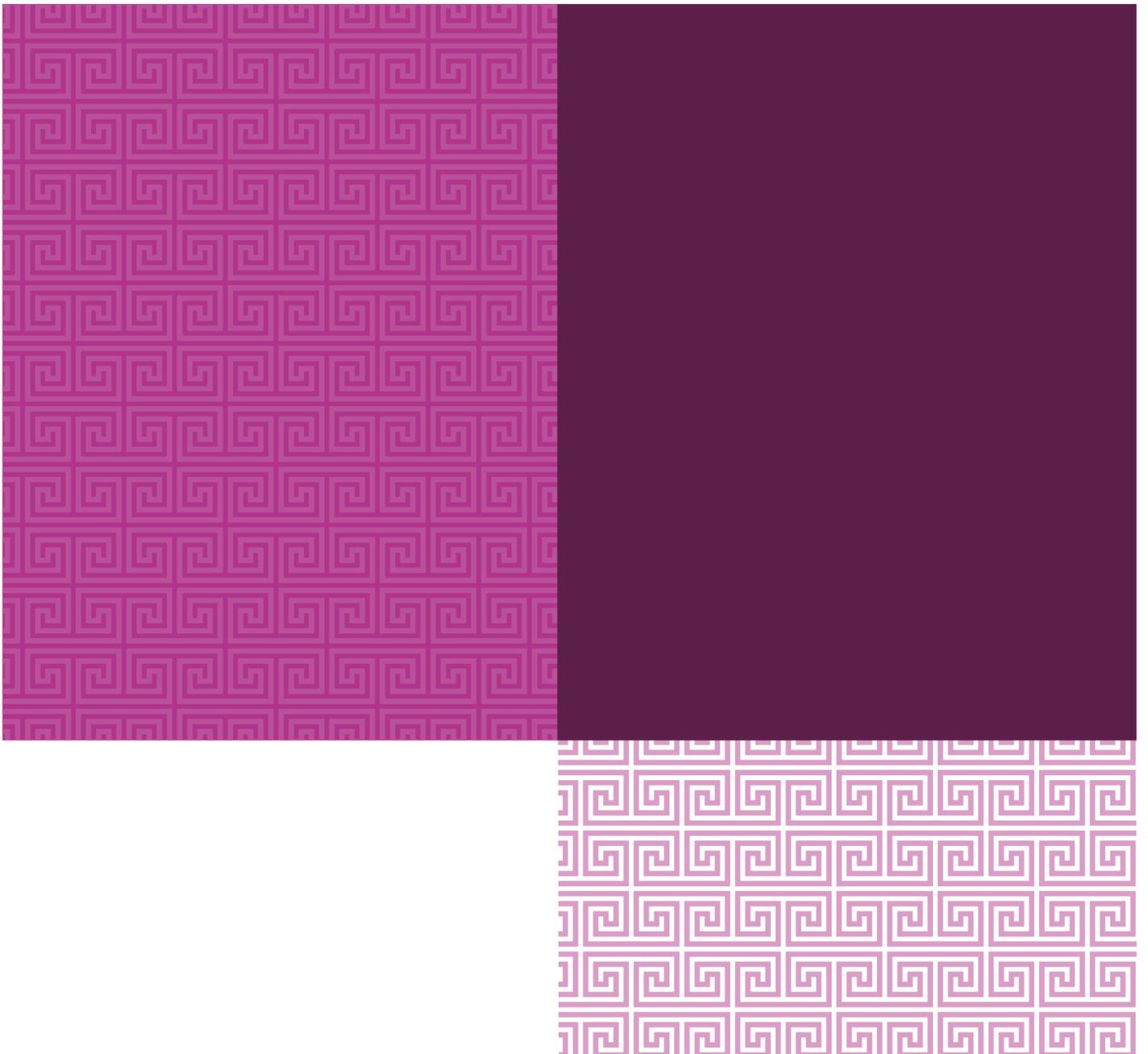




Information for RTGS account holders on transitioning to ISO 20022 messaging

December 2019



Transition to ISO 20022 messaging - Information for RTGS account holders

What is happening?

As part of our ongoing [Real-Time Gross Settlement \(RTGS\) Renewal Programme](#), we plan to replace our RTGS service in 2023. The new service will use [ISO 20022 messaging](#), a global standard for financial messaging being adopted by the payments industry worldwide, instead of the existing SWIFT MT messaging. In preparation for this change, the Bank plans to migrate CHAPS payments to ISO20022 messaging in 2022. **The Bank will also start to introduce ISO 20022 messaging for other forms of communication with RTGS from 2022. This will directly affect all RTGS account holders, including reserves account and settlement account holders. We expect RTGS to cease using MT messaging altogether in 2023.**

