



NatWest

Webinar

ISO 20022 - Our migration approach

Migration to the ISO 20022 messaging standard: RTGS Renewal



In June 2023, the Bank of England implemented ISO 20022 messaging for **CHAPS**.
In October 2024, our core RTGS **settlement engine** will become ISO-native.



ISO 20022 facilitates **richer data in a more structured** format than the disparate legacy messaging standards.

It is an **open international** standard, giving the potential to create a single common language for most payments globally.



Many other payment system operators, including cross border, high value and faster payments are currently busy implementing ISO 20022.

Early adopters of ISO 20022 are **updating to a newer version** of ISO 20022 to support additional functionality.

Many systems speaking the same language drives towards one of our key goals of **wider interoperability** across the payments chain, not just within the UK and but worldwide too, and is an important tenet of the **G20 cross-border payments roadmap**.

In line with industry feedback, the Bank's strategic intention for the implementation of ISO 20022 for CHAPS payments **goes beyond the minimum technical implementation** of the messaging standard, mandating purpose codes, LEIs, structured remittance and hybrid/structured addresses for certain sets of payments. These are covered by our new Policy Statement.

Purpose Codes, LEIs, Addresses and Structured Remittance

Effectively using a combination of enhanced data increases the likelihood of reaping the benefits especially where the risk of fraud may be higher.

Old: SWIFT MT103

Field 59: *Beneficiary Customer*

Hattingsfield and Hoopergardensfeld
Conveyancing for Everyone LLP, Hatt
Ingsfield Valley Farm House 3 Russi
a Lane, London, E2 9LU, United King

Field 70: *Remittance Information*

Signed contract WinchBart221123 fo
r final money for the Winchester Ba
rton property to conveyancer G5GSEF
8VJP517OUK5573

No dedicated space for

- identity checks
- payment purpose

Therefore, this remittance field is just being used to drop important info in an unstructured format.

New (from 2023): Enhanced ISO 20022 message

Purpose	Purpose Code	PCOM
Creditor	Name	Hattingsfield and Hoopergardensfeld Conveyancing for Everyone LLP
	LEI	G5GSEF8VJP517OUK5573
Address	Building Name	Hattingsfield Valley Farm House
	Building Number	3
	Street Name	Russia Lane
	Town Name	London
	District Name	London
	Country	UK
	Post code	E2 9LU
Referred Document Information	Number	WinchBart221123

Purpose Code can:

- identify real economy impact in an outage
- prevent delay from false positives (e.g. flagging a retail customer sending a high-value payment)

Recipient's LEI can be used to prevent and / or detect fraud, for resolution purposes etc.

Part of Structured Remittance section

High-level approach: the Bank's role in realising the benefits of enhanced data

In line with industry feedback, the Bank's strategic intention for the implementation of ISO 20022 for CHAPS payments **goes beyond the minimum technical implementation** of the messaging standard.

Consistently enriching and structuring ISO 20022 enhanced data for CHAPS payments will help the industry to achieve the intended benefits arising from this **significant investment**.

