

Factsheet – Fusion Total Messaging

Is your firm prepared for ISO 20022 for SWIFT correspondent banking?

ISO 20022 is becoming the de facto global and open standard for payments and financial messaging, creating a common language and model for payments data across the globe.

ISO 20022 has already been widely adopted in the banking sector, including for SIC (Switzerland), SWIFT Funds, SWIFT Bulk Payments, ECB TIPS and EBA RT1 instant payments, as well as SEPA payment schemes such as SCT Inst. ISO 20022 continues to be the go-to format for emerging schemes such as FedNow and SIC instant payments.

Against this backdrop, several established SWIFT and associated market infrastructures are migrating from legacy formats to ISO 20022, although new and established formats will exist in parallel for many years.

Financial institutions will need to be able to process the new ISO 20022 payments and messages in their back-office systems or use translation between ISO 20022 and the current FIN messaging to isolate their systems from this change. Finastra's Fusion Total Messaging platform already supports established ISO 20022 market infrastructures. It has also been extended to be ready for the upcoming waves of migration: SWIFT cross-border payments, cash reporting (CBPR+) and related high-value payment schemes, including TARGET2 and CHAPS.

Finastra has already begun helping customers through the migration journey and can work with your organization to prepare for the following changes:

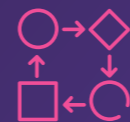


ISO 20022 for SRD2

Various ISO solutions include the following components:

- Updates on eight existing messages for General Meeting (formally known as Proxy Voting).
- Creation of five new messages for Shareholder Identification Disclosure.

These were the first SWIFT messages to go live in the new FINplus ISO 20022 service, the successor to SWIFT's legacy FIN format.



ISO 20022 for CBPR+

- A common language and model for payments data, ISO 20022 significantly improves the quality of data across the payments ecosystem.
- SWIFT mandates that all banks and financial institutions must undertake this migration.
- A three-year migration from November 2022 to November 2025 means that financial institutions can maintain existing standards for back-office systems and migrate at their own pace in line with their priorities.



ECB TARGET2 ISO 20022 Migration "TS-T2S Consolidation"

- The objective is to meet changing market demands by replacing TARGET2 with a new real-time gross settlement (RTGS) system called T2. This optimizes liquidity management across all TARGET services and introduces a harmonized EU Single Market Infrastructure Gateway (ESMIG) to reach all TARGET services.
- Mandatory testing for the new consolidated platform will begin in September 2021 with a big-bang go-live in November 2022.



Bank of England CHAPS Migration

- As part of a renewal of UK RTGS services, the Bank of England is migrating UK CHAPS to ISO 20022 messaging.
- The project will proceed in two phases: CHAPS ISO 20022 like-for-like (live July 2022) followed by CHAPS ISO 20022 enhanced messages.

Finastra can support your firm throughout the ISO 2022 migration

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ISO 2022 is fast becoming the standard format for all financial messaging processing, and this change stands to affect all of our customers in some way. With our comprehensive industry and SWIFT expertise, Finastra is here to support our customers through the complexities of this multi-year migration and coexistence journey."

Gareth Johnson
Product Director,
Financial Messaging Marketplaces

ISO 2022 Timeline

2021

November 2022

November 2025

Before migration

Migration

After migration

MT remains the standard for cross-border payments. Use this time to:

- Train for CBPR+.
- Prepare back-office systems for native ISO 2022 support.

- ISO 2022 message exchanges will be available.
- Between November 2022 and 2025, banks can choose between ISO 2022 and FIN messages, but they must be able to receive ISO 2022 data.
- SWIFT mandates that from November 2022, customers update their SWIFT interface connectivity to actively connect to the new FINplus service to receive CBPR+ messages.
- During the interoperability period, SWIFT automatically provides in-flight translation of most ISO 2022 messages with an embedded MT version along with the ISO 2022 message - this MT version is then available to pass to back-office systems that are not ISO-enabled.

- Impacted FIN messages are retired from SWIFT.
- Customers must send and receive in ISO 2022 format.
- Customers with back-office systems unable to handle ISO 2022 will require a permanent translation solution.
- Non-CBPR+ messages remain using FIN.



