



Migration to **ISO 20022**

Everything you need to know
about the changes.

TOMORROW BEGINS TODAY

Introduction

Last year we released the first and second instalments of our ISO 20022 brochure series.

In 'ISO 20022 is coming' we provided a detailed introduction to the changes.

Later in the year we went into more detail about what ISO 20022 means to you, the benefits and payment channel impacts in 'Preparing for November 2022'.

During your ISO 20022 journey with us, we'll be keeping you up-to-date on all the latest developments, any scheme-related changes, testing, channel and message impact updates.

We'll also be putting the spotlight on our ISO 20022 Advices & Reporting approach.



Keeping ahead of the changes

ISO 20022 will bring customers payments faster based on straight-through-processes, streamlined account management inquiries and structured data that will help to tighten financial crime controls. It will also reduce data truncation, delayed processing and overall losses in efficiency.

We realise that our customers will be moving at different speeds, and while ISO 20022 will bring many long-term benefits, there will also be some short-term challenges along the way at the end of 2025 you should start to see all the benefits of ISO 20022 as all banks around the world will be using the new standard.

This brochure will help you to understand the key elements of ISO 20022 and mitigate some of its more challenging impacts.



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Latest developments and scheme updates

NatWest Group customer vision

By moving to a modernised and simplified payments system, we can help customers take advantage of all the opportunities ISO 2022 XML offers.

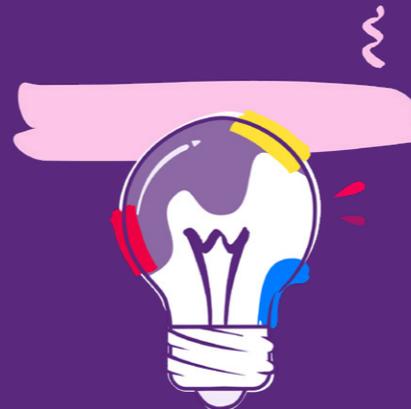
We'll make sure that our systems, processes and products meet customers evolving needs, while also providing the best possible customer experience.

As a result, customers will enjoy dynamic, seamless payments using the latest technology in payment processing.



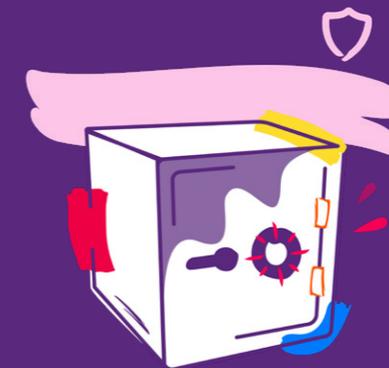
Simpler

By standardising payment processing across our product offering, customers will experience an increase in straight-through processing with the benefit of greater interoperability.



Smarter

ISO 2022 gives customers the opportunity to increase their automation of reconciliation processes and develop innovative services.



Safer

ISO 2022 provides richer data content and standardised messages to make your payment instructions more resilient and secure, helping to reduce fraud and costs.

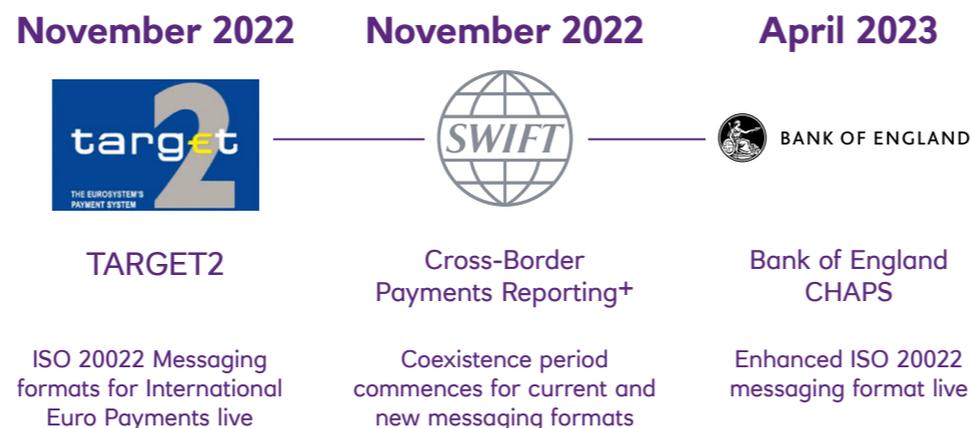


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Industry updates

There has been no change to the approach or November 2022 live dates for TARGET2 and CBPR+. However, the Bank of England has now moved their live date for CHAPS to April 2023 for enhanced ISO 2022 formats.



Have you seen the Bank of England communications on our webpage explaining the new timeline?

Search 'Summary of changes to the Bank's ISO 2022 migration announced January 2022'.

