

ISO 2022 FOR CORPORATES NEWSLETTER - 2023 #2

Cash Management

This edition of the ISO 2022 newsletter provides clarifications regarding the benefits and impacts of the ISO 2022 migration, with a focus on structured addresses in payment messages.

➤ What is the ISO 2022 migration about?

ISO 2022 migration is about the change of payment and reporting formats used between banks and between banks and market infrastructures (clearing systems), representing an immense opportunity for **all players** in the cross-border payments ecosystem to facilitate faster, cheaper, more accessible and more transparent cross-border payments.

- The formats exchanged *between banks* for cross-border and RTGS payments is moving from the **MT format** to the **XML format** (XML ISO 2022 version 2019) allowing for more structured and richer data.
- This migration is taking place over a **period from March 2023 to November 2025**. This means that from November 2025, banks will have to exchange files with each other in XML version 2019, above all for cross-border payments.
- Note: the clearing systems for exchanging euros within the European Economic Area (TARGET2 and EURO1) migrated into a **big bang on 19 March 2023**.
- **SEPA payments**, which are based today on the XML 2009 version, will also upgrade to the 2019 version in November 2023.

➤ What benefits will structured data bring?

The complete and structured data within ISO XML messages (compared to MT messages) eliminates friction and enhances the speed and efficiency of end-to-end payment processing:

- **Financial Crime Compliance:** Leading to less delays and enquiries related to false-positive hits in Sanctions/ Compliance screening and more efficient Anti-Money Laundering (AML) monitoring.
- **Improved interoperability:** Reducing friction for cross-border (instant) payments with aligned formats across different Market Infrastructures.
- **Improved data quality for corporate customers:** Supporting reconciliation processes, centralized accounts payable and accounts receivable processes and treasury centralization.

The use of structured addresses is another step in the direction of a frictionless experience for all the parties involved in a payment processing.

➤ When is an address required?

The requirement to provide an address differs in function of the payment type and the concerned party (debtor, creditor or ultimate parties).

Today, the counterparty address is only mandatory in specific cases. These rules are not new. What changes as of **November 2025** is that **when addresses are present, they must be structured**.





The trend to impose addresses should be reinforced by the transition to the ISO 20022 structured format, facilitating controls. Therefore, **BNP Paribas recommends systematically providing the addresses of your counterparties**, regardless of the beneficiary country or currency, in order to guarantee the most efficient processing of your payments.

The following table summarizes the market rules in place today:

Payment Type	DEBTOR ADDRESS	CREDITOR ADDRESS
Cross-border and RTGS payments	BNP Paribas is responsible to source your address details from our records, irrespective of the data provided by you, the instructing client. No action required on your side.	<ul style="list-style-type: none"> ■ MANDATORY if requested by local regulation cfr. BNP Paribas' currency guide (e.g. Payments towards Canada) ■ Recommended if non-EEA country* or non-EEA currency** involved ■ Optional in other cases This data must be communicated by your company.
SCT and SCT Inst		Optional
SDD	<ul style="list-style-type: none"> ■ MANDATORY if non-EEA country* is involved (regulation EU 2015/847) ■ Optional in other cases This data must be communicated by your company.	Optional

*EEA - European Economic Area: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Liechtenstein, Norway, Iceland

** EEA currencies: : BGN, CHF, CZK, DKK, EUR, HUF, ISK, NOK, PLN, RON, SEK

➤ How to format an address if provided?

ISO 20022 XML

The ISO 20022 XML standard foresees an unstructured and a structured option of the customer data.

Department	<Dept>
Sub Department	<SubDept>
Street Name	<StrtNm>
Building Number	<BldgNb>
Building Name	<BldgNm>
Floor	<Flr>
Post Box	<PstBx>
Room	<Room>
Post Code	<PstCd>
Town Name	<TwnNm>
Town Location Name	<TwnLctnNm>
District Name	<DstrctNm>
Country Sub Division	<CtrySubDvsn>
Country	<Ctry>

The **structured variation** of ISO 20022 offers much more granularity: the postal address <PstAdr> consists of up to 14 dedicated address elements. If a payment instruction carries an address, at the minimum, the **ISO country code** and the **town name** must be filled in according to the new market rules.

The **unstructured variation** contains several iterations of unstructured "Address Lines" but even when this unstructured option is used, the presence of "Country" <Ctry> is required in the structured element.

Country	<Ctry>
Address Line 1	<AdrLine>
Address Line 2	<AdrLine>

- **SEPA payments:** 2 occurrences of "Address Line" (70 characters) + Country <Ctry>
- **International payments:** 3 occurrences of "Address Line" (35 characters) + Country <Ctry>

The structured variation is allowed as of November 2023 and becomes mandatory as of November 2025.



As for now, during the transition period (Nov '23 – Nov '25), structured and unstructured elements are mutually exclusive. BNP Paribas recommends to respect one of these two mutually exclusive formats in order to ensure correct processing by the beneficiary bank and avoid potential delays or rejects at their level.

Following concerns raised by banks and Corporates, the PMPG (Payment Market Practice Group) is currently evaluating a 3rd option besides the above options: to allow for a combination of unstructured and structured address elements (minimum Country and Town Name) in interbank messages, even beyond November 2025.

Corporates are invited by the PMPG to express their opinion on structured addresses via a questionnaire to be completed before April 28, 2023. We encourage you to respond via this [link](#) here.

MT101

The MT101 standard foresees also an unstructured and a structured option (option F) of the customer data.

Option (F) in MT101 format messages differentiates certain parts of the address. However, it does not cover all requirements of the structured address discussed above e.g. it does not allow to dissociate the mandatory "Town Name" from the postal code.

Consequently, **if you must enter a beneficiary address** in your payment: **the MT101 format cannot be used after November 2025.**

*We invite corporates to see **as soon as possible** with their software publisher and TMS how to migrate their payments sent with **MT101 format to XML.***

Note: Corporates will be able to continue using the SWIFTNet FIN network and send payments in MT101 format after November 2025, **IF** an address is not required.

CFONB320

The CFONB320 file standard will not evolve to allow addresses to be specified in a structured format.

If the customer **must enter a beneficiary address** in their payment: **the CFONB320 format will be obsolete after November 2025** and can no longer be used.

*We invite corporates to see **as soon as possible** with their software publisher and TMS how to migrate their payments sent with **CFONB320 format to XML.***

In conclusion,

- If you plan to use the structured variation of the postal address <PstlAdr> in the pain messages, each element of the address should be populated in the right field.
- If your systems cannot support the structured format, wait to see if the PMPG adopts a more flexible address format (combination of unstructured and structured address elements) before implementing any changes. In the meantime, use the unstructured elements.

BNP Paribas, your trusted partner for all your foreign payments and collections.

More info:
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