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Connect Inspire Thrive

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Via Email (only): cpmi@bis.org

Subject: ISO 20022 Harmonisation:

Australian Payments Network (AusPayNet) welcomes the opportunity to respond to the Committee on Payments and Market Infrastructures (CPMI) Consultative Report *'ISO 20022 harmonisation requirements for enhancing cross-border payment'.*

About AusPayNet

AusPayNet is the industry association and self-regulatory body for the Australian payments industry. In this core role, AusPayNet manages and develops regulations, procedures, policies and standards governing payments clearing and settlement within Australia.

We bring together service providers, government, regulators and end-users to improve the Australian payments system. We do this by promoting competition and innovation, delivering efficiency and controlling systemic risk; this creates a shared purpose that engenders confidence in the payments system. We have over 150 members, including financial institutions, merchants, payment system operators, and other payments industry stakeholders.

In forming this response to the Guiding Principles and Requirements, AusPayNet has leveraged that membership in consulting financial institutions (primary respondents given the focus of the consultative document) and the Australian Financial Intelligence Unit, AUSTRAC, on the specific feedback questions, to provide a response on behalf of the Australian Payments Industry.

Summary Overview

Our members are in broad agreement with the guiding principles of platform and network neutrality, G20 targets-focused orientation to a future state, as well as being ambitious and realistic with respect to the global adoption of ISO 20022.

Whilst there is general agreement to CPMI's requirements with respect to harmonising ISO 20022, we believe that variability will remain for the foreseeable future. The intent should be to minimise the proliferation of unnecessary variations and practices where they serve little or no purpose, and to strive to harmonise where it is sensible to do so. There is a risk that imposing global standards on local market infrastructures may create problems, including processing failures, message rejection, cost pressure, and burden or barriers to participation. As such, a cautious approach is warranted, which may require additional time in order to achieve both the Guiding Principles and the Requirements.

Guiding Principles

1. **Do you agree with the guiding principles followed for setting the requirements, including the platform or network agnostic approach, the level of ambition and the future state orientation?**

Our members agree that harmonisation should be G20 targets-focused and that harmonisation efforts should and must remain platform and network neutral for those that are using ISO 20022.

There is acceptance that the efforts of the Joint Task Force should be purposefully oriented to the post co-existence period slated for November 2025. Whilst the presumption is that temporary compromises will disappear when MT messages are retired and ISO 20022 becomes the predominant standard, it should be noted that this may not entirely be the case for every payment system. This is already manifesting itself through the different versions of ISO 20022 and the scope of messages being used, which raises a serious risk of fragmentation that may inhibit both the aim of harmonisation and the targets that underpin the G20s targets, as they relate to cost, speed, access and transparency. A further emergent issue is that of the corporate sector, where there appears to be a reluctance to move to structured data as, from their perspective, the cost outweighs the benefit.

Some platforms and networks will not necessarily use the full CPMI core ISO 20022 message set. Mandating the full usage of the CPMI core ISO 20022 message set may require additional time and effort beyond 2025 for such networks and platforms to accommodate.

We agree that platform and network neutrality is appropriate, though we note that an additional challenge will be in establishing harmonisation with non-ISO 20022 payment platforms and networks such as those provided by remittance services and emergent virtual asset transfer systems. This takes on a particular difficulty given the importance of FATF Recommendation 16, though there is some opportunity for interoperability between ISO 20022 and IMVS101 for virtual asset service providers.

Whilst the guiding principles around harmonisation and the development of market practice guidelines are well calibrated, they should be re-assessed periodically to assess ongoing industry developments, identify any additional gaps, and ensure that the benefit outweighs the cost for the majority.

Requirement Block A – Fundamentals
Requirement #1 - To use the appropriate message for a particular business function.

2. **Do you agree that the inconsistent use of messages can be adequately addressed through this requirement?**

3. **How could the risk of inconsistent use of messages or deviation from the business functions defined by ISO 20022 be mitigated? Would the proposed solution contribute to mitigating such risks and lead to improved efficiency of cross-border payments processing? Please explain.**

4. **How do you assess the level of effort that will be required to adopt the appropriate message as defined by the ISO 20022 standard?**

We explicitly agree that the correct message usage is a basic building block for achieving the targets. ISO 20022 was designed to negate the inconsistency of use that is evident in today's application of messaging. Nonetheless, where scope is inadequately defined, inconsistent application will be revealed.

