

ISO Webinar Questions

Question Details	Question	Topic	Answers
1	Will the new FPS 24x7 API based functionality offered by NatWest to Agency Banks be compatible with ISO 20022 format?	BACS/Faster Payments	<p>The NatWest 24*7 FPS API (otherwise known as Agency API) service was built on ISO 20022 and thus is fundamentally aligned to the future direction of the payment schemes.</p> <p>Pay.UK have announced that the intention will be to migrate BACS and FPS to ISO 20022 from the current standards of Standard 18 and ISO8583. No firm date has been communicated as yet but migration will be no later than April 2026 with a decision expected in Q4 2021.</p> <p>Being based on processing FPS it does currently contain mapping and validation specific to FPS and some of those detailed aspects will obviously change over time as the various schemes adopt enhanced data support or mandate new fields; these will be communicated at the appropriate times.</p>
2	Can you please confirm that both CHAPS and Faster Payments will be covered by the PACS message via FinPlus?	BACS/Faster Payments	<p>NatWest, as a Direct Participant of CHAPS scheme will use FinPlus pacs messages from June 2022.</p> <p>For Faster Payments sent via SWIFTNet FIN, the MT format will eventually migrate to pacs format and will be detailed in future comms. Faster Payments are in scope of Pay.UK NPA migration to ISO20022 but dates are being decided in Quarter 4 2021 and expected to migrate circa April 2026.</p>
3	If, as a corporate NatWest customer, we only use Bankline to process payments (not Bankline Direct) is there any requirement for us to change anything for ISO 20022. Or will bankline effectively do this for us?	Bankline	<p>For Bankline (Classic or Digital) there will be no immediate changes required. When enhanced data, i.e. purpose codes, structured addresses etc, is introduced by the various Payment Schemes then early communication with instructions will be provided to customers.</p>
4	What are the timelines when changes will manifest within Bankline?	Timeline	<p>For Bankline (Classic or Digital) there will be no immediate changes required. When enhanced data, i.e. purpose codes, structured addresses etc, is introduced by the various Payment Schemes then early communication with instructions will be provided to customers.</p>
5	Will we still be able to upload payment files to Bankline in the CSV format? If so, will new fields need to be added to the file?	Bankline	<p>Bankline will in due course be enhancing its supported file formats to include an ISO20022 XML version. The existing CSV format will also be extended to support ISO 20022 fields definitions. Use of these new formats will not be mandated at this stage. Any changes to the above will be communicated with instructions to customers.</p>

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6	Where third party systems are used to create file uploads for Bankline Direct, what changes are needed?	Bankline	<p>We expect that you will need to enhance your third party systems. Corporates are advised to:</p> <ul style="list-style-type: none"> • Check whether adjustments to the third party system are necessary, e.g. to support richer ISO 20022 payment information in the account statement and (auto-) reconciliation • Prepare for providing structured name/address information of creditors • Switch to the newest Payment Initiation (pain.) version and Cash Management (camt.) message format early, if necessary • Analyse whether a complete changeover to the ISO 20022 format makes sense for the organization. <p>NatWest will aim to provide Bankline upload templates to support customers in-house development by February 2022. It is recommended that you make contact with your vendors to confirm specific changes that are required to support ISO 20022 compatibility.</p> <p>All formats will be available via SWIFT MyStandards portal.</p>
7	With Bank of England recommending ISO20022 as a payment standard, is there a view that OPEN Banking standards will be merged with ISO2022. Or will they run in parallel?	General	<p>At this stage, we are not aware of any changes to Open Banking standards being made but the constraints should be reduced as the various payment schemes adopt ISO20022.</p>
8	If I have payments and receipts activity with multiple banks, will that mean I have more work to do than most?	General	<p>The main benefit of adopting ISO 20022 XML is a better payments experience as it reduces multiple payment scheme and bank in-house formats to a single industry-wide standard. However, it is to be noted that in the early adoption phases some Banks may still be using MT Formats for longer and it is recommended that contact is made with your respective banks to identify their approaches and impact to you.</p>
9	How do the participating banks deal with the inward and outward flows during the transition phase post nov 2022?	General	<p>NatWest Group, as a Participating Bank, is currently working through the delivery of new ISO compliant payments infrastructure which allows the send/receive of both MT and MX message formats.</p> <p>NatWest as direct participants of CHAPS and TARGET2 we are mandated to be ISO ready in line with industry deadlines including CBPR+ which includes a co-existence period from November 2022 to November 2025.</p>
10	What types of payments will use ISO20022? e.g. CHAPS, BACS, Faster payments, IAT?	General	<p>CHAPS – like for like data set – June 2022 CHAPS – enhanced ISO data set – from February 2023 Target2/Euro1 – full ISO (MX) formatting – from November 2022 CBPR+ - MT & MX formatting co-existence – from November 2022 through to November 2025 where MT will be withdrawn Pay.UK have announced that the intention will be to migrate BACS and FPS to ISO 20022 from the current standards of Standard 18 and ISO8583. No firm date has been communicated as yet but migration will be no later than April 2026.</p>

