Information enclosed was correct at time of publishing.

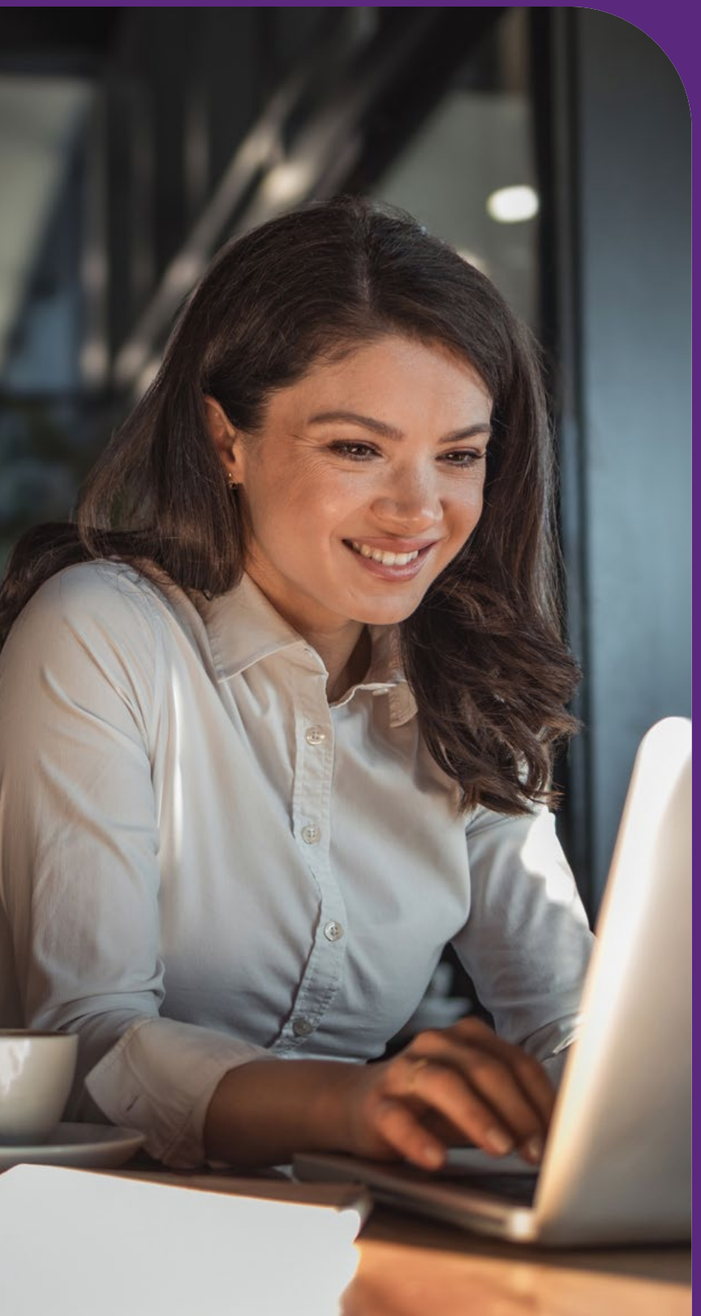
Migration to ISO 20022 Part 2

Brochure series

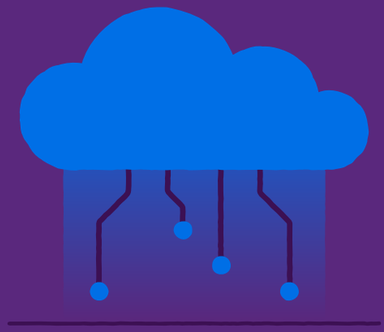
Key information and updates.

Royal Bank of Scotland

TOMORROW BEGINS TODAY



Are you ready for ISO 20022?



Over the last few years, our brochure series has given you a detailed introduction to the industry changes, what you can expect and how you can prepare for your journey towards ISO 20022 compliance.

Check out these brochures hosted on our ISO 20022 webpage.

In Migration to ISO 20022 Part 2, we'll detail all the upcoming changes and deadlines in the ISO 20022 Industry Timeline. We'll share more information about our channels, reminding you about the SWIFT Reporting enhancements we're making and give you a detailed introduction to ISO 20022 message formats.

We'll also be putting Enhanced data under the spotlight, showing you exactly where this information goes in an ISO 20022 XML payment message for Bankline Direct and Bankline.

