12 July 2013

ISO 20022 strategy for TARGET2
First user consultation - Outcome

The first of two user consultations foreseen by the ISO 20022 strategy for TARGET2 aimed at collecting the views of the users on a series of key issues emerged during a detailed analysis of the migration to the new standards. Feedback obtained from market participants was considered necessary in anticipation of the next steps for implementing the strategy itself. The issues were presented along with a proposal, which is supported by the Eurosystem.

The consultation took place between the 3rd of June and the 3rd of July 2013 and involved all the National User Groups and the Target Working Group. As it can be seen in the aggregated view in Annex 1, the outcome shows nearly unanimous support of the market in line with the view of the Eurosystem (the detail of the replies on the key issues is provided in Annex 2). On this basis, the work of drafting the General Functional Specifications (GFS) can commence. This document will be the subject of the second user consultation to be conducted by the end of 2013.

![European Central Bank - Eurosystem logo]

Annex 1 – Aggregated view

First user consultation on ISO 20022

Key issues	Proposal	AT	BE	BG	CY	DE	DK	EE	ES	FI	FR	GR	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SI	SK	TWG
1	All the modules of TARGET2 should migrate at the same time.	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
2	Beyond payment related messages, the migration should also include the MX equivalent messages of MT 204, MT 900 and MT 910, but not the equivalents of MT 940 and MT 950.	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩
3	ASI proprietary MX messages should be excluded from the migration.	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	🟩	🟩	🟩	🟩	🟩	🟩
4	Changes to the ICM design (for the U2A access) should be kept to a minimum.	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
5	The payment flow should be kept the same as with the current MT set of messages.	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 Support
🟨 Neutral
🟥 Object
⬜ No reply

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Annex 2 – Selected comments

Key issue	Country	Comment
1	ES	One participant asked if a contingency plan is foreseen in case that the MX messages do not rightly work.
1	IT	One bank underlined the relevance of the testing phase in order to minimise the risk of a failure of the migration.
2	BE	We are in favour to not only include the currently available fields (like-for-like), but to also include the EndToEndReference in order to forward urgent SEPA Credit Transfers to Target2 without the need to drop fields in the customer's instruction.
2	BG	One bank is of the opinion that migration of MT900 and MT910 to MX will also require a lot of migration effort in back office platforms. As most of these platforms usually make use of MT940 and MT950 messages as well, they would like to recommend that MT910 and MT900 migration should be scheduled along with that of MT940 and MT950.
2	DE	A participant stressed that if there will be a general move in the market to MX for MT940/950, TARGET2 should follow. Another participant lined out that a MX-migration of MT 940/950 should follow at a later stage depending on the evolution of the camt-standard.
2	GR	The majority of the Greek Banking Community prefers MT940 and MT950 also migrate to their HVP MX equivalents.
2	LV	One participant indicated interest for early migration of MT940 message.
2	MT	Two participants had no comment on this proposal, one agreed and one expressed the feeling that MT900, MT910, MT940 and MT 950 should not at all be migrated.
2	RO	Two participants considered that MT940 and MT950 should migrate to HVP equivalents at the same time as MT900 and MT910, as these messages are used by the same back office platforms for similar purposes. In addition, they underlined that there is no reference of MT012 and MT019 in the migration strategy and they would like to know whether there is any provision of MX equivalent for this kind of messages.
2	SI	Two participants indicated that MT 940 and MT 950 should also migrate at this stage while one participant is of opinion that only MT 103 and MT 103+ should migrate at this stage and the other messages at the later stage or even not at all. One participant expressed concerns regarding the phased enrichment of MX messages; instead the entire data set should be supported from the beginning.

4	DE	One participant explicitly outlined that the content of the messages should be translated into a readable format like today.
5	AT	The Austrian banking community is looking forward to more detail on solutions that will be used in the SWIFTNet MX environment regarding routing and addressing noting the current differences in the SWIFT MT and MX environments
5	DE	One participant mentioned its assumption that using SWIFTNet Y-copy for PM transactions i.e. the MX-equivalents of e.g. MT202 or 103 as of November 2017 should be technically based on the InterAct(S&F) Service.
5	NL	We are looking forward to more detail on solutions that will be used in the SWIFTNet MX environment regarding routing and addressing noting the current differences in the SWIFT MT and MX environments
5	TWG	It is considered essential that the transport network used is transparent to users, subject possibly to an interface upgrade only.
	TWG	Whilst the TWG agrees with the proposals outlined in the consultation, we would like to stress that automated conversion to and from the equivalent MT messages will be essential for processing efficiency and to ensure it is possible to maintain existing STP capability. It is therefore important that the MX messages content will be restricted to the corresponding MT data and any improper use of message formats leading to non-STP must be avoided once implemented. This is also important since pending global agreement on an ISO 20022 syntax for correspondent banking, it will be necessary to map between MX and MT and vice versa for an indefinite period.