We agree that the current suite of ISO 20022 messages is adequately scoped and has appropriate business functionality described. We would counsel that a 'set and forget' approach should not be allowed to develop. We suggest that payment platform providers and related expert bodies should, where possible, identify emergent inconsistent use and address it in a timely manner. It may also be prudent to consider the role of existing payment industry bodies who may be in a position to highlight inconsistent message use among their members and establish mechanisms to address non-compliance. Pre-existing payment industry bodies could be encouraged or mandated, with central bank involvement, to establish working groups to monitor and manage inconsistent use of messages. Where no payment industry body exists, then the central bank should facilitate this activity for their jurisdiction. This approach should be considered beyond G20 countries in order to drive global inclusivity through harmonisation. Failure to establish mechanisms to manage inconsistent message usage for cross-border payments will see inconsistent use become entrenched, leading to inefficient payment processing.

It is difficult to assess the level of effort required to adopt the appropriate message as defined by the ISO 20022 standard. This is because each user will have a different starting point with varying levels of maturity within their payment technology stack. Dependencies on technology vendors to deliver the necessary capability will, in many cases, be high. Whilst many organisations may have already started this journey with their technology vendors and legacy systems, it may still take many years for complete interoperability of systems and infrastructures to be achieved that will allow for the full enablement of ISO 20022 between cross-border and domestic clearing schemes, be they real-time gross settlement systems or fast payment systems.

It is also apparent that domestic payment systems will not necessarily support the same in-scope messages as the CPMI Core ISO 20022 message set. From an Australian High Value Clearing System (HVCS) perspective it would be a significant effort to accommodate the additional messages within CPMI's scope. If it was mandated that the CPMI Core ISO 20022 message set was mandatory, then this would have to be undertaken post the agreed coexistence period which is currently set for November 2025. It is estimated that accommodating any additional messages would take approximately three years of effort. This will introduce additional levels of variability that make the level of effort difficult to assess.

We are unclear as to why the ISO 20022 Version is not included within CPMI's scope. There is a real risk of fragmentation if a core set of ISO 20022 Versions which are to be supported by platforms and market infrastructures is not agreed upon. We would suggest that – in addition to the catalogue of individual elements in individual messages for harmonisation – CPMI also analyse and consider the efficiency of allowing a limited number of Versions of ISO 20022. For instance, declaring a 'Current Version' and then prescribing, as an example, two prior ISO 20022 Versions as being acceptable standards. For industry, such an approach will reduce the number of ISO 20022 Versions that need to be supported and increases the likelihood that harmonisation can be achieved.

It has also been noted while the Business Application Header (BAH) must be included in each ISO 20022 message when transported across Swift, some market infrastructures do not use a BAH, which may add another layer of complexity when integrating across infrastructures and platforms.

Success will require the ongoing commitment of standards-setting bodies to the development and maintenance of message guidelines and rule books. CPMI too, will need to consider its role, in assessing ISO 20022 harmonisation as and when new market initiatives and solutions develop.

Requirement #2 - To use ISO 20022 externalised codes for payments and payment-related processes.

5. **Would requiring the use of ISO 20022 externalised codes facilitate faster, cheaper and more transparent cross-border payments? How do you assess the implementation effort?**

6. **Are there any limitations/challenges resulting from increased reliance on ISO 20022 codes? How difficult would it be to overcome these limitations/challenges?**

Proprietary data used in messages does not necessarily provide friction, particularly where its use has been bilaterally agreed. Nonetheless, the overall preference would be for externalised codes, particularly if registered to a common standard, for example ISO 20022 externalised codes with standard descriptions supported by appropriate market practice. This would help drive common understanding and drive some efficiencies. These efficiencies would manifest themselves in terms of fewer manual interventions required to ascertain the reason for a payment.

It would be useful to understand the degree to which the absence of codes impacts payment processing flows currently. Understanding the level of friction would help to establish whether the return on investment for institutions and platforms warrants both the investment and the necessity to require the use of ISO 20022 externalised codes.

There are over 200 countries/jurisdictions, many with bespoke requirements when it comes to codes. It may well be of benefit for these codes to be harmonised to reduce both volume and duplication. Conversely, there is a need for a level of control of codes to ensure that definitions do not arbitrarily change and that implementation of new country specific codes taking immediate effect does not introduce unforeseen friction. An appropriate centralised communication mechanism would also be useful in ensuring that new codes and their definitions are broadcast to all markets to ensure uniform understanding and application. To some extent implementation of this may require a standards body type approach. Nonetheless, use of ISO 20022 externalised codes may be of significant benefit, particularly given a regular update cycle. It may also be helpful to have a common/centralised service that has a lookup capability to ease integration and control. For those jurisdictions that do not use externalised codes, there may well be challenges in integrating them into workflow.