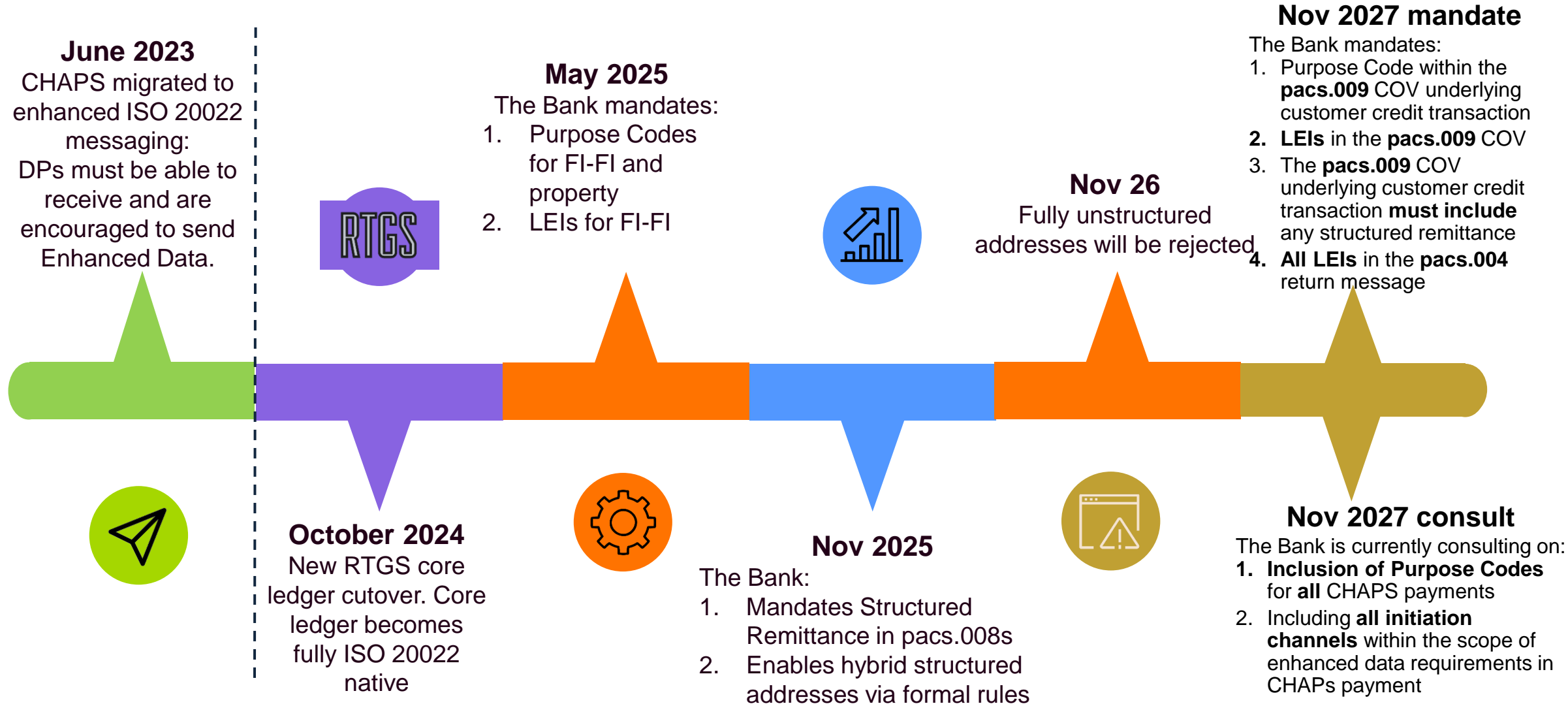
The burden of including high-quality enhanced data falls on the **sending bank**, while the benefit largely accrues to the other side of the payment chain.

Our deadlines are driving both **Financial Institution take up** and **second-round changes needed among corporates and vendors**.

- As the CHAPS Payment System Operator, the Bank must respond to industry feedback to play its central role in both:
 1. **ensuring sufficient uptake** of enhanced data, through mandating and monitoring
 2. **facilitating market guidance** where this does not already exist.

Mandating enhanced data in CHAPS

We have recently published a new [Policy Statement](#) on enhanced data.



Hybrid Structured Addresses

The payments industry has recognised the **challenge for those storing information in legacy formats in producing fully structured addresses**. It also recognises that across the world there are different ways in which addresses appear. In order to still generate the benefits the industry has come up with the ‘**hybrid**’ address.

Unstructured

- No combination with structured ISO20022 address elements allowed.
- Difficulty to interpret data due to co-mingling of address elements (3 x 35 characters).
- AdrLine elements not split out, these can be entered into one address line unstructured.
- Note name – one line of 140 characters

<Ctr>
<Nm>Hattingsfield and Hoopergardensfeld Conveyancing for Everyone LLP</Nm>
<PstlAdr>
<AdrLine>Hattingsfield Valley Farm House, 3</AdrLine>
<AdrLine>Russia Lane, London EC2 9LU</AdrLine>
<AdrLine>United Kingdom</AdrLine>
<PstlAdr>
<Ctr>

Hybrid

- Combination of structured ISO 20022 address elements and up to 2 lines of 70 characters of unstructured “AdrLine” allowed.
 - Elements available in structured format must be mapped into the respective structured element (minimum: TownName & Country)
 - Structured elements must not be repeated in the AdrLine element(s).
- Network Validation rules

Textual Rule

<Ctr>
<Nm>Hattingsfield and Hoopergardensfeld Conveyancing for Everyone LLP</Nm>
<PstlAdr>
<TwnNm>London</TwnNm>
<Ctry>UK</Ctry>
<AdrLine>Hattingsfield Valley Farm House 3 RUSSIA LANE, E2 9LU</AdrLine>
<PstlAdr>
<Ctr>

Fully structured

- All available address data is mapped into one of the 14 ISO20022 fields
- No co-mingling of data.