Customers need to understand ISO 20022

You need to develop your own migration plans and consider your internal systems readiness to support the move to ISO 20022 by the industry deadlines. Your business should be prepared to send and receive ISO 20022 message formats.

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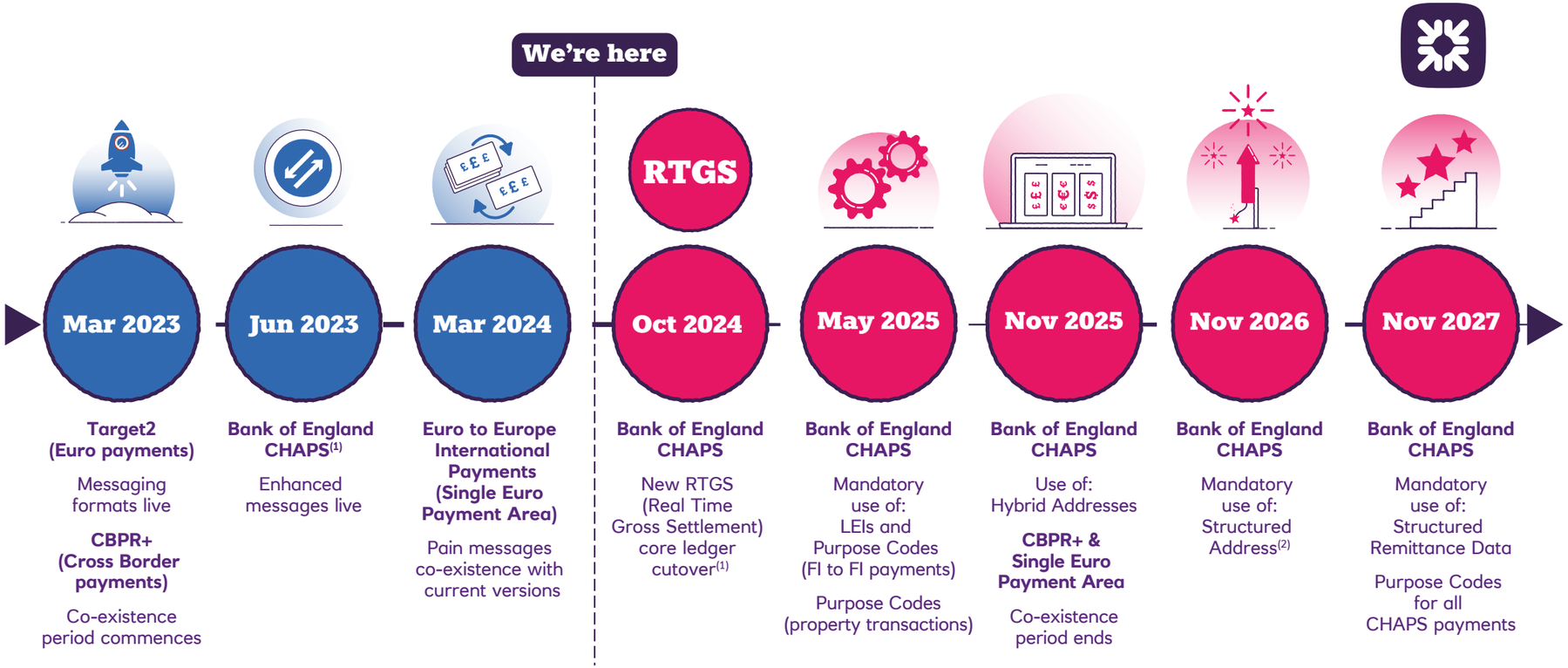
Navigating the Industry Timeline

A lot has happened in ISO 20022 over the last year with more to come.
Check out the timeline below.

Timeline can change.

To keep up-to-date with our migration activity, check out our ISO 20022 webpage.

ISO 20022 Industry Timeline



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

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Spotlight on our channels

If you're a SWIFT user
(Including SWIFT Corporate)

- Payment-related message formats and advices will be available on the NatWest Group, ISO 20022 Community Page within SWIFT MyStandards from Q4 2024.
- Formats will be identified by different 'collection names' (these will be communicated when available).
- Reporting formats are already available to view on our ISO 20022 Community page.

If you're a Bankline Direct user:

- Latest ISO 20022 XML format guides and generic sample messages available for pacs.008, pacs.009, pacs.002, pain.001 (with Enhanced data for SEPA Credit Transfer and CHAPS) and pain.002
- ISO 20022 XML version of camt.052 and camt.053 formats available on NatWest Group, ISO 20022 Community Page within SWIFT MyStandards from end-July 2024.
- Ability to send you ISO 20022 XML camt.052, camt.053, camt.054 advices.