Requirement #3 - To indicate that a payment is a cross-border payment.

7. **Do you agree that identifying a payment as a cross-border payment should be required to enhance the processing efficiency of cross-border payments? Would such a flag facilitate compliance procedures including financial crime screening? Please explain.**

8. **Do you agree that the use of an ISO 20022 external code (eg a Category Purpose) would be the most effective way to flag a payment as cross-border? Are there alternative approaches you would suggest?**

9. **How do you assess the level of cost and effort required for the implementation effort?**

A flag that identifies a cross-border payment would be of some use particularly where payments traverse into a domestic clearing system or domestic fast payment system for final leg settlement. Our members believe that to remove any ambiguity, cross-border payments need to have a common definition. This will assist in creating global alignment in understanding, processing and measurement of performance of cross-border payments against the Financial Stability Board's Roadmap to Enhance Cross-border Payments.

From an Australian perspective, such a flag would assist the final receiving institution in the payment chain to identify that a payment originated from offshore. To that end, both the Australian HVCS and Australia's Faster Payment System, the New Payments Platform (NPP), have designated the Business Service Code to identify a cross-border payment.

Incorporating the Business Service Code allows any additional activities that are required under the service to be undertaken. Examples include AML/CTF related activities, plus any other bespoke activities to be performed, such as reporting to a Financial Intelligence Unit.

It is noted that, at least for Swift, inclusion of a Category Purpose Code is available but only a single instance can be used. If the Category Purpose Code is used to identify a cross-border payment, then this will preclude the use of the Category Purpose Code to further identify the type of transaction. We note that CPMI would intend to change the multiplicity for this element via a standards change request to ISO 20022. This will add to the level of cost and effort required for implementation. As such, Australia does not support the use of Category Purpose Code, preferring the use of the Business Service Code.

Requirement #4 - To support/restrict the character set used for ISO 20022 payment messages to current market practice.

10. Do you agree with the restricted character set for cross-border payments as described above? If not, which alternative character sets or additional characters should be included?

Restricting the character set for cross-border payments is appropriate, though the restriction to cross-border payments alone may cause issues for domestic payment systems that are also on ISO 20022 with a separate character set or an expanded character set.

Where possible, all ISO 20022 messaging platforms should ideally be using the same character set. This will ensure that data is not truncated when transiting across various payment platforms. As such, the Australian HVCS will migrate its Message User Group (MUG) in 2025 to align with CBPR+. The NPP in Australia uses an expanded character set that includes the usage of emojis, an option that is not available in the current ISO 20022 character set.

Some jurisdictions may have local language requirements when a cross-border payment settles via a domestic clearing system or is initiated by a domestic clearing system. In such cases, local language mapping should be standardised. This will ensure that where romanisation is used, it is consistent and removes the challenges that may occur in name matching and other AML/CTF activities.

It is also recommended that CPMI look to future proof ISO 20022 messaging by reviewing and, where appropriate, standardising other newer innovations such as graphical information and other information that may arise in the future.

In addition to character sets there should be some consideration to having a solution in place to avoid malicious remittance information being included in payments. From an Australian context, the NPP has recently implemented a solution to ensure malicious content is stopped before being sent to the payee.

Requirement #5 - To use a common time convention across all ISO 20022 messages associated with cross-border payments.

11. Do you agree that requiring times in ISO 20022 messages to be stated either in UTC or in local time with UTC offset will enhance the transparency and efficiency of cross-border payments? If not, please explain.

For noting, the Australian HVCS uses Local Time with UTC offset.

Requirements Block B - Transparency
Requirement #6 - To include a unique end-to-end reference for all cross-border payments.

12. Do you agree that requiring the use of UETR for all cross-border payments will have a positive impact on the transparency, speed and cost of cross-border payments? If not, please explain.

13. How do you assess the effort required to implement this requirement?

We agree that the UETR should be end-to-end and carried across all payment platforms, including domestic payment platforms that settle the final leg of a cross-border payment.

However, it could be optional for payment initiation by corporations (non-financial institutions) on the basis that this would otherwise push cost out to the corporate sector, a sector that at times questions the cost-benefit of the migration to ISO 20022. Nonetheless, vendors should be encouraged to provide this functionality on corporate platforms so that the process of applying a UETR can be automated.

