



Exchange of Information Task Force Session 2

CSD initiatives for attracting and promoting foreign investors

Jean Chong, Securities & FX Markets, SWIFT

March 2019

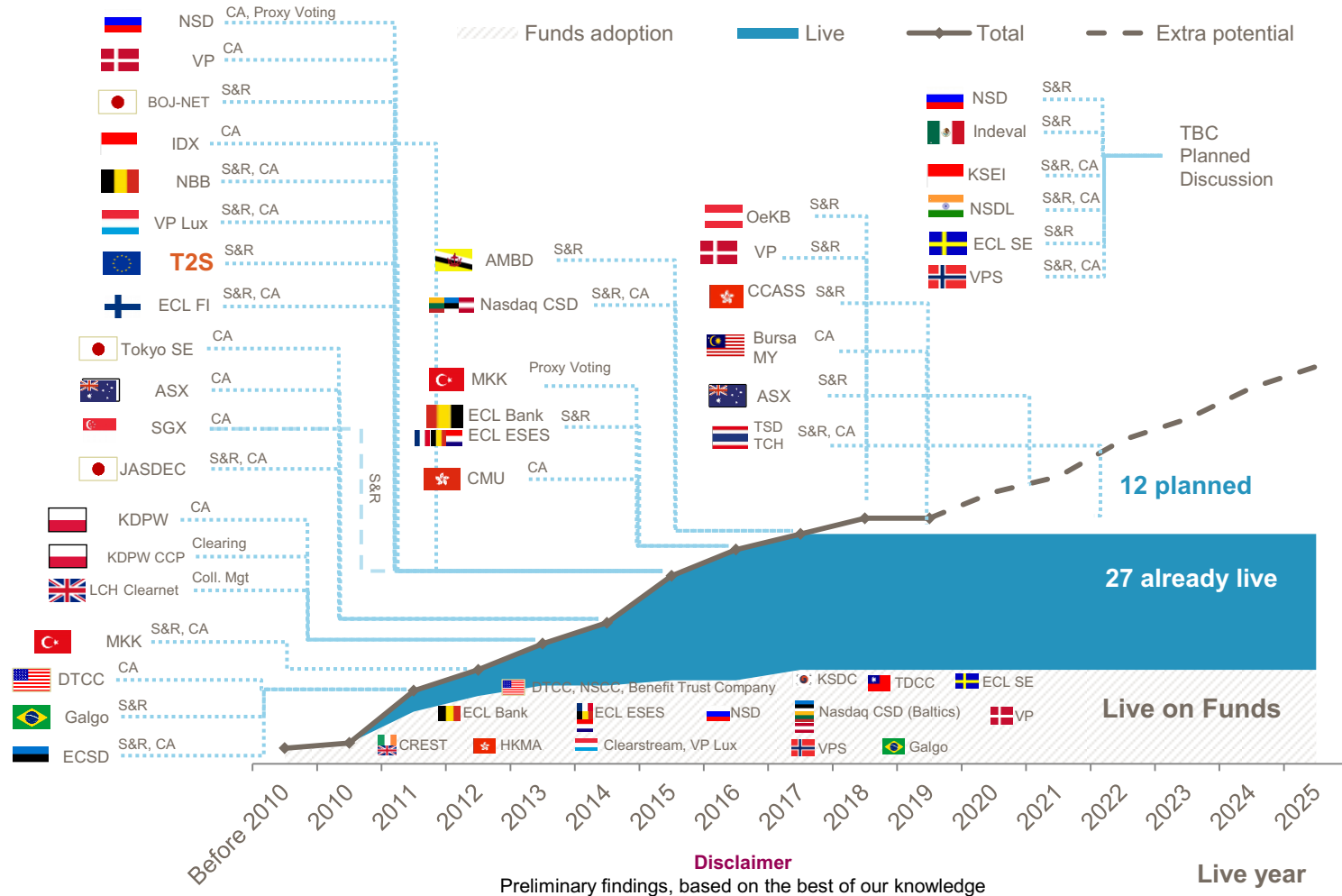
ISO 20022 Adoption and Migration Updates Case Study

ISO 20022 Adoption and Migration



ISO 2022 initiatives are growing fast in the SMI space

of CSD/ICSD/SSS and CCP communities adopting ISO 2022 – Live & planned



- Live:** one or more of the MI's business streams (e.g. settlement & reconciliation, corporate actions, proxy voting, collateral management, funds, clearing, etc.) already live on ISO 2022. SMIs solely live on T2S without any other ISO 2022 flows (Monte Titoli, LCD, BOGS, MSE, etc.) are not counted.