A **SWIFT MyStandards Community page access guide** is available now for Bankline Direct.

Check out the **Bankline Direct ISO 20022 adoption webpage** which includes FAQs.

If you're a Bankline user:

- Delivered support for pain.001v.9 including Enhanced data and Structured address for SEPA Credit Transfer.
- Further edition of our pain.001v9 guide to be released, including changes required to importing payments that will apply from November 2024.
- Currently working on guides for pacs.008 and pacs.009 messages.
- Our proprietary CSV format will be extended to include mandatory data.
- File import format will also be made available via NatWest Group, ISO 20022 Community page within SWIFT MyStandards from Q4 2024.
- Plan to expand Enhanced data in camt.054

To find out more about ISO 20022 in Bankline, check out our **Help site.**

Mark Coupland
Senior Product Owner, Bankline

"ISO 20022 is an exciting change that will truly transform how payments are made across the globe. Within the Bankline team we're initially focused on helping customers through the transition. There are also a host of new possibilities that we will be looking to leverage to deliver value-add enhancements."

Make sure your technical teams and third-party vendors are aware of the updated formats on the **NatWest Group, ISO 20022 Community Page within SWIFT MyStandards** to impact assess the required changes.

Our ISO 20022 Migration Managers are here to support you through your adoption of the ISO 20022 formats. Email **iso20022.migrationmanagers@natwest.com**

Did you know that our API channels are fully ISO 20022-compliant with real-time payment services? For more information contact the ISO Support Team. Email **ISOSupport@rbs.co.uk**

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More on SWIFT Reporting

In September 2022, we provided you with a dedicated brochure outlining the changes to SWIFT Reporting.

At that time we also made all the new MT and camt formats available on our NatWest Group, ISO 20022 Community Page within SWIFT MyStandards.

We detailed the specific changes to the format for MT message types within the **SWIFT Reporting brochure** to make sure that you were aware of the changes and had the necessary time to review them against your own systems.

We also took this opportunity to make enhancements for greater customer flexibility:

- Giving you the ability to send up to 5 different SWIFT BIC addresses
- A Flexible Account Identifier Field (Field 25 in the MT format) – IBAN or BBAN.

Originally, we were planning to complete the migration during 2023. However, we decided to invest more time to make sure that the new system (SGS – Statement Generation System) was fully ready for the upcoming migration.

Check out our new timeline below.

Migration time line

June/July 2024

Live Proving complete

August 2024

Migration Tranche 1 re-commence – UBNI customers

September 2024

Migration Tranche 2 re-commence – RBS & NW customers

The migration of customers to SGS for MT format will be on a like-for-like basis using the data/information you currently hold, taking into account the changes already highlighted in the **SWIFT Reporting brochure**.

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Some key things to remember:

- For MT format-based SWIFT Statements, the sending of BIC will remain as is today:
  - **NatWest – NWBKGB3CXXX**
  - **RBS – RBOSGB2LXXX**
  - **UB NI – ULSBGB2BXXX**
- For RBS & UBNI customers there's a change to how we charge for the SWIFT reporting service to match NatWest customers. An invoice will be produced and sent to you before the debit is taken from your account. To enable this, charging a Direct Debit Mandate will need to be completed, signed and returned to us. We'll be in touch to arrange this.

As part of SWIFT Standards 2024 all SWIFT members have been advised that they must be able to receive the replacement MT190/MT191 charging message types (camt.105 & 106) and an RMA 'bootstrap' exercise will be performed in September 2024 by SWIFT to ensure ISO 20022 RMA relationships are updated to reflect these new message types

We'll be able to receive the replacement message types but only in single format – at this stage we are not able to support bulk charging messages.

We'll provide a further update on when we intend to introduce this functionality in the next ISO 20022 brochure.

We'll let customers receiving MT format-based SWIFT reporting into their own SWIFT BIC address know when their migration will start.

If you have any queries, please contact us at ISOSupport@rbs.co.uk

We highly recommend that all customers who receive MT SWIFT Statements direct to their own SWIFT BIC address revisit the detailed tables within the SWIFT Reporting brochure. It's also a good idea to take a look at the new MT formats on the NatWest Group ISO 20022 Community Page within SWIFT MyStandards.

"

Inez Hallifax

Senior Product Owner

"ISO 20022 – what a journey it has been so far!