As part of the transition, there will be a three-year co-existence period where systems can continue to send and receive using the FIN format - **but they must be prepared to receive data from institutions that adopt and implement ISO 2022 from the start.**

Finastra can help your firm with the challenges presented by the ISO 2022 migration, including with a standard set of services for CBPR+ readiness and migration. These services can be extended for special customer-specific requirements or customers impacted by TARGET2 or CHAPS migration.

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Fusion Total Messaging 7.0, Annual Update 2021 includes the product changes needed to support SWIFT FINplus, CBPR+ ISO 2022 message types, and related SWIFT Interface Qualification requirements, including in-flight translation.

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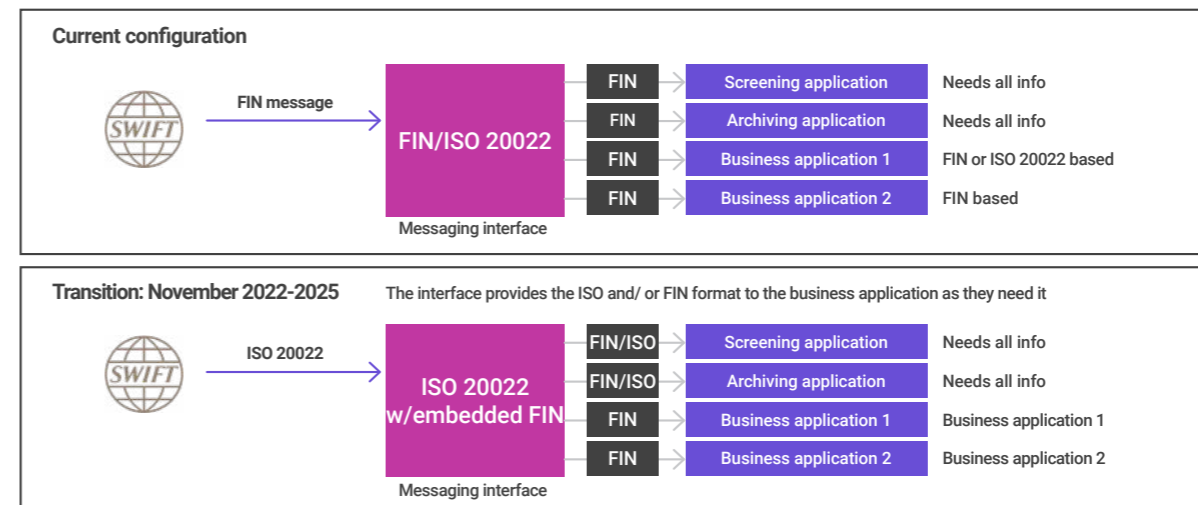
CBPR+ Readiness Project. This low-impact project reconfigures Fusion Total Messaging in the Service Bureau to connect to the FINplus service as mandated by SWIFT, provides training and enables you to undertake readiness testing for FIN/ISO 2022 coexistence. Customers must consider if in-flight translations from SWIFT provide the scope they need and how they will handle any non-translated message types or translation exceptions. Some customers may elect to put in place full readiness from the start of the coexistence if it is supported by their back-office systems.

3

Fusion Total Messaging 8.0, Annual Update 2022 will be the final readiness release before the start of FIN/ISO 2022 coexistence in November 2022. It will be able to handle messages from SWIFT Transaction Manager that send ISO 2022 as well as multi-format messages (FIN and ISO 2022).

4

CBPR+ Full Migration Project. By November 2025, payment systems and any other connected back-office systems processing impacted FIN messages need to be ISO 2022 enabled, or a permanent translation solution must be put in place. Reconfiguration of Fusion Total Messaging will be needed to provide native ISO 2022 connections to back-office systems. Format translations for ISO 2022=>FIN or FIN=>ISO 2022 can be provided as a permanent solution to isolate back-office systems that will not be upgraded to natively support ISO 2022.



Why choose Finastra for ISO 2022 migration?



Expertise

With proven SWIFT and financial industry expertise, Finastra is recognized by SWIFT as a trusted independent fintech provider.



