

# Leveraging ISO 20022 to Further Global Standardization

## Afinis Interoperability Standards

Afinis Interoperability Standards seeks to advance API standardization and other financial services standards to increase efficiency, innovation and interoperability in the industry. As such, Afinis leverages the ISO 20022 standard, when possible, in the creation of APIs.

## Published APIs

- **Account Validation** ensures target accounts are valid and payments are posted as desired.
- **Get Bank Contact Information** allows originating financial institutions to quickly alert receiving financial institutions of potential fraud to help ensure funds are not distributed.










## APIs Planned for 2019

- **Get Transaction Status** allows an Originator of a transaction to check the status of a submitted payment instruction.
- **B2B Payments Interoperability** allows a company to obtain correct payment information and remittance requirements to pay another company.
- **Initiate Payment** allows businesses to submit payment instructions without having to access multiple systems and track scheduling.



## Characteristics of ISO 20022 Messages

ISO 20022 provides many characteristics supporting standardization, efficiency and interoperability.

-  Use XML or JSON, modern software languages that are human readable and easier to learn
-  Opportunity for facilitating STP with structured data
-  Modern programming language
-  A single payment instruction for multiple payment types
-  Flexibility in data formats and field definition
-  Opportunity to improve field length restriction and data truncation issues
-  Additional identification of data elements helps with regulatory compliance
-  Interoperability with cross-border payments
-  End-to-end payment tracking



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# ISO 20022: A Global Messaging Standard

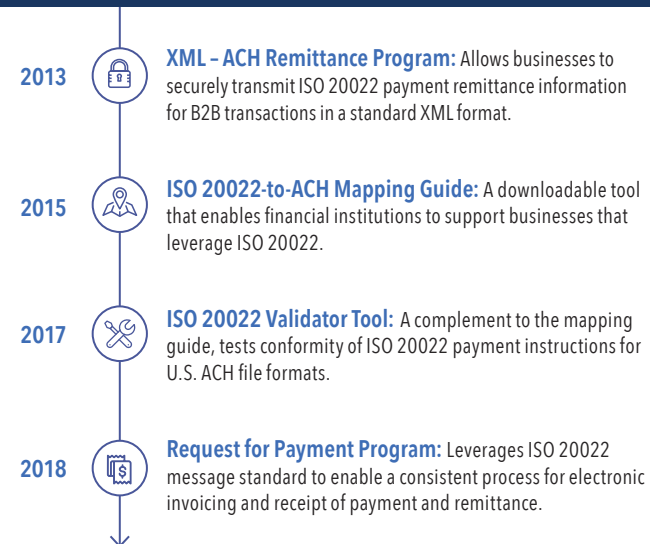




## Integration

Integration involves developing tools and solutions that allow ACH users to leverage the ISO 20022 payment message standard for both electronic payments initiation and remittance without making changes to the current U.S. ACH formats and with the support of the NACHA Operating Rules.

### CONTINUED INTEGRATION IN THE ACH NETWORK



**NACHA is leading efforts to encourage and promote ISO 20022 integration in the U.S.**

ISO 20022 is a way to potentially standardize messages across various payment types. NACHA will continue to convene diverse stakeholders to help the industry develop a greater understanding of ISO 20022, while also engaging with ACH Network participants to develop case studies and assess industry needs on an ongoing basis. As such, it is important that financial institutions and other Network users take steps to better understand the ISO 20022 standard and its implications for the payments industry.



## Migration

Migration involves replacing the proprietary message formats for the Fedwire Funds Service and the CHIPS wire transfer system with message formats based on a global standard. This can improve payment processing efficiency and promote interoperability among high-value payment systems around the world.

### FEDWIRE® FUNDS FUTURE IMPLEMENTATION TIMELINE



\*SWIFT will facilitate an industry migration of cross-border payments and cash management messages (MT categories 1, 2, and 9) to ISO 20022. The start date is aligned with the high-value payments systems in the Eurozone currently scheduled for November 2021, which will be a similar timeframe and approach to the U.S. and UK payment market infrastructures.

\*NACHA continues to work with high-value wire operators to try to ensure that the ACH ISO mapping and remittance information is as consistent as possible.



## Built on ISO 20022

The newest immediate payment system in the U.S. is built on the ISO 20022 standard. RTP is designed to be flexible and to support extensive data and an array of messages.

### THE CLEARING HOUSE REAL-TIME PAYMENT MESSAGES

