+ guidelines.

ISO 2022 financial institution to financial institution credit transfer

- **YouTube:**
SWIFT – entering a new era with ISO 2022

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CBPR+ Translation Portal – How to get access

Go to the Cross-Border Payment and Reporting [homepage](#).

In the Open Communities tile on the CBPR+ Translation Portal community, click the 'Request Access' button.

[Click here to access the SWIFT CBPR+ landing page.](#)

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