<Ctr>
<Nm>Hattingsfield and Hoopergardensfeld Conveyancing for Everyone LLP</Nm>
<PstlAdr>
<StrtNm>Russia Lane</StrtNm>
<BldgNm>Hattingsfield Valley Farm House</BldgNb>
<BldgNb>3</BldgNb>
<PstlCd>E2 9LU</PstlCd>
<TwnNm>London</TwnNm>
<Ctry>UK</Ctry>
<PstlAdr>
<Ctr>

Hybrid Structured Addresses: International alignment on timelines

The Bank intends to align internationally with changes in postal addresses, as outlined in HVPS+ and CBPR+ Usage Guidelines.

Formal implementation

- Due to the high volume of cross border traffic in CHAPS, the Bank of England will align with CBPR+ and implement hybrid address via mostly formal rules from November 2025.
- This means unstructured addresses, hybrid addresses and structured addresses will all be possible however, they must be correctly formatted or risk rejection through the formal rules.
- Formal rules are network validated. Payments will be rejected if the rules are not followed (i.e addresses entered incorrectly).
- For hybrid addresses, structured elements must not be repeated in unstructured address lines. This is a textual rule that should be followed but will not be enforced like a formal rule.
- Should CBPR+ change their approach, the Bank of England will also reconsider our approach.

Rejection of unstructured addresses at November 2026

- At November 2026 fully unstructured addresses will be rejected.
- This aligns with CBPR+ and HVPS+ Usage Guidelines.

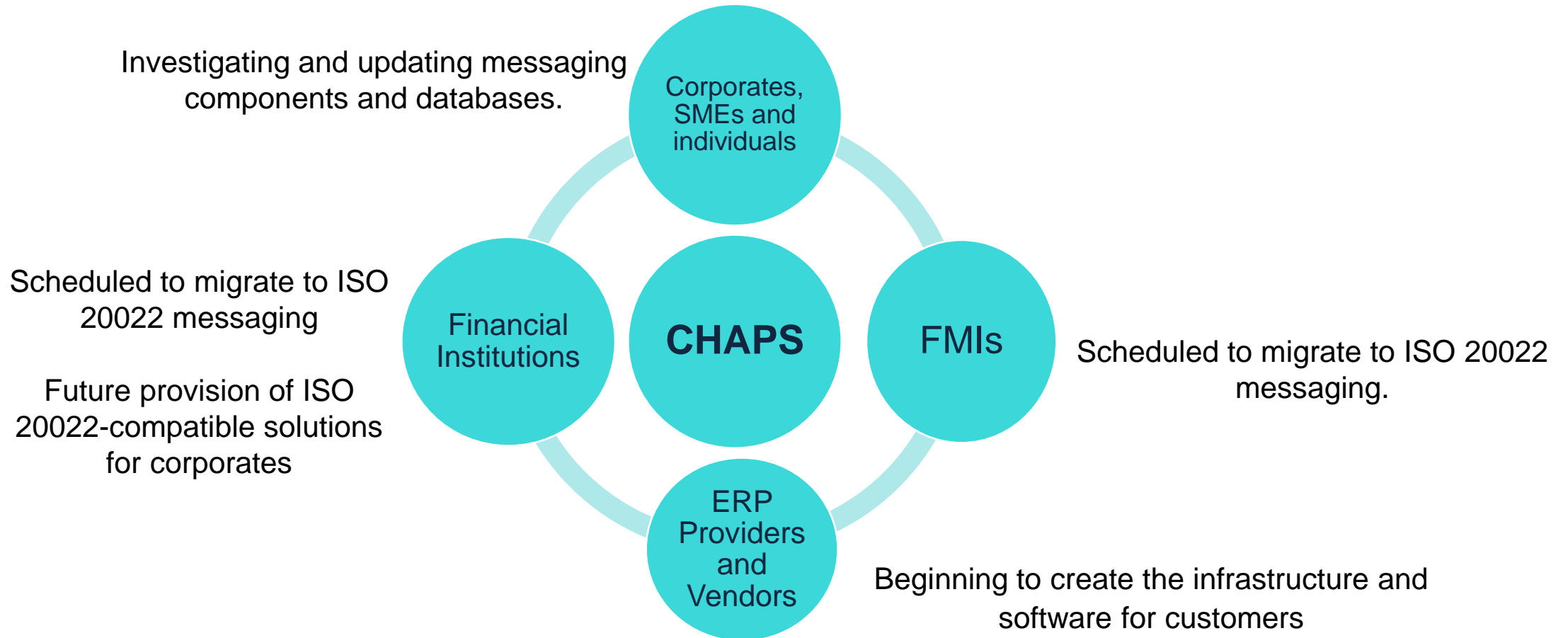
Structured Remittance – Corporate guidance