CHAPS

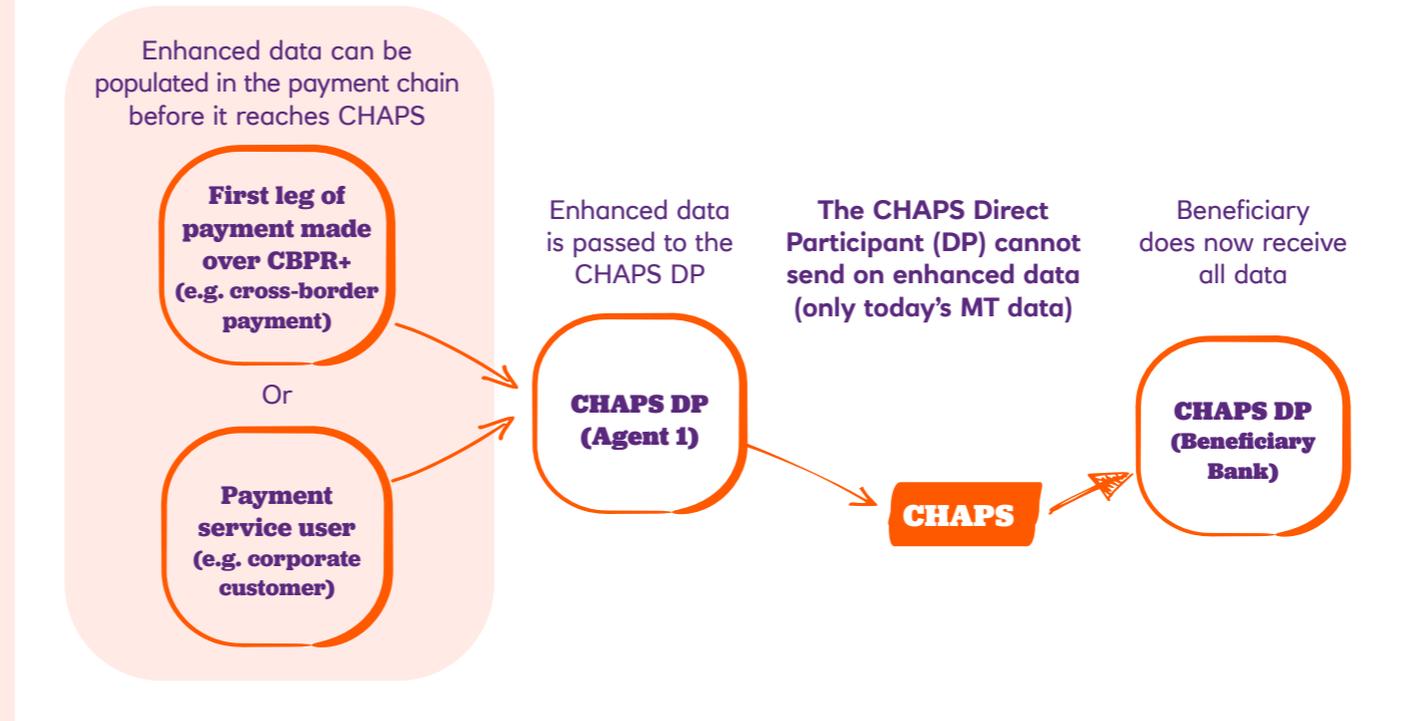
For CHAPS the transition to the ISO 2022 messaging standard for sterling-denominated customer payment messages containing enhanced data may be subject to data truncation when transmitted via the CHAPS Scheme.

This period is expected to be limited to approximately six months from November 2022 to April 2023.

Direct CHAPS Scheme Members will not be able to transmit enhanced ISO 2022 data until April 2023. They may choose to introduce their transmission capability after that date.

Our recommendation is that customers should continue to send the same amount of information as they do now in Sterling-denominated payment instructions until April 2023.

For further information on the Bank of England's CHAPS migration to ISO 2022, including the revised timetable announced in January 2022, please visit: www.bankofengland.co.uk/payment-and-settlement/rtps-renewal-programme/consultation-on-a-new-messaging-standard-for-uk-payments-iso2022



Enhanced data

Any enhanced data included in Sterling-denominated instructions before April 2023 may be subject to truncation. This may result in payment delays, potentially impacting straight-through processing or requests from creditor banks asking for missing data before final credit is achieved.

It's particularly relevant if you send instructions like these via SWIFT or use ISO 2022-compatible software to create instructions (either now, or at any point prior to April 2023).

When SWIFT goes live with ISO 2022 (FINplus), any SWIFT participant will be able to send and receive enhanced data. This might include additional data or new fields that are beyond what can be carried in the current MT messages to or from another SWIFT participant. It is therefore possible that GBP payments that originate from correspondent banking relationships might contain additional, enhanced data that CHAPS cannot yet process.

