

ISO 20022

Shaping the future of payments

JOIN THE TRANSFORMATION JOURNEY IN CROSS-BORDER PAYMENTS.

BNY Mellon's ISO 20022 Cash Program

As a leading provider of USD-Clearing services, as well as EUR and GBP payments, BNY Mellon needs to adapt its systems to be able to support all payment message formats that are available in the various market infrastructures we use, most notably SWIFT, T2, CHIPS, Fedwire and CHAPS.

Guiding Principles of BNY Mellon's Adaptation Plan

To manage this major industry change, BNY Mellon has developed an enterprise-wide transformation program that spans multiple lines of business and geographies, and is comprised of experts across multiple functions in the business, operations and technology areas.

We are looking to develop solutions that bridge the co-existence phase when SWIFT and local payment market infrastructures may be operating on different schemes. We will also provide you with as much flexibility as possible to manage the transition at your own pace. To this effect, you can choose whether you want to continue instructing using SWIFT FIN MT payment messages or would like to switch to MX messages.

Our program also focuses on reaping the benefits that ISO 20022 brings in terms of compliance and message screening (e.g., through transmitting all originator and beneficiary identification details) We also want to maximize compliance with industry standards such as the CBPR+ guidelines (e.g., by enforcing the use of structured data for our client data entry portals). Underpinning all of this is our objective to maintain the highest straight-through- processing rates possible.

High-Level Milestone Plan

BNY Mellon's multi-year program, which is closely aligned to the market infrastructure timelines, is divided into multiple phases. While timelines and milestones are set by the payment market infrastructures, there is some discretion that can be exercised in relation to implementations for statement messaging or handling of queries and investigations. Our program plan reflects this.

Phases	Planned live date
Phase 1 – EUR T2/T2S SWIFT / Cross border payments (CBPR+)	November 2022
Phase 2 – GBP Bank of England RTGS renewal	November 2022
Phase 3 – HKD (CHATS) USD - CHIPS	October 2023 November 2023
Phase 4 – Statements (CBPR+ compliant)	2023/2024
Phase 5 – Queries (CBPR+ compliant)	2023/2024
Phase 6 – USD Fedwire	2025

In terms of the mandatory milestones, Phase 1 focuses on delivering the capability to connect to the new T2 real-time-gross-settlement (RTGS) service on the consolidated TARGET platform in the HVPS+ format, as well as the functionality to support CBPR+ guideline messages on the SWIFT network whether these are received from our clients, our cash correspondents or debtor agents in the correspondent banking model. This functionality will be defined, delivered and tested in time for the big-bang market conversions.

Subsequent to this first phase, we will support migration of the CHAPS infrastructure to enhanced ISO200222 in April 2023 followed by transitions of the HKD payment market infrastructure CHATS and The Clearing Houses's CHIPS platform in the fall of 2023.

Phase 4 looks to generating cash statements and debit/credit confirmations for our clients in the MX format. We will also deliver functionality in relation to queries and investigations in the course of phase 5 with a timeline that is similarly informed by developments lead by SWIFT in this space and readiness or demand of our client base.

Phase 6 is dedicated to the second US market infrastructure, when the Federal Reserve Bank will start using ISO 20022 messaging for Fedwire.

As part of our comprehensive ISO 20022 program, communications, training and testing have been given priority. Our goal is to:

- Keep you informed of not only what BNY Mellon impacts (e.g., service changes, phase alterations), but also market infrastructure changes and industry-wide discussions such as solutions to the co-existence issues.
- Exceed your expectations for training where our services and solutions would materially change due to this undertaking.
- Fully support your own adaptation plans, we are evaluating our testing support offering and welcome your feedback.
- For the time being, we recommend you visit the [SWIFT Readiness Portal](#), which allows for the testing of your messages against the CBPR+ guidelines.

ABOUT BNY MELLON

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