The new Policy Statement outlines that at November 2025 the Bank will be mandating structured remittance for pacs.008 payments. The Bank is facilitating a workstream to consider Corporate guidance for structured remittance.

- Following increasing appetite from the sector, the BoE, UK Finance and the Association of Corporate Treasurers are facilitating a workstream to consider how ISO enhanced data can create value in the UK corporate sector.
- The workstream will consist of two main strands:
 - i. An engagement programme with the ERP and vendor community,
 - ii. A working group consisting of banks, MIs, end-user and vendor reps to derive industry best practice
- Objectives of the group:
 1. Considering applicability of current international and existing guidance for UK corporate market
 2. Reviewing potential use cases for where enhanced data can address existing corporate pain points
 3. Identifying and defining proposals for where a standardised approach for using ISO enhanced data could address these pain points
 4. Collating and disseminating standardised best practice guidance for use by the sector
- The WG will meet over the next few months to work through this programme & report later in 2024.

ISO 20022 messages need to be supported by a range of players

A combined effort is required throughout the payments chain to **reap the benefits of ISO 20022**.



CHAPS & ISO 20022: actions for all users of CHAPS




We strongly encourage Indirect Participants (Corporates and Financial Institutions) to consider **how they plan to adopt and make use of enhanced data** (especially structured addresses, structured remittance, LEIs, purpose codes).

- **Indirect Participants such as Corporates and Financial Institutions should be prepared to receive enhanced data and consider how they would process it.**
- Indirect Participants should speak to their Direct Participant(s) if they haven't already done so to discuss **how to receive the enhanced data.**
- Indirect Participants that already have ISO 20022 compatible software should **review the version capability and consider updating to the latest versions** to remain compatible with BOE, ECB, Fed and SWIFT CBPR+ implementation plans. **Please speak with your software vendors.**
- Indirect Participants that are interested in **sending enhanced data, should speak to their Direct Participant(s) as to how to go about this.**
- **We will be mandating the sending of certain enhanced data** in CHAPS payments **in due course** (although **not before May 2024**, and likely gradual), in order to realise the benefits of richer information in payments.