Benefits of ISO 20022 messaging standards

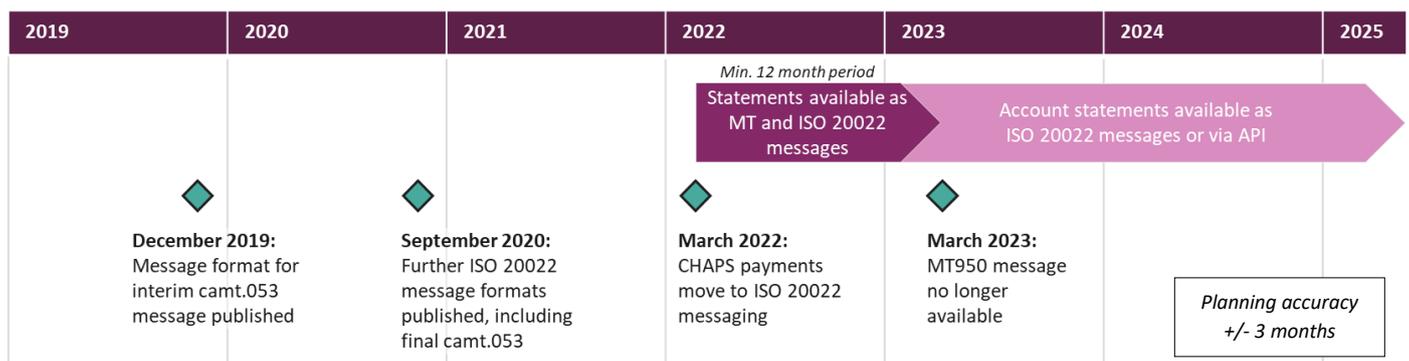
In line with major UK and international payment systems, the renewed RTGS will be moving to a new global messaging standard for payments, 'ISO 20022'. This standard sets out a common set of rules for exchanging payment information between financial institutions and related market infrastructures. It has a number of benefits:-

- *Richer data*: more information can be carried in each message, improving analytics and fraud detection.
- *Reduced risk*: the better structure of the message supports improved straight-through-processing, leading to better customer service and fewer delays.
- *Flexibility*: ISO 20022 messaging can be adapted more easily to changes in the wider payments environment, so will be more responsive to emerging technologies, promoting innovation in the financial sector.

What does this mean for me as an RTGS account holder?

For firms who choose to receive a daily account statement, the Bank sends these directly from RTGS as an MT950 message. These messages will be replaced by their ISO 20022 equivalent, the camt.053 message. Indicative dates for the key steps in this change are given below. Exact dates are dependent on other activities including the replacement of the core RTGS service.

- From March 2022, for a period of approximately twelve months, you will have the choice of receiving your daily statement as a camt.053 message, or continuing to receive an MT950 message.
- From March 2023, MT950 messages will be retired and daily statements will only be sent out as a camt.053 message.



- During 2023/2024, we will be introducing additional functionality. You will then be able to choose whether to also receive credit/debit advice message notifications (camt.054 messages) for individual credits and debits on your account.
- Throughout the change process, you will continue to be able to view your account balances via the Enquiry Link user portal, and through the new user portal once the renewed RTGS service is in place.
- If you are not ready to receive the camt.053 messages by the point the MT950 message is retired in March 2023, you may be able to build or buy a translator service to convert the camt.053 message into an MT950 message for use in your internal systems. However, once the new RTGS service is live, a camt.053 message will be able to contain much more information than an MT950 message can support, and will also contain some additional fields. In particular, if there is a significant amount of activity over your account on a particular day, the new service will send a single, larger camt.053 message, rather than multiple MT950 messages. This larger, richer message will not, therefore, translate directly back into a single MT950 message.
- We are also planning to make statement and other information available via Application Programme Interfaces (APIs). This service will be introduced at a later date, after the implementation of ISO 20022 messaging (therefore it will not be possible to directly transition from MT950 messages to APIs).

What do I need to do?

- **If you receive a daily statement directly from RTGS**, you will need to update your internal systems to be able to accept the new camt.053 message before March 2023.
- **If you receive a daily statement in another form via a service bureau** you will need to contact your provider to determine how you can ensure you continue to receive your statements. They will be aware of the changes we are making.
- **If you do not currently receive account statement information** on your reserves or settlement account, we would encourage you to consider obtaining it in the future, either as a camt.053 message or via an API, once available, to strengthen your reconciliation procedures.

What about CHAPS messages?

Direct Participants in CHAPS: More detailed information on the transition to ISO 20022 messaging for CHAPS, together with the message formats for the first part of the transition, is available in a separate document available on the [Bank's website](#).

Indirect Participants in CHAPS: To prepare for CHAPS messages moving to ISO 20022 messaging, you should ask your CHAPS settlement bank to provide you with more information on the plans they have in place for their customers. The changes you will need to make will depend on the type of interface that you have with your settlement bank, and how you provide them with your payments information.

More general information on how CHAPS messaging is changing can be found [here](#).

For more information

You can find more information on the [RTGS Renewal Programme](#) and the transition to the [ISO 20022 messaging standard](#) on our website. If you would like access to the CHAPS ISO 20022 message set and formats or if you have any comments or questions, please email RTGSRenewalEngagement@bankofengland.co.uk.