For the purposes of this truncation risk issue, enhanced data can be defined as:

- Any data that is over and above the current limit for an MT message transmitted via the FIN network. This can include data such as: ultimate debtor, ultimate creditor, instruction for Creditor Agent, Instruction for Next Agent, and Regulatory Reporting.
- Any element or field where more information (i.e. characters) is included in the message than the character limit specified in the current MT message.

Full details on which fields are prioritised, and which may be omitted or truncated, is provided in the Technical Guidance on the Bank of England website. Search 'Bank of England technical resources for the migration to ISO 2022'.



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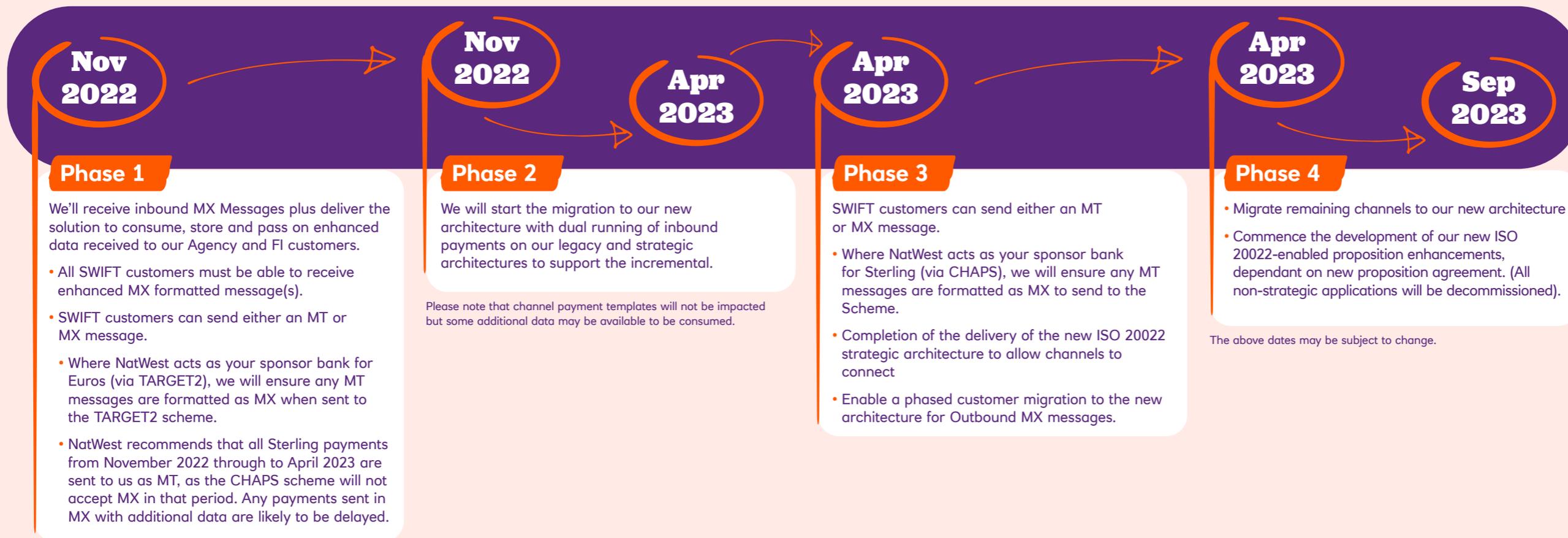


Migration strategy

Our ISO 20022 migration strategy is determined by the approach taken by the Scheme operators and regulators.

We will gradually introduce changes depending on your payment type and channel. To make sure that we meet our compliance and regulatory obligations, while also staying committed to supporting you through the change, our strategy is to deliver full ISO 20022 compliance through a series of deliveries.

The ISO 20022 changes will be delivered on a phased basis from November 2022. The changes and impacts can be broken down dependant on dates as follows.



Please note that channel payment templates will not change. However for inbound, some additional data may be available to be consumed.

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Testing

NatWest recommends the testing approaches listed below:



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1



SWIFT MyStandards

SWIFT MyStandards will be the main source of customer testing for NatWest Group. We currently use SWIFT MyStandards for all our customer onboardings and a full administration process and request point is already in place. This will be extended to include requests to access the ISO 2022 formats when available.

- SWIFT reporting services covering camt.052 and camt.053 formats. This will be available on NatWest SWIFT MyStandards from May 2022.
- SWIFT payment services covering pacs and remaining camt-based formats are in progress. They'll be communicated via the ISO 2022 Internet Sites when completed and available.