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11	Is ISO 20022 more about the structure of data that is then used to populate the message rather than just a payment change. Can translation services really work in taking legacy data and making sense of it.	General	<p>The main benefit of ISO 20022 for customers is a more efficient and compliant payments experience as well as harmonising with international payments systems.</p> <p>Translation will support the initial stages of the ISO 20022 transition, however, the real value is the structure of the data as well as the many additional data elements available to all parties in the payment chain positively impacting identification, reconciliation and settlement. As a global standard it is creating a common language and model for payments data across the world.</p>
12	Will NatWest start sending only MX messages to its Vostro account holders as of November 2022 or will that only be after bilateral agreement?	General	<p>NatWest will be able to support the sending/receiving of both MT and MX formats from November 2022 to November 2025 in line with the relevant data sets requested by the Clearing Schemes.</p>
13	Will ISO20022 allow for longer beneficiary names? I'm thinking particularly of payments to Chinese beneficiaries who often have very long names and where incomplete names in the MT message can cause problems.	General	<p>The specific ISO data element for Creditor Name is increased to 140 characters which will be sufficient for the long names as required.</p> <p>During the initial periods where use of translation technology by receiving Banks there may be truncation issues if senders are using the enhanced field contents i.e. for £ payments which will eventually travel via CHAPS there is a 'Like for Like' period mandated by the Bank of England from June 2022 through to February 2023.</p> <p>Liaison with the relevant Banks is recommended to ensure that the minimum amount of truncation is experienced.</p>
14	Which is the recommended document that should be followed for ISO 20022?	General	<p>The golden source for ISO 20022 related collateral is swift.com as well as SWIFT MyStandards for the payment and reporting formats. NatWest has a Community Page which is currently being populated with the relevant formats for customers to access.</p> <p>For NatWest Bank specific information all collateral will be provided via dedicated ISO 20022 Internet Sites in early 2022. Further communication when available will be provided.</p> <p>For NatWest all ISO 20022 collateral is available via the following links: https://www.business.natwest.com/business/support-centre/iso-20022.html</p>
15	What about data truncation after February 2023?	General	<p>ISO 20022 has been introduced to bring much needed consistency of formats to customers and it is key to note that whilst the new standard is embedding there will ultimately be differences until the standard is fully deployed and certain enhanced functionality is mandated by the various Clearing Schemes and Banks look to offer additional enhancements over the next two to three years.</p> <p>The SWIFT ISO initiative runs until November 2025, where both MT & MX co-exist, so data truncation could continue to exist until that time where banks still operate with MT messaging and translation needed.</p>