Bankline and Bankline Direct



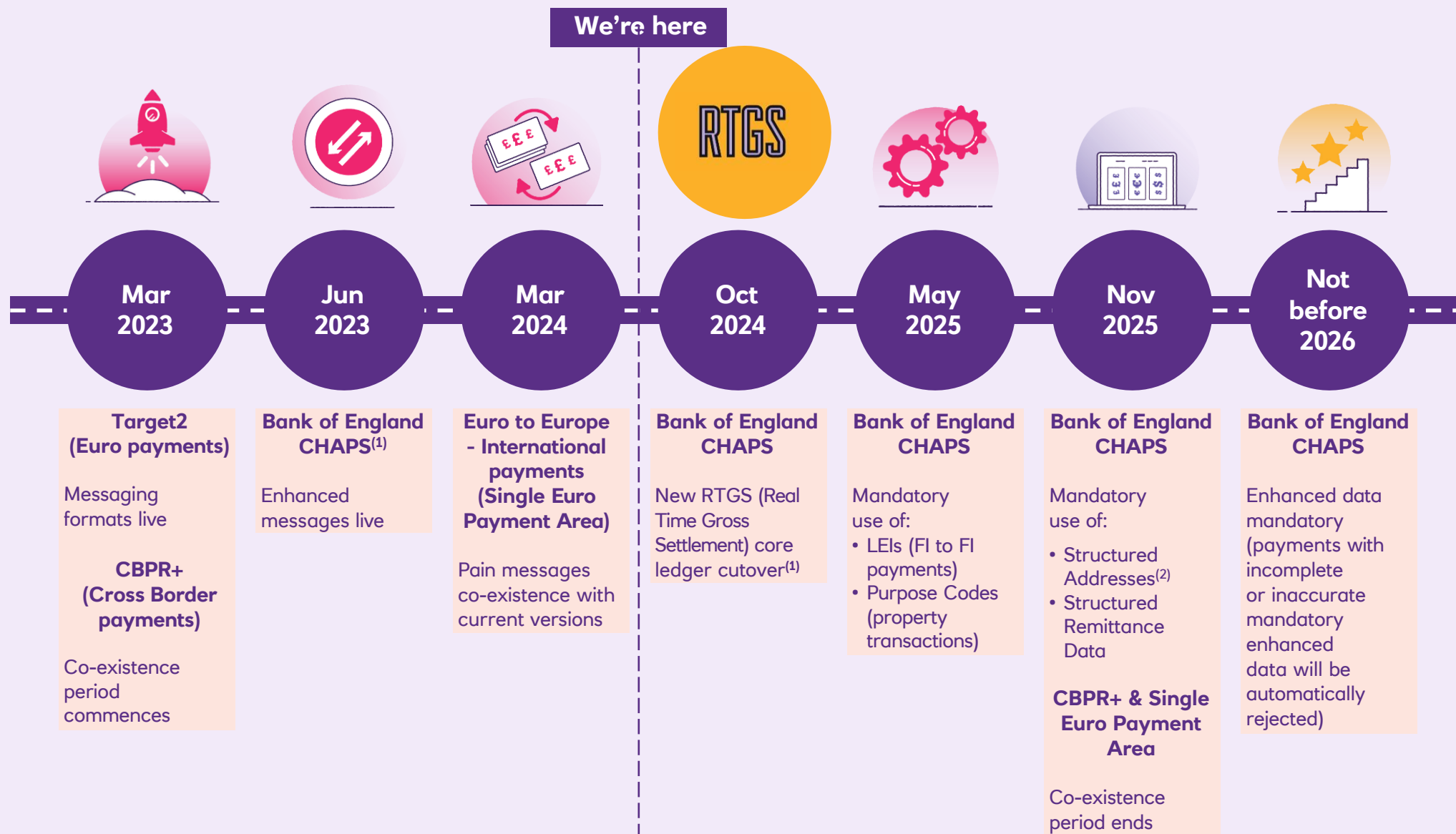
Throughout 2024, we’re upgrading Bankline and Bankline Direct to support your ISO 20022 journey

Customer support	
<div><div><div>MX format adoption</div><div>ISO 20022 dedicated webpage<ul style="list-style-type: none">• Benefits, FAQs, industry timeline, Brochures and WebinarsSwift MyStandards Portal for Bankline Direct<ul style="list-style-type: none">• Access to Bankline Direct usage guidelines• CHAPS formats live from May 2024• Ability to test formats and access sample files</div></div><div><div>Additional channel support launched in May 2024<ul style="list-style-type: none">• Dedicated Bankline Direct webpage with guidesAccess to dedicated Migration Managers</div><div></div></div></div>	
Bankline	Bankline Direct
<div><div>Online Channels</div><div>MX payment message formats<ul style="list-style-type: none">• Online user interface enhanced including LEIs and Purpose Codes• File Import feature – MX and CSV import formats to include enhanced data fieldsMX statements and advice<ul style="list-style-type: none">• Ability to download transaction-level CAMT.054 advicesBankline Support<ul style="list-style-type: none">• Help and Support Tools• pain001.001.09 with enhanced guidance on changes to CHAPS<div></div></div></div>	<div><div>Integrated Channels</div><div>MX payment message formats<ul style="list-style-type: none">• pain.001 – Credit Transfer Initiation• pain.008 – Customer Direct Debit Initiation• pain.002 – Customer Payment Status Report• pacs.008 – FI to FI Customer Credit Transfer• pacs.009 – FI Credit Transfer• pacs.002 – FI to FI Payment Status ReportMX statements and advices<ul style="list-style-type: none">• Ability to receive CAMT.052/ CAMT.053/ CAMT.054<div></div></div></div>

ISO 20022 Industry Timeline



NatWest



Notes:
(1) Direct Participants only
(2) Where address details cannot be structured, use new Hybrid Address. (Use of unstructured will be allowed but removed by Nov. 2026).