

ISO 2022 FOR CORPORATES NEWSLETTER - 2023 #3

Cash Management

Spring 2023 was marked by the migration of Target 2, EURO1 and CHAPS to ISO 2022. BNP Paribas successfully achieved a new milestone towards the ultimate goal of instant and frictionless payments.

➤ Migration has begun

Payment systems across the world are migrating from legacy standards to ISO 2022. The international messaging standard is expected to improve payment processing efficiency and interoperability.

The Eurosystem (T2 RTGS and EURO1) migrated to ISO 2022 in a big bang on 20 March 2023, followed by CHAPS on 19 June, imposing direct participants to be able to send and receive ISO 2022 payment messages.

Swift also switched to the new format on 20 March 2023, but from then until November 2025, a “coexistence period” began where the system accepts and supports both the old message type (MT) format and new XML-based messages used in ISO 2022, referred to as MX.

BNP Paribas successfully passed the three milestones, making our bank a frontrunner.

➤ What is changing?

The key change is that, instead of processing payment messages via FIN MT messaging, banks, local market infrastructures and clearing systems worldwide are gradually using ISO 2022’s data-rich standard, which can carry more payment information and is more flexible.

➤ Our ambition for frictionless and instant processing

With ISO 2022, high value and real-time payment systems are converging on a common financial language, which is both richer and more structured, getting closer to a world of borderless payments with increased interoperability between various payments infrastructures.

At BNP Paribas, we strongly believe in the huge benefits that the ISO 2022 standard will provide. That is why we are executing our ISO 2022 strategy at full speed. Our capabilities to produce XML messages instead of MT are growing rapidly.





➤ What's in it for you?



The enriched data sets will promote end-to-end automation through the transaction life cycle and increase machine-readability - enabling faster processing, greater openness, visibility, and interoperability across different regions and clearing systems.

Meeting this expectation will require better quality data within our payments. Rich, structured, right the-first time, quality data will ensure cross-border and domestic payments are processed in an automated and timely manner, facilitating a real-time experience.

The first step for receiving quality data lies with you as customer. This is why your involvement is important. You will need to ensure that you understand the implications of ISO 20022, that you develop your own migration plan while considering your internal systems' readiness to support the move to ISO 20022 XML.

Stay tuned for the next newsletter in September as it will provide details on the different ways to format counterparty's addresses in the pain.001 format

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

More info:
Contact your Cash Management Officer

 [linkedin.com/company/bnpp-cash-management](https://www.linkedin.com/company/bnpp-cash-management)
www.cashmanagement.bnpparibas.com