- Planned:** confirmed and official plans to adopt ISO 2022 for one or more business streams, or in discussions

ISO 20022 migration: community consultation

September 2017

Prompted by the emergence of ISO 20022 as a global standard for payments, SWIFT launched study on the use of ISO 20022 for cross-border business

April 2018

Community consultation, seeking industry feedback on drivers for migration to ISO 20022 and high level proposal to address the practical challenges

June 2018

Detailed feedback from over 100 respondents (incl. 44 country level responses, individual feedback from financial institutions and key market infrastructures) representing majority of SWIFT's top users.

September 2018

The community feedback, together with recommendations on how to proceed, was presented to the SWIFT Board on 19th September.



ISO 2002 migration: board decision

Payments	Securities	FX/ Treasury, Trade Finance
<p>SWIFT will facilitate industry migration of cross-border payments and cash.</p> <p>Start date November 2021 (aligned with the adoption plans of High Value Payments Systems in the Eurozone)</p> <p>4 years coexistence</p> <p>SWIFT will provide a shared service to translate between ISO 2002 and MT</p>	<p>ISO 2002 capability for cross-border securities flows to use on an opt-in basis</p> <p>Decision not to set an end date for the use of ISO 15022 (MT category 5 messages) proposed</p>	<p>Responses to the consultation indicated little appetite to stop using MT messages at this time</p> <p>No plans to migrate to ISO 2002 have been made</p>
<p>Migration will include all users of payments and cash management messages (MT cat. 1, 2, and 9)</p>		