All of us have a common goal to deliver a new standard that works for Banks and customers. It's still a privilege to be involved and I'm looking forward to leveraging the benefits and faster innovation that this standard brings.

It will enable us to develop new improved customer propositions and increase payment transparency with less exceptions and investigations due to the richer information available."

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Spotlight on ISO 20022 payment formats

What's a pacs.008?	What's a pacs.009?	What's a pacs.002?	What's a pain.001?	What's a pain.002?
An FI to FI Customer Credit Transfer, part of the Payments Clearing & Settlement Message Definitions within the Payments & Cash Management Business Domain. A pacs.008 is sent by the debtor agent to the credit agent directly or through other agents and/or a payment clearing or settlement system and is used to move funds from a debtor account to a creditor.	The FI Credit Transfer, part of the Payments Clearing & Settlement Message Definitions within the Payments & Cash Management Business Domain. A pacs.009 is sent by a Debtor FI to a Creditor FI, directly or through other agents and/or a payment clearing and settlement system.	Sent by the Instructed Agent to the previous party in the payment journey and used to inform that party about the positive or negative outcome of the payment instruction. It's also used to report on any pending instruction.	The Customer Credit Transfer Initiation message is sent from the initiating party to the debtor agent.	Customer Payment Status Report
What does it replace	**What does it replace?**	**What does it replace?**	**What does it replace?**	**What does it replace?**
The pacs.008 is the equivalent of an MT103/MT103+ and MT103 Remit message types.	The pacs.009 is the equivalent of an MT202. The pacs.009 is also used as a cover message used to settle a pacs.008 and is called the pacs.009 COV, which is the equivalent of the MT202COV.	There's no equivalent MT.	The pain.001 is the equivalent of an MT101.	The pain.002 is the equivalent of an MT198
What's the pacs.008 used for?	**What's the pacs.009 used for?**	**What's the pacs.002 used for?**	**What's the pain.001 used for?**	**What's the pain.002 used for?**
• Commercial payments • Cross-border/international payments	• To move monies from a debtor account to a creditor where both the debtor and creditor are Financial Institutions • As a cover message for settlement of pacs.008 • Treasury payments • Cross-border/international payments	The pacs.002 can also be used as a rejection message.	It's used to request movement of funds from the debtor account to a creditor.	This message is used to inform the previous party in the payment chain about the positive or negative status of an instruction.

Who's involved in the payment journey?

Party	MT103	Party	pacs.008
	Ordering Customer		Debtor
	Ordering Institution		Debtor's Agent
	Intermediary Institution*		Intermediary Agent 1*
	Account with Institution		Creditor's Agent
	Beneficiary		Creditor

*There may be more than one Intermediary Institution or Agent in a payment journey

pacs.008/pacs.009/pacs.002/pain.001 message formats (ISO 20022 XML versions) are now available to view and test on NatWest Group, ISO 20022 Community Page within SWIFT MyStandards.

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More about Enhanced data

CHAPS rules for the use of Enhanced data are mandatory from May 2025. From this date, you're required to include Purpose Codes and LEIs (FI to FI) in CHAPS payments (pacs.008 messages and pacs.009 messages). Examples of where these will go are detailed below.

SWIFT have mandated the support of extended ISO 20022 XML tags on CBPR+ from the end of the co-existence period in November 2025.

> **Daniel Hill**
> **Programme Manager**
>
> "ISO 20022 will unlock incredible benefits for customers as well as powering technology transformation across the entire payments landscape. The enhancements of increased speed, interoperability and improved Straight through Processing will be experienced for years to come."

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Understanding Purpose Codes

Purpose Codes will become mandatory for all payments between financial institutions and property-related transactions from May 2025. All other Purpose Codes will be mandatory from November 2027.

The Purpose Code field in ISO 20022 payment messages will allow payment originators to input a specific code to denote the reason for the payment.

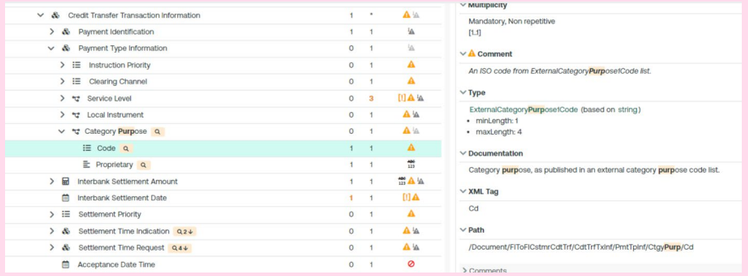
Using Purpose Codes when you're making payments can help participants and their customers identify what a payment is used for. The use of Purpose Codes will drive interoperability for ISO 20022 payments.

