This electronic memo is exclusively made for BNP Paribas Correspondent Banking clients.

Please read this document to understand the aspects of ISO 20022 and the impacts on our clients.

1. Introducing ISO 20022
2. Key advantages of ISO 20022
3. BNP Paribas Correspondent Banking and ISO 20022 – how will it affect our clients?
4. Timeline and planning
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The bank for a changing world
01 – Introducing ISO 20022

What is ISO 20022?

- ISO 20022 is the evolving global payment standard decided by SWIFT board, with the goal of a faster and simpler payment messaging, to promote high quality payment information worldwide
- This significant shift implies changes within international and domestic payments

- This adaption is already live in 70 countries and is expanding globally to ultimately become a main form of payment messaging
- By November 2022, BNP Paribas Correspondent Banking will adapt to the SWIFT ISO 20022 standard
- The European Central Bank and SWIFT are in the process of the ISO2002 implementation for Target 2, also scheduled for November 2022
- Please read more about Target 2 and ECB under “External links” in the final section
ISO 20022 integration map

Migration planning

Source: isomigration20022.com

The bank for a changing world
02 – Key advantages of ISO 20022

What are the main advantages of the ISO 20022 migration?

- The migration from MT messages to MX aims to facilitate the exchange of clearer digital messaging between financial institutions, by providing richer and more structured data.

- The main benefit of ISO 20022 comes from faster processing of transactional and cash reporting messages, giving a great advantage for financial institutions and final beneficiaries.

- With ISO 20022 you will benefit from an improved payment experience, where you get more efficiency in compliance and risk management, as well as significant coordination with international payments.
Key advantages of ISO 20022

Four key areas

Increased efficiency thanks to a standardised and harmonised format of financial messaging and increased STP rates.

Lower costs thanks to the simplification of each process, e.g. payment processing, investigations, data analytics, reporting.

Automated analytics for compliance matters as sanctions screening & upgraded identification of money laundering, thanks to a richer data & structured messages.

Boosted customer satisfaction due to improved services for all clients.

MORE EFFICIENT

COST SAVINGS

DIGITAL COMPLIANCE

ENHANCED SERVICE
03 – BNP Paribas Correspondent Banking and ISO 20022

How will it affect our clients?

- Starting from November 2022, BNP Paribas Correspondent Banking will be able to receive MT and MX formats based on client instructions, thanks to a co-living period where MT and MX messages will be processed for cross border payments.
- The co-living will continue until November 2025.

- In the frame of Correspondent Banking activity this results in a change of format for cross border payments (e.g. MT103, MT202, MT202COV) and cash reporting messages (e.g. MT900, MT910, MT950).
BNP Paribas Correspondent Banking and ISO 20022

SWIFT MT vs. ISO 20022 format: PACS and CAMT messages

<table>
<thead>
<tr>
<th>FIN MT</th>
<th>MESSAGE NAME</th>
<th>ISO 20022 EQUIVALENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT 103</td>
<td>Customer Credit Transfer (Multiple)</td>
<td>pain.001</td>
</tr>
<tr>
<td>MT 202 / 202 COV</td>
<td>General Financial Institution Transfer</td>
<td>pacs.009</td>
</tr>
<tr>
<td>MT 900</td>
<td>Confirmation of Debit</td>
<td>camt.054</td>
</tr>
<tr>
<td>MT 910</td>
<td>Confirmation of Credit</td>
<td>camt.054</td>
</tr>
<tr>
<td>MT 950</td>
<td>Statement Message</td>
<td>camt.053</td>
</tr>
</tbody>
</table>

BNP Paribas Correspondent Banking is ready to receive both payment formats and will process all MT or MX messages, but will not convert MT messages to MX or vice versa.

Should you send us a MT, you will then receive an MT900, MT910 and MT950 from us. Should you send us payment messages in the MX format, you will then receive a CAMT from us.

Please see the diagram above for the types of messages.
04 – Timeline and planning

Planning & Impacts – XML Migration
Timeline and planning

Planning & Impacts – XML Migration
Market infrastructure and Many-to-Many migrations imply different timings and obligations

MARKET INFRASTRUCTURE
- No extended ‘coexistence’ phase
- Data truncation prohibited in case of correspondent banking flows

MANY-TO-MANY (SWIFT)
- All payment MT formats shall be decommissioned as from 2025
- Strong recommendation to pass through enhanced data

Decommissioning of MT messages
05 – External links

Planning & Impacts – XML Migration

- ECB – Target 2
- If you wish to read more information about the migration of the Target2 payments to ISO 20022 XML, please see link below
- T2-T2S consolidation: what is it? (europa.eu)

- SWIFT – ISO 20022
- More about official information on SWIFT and the ISO 2022 XML adaptation
- What is ISO 20022? | SWIFT - The global provider of secure financial messaging services
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