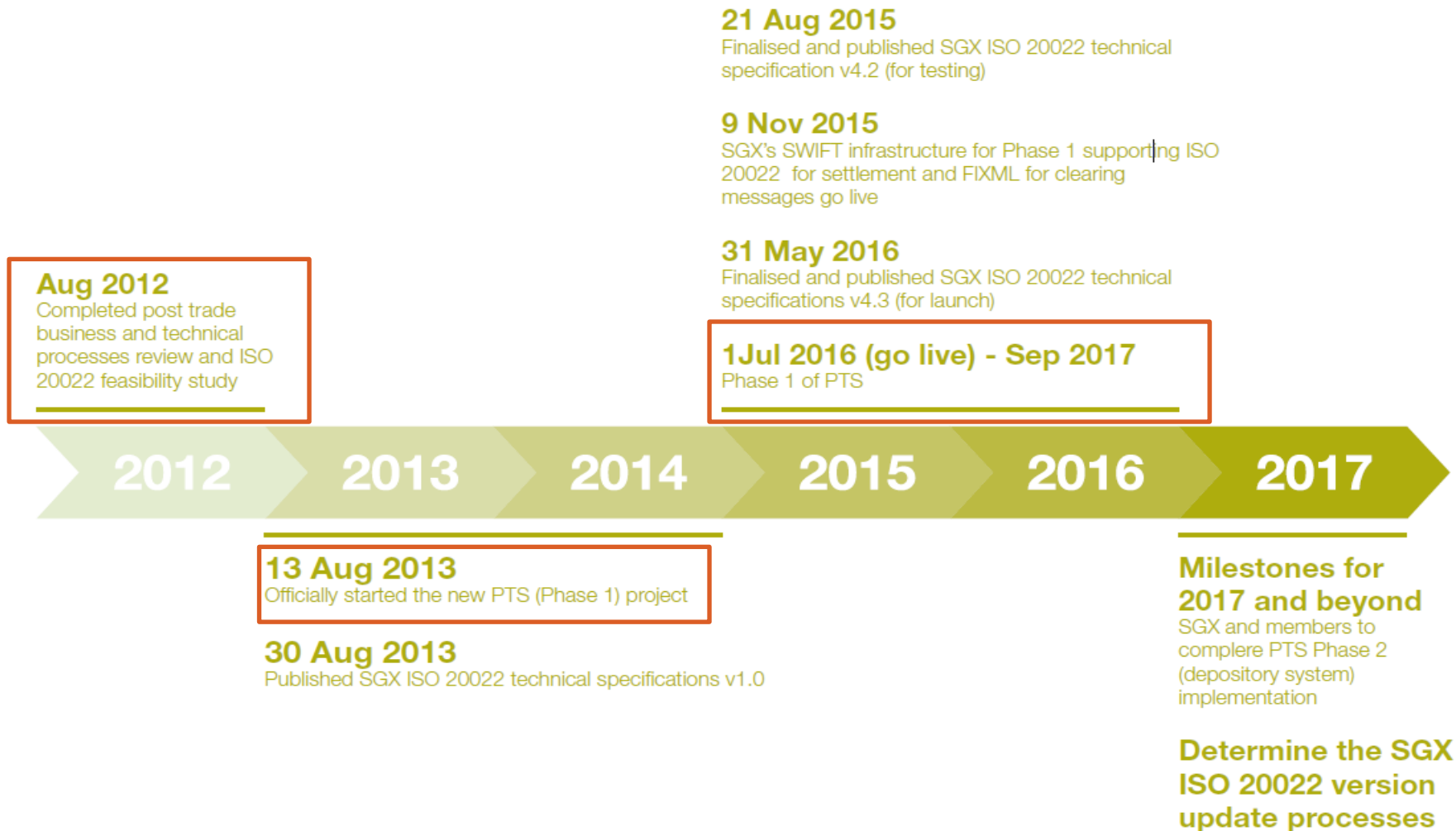


Singapore Exchange

Journey in ISO 20022 Adoption



SGX New Post Trade System (PTS) timeline



Why ISO 20022 for Settlement?



SGX has implemented ISO 20022 for the post-trade services (settlement)



SWIFT, as a global messaging channel, has been added as a network connectivity option for SGX's PTS

Key drivers

- Modernise the SGX infrastructures
- Adopt internationally recognised standards and best practices
- Reach an end to end STP in the post-trade environment
- Adopt an API infrastructure

Before, batch file upload MT 54x alike, not real-time



ISO 20022 message implementation
« semt, sese, ... »

Benefits

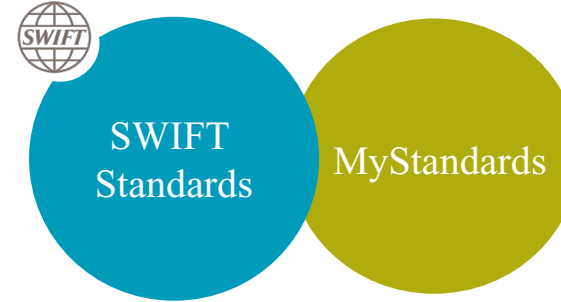
- High community benefits when using standardised format vs proprietary
- Advantages of xml format
- End-to-end STP for clearing, settlement and CA processing
- Improved market access by adopting international standards
- Improved efficiency in the post trade settlement and clearing environment
- Reduce data processing risk