We note that the Australia's NPP does not mandatorily carry the UETR, which may necessitate an ISO 200222 version update. In contrast, the Australian HVCS is fully compliant.

Requirement #7 - To ensure full transparency on processing times for cross-border payments.

14. Do you believe that the requirement for inclusion of the time of debit of the debtor will increase transparency on the time it takes to complete the processing of cross-border payments? What improvements would the requirement bring to the end user experience?

15. How do you assess the difficulty of adopting usage of the *Acceptance Date Time* data element as a requirement for cross-border payments? Would the implementation effort and impact on the transparency needs of end users differ by message type?

The time of debit of the debtor's account may not be an appropriate element to rely on in terms of transparency of the processing time of a payment. This is generally governed by terms and conditions imposed by the Payment Service Provider/Financial Institution wherein they reserve the right to block or delay payments due to a lack of information, breach of legal requirement or industry code, as well as AML/CTF, anti-bribery or corruption policies breaches. These often require additional time to investigate and resolve before a cross-border payment can be accepted.

It may be more appropriate to use the 'Acceptance Date Time' element as an appropriate measure for calculating processing times. This element has been removed by CBPR+. Reinstating it and clarifying its usage guideline will be necessary in the first instance. Its implementation will be somewhat onerous given the multitude of systems used in payments generation, screening and case management. It may well be worth restricting the usage of

Acceptance Date Time to Pac.008 and Pacs.009 messages to limit the impact. This would be in keeping with the overall intention of CPMI, to measure processing times of payments, rather than dispute resolution times.

We note that the Australian HVCS is not compliant with the use of Acceptance Date Time and that this would incur significant effort by industry to comply.

Requirement #8 - To ensure full transparency on amounts, currency conversions and charges of cross-border payments.

16. **What are the implications of requiring all those involved in cross-border payments to provide complete information on amount, conversions and charges?**

17. **Are there any technical, legal or other hurdles that could impede the inclusion of complete information on amount, conversions and charges in cross-border payments?**

The inclusion of amounts, currency conversions and charges in cross-border payments is feasible and desirable.

There are no discernible technical, legal or other hurdles identified that would impede their inclusion in cross-border payments from an Australian perspective. We note that this may become more complex when payments move across different types of platforms.

Requirement #9 - To indicate that a cross-border payment is consistent with the CPMI service level agreement guidance (building block 3)

18. **Would the introduction of a CPMI service level code in ISO 20022 to track adherence to the CPMI guidance and harmonisation requirements facilitate improvements to cross-border payments processing?**

19. **How would the availability of a CPMI service level code in ISO 20022 messages impact the business models/strategies of financial institutions providing cross-border payment services?**

20. **How do you assess the difficulty of adopting a CPMI service level code?**

There appears to be no benefit to include a CPMI service level code for cross-border payments. Since all cross-border payments emanating from G20 member countries are in scope for the targets, indication of a specific CPMI service level code seems redundant. Moreover, the data can be discerned using the attributes of the messages without establishing an addition CPMI specific service level code.

With there being no discernible benefit and high cost to implement, the proposal to implement a CPMI service level code is not supported.

Requirement Block C - Structured and coded data.
Requirement #10 - To recommend the use of unique account numbers (or proxies) to the extent possible.

21. Do you agree that the use of account identifiers (or account proxies), to the extent possible, would have a positive impact on the speed and cost of cross-border payments? Please explain.

There is support for the use of account identifiers but there is also a significant element of risk. Some proxies may include routing rules, such as PayID, utilised in Australia. As an example, usage of a unique account number proxy ID in an Australian context, would likely result in a payment being routed to an Australian Dollar account held with a single institution. This may well be favourable to a beneficiary that holds a single account in Australian Dollars. Conversely it could also incorrectly route a payment where the beneficiary is multi-banked and/or holds an account not in Australian Dollars. This would have a negative impact on the speed and cost of a cross-border payment.

No doubt, there are other proxy IDs that are available or under development that can be used to identify the beneficiary, and carriage of this data may be beneficial. Perhaps this could be better handled by expanding the use of confirmation of payee or pre-validation, rather than relying exclusively on proxy IDs.

Requirement #11 - To uniquely identify all financial institutions (FIs) involved in cross-border payments in an internationally recognised and standardised way.

22. Do you agree that uniquely identifying all financial institutions involved in cross-border payments in an internationally recognised and standardised way would enhance cross-border payments? Please explain.

23. Do you agree with the proposed solution of requiring the use of the BIC to identify all financial institutions? Why or why not?