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16	There appears to be some differences in the layout required for MT messages between different banks i.e. the layout of an MT101 sent to RBS may be different to one sent to HSBC – will ISO20022 overcome this?	MT messages	<p>Yes – post the initial period of ISO 20022 where translation of MT to MX will be a feature the new standard will bring consistency of format across the globe.</p> <p>Banks that offer these cash management services will each publish their own rules today meaning there is likely to be differences, especially where different local clearing schemes are in operation.</p> <p>As ISO20022 is adopted more widely across local clearing then this will bring consistency to these products.</p>
17	Can the new format be used before Nov 2022?	MT messages	No – the new ISO formats can only be used from November 2022.
18	Will ISO 20022 be the death of MT messages and when would you stop advising any implementations of MT?	MT messages	<p>Yes – SWIFT have mandated that MT formats 1nn, 2nn, 9nn series will be withdrawn from November 2025.</p> <p>NatWest has not yet made a decision on their withdrawal of use of MT formats at this stage. Any such decision and timeline will be advised to customers.</p>
19	Can we still send CHAPS via MT103 from June 2022?	MT messages	<p>Yes</p> <ul style="list-style-type: none"> – From June – Nov 2022 – customers can only send £ payments to us via MT – From Nov 2022 until 2025 – customers can continue to send MT or start using MX.
20	Is there information available for banks that use the services of NatWest (through Vostro account) related to how messages will be exchanged in the period between June 2022 and November 2022? Will SWIFT MT messages still be accepted?	MT messages	Yes – for the period between June 2022 and November 2022 NatWest will continue to accept SWIFT MT message formats.
21	For indirect participants requesting CHAPS payments using MT103 messages, will SWIFT TMP allow for translation of the CHAPS MT message into ISO format?	MT messages	There is no requirement for Indirect Participants to utilise SWIFT TMP for translation purposes for £ payments coming via NatWest. NatWest will continue to support MT103 for £ payments and translate to the ISO format for onward route to the CHAPS scheme.
22	SWIFT will introduce Transaction Manager (mandatory starting from Nov 2022). Will this solve the MX receiving responsibility for NatWest customer? This should convert MX to MT.	MT messages	<p>The TMP platform aims to reduce cost and complexity of ISO 20022 adoption and accelerates realisation of the benefits of the new standard.</p> <p>To intermediate between the different messaging formats, the TMP will provide co-existence measures to ensure banks can use the standard of their choice for transactions.</p> <p>For payments sent during the co-existence phase, the TMP will maintain a unique copy of the payment data received. SWIFT will then provide banks with this information in a bank's chosen format and via its chosen channel.</p> <p>TMP is a solution offered by SWIFT and liaison with them should be your first point of contact.</p>

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23	When will inbound MT940 messages be moved to the new structure and will we still receive MT950 statement messages?	MT messages	<p>NatWest is currently working on the delivery of a ISO 2022 compliant statement messaging system for the full MT94x range of messages which has a target delivery date of Quarter 3 2022 meeting the target date November 2022.</p> <p>Customer can chose to receive either MT or MX based statement messages from this time and will continue to send MT950 statements during the co-existence period.</p>
24	SWIFTSmart training is good, but what if you have a question, but wasn't really covered in the training material – how can you get that answered?	SWIFT	<p>SWIFT have a number of ISO 2022 related information areas available via swift.com:</p> <p>https://www.swift.com/standards/iso-2022</p> <p>https://www.swift.com/standards/iso-2022/iso-2022-programme</p> <p>https://www.swift.com/standards/iso-2022/iso-2022-faqs</p> <p>As mentioned on the Webinar by the SWIFT presenter, contact can be made direct with SWIFT Relationship points where an answer can be obtained if not included in the above material.</p>
25	When does the standard apply from?	Timeline	<p>The ISO 2022 standard applies from specific dates being driven by the Industry Bodies with Direct Participant Banks as follows:</p> <p>CHAPS – like for like data set – June 2022</p> <p>CHAPS – enhanced ISO data set – from February 2023</p> <p>Target2/Euro 1 – full ISO (MX) formatting – from November 2022</p> <p>CBPR+ - MT & MX formatting co-existence – from November 2022 through to November 2025 where MT will be withdrawn</p> <p>Enhanced data will be available from March 2023.</p> <p>From spring 2024, the Bank of England is indicating that new data elements will become mandatory e.g. Purpose Codes, LEIs details to be confirmed in due course.</p> <p>From November 2025 the Bank will mandate the use of Structured Addresses and Remittance Data for all payments. Depending on the channels used by customers for their payment traffic, this will drive any dates for change and customers will be advised in advance of changes required and any impacts.</p>