

ISO 2022 MIGRATION FOR THE AUSTRALIAN PAYMENTS SYSTEM – RESPONSES AND OPTIONS PAPER – RESPONSE TEMPLATE

Name/Organisation: Citibank

Organisation Category: RITS Member & FSS Participant

About these consultation questions:

The focus of these questions primarily relate to direct participants in Australian payments systems and will not apply to all that wish to respond to this public consultation. Notwithstanding this focus, the RBA and APC are open to receiving responses from all organisations (regardless of whether a response was submitted to the first Issues Paper in April 2019) and invite general comments in the last question.

2.2 Proposed project scope

1. Does your organisation agree with the proposed project scope, as set out in Section 2.2?

Yes

No

Citi is supportive of the defined ISO 2022 industry migration project scope to include:

- *the HVCS, which will continue to run as a separate clearing system using the SWIFT InterAct service with settlement occurring in RITS*
- *the development and introduction of ISO 2022 reporting, investigation, and reconciliation messages for the HVCS, similar to those used for NPP*
- *the use of agreed enhanced content (discussed further in Section 3)*
- *the development of appropriate ISO 2022 message usage guidelines for customer to FI and FI to customer messaging (with no compulsion for use)*
- *alignment with compliance obligations with regard to FATF and international funds transfer instruction (IFTI) requirements. Additionally, transition arrangements for AUSTRAC reporting during the migration period will need to be considered.*

2. Does your organisation support the introduction of an HVCS suite of investigation, dispute resolution, and reconciliation messages?

Yes

No

Should use of these messages be mandatory?

Yes

No

Consistency in standards and operating rules will be a key of measure success. This approach expands to operational practices related to HVCS suite of investigation, dispute resolution, and reconciliation messages. It is recommended technology design is not developed in isolation from operational needs (Learnings from NPP).

3.1 Summary of responses – Enhanced content

3. Does your organisation have any views regarding the use of structured data in payments messaging?

- Yes
 No

Builds on Response #2. A structured format allows our systems to code to rules. Note: There can be a free format requirements built into the ISO20022 standards (e.g. SWIFT Tag72 to a Payment Message PACS 009)

3.2 Proposed message design enhancements

4. Does your organisation support the proposed message design enhancements, as set out in Section 3.2?

- Yes
 No

Please explain your view.

Citi is supportive of the proposed message design enhancements, as it will aligns to our global Payments platform strategy, whereby providing consistency/certainty:

- incorporate the mandatory use of payment purpose codes, enhanced identity information and additional remittance information*
 - allow for the use of LEIs and IBANs*
 - align message usage guidelines with HVPS+ and CBPR+ guidelines where possible*
 - use structured data in accordance with CBPR+ guidelines*
 - adopt the 2019 version of the ISO 20022 standards for the duration of the coexistence phase of the domestic migration project*
 - include arrangements for ongoing management of ISO 20022 versions to provide certainty and align with domestic and international usage.*
-

4.1 Summary of responses – Migration strategy, timing and coexistence

5. Of the options canvassed in Box C, which domestic coexistence option(s) does your organisation support? Tick all that are applicable.

- Option 1 – Coexistence of separate SWIFT MT and ISO 20022 CUGs
 Option 2 – Coexistence of SWIFT MT and ISO 20022 CUGs and mandatory to receive ISO 20022
 Option 3 – Mandatory capability to send and receive ISO 20022

Please explain your view.

It would likely be our preference to run MT format in tandem with the ISO20022 format to allow the project horizon of 2024 to be achieved. We would expect to factor in contingencies to cater for different global deployment timelines and having to support both formats (MT and ISO20022) in production. Details will need to be worked through regarding option 3.

6. For organisations that use the RBA's AIF service, does your organisation have any initial views on the proposed high-level approach for the use of the RBA's AIF service during the coexistence phase?

Yes

No

In developing ISO 20022 messaging, this approach will align to Citi Global Real Time Payment applications, as these use the ISO 20022 format as well. Note: Details will need to be worked through.

4.2 Proposed migration approach

7. Does your organisation agree with the proposed migration approach (like-for-like with optional enhanced content, followed by mandatory enhanced content)?

Yes

No

Please explain your view.

Citi is supportive of the proposed migration approach:

- *Consultation, planning and design, and build and test phases are completed over 2019 to 2021.*
 - *From November 2021 to November 2023, existing MT messages or new ISO 20022 messages would coexist according to the chosen coexistence option. The ISO 20022 messages would comprise existing fields mapped from MT messages as well as new fields reflecting the enhanced content. Senders would have the option of whether or not to populate the additional fields.*
-

8. Does your organisation support the proposed timeline for the migration project?

Yes

No

Please explain your view.

Timeline details will need to be worked through RE: exact mandated date.

In addition, regulatory reporting obligations would need to be reviewed to ensure we remain compliant if there is data truncation

- *From the beginning of the third year (i.e. from November 2023) enhanced content items (as agreed by the industry) would become mandatory for ISO 20022 messages. MT messages could continue to be generated by those participants that had not yet migrated to ISO 20022. Any participant that chooses to migrate during this year would need to immediately support mandatory enhanced content.*
 - *Participants that remain on MT messaging after November 2021 will need to manage data truncation resulting from cross-border and domestic payments received in ISO format during the coexistence phase. Participants may also need to manage differences between domestic ISO 20022 message usage guidelines and other international jurisdictions on an ongoing basis. Notably, compliance obligations would still apply to the original message received.*
-

5.2 Proposed governance structure

9. Does your organisation broadly support the proposed governance structure?

Yes

No

Please explain your view.

Citi would support in having AusPayNet establish the governance as they did for NPP

General feedback

Does your organisation have any general comments on an Australian ISO 20022 payments migration?

Once the third and final Conclusions Paper publishes in the first half of 2020, (with the agreed scope, governance, migration strategy, timetable and implementation approach);Citi will need to work through the details.

Privacy

Unless requested otherwise, published submissions will include contact details and any other personal information contained in those documents. For information about the RBA's collection of personal information and approach to privacy, please refer to the [Personal Information Collection Notice for Website Visitors](#) and the RBA's [Privacy Policy](#).