

ISO 20022

Readiness Handbook: Corporate Customers

Feb 2025

Version 3



Together we thrive

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We have created this guide to support you through the transition to ISO 20022, and the significant changes this will bring across the payments industry, how and why these changes will happen, and the benefits they can bring.

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The Basics

ISO 20022 is an established and flexible standard for exchanging electronic messages between financial institutions, market infrastructures and end users, providing a structured format with room for additional payment related information.

Already the common language of choice for real time and low value / domestic schemes, ISO 20022 will become the de-facto standard for high value and priority payments in the domestic and international space. The migration will provide a new model for the global exchange of payment data, with richer and higher quality information than the existing standards. This will also be an enabler for future development and innovation in the payments ecosystem.

ISO 20022 is being adopted by SWIFT in their latest move to ensure optimal cross-border payment communication. The SWIFT ISO adoption programme has already commenced and will take place until November 2025; by which all major global payment infrastructures plan continue to adopt the standard. SWIFT plans to migrate all Customer and Inter-bank payments, as well as related advice and statement messages from the MT1xx, MT2xx and MT9xx series of messages to, the new XML based pacs (payments clearing and settlement) messages and camt (cash management) statements and advices.



Existing Messaging Languages

Various non-unified message types. Often customised to cater for non-standard message content, with limited data capacity. Unable to keep up with the skyrocketing demand for data.

New ISO 20022 Messaging

Globally consistent messaging across the industry, unifying many existing standards and improving reconciliation and interoperability. Allows for a stronger structure around enriched data sets.

Potential Benefits

More than just a technology investment, ISO 20022 is the future of payment rails. Adoption of the standards aims to enable a better payment experience by driving a single industry-wide payment format with richer data, across various payment schemes. Although compliance is mandatory for all Financial Institutions, the migration brings with it a host of benefits and opportunities throughout the payments ecosystem.



Global Reach

Used for payments globally across different banks & countries, removing technology barriers



Harmonised Integration

Rationalised universal message type for all payments; ISO 20022 integrates smoothly with RTP schemes



Reconciliation

Enriched structured data supports identification and automated reconciliation



Automation

Standardised codes and dedicated message types facilitate the automation of exceptions & investigations



Security

Richer data can strengthen fraud and AML controls



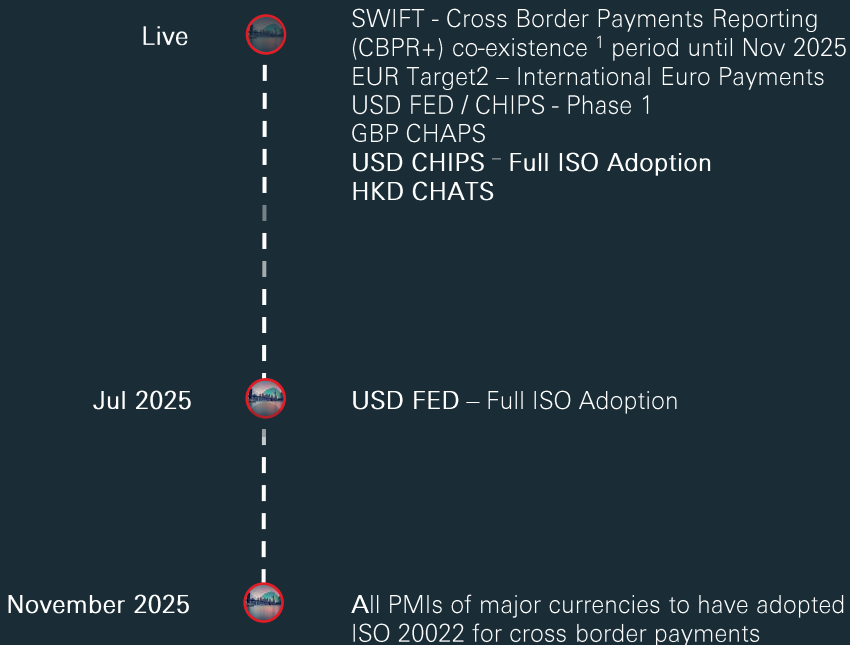
Transparency

Increased levels of transparency and efficiency of payments through better structured data

Market Infrastructure Migration Timeline

The adoption of ISO 20022 is taking place over several years, with Payment Market Infrastructures (PMIs) of all major currencies either live or in the process of migrating to ISO 20022 by November 2025 for cross border payments. This commenced from the SWIFT migration of the existing message types 1,2,and 9 starting from March 2023, with adoption plans evolving in each market.

