Secretariat of the Committee on Payments and Market Infrastructures
Bank for International Settlements
CH-4002 Basel, Switzerland

Dear CPMI members:

Sumitomo Mitsui Banking Corporation ("SMBC"/ the Bank) highly appreciates the opportunity to comment on the "ISO 20022 harmonisation requirements for enhancing cross-border payments"(Committee on Payment and Market Infrastructures, May 2023, hereafter "the consultative report").

SMBC supports the response submitted by the Japanese Bankers Association (JBA). In this letter, the bank would like to supplement JBA's comment on Question 32. To accommodate multifaceted objectives including widespread uptake of the CPMI requirements, it would be reasonable to expect that "various market guidance … will also align with the CPMI's harmonisation requirements" after November 2025, rather than "at this time".

SMBC began to accept incoming MX messages starting from March 20, 2023, and the Bank is currently in the process of IT system development to enable MX outgoing remittances. Our ISO 20022 project requires significant IT investment, senior management commitment, and multi-year customer engagement. In the consultative report, while there are requirements that may facilitate migration to ISO 20022, most of the proposed elements will lead to an even tighter development schedule and higher costs for the industry as well as end users. The targeted effective date of November 2025 is too aggressive, negatively impacting financial institutions including SMBC and end users which are making early efforts to achieve timely implementation.

In general, the industry successfully migrated to ISO 20022 on March 20. Yet the Bank witnessed cases where, for example, incoming MX messages were not properly formatted, indicating the difficulties of complying with every detail of the new format. The decision by the Eurosystem and Swift to delay the migration date from November 2022 to March 2023 reminded the industry that migration risk in the future should be managed with even more rigor. During the coexistence period, global financial institutions will face important migrations at FMIs including CHIPS, Fedwire, and Foreign Exchange Yen Clearing System (migration date TBA). All the involved parties need to focus on ensuring that every migration will be a success as originally scheduled. An additional set of requirements which burden migration efforts should be held off until we mark the end of the coexistence period.

It would be more practical for market practice guidelines to implement an additional set of requirements after 2027, allowing time to approve change requests for these guidelines subject to the MX/ISO20022 regular maintenance process.

SMBC hopes that its comments contribute to a productive consultation process.

Best regards,

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