24. What would you assess to be the level of effort required by your jurisdiction: (a) to only use the BIC to identify financial institutions in ISO 20022 messages; and (b) for all financial institutions that currently do not have a BIC to register for one?

We generally agree that BICs are an appropriate method of uniquely identifying institutions, though other identifiers such as LEI could also be explored. BICs are already widely used and have become the de facto default in identifying financial institutions, particularly in cross-border payments. It would seem advantageous both to exploit the BIC rather than impose a new mechanism to identify a Financial Institution and to extend its usage beyond Swift.

We agree that all FIs without a BIC should be encouraged to register for one. An unconnected BIC is suitable for those that are not connected to the Swift network. It may be necessary to have central banks or appropriate regulatory bodies mandate the requirement to obtain a BIC and/or LEI for all institutions in their jurisdiction. Moreover, it should be mandated as part of a jurisdiction's financial institution licensing framework. With such an approach, BICs and/or LEIs will become ubiquitous, and it will reduce the risk of institutions failing to obtain a globally recognised unique identifier.

We are cognisant that this may place an undue burden on Swift and LEI issuers, who currently onboard Financial Institutions to provision BICs and LEIs. This may require analysis as to the scope of work required to support a mandatory approach. Without scoping, it will be difficult to determine whether mandating of BICs and LEIs and their subsequent issuance can be achieved within a reasonable timeframe, such as 2025.

There is also a need to explore beyond traditional payment platforms and other emergent technologies where usage of a BIC or LEI may be incompatible, such as digital wallets and money or value transfer services.

Requirement #12 - To identify all entities involved in a cross-border payment in a standardised and structured way.

25. Do you agree that requiring participants to identify all entities involved in a cross-border payment in a standardised and structured way would enhance the processing efficiency of cross-border payments? Please explain.

26. Do you agree with the proposed use of structured identifiers such as the LEI, if they exist, to complement the recommended minimum data requirements to identify the legal entities involved in cross-border payments? Are there alternative approaches that you would suggest?

We agree that using structured data to identify all parties would enhance the efficiency of processing cross-border payments. The inclusion of rich structured data will assist in removing ambiguity around debtors and creditors and assist in resolving AML/CTF false positives in a timely fashion.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the Act) in Australia requires all international funds transfer instructions to contain complete ultimate debtor (where applicable), debtor, creditor and ultimate creditor (where applicable) information. With respect to addressing data, the Act specifically excludes the usage of post office boxes. Hence, preference is for full physical residential or business address to be used, including street name, state or territory, postcode/zip code and country. This would be in keeping with FATF recommendation 16 as set out in the respective interpretive note. AusPayNet would expect that, in the situation that the cross-border payment has been initiated by a customer of a bank, the supply of ultimate debtor (where applicable) and debtor information should be fully achievable. It is noted that in certain known jurisdictions, such as certain African countries, use of physical addresses is not possible and post office boxes are the norm. Whilst the debtor may have incomplete data on the creditor, it is expected that the Australian reporting entity will furnish the appropriate address data for the creditor.

Failure to provide complete information may result in delays to funds being credited to the creditor within the CPMI guidelines of 75% of payments being made available within one hour from the time the payment is initiated.

In addition, structured identifiers, such as LEIs, have high utility when used in cross-border payments, particularly when there is ambiguity around the creditor or debtor, and would certainly be useful in screening, particularly where the identifier is verifiable.

Requirement #13 - To identify all persons involved in a cross-border payment in a standardised and structured way.

27. Do you agree that requiring participants to identify all persons involved in a cross-border payment in a standardised and structured way would enhance the processing efficiency of cross-border payments? Please explain.

We agree that requiring participants to identify all persons in a cross-border payment in a standardised and structured way will enhance processing efficiency.

The Act in Australia requires all international funds transfer instructions to contain complete debtor and creditor information. With respect to addressing data, we refer to our response set out in Requirement 12. Hence, preference is for full physical residential or business address to be used, including street name, state or territory, postcode/zip code and country. Placing this data in a structured format will assist in efficient screening and accurate Financial Intelligence Unit reporting.

It is noted that confirmation of payee is an increasingly available option, and this enhancement should be encouraged to increase the overall efficiency of payments. It is acknowledged that some payment models, such as digital wallets, may not be aligned to the proposed standard for payments to accounts.

Requirement #14 - To provide a common minimum level of postal address information structured to the extent possible.

28. Do you agree that a requirement not to use unstructured postal address information and to use only structured postal address information can help enhance the processing efficiency of cross-border payments? Please explain.