Here's the list of property-related Purpose Codes to be used from May 2025.

Purpose Code	Classification	Name	Description
HLRP	Finance	Property Loan Repayment	Transaction is related to a payment of a property loan
HLST	Finance	Property Loan Settlement	Transaction is related to the settlement of a property loan
PLDS	Finance	Property Loan Disbursement	Payment of funds from a lender as part of the issuance of a property loan
PDEP	Finance	Property Deposit	Payment of the deposit required towards purchase of a property
PCOM	Finance	Property Completion Payment	Final payment to complete the purchase of property
PLRF	Finance	Property Loan Refinancing	The transfer or extention of a property financing arrangement to a new deal or loan provider, without change of ownership of property

Check out the full UK recommended Purpose Code list which becomes mandatory from November 2027.

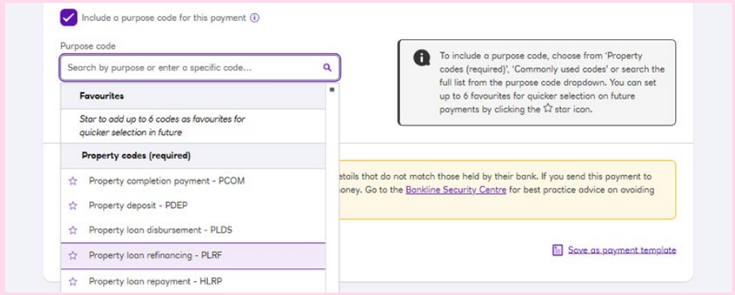
Where do you insert Purpose Codes in a Bankline Direct payment message



Where do you insert Purpose Codes in a Bankline payment message?

Additional screens will be added to Bankline to support the use of Enhanced data. Pop-up screens will also provide guidance on the exact information you need to use.

Check out the Bankline example screen below.



Bankline screen changes available from November 2024 (subject to change).

We'll continue to process payments where we feel a property-related Purpose Code is missing from the message (e.g. an overseas Correspondent Banking client payment).

SWIFT Payment-related message formats will be available with Purpose Codes on the NatWest Group, ISO 20022 Community Page within SWIFT MyStandards from Q4 2024.

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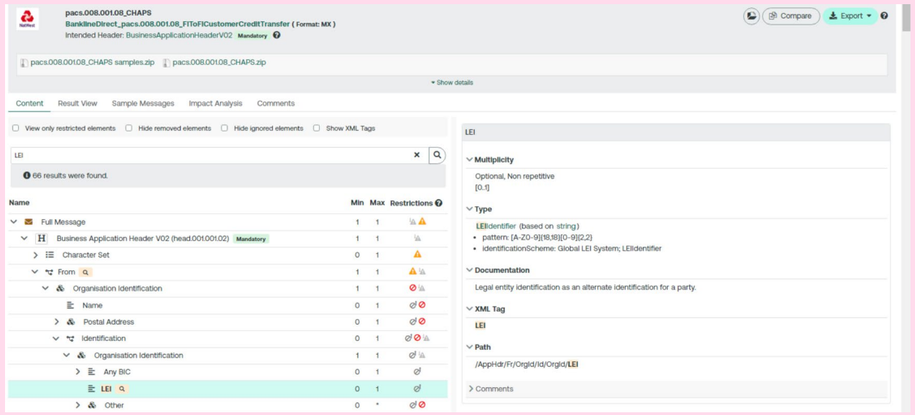
Understanding Legal Entity Identifiers

LEIs (Legal Entity Identifiers) will become mandatory from May 2025, initially for FI to FI payments only. Other originators might be mandated to use LEIs from November 2027.

LEIs are 20-character, alpha-numeric codes based on a global standard to uniquely identify any legally distinct entity that is party to a financial transaction. The global database of LEIs is free-of-charge and publicly available. It contains a rich source of contextual info about the legal entity such as name, address, company numbers and information on the ownership structure. The use of LEIs comes with several benefits, including making efficiency and productivity improvements in the areas of compliance and fraud screening, risk reporting and payments processing. A widely used global identifier also offers possibilities for the creation of innovative new products and services.

Where do you input LEIs in Bankline Direct?