New standardised flows allowing for automation



SGX ISO 20022 Messages

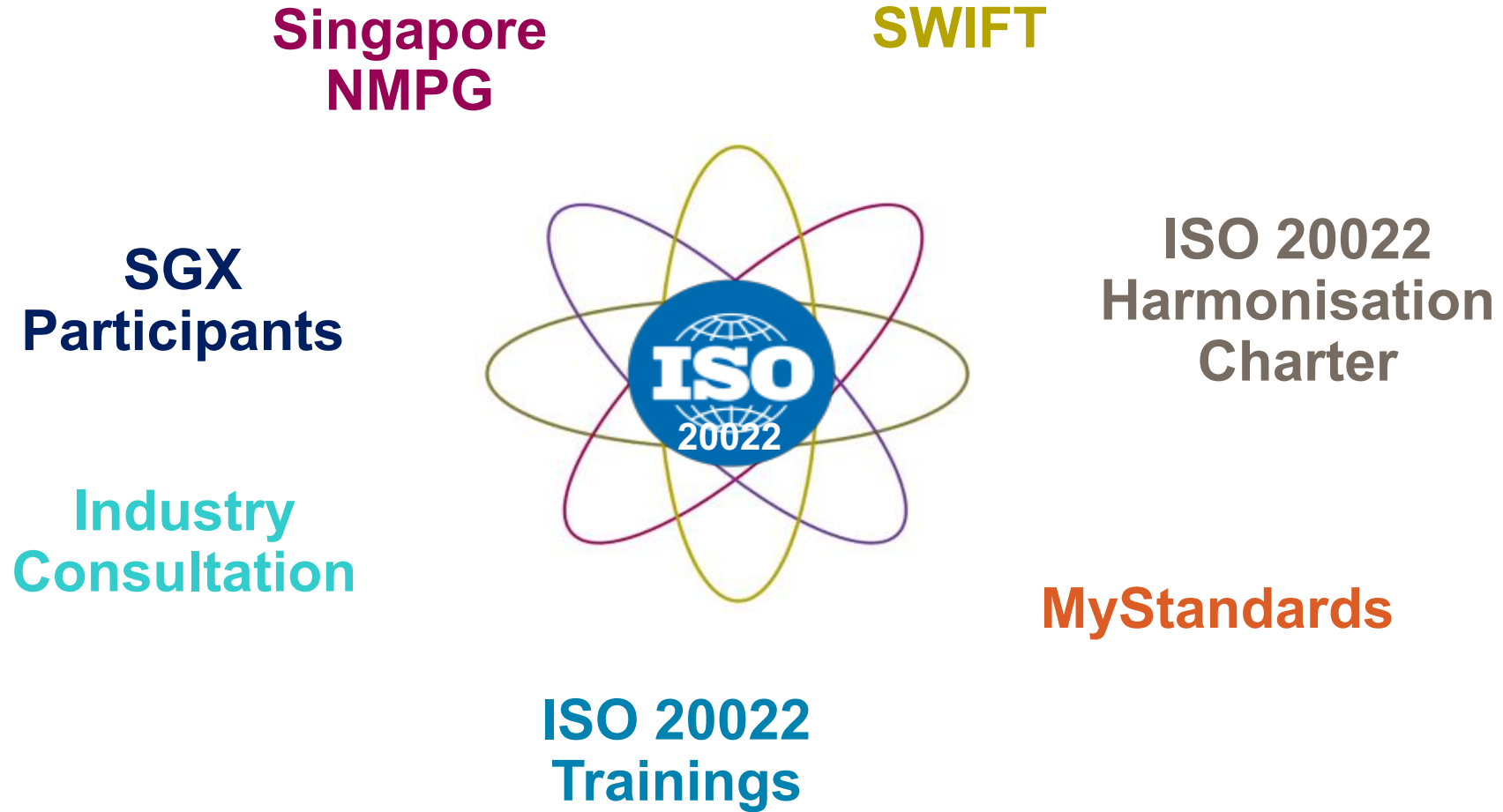
Message Identifier	Message Name
sese.023.001.04	SecuritiesSettlementTransactionInstruction
sese.024.001.04	SecuritiesSettlementTransactionStatusAdvice
sese.025.001.04	SecuritiesSettlementTransactionConfirmation
sese.028.001.03	SecuritiesSettlementAllegementNotification
sese.029.001.03	SecuritiesSettlementAllegementRemovalAdvice
sese.040.001.01	SecuritiesSettlementTransactionCounterpartyResponse
sese.030.001.04	SecuritiesSettlementConditionsModificationRequest
sese.031.001.04	SecuritiesSettlementConditionStatusAdvice
sese.038.001.02	SecuritiesSettlementTransactionModificationRequest
sese.039.001.01	SecuritiesSettlementTransactionModificationRequestStatusAdvice
sese.020.001.03	SecuritiesTransactionCancellationRequest
sese.027.001.03	SecuritiesTransactionCancellationRequestStatusAdvice
semt.021.001.03	SecuritiesStatementQuery
sese.022.001.01	SecuritiesStatusOrStatementQueryStatusAdvice
semt.013.001.03	IntraPositionMovementInstruction
semt.014.001.03	IntraPositionMovementStatusAdvice
semt.015.001.04	IntraPositionMovementConfirmation
semt.017.001.04	SecuritiesTransactionPostingReport
semt.018.001.04	SecuritiesTransactionPendingReport
semt.019.001.03	SecuritiesSettlementTransactionAllegementReport
pain.001.001.05	CustomerCreditTransferInitiation
pain.002.001.05	CustomerPaymentStatusReport
pain.007.001.04	CustomerPaymentReversal
pain.008.001.04	CustomerDirectDebitInitiation
camt.054.001.04	BankToCustomerDebitCreditNotification



- 25 ISO 20022 messages documented on MyStandards
- Covering securities settlement, securities management and cash management.
- More messages could be added in future phases.
- Benefits of MyStandards
 - One-stop access to SGX's guidelines for analysis, publication and download
 - Web-based platform: easy to operate and browse
 - Consistent way to share specifications and familiar formats (online, PDF, excel, xsd)



Community Engagement, Outreach and Commitment





www.swift.com