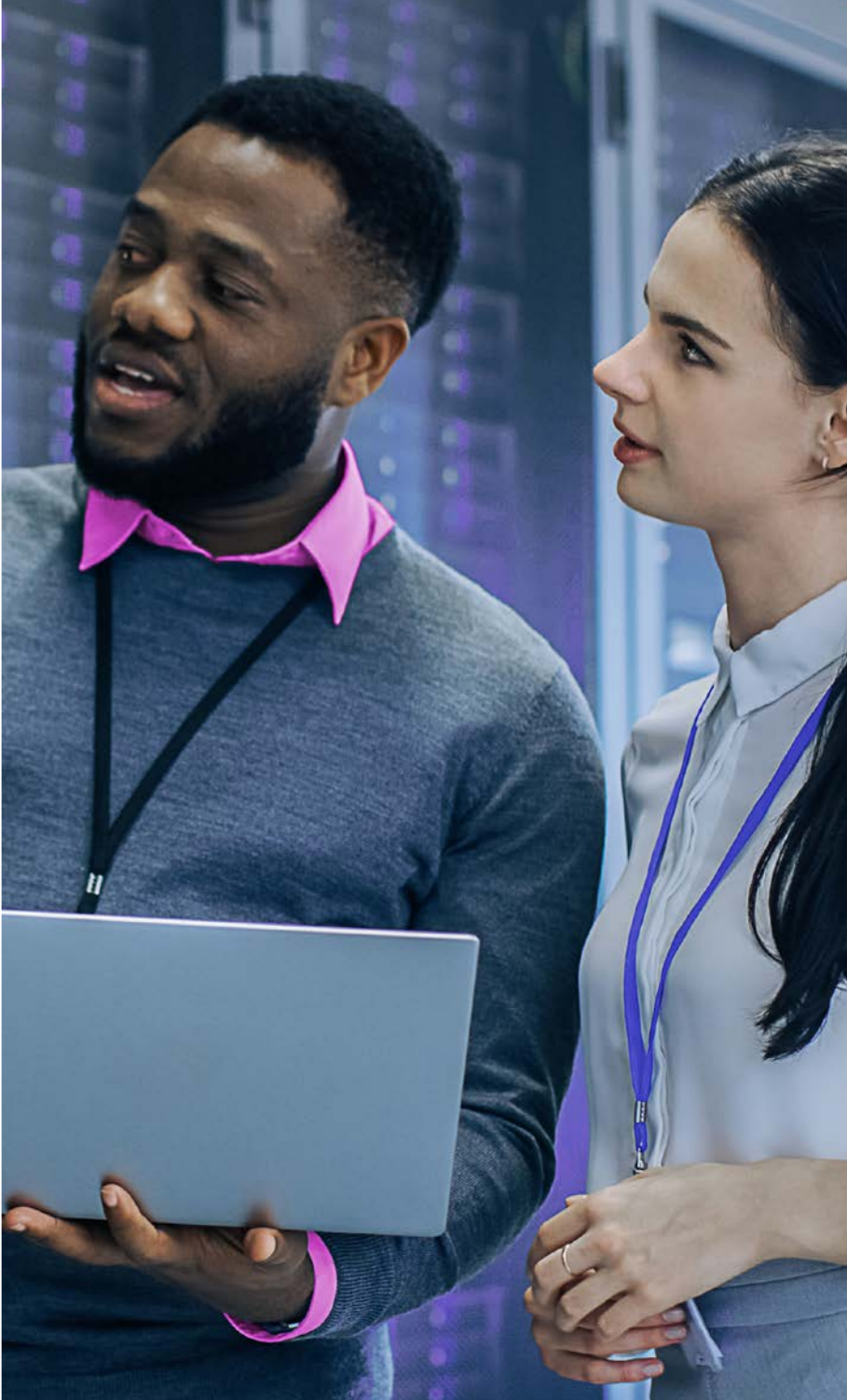
Innovation

We continue to evolve our product offering as requirements change, to meet each customer's unique migration needs.



Experience

Finastra is a global provider already supporting ISO 2022 and other formats, including CBPR+, TARGET2 and CHAPS.



For more information your Finastra Account Manager will be reaching out to you about your ISO 20022 migration.
To learn more about Finastra's SWIFT ISO 20022 services [contact us](#).

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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