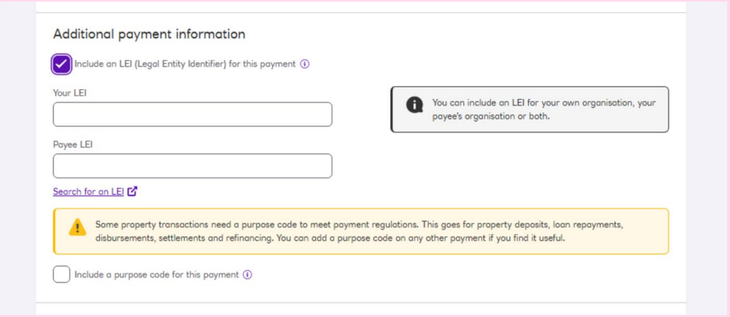


In line with the Bank of England's policy statement, FIs are defined as PRA-authorised deposit-takers or broker-dealers, or Financial Market Infrastructures supervised by the Bank of England.

Where do you input LEIs in Bankline?

Once you're logged into Bankline to make a payment or transfer, you'll be prompted to add your LEI, your payee's LEI or both.

Check out the Bankline example screen below:



Bankline screen changes available from November 2024 (subject to change).

For more information on LEIs, visit the **Global LEI webpage**.

SWIFT payment-related message formats will be available with LEIs on the NatWest Group, ISO 20022 Community Page within SWIFT MyStandards from Q4 2024.

Although CHAPS payments won't be rejected if a payment has incomplete or inaccurate Enhanced data (Purpose Code & LEI) before November 2027, the Bank of England will monitor and control their correct usage.

The Bank of England will review message compliance against CHAPS rules on Enhanced data as part of its assurance process. It will take appropriate follow-up actions where there are breaches of mandatory Enhanced data fields with Direct Participants.

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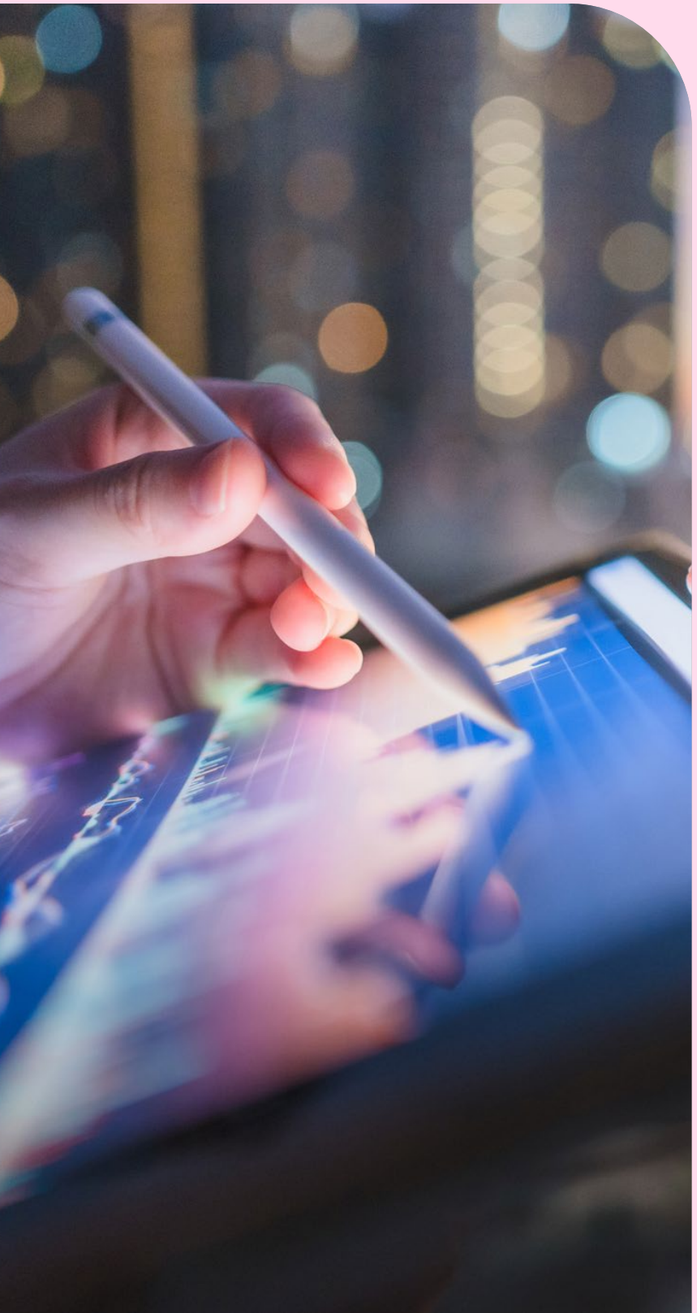
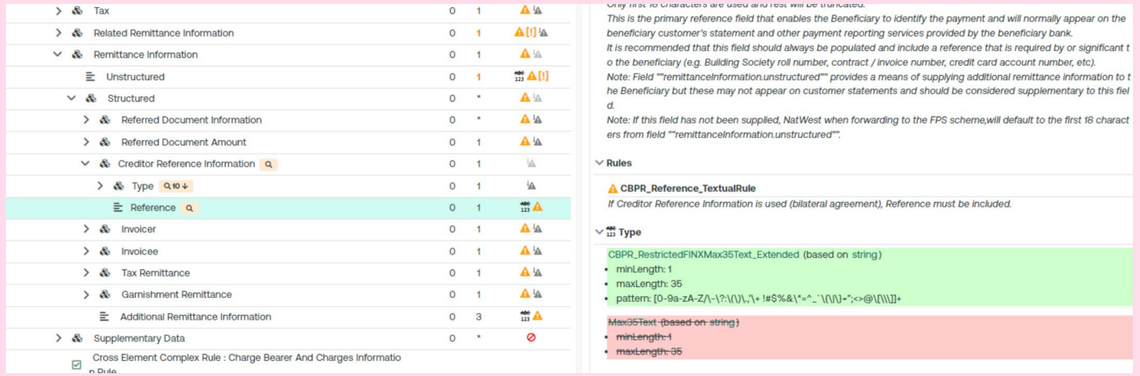