Adoption by major Real Time Gross Settlement (RTGS) market infrastructures / currencies are currently planned as follows:



Remarks :

¹ During the co-existence period, both MT and MX messages will be supported by the SWIFT infrastructure

² Timelines are subject to be changed

How to Prepare

Making sure you understand the potential of XML for your business will allow you to make the most of the opportunities.

Preparing for the future

Some market infrastructures already mandate corporates to provide XML as a standard while communicating with their Banks. With the increased worldwide adoption of the ISO 20022 standard, it is possible that more market infrastructures will recommend ISO as their messaging standard. Considering ISO in your technology plans will help to future-proof your business.

Structured data requirements

Market infrastructures and Clearing schemes have introduced new data requirements for party information. These include fields like creditor, ultimate debtor, initiating party, ultimate creditor that will require corporates to provide information in either a structured or hybrid manner. HSBC will soon be providing communication on the expected changes. We strongly recommend you start looking at the data that is provided to HSBC and work closely with your ERP/TMS providers to start making required updates to comply to the new industry requirement.

Capitalising on enriched data standards

ISO offers multiple benefits that will help to streamline your end-to-end processing. Early adoption will allow you to capitalise on enriched data by means of remittance information and enhanced end-to-end references, which will be available through ISO based cash management (camt) statements / advices.



HSBC's Adoption Plans

What are we doing?

At HSBC we are actively involved with SWIFT, and engaging with different market infrastructures as they are adopting ISO standards. We will align ourselves with the market requirements and delivery timelines set by different market infrastructures, and ensure we are well placed to comply with their respective adoption strategies, including any message types in scope for domestic payment scheme migrations. We will be introducing screen changes in a phased manner, and will communicate accordingly when a particular country is ready for implementation.

What does this mean for you?

You can continue sending payments using existing methods (FIN Concentrator, Host to Host, File Upload). While we support a multitude of formats for our HSBC Connect customers, we have already kick started a file rationalisation programme.

As a result, a few file formats will not be supported - you should have already received a communication advising you of the change. Local country adoption may necessitate changes to existing formats; any impacted customers will be contacted separately, closer to the migration timelines.

File based customers

For our File Based customers submitting files via HSBCNet, FileUpload and HSBC Connect (Host to Host, FileAct), please be aware that the use of MT103s, MT101s, among other file types are being demised. The recommended format for MT1xx is XMLV3*, Ifile, Dynamic CSV. All impacted customers should be receiving a separate communication advising them of this. Should you have any questions about this, please contact the following dedicated team:

global.connect.digital.migration@hsbc.com

MT101 / pain.001 submitting customers

Please note that HSBC will not be accepting pain.001 messages sent via SWIFT FINplus. Exchange of pain.001 requires a specific agreement in place and existing MT101 agreements cannot be used. Customers are requested to continue using MT101 to fulfil their requirements. A new date will be communicated in due course once this capability is enabled later in 2023.

Statements & Reporting



We will support the existing SWIFT based MT9xx as well as ISO 20022 statements and advices through our digital channels. However, as we receive information that contains richer data, we look forward to passing this on to enhance your experience, with camt based statements. Our ability to provide enriched data will only be facilitated through the newer version of camt based statements and will be rolled out in a phased manner starting November 2023.



As a country is enabled with this capability, we will send customers communications to subscribe based on their readiness.

Besides, due to the richness of data contained in the new ISO payment messages our ability to include them on MT or other proprietary reporting formats will be limited. This is strongly recommended that you will consider migrating to ISO based camt statements and advices.

Further Information

For further information on ISO 20022 plans, please visit our dedicated website [here](#), where you will find our latest videos, as well as podcasts and answers to FAQs.

We appreciate your business, value our relationship, and look forward to working with you on the forthcoming implementation of ISO 20022 payment messages. Should you have any further questions, please engage your Sales or Integration contacts.

Yours sincerely,

**Global Payments Solutions,
HSBC**



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