

## CPMI Harmonisation of ISO 20022. Partnering with industry for faster, cheaper, and more transparent cross-border payments

A harmonized adoption of ISO20022 is essential for improving cross-border payments. In particular the use of structured information seems one of the greatest opportunities brought by ISO20022. Nevertheless, differences in applicable regulations are also an important barrier to develop interoperable and automated payments.

In fact, regulation is one of the main causes why issues arise in the 'last mile' of the payment (even when the 'international part of a payment' is harmonized, local practices can impede a full STP and require manual intervention to credit/debit the payment).

For that reason, although we agree on the positive impact that using common identifiers, the Unique End-To-End Reference (UETR) or structuring remittance information could have on the processing of cross-border payments, a careful assessment of the costs and benefits of any standardization effort should be made. In particular, the cost of implementing a harmonization agreement would be higher if local payments have to be adapted to the new rules and payment users that are not businesses are involved in that change.

Moreover, It should be taken into account that reaching an agreement on common rules is difficult and that even common implementation guidelines such as CBPR+ are developed differently at country/ACH level.

Consequently, it is essential that the decision to go forward is made in close collaboration with the payment industry and focus on areas where the benefits outweigh the costs of implementation. This would ensure that objectives are achievable and deadlines are appropriate.

In any case, implementation of new harmonization rules for cross-border payments should start after the finalization and stabilization of the migration to ISO20022.

Finally, as regards the update of the messaging standards, we are also supportive of the development of an annual global maintenance cycle for ISO 20022 messaging changes similar to the current SWIFT FIN. This approach should be maintained as long as no major breakthroughs are made. In that case, longer analysis and implementation cycles would be needed.