Understanding Structured Remittance

Structured Remittance will become mandatory from November 2025 (according to current Industry deadlines).

The ISO 20022 format has an element with a detailed structure for remittance information. The MX message contains several possible source elements in which you can enter MT remittance information, including Ultimate Debtor, Ultimate Creditor, Purpose Code, End-to-end Identification and related Remittance Information.

Where do you input Structured Remittance information in Bankline Direct?



From November 2025, the Bank of England will mandate that remittance information included in the pacs.008 for CHAPS payments must be structured.

From November 2027, the Bank of England mandates that pacs.009 COV underlying customer credit transaction must include any structured remittance provided in the underlying pacs.008.

SWIFT and Bankline payment-related message formats will be available with Structured Remittance information on the NatWest Group, ISO 20022 Community Page within SWIFT MyStandards from Q4 2024.

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Understanding Structured Addresses

Structured Addresses will become mandatory from November 2025.

After then, a 'hybrid' address will be enabled where an address can be included, but fully structured addresses will be encouraged.

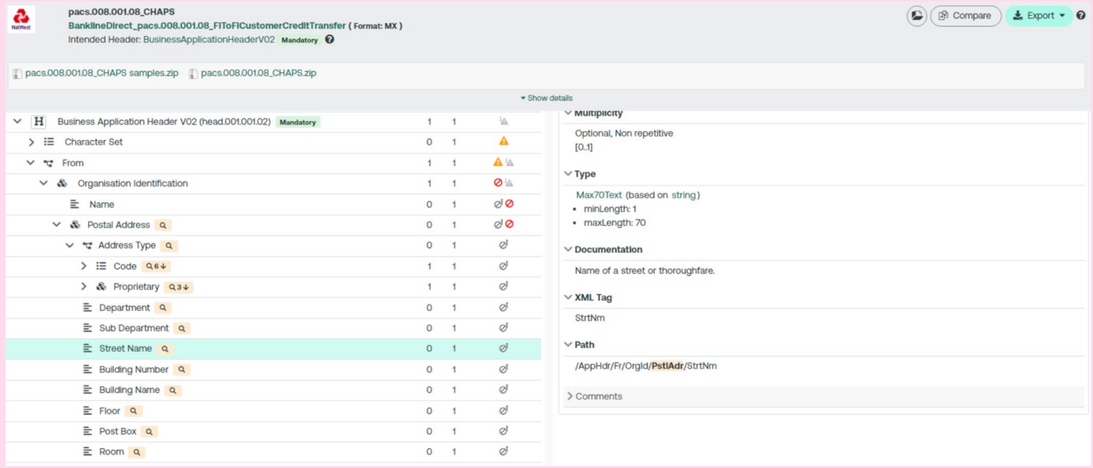
SWIFT and Bankline payment-related message formats will be available with Structured Address information on the NatWest Group, ISO 20022 Community Page within SWIFT MyStandards from Q4 2024.