29. Do you agree with the minimum required postal address information consisting of the Country and Town Name fields? Should any additional fields be required?

The Act in Australia requires all international funds transfer instructions to contain complete payer and payee information. With respect to addressing data, the Act specifically excludes the usage of post office boxes. Hence, preference is for structured full residential or business address to be used, including street name, state or territory, postcode/zip code and country. It is acknowledged that in certain jurisdictions the concept of state or territory and postcode is not available. Nonetheless, appropriate data that unambiguously identifies the location should be included. Placing this data in a structured format will assist in efficient screening and accurate Financial Intelligence Unit reporting. In a sanctions screening context, if for example the street details of the address contain Cuba and there are limited other details, it could be construed to mean the country Cuba rather than Cuba Boulevard in Los Angeles. As such this could mean that the payment is delayed whilst further information is sought to resolve a sanctions screening hit.

We note that, in larger countries, town names are often duplicated. For example, Portland in the United States of America fails to indicate whether the Portland in question is in the state of Maine or the state of Oregon. The cities are 5133 kilometres apart. Not to mention that there are 67 populated spaces named Springfield in the USA spread over 34 states.

Similarly in Australia, there are two towns called Derby separated by 5271 kilometres, with one being in the state of Western Australia and the other being in the state of Tasmania. There are numerous other examples that can be cited to demonstrate that usage of town and country as minimum required data is insufficient. Consequently, this calls into question the utility of only specifying Town and Country as minimum requirements for an address.

Whilst we agree that a common minimum level of postal address information should be provided and structured to the extent that is possible, we disagree that the common minimum level should only be Country and Town Name. We suggest that further enrichment is desirable and will enhance payment processing efficiency.

We also note that implementation of Central Electronic System of Payment Information (CESOP) in Europe from 1 January 2024 will require the inclusion of a payees address if the address cannot be derived from any other record, such as an IBAN.

There is a Payment Markets Practice Group proposal in train that allows for the inclusion of semi-structured postal addresses in addition to the minimum structured data elements of country and town. This may satisfy the requirements of The Act, though as unstructured data it may create addition complexity for financial crime screening.

Requirement #15 - To cater for the transport of customer remittance information across the end-to-end cross-border payment chain by enabling the inclusion of a minimum size of structured or unstructured remittance information with the payment, or to reference such information when sent separately.

30. Do you believe that setting minimum end-to-end expectations with respect to the carrying of remittance information can improve the processing efficiency of cross-border payments?

31. To what extent would the ability to include references to separately sent remittance-related information (eg through inclusion of hyperlinks or other references) be helpful to process a cross-border payment? Are there obstacles (eg legal, regulatory, supervisory limits) to including reference to separately sent remittance information in your jurisdiction/community?

It is agreed that including remittance information could be beneficial. There may be instances where there is substantial remittance information that may on occasion exceed the size available in a payment message. To that end, a bilaterally agreed means of communicating such data should be arranged between the debtor and creditor. Use of alternate communication channels to separately send remittance-related information should be agreed between the debtor and creditor. We would posit that any payment that would require such a substantial volume of remittance information to be conveyed would likely be the result of a deeper contractual arrangement between parties. As such it is perhaps better served that the parties come to a separately agreed bilateral arrangement. Nonetheless, the purpose of the payment, other related information as well as reference in the remittance field of the remittance information being provided externally within the payment message should be included on the payment instructions.

We counsel against inserting hyperlinks in remittance fields of a payment message on the basis that such this could expose the beneficiary to cyber risk. That is, the hyperlink may be malicious in nature and expose parties to the message to legal risk in the event of an incident.

Implementation

32. Is the timing envisaged for the requirements to take effect in line with industry expectations?

33. Do the requirements provide clarity on how harmonised implementation of ISO 20022 can contribute to achieving the G20 targets?

If the requirement for inclusion of the CPMI core ISO 20022 message set is mandated for all platforms and networks, then we believe the timeframe will be unachievable. As such our members suggest that a phased approach would be appropriate for pursuing additional requirements beyond 2025. We would suggest that an additional period of three years be considered, subject to further industry consultation.

We appreciate the opportunity to respond to the CPMI on this important issue and welcome any further dialogue on the Consultative Report *'ISO 20022 harmonisation requirements for enhancing cross-border payment'.* Please contact David O'Mahony, Business Analyst if you have any further questions.

Yours sincerely

Andy White

Chief Executive Officer