Our SWIFT MyStandards Instruction communication to support customers accessing the ISO 2022 formats will be available on our dedicated ISO 2022 Internet Site from May 2022. Customers can also start to test with messages using the SWIFT web application MyStandards CBPR+ Readiness Portal. This contains the up-to-date usage guidelines with access to the translation portals. This service is free to Financial Institutions and is available via www.swift.com

2



SWIFT Sparring Partner Tool (FIs only)

The Test Sparring Partner (TSP) is an automated testing facility that will support customers in their readiness testing of CBPR+ messages and flows. Playing the role of a fictitious institution on the FINplus Pilot service, it allows users to simulate flows as a Debtor, Creditor or Intermediary Agent for a set of pre-defined test scenarios.

TSP offers a comprehensive catalogue of test cases, allowing you to test the sending, receiving, and relaying of gpi, T2 and CBPR+ messages. SWIFT also provides the option to pay for an enhanced version of the tool that enables you to specify the message content rather than generic test messages.

SWIFT TSP is available to customers who are registered for the FINplus service. Users will need to subscribe to access this tool. Further details are available via the Knowledge Centre re TSP.

3



SWIFT InterACT (FINplus Service) (FIs only)

SWIFT InterACT delivers the SWIFT core, store-and-forward, message-processing service to support secure exchange of ISO 2022 messages between SWIFT members.

FINplus consists of three separate services:

- FINplus Pilot current
- FINplus Pilot future
- FINplus Live

In January 2022 SWIFT automatically provisioned eligible SWIFT BICs to the FINplus Pilot Future service. This gives you the ability to test in-flow translation (receipt of multi format MX messages) as part of your ISO 2022 testing plans.

Further information can be obtained from via the Knowledge Centre re FINPlus.

You must be registered for an account on swift.com to use the above links. Full instructions on how to register can be found via this [SWIFT login](#).

NatWest Group Testing Approach per payment submission channels

1

Bankline

Testing is not required for Bankline customers.

2

Bankline Direct

The testing approach for Bankline Direct Customers will be:

- SWIFT My Standards
- Penny Testing – in migrating customers to new (ISO) formats, our implementation team will support Bankline Direct customers. This will allow for optional penny testing to be conducted.

3

SWIFT Services

The testing approach for SWIFT customers will be:

- SWIFT My Standards
- SWIFT Sparring Partner Tool
- SWIFT InterACT FINplus

Spotlight on **SWIFT** Advices & Reporting

Our current plan

for Bankline/Bankline Direct/SWIFT Services Advices & Reporting

	Bankline	Bankline Direct	SWIFT Services
Advices*	<p>New ISO 2022 compliant fields added to advice screens and PDFs</p> <p>Enhanced Advice download capability. Retain existing Bankline MT advices remain available for download through Bankline</p>	<p>New ISO 2022 advices: camt.054</p>	<p>Retain existing advices proposition: SWIFT MT900/910</p>
Reporting*	<p>New ISO 2022 compliant fields added to statement and transactions (e.g., transaction search) screens and PDFs</p> <p>New ISO 2022 statements (extended Format CSV), available to download</p> <p>Retain existing statements Format CSV download</p>	<p>New ISO 2022 statements: camt.052v8, camt.053v8 formats (XML) made available to customers</p> <p>Retain existing statements: camt.052v2, camt.053v2, MT940, MT942, BAI2 and Bankline</p>	<p>New ISO 2022 reporting system supporting:</p> <ul style="list-style-type: none"> • provision of ISO 2022 format reporting • retention of existing MT reporting formats • Resolve the ability to send SWIFT reports to multiple BICs



The new core reporting platform will support all camt. reporting messages for all Commercial, Corporate and Financial Institution customers.

The system will also support legacy MT reporting message formats until the end of the CBPR+ co-existence period in November 2025.



Initial enhancements include:

- Multi BIC delivery
- Single billing approach across all entities
- Field 25 Domestic of IBAN content

Future enhancements including:

- Automatic resend of statements in required
- Enhance field usage
- Achieve and retrieval
- Reporting and MI by customer

SWIFT Reporting

As part of the NatWest Group ISO 2022 Programme a full review of the current SWIFT reporting systems and processes has been undertaken to ensure that the future proposition is consistent, flexible and efficient for customers.

A bespoke system, System Generation System (SGS) with its own Statement Administration System (SAS), has been designed for delivery prior to the November 2022 Target2/CBPR+ live date and will be able to support both the interim MT and future ISO requirements. Ongoing enhancements will feature as we look deliver additional functionality to meet industry changes and growing customer need.



We will continue to keep customers informed with any developments through our ISO 2022 Communications Programme and dedicated ISO internet sites.

ISO Reporting Formats will be available via our SWIFT MyStandards community page.

Format availability, migration activity and impacts will be communicated on a single customer basis.

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