Using Structured Addresses has benefits across many areas.

Financial crime and compliance	Customer experience	Innovation and customer propositions
Simplified, more accurate screening for purposes such as sanctions monitoring. A Building Name where a sanctioned country is used purely by co-incidence (i.e. Libra Cuba House) could result in a false positive. In the Structured Address, the Building Name field would not be used, resulting in a false positive – saving the payment from delay.	Reduced ambiguity in address information, resulting in fewer exceptions and investigations and enhanced STP rates.	Access to detailed demographic data of who is using our services, where and what for. Analysis of the data could support evolving customer propositions, enabling rapid responses to changes in customer trends.

From November 2026, unstructured addresses will be rejected. Hybrid and structured addresses will continue.

Where do you input Structured Address information in Bankline Direct?



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Unstructured vs. Structured Address data

Unstructured and Structured Address data in a SWIFT MT103 vs. ISO 20022 XML pacs.

Example of unstructured vs. structured data for MT103

Unstructured data

Example: MT103 SWIFT

```
:50K:/BE30001216371411
JOHN SMITH
HOOGSTRAAT 6
PREMIUM TOWER
1000 BRUSSELS, BELGIUM
```

- Name and address lines 1 – 4 (unstructured test string)

Structured data

Example: MT103 SWIFT

```
:50F:/BE30001216371411
1/JOHN SMITH
2/HOOGSTRAAT 6
2/PREMIUM TOWER
3/BE/1000 BRUSSELS
```

- Name
- Address
- ISO country code
- Postal Code / City / town

Example of unstructured vs. structured data for pacs.008

Unstructured data

Example: pacs.008 with structured address elements

```
<Dbtr>
  <Nm>JOHN SMITH</Nm>
  <PstlAdr>
    <AdrLine>HOOGSTRAAT 6</AdrLine>
    <AdrLine>PREMIUM TOWER</AdrLine>
    <AdrLine>1000 BRUSSELS, BELGIUM</AdrLine>
  </PstlAdr>
</Dbtr>
```

- Name
- Address lines 1 – n (unstructured test string)

Structured data

Example: pacs.008 with structured address elements

```
<Dbtr>
    <Nm>JOHN SMITH</Nm>
    <PstlAdr>
        <StrtNm>HOOGSTRAAT</StrtNm>
        <BldgNb>6</BldgNb>
        <BldgNm>PREMIUM TOWER</BldgNm>
        <PstlCd>1000</PstlCd>
        <TwnNm>BRUSSELS</TwnNm>
        <Ctry>BE</Ctry>
    </PstlAdr>
    <Id>
        <OrgId>
            <LEI>HB7FFAZI0OMZ8PP8OE26</LEI>
        </OrgId>
    </Id>
</Dbtr>
```

- Name
- Street Name
- Build Number
- Build Name
- LEI (Legal Entity Identifer)
- Postal Code
- Town name
- ISO country code

> "What ISO 20022 essentially does is introduce a single banner of high-quality data and put it into a standardised structure. It will solve transactional issues relating to areas such as payments, foreign exchange and reconciliation, delivering greater standardisation which will make payments globally matter to our clients and their service providers."
>
> **Matt Bausor**
> **Head of Bankline Direct**

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Useful links

SWIFT Payments Market Practice Group

Keep up-to-date with all the latest SWIFT documentation

Bank of England – mandating Enhanced data in CHAPS

> **Adam Hanke**
> **Managing Director, Banks Coverage – Transaction Banking Financial Institutions**
>
> "It's been great to see the intensity of dialogue and collaboration across the industry as we approach more milestones in the delivery of ISO 20022 across the transaction banking landscape.
>
> The level of focus and investment to take the payments eco-system to a new level has been gargantuan and it's been a privilege to have a ringside seat. Our commitment to continue working with clients, partners and colleagues is undiminished and I look forward to continuing this journey."

Contact and support

Got a question?

Use our dedicated ISO 20022 email address below. When sending your queries, please ensure you provide details of the service(s) you use with NatWest Group.

ISOSupport@rbs.co.uk

rbs.co.uk/business/support-centre/iso-20022.html

You can call our ISO 20022 dedicated phone line on

0345 246 4401

Relay UK 18001 0345 246 4401

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