# THE MIGRATION MONITOR

YOUR QUARTERLY ISO 20022 INDUSTRY MIGRATION PROGRAM NEWSLETTER

# WELCOME

Welcome to the next edition of Migration Monitor – your quarterly ISO 20022 Industry Migration Program newsletter. Each quarter, we provide a high-level update on where the Program is up to and where we are headed. The Newsletter is published with a readership of vendors, service providers and non-Participant stakeholders in mind.

We are now six months into our Coexistence period and the first of our four implementation groups has gone live successfully. It is good to see Participants focused on completing their migration obligations, especially now that the end of HVCS migration is less than 12 months away.

It won't be long before our attention turns to planning for the significant changes coming in 2025. We'll talk more about some aspects of that in later sections, along with the usual workstream updates, and deep dives on some current topics of interest.
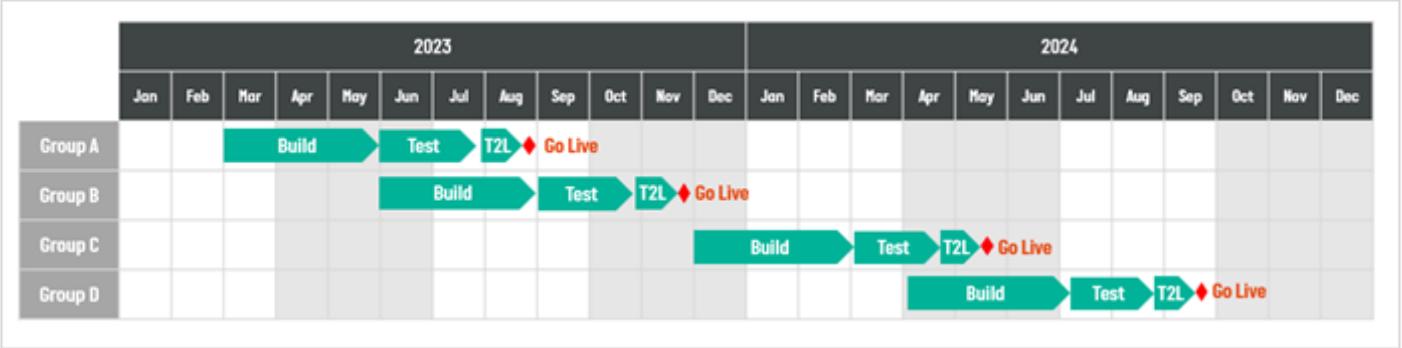
Please feel free to contact our team via email at iso20022@auspaynet.com.au if you would like to suggest topics for future editions.

# HANDY LINKS & RESOURCES

There is a whole library of resources available to vendors, service providers and non-Participant stakeholders:

- General information on HVCS (here too), including AusPayNet's HVCS Regulations and Procedures.
- General information about the RBA's RITS (the Reserve Bank Information and Transfer System) and its framework and processes.
- Link to the RBA consultation (there's two!) and their conclusions paper – the original consultations that kicked off the Migration Program in Australia and appointed AusPayNet as the central coordination authority.
- General information about the ISO 20022 standards, including external code lists.
- The HVCS Community on MyStandards provides access to the HVCS ISO 20022 MUGs (including relevant Release Notes) and key Program documentation.
- The Migration Services Marketplace contains summary and contact information for vendors and service providers related to the Industry Migration Program. We've just launched the latest version! Remember to let us know if you would like to be added or update your information.

| | | 2023 | | | | | | | | | | | 2024 | | | | | | | | | | | |
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| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Group A | | | Build | | | Test | | T2L | Go Live | | | | | | | | | | | | | | | |
| Group B | | | | | Build | | | Test | | T2L | Go Live | | | | | | | | | | | | | |
| Group C | | | | | | | | | Build | | | Test | | T2L | Go Live | | | | | | | | | |
| Group D | | | | | | | | | | | | | Build | | | Test | | T2L | Go Live | | | | | |

# IMPLEMENTATION WORKSTREAM

Our implementation workstream is progressing well and to plan.

### IWGA

In July and August 2023, the six members of IWGA (Implementation Working Group A) successfully completed Industry Testing, Production Verification Testing (PVT) and Go Live, as planned and on schedule. Lessons learnt from IWGA testing have been passed onto IWGB Participants.

### IWGB

The ten IWGB members were issued with their Phase 2 Implementation Plan and were ready for industry testing on schedule. Industry Testing commenced early in September 2023 and IWGB will go live on Monday, 20 November 2023. Of note, some IWGB Participants will be implementing MX E&I (Exceptions and Investigations) functionality, making this the first group to launch E&I during Phase 2. Lessons learnt from IWGB's E&I experience will be shared with remaining groups in due course.

### IWGC and IWGD

The last two implementation groups will be mobilising soon, with kick off meetings in October and November 2023. The early kick off for Group D is designed to give that last group as much time as possible to come to terms with the task ahead.

# STRUCTURED DATA WORKSTREAM

HVCS Participant consultation on the first three sets of draft Market Practice (for LEIs, Purpose Codes, and Structured Remittance) is now complete. Results are being collated and analysed and will be shared with Participants at the end of November 2023 at the Q4 Participant Forum.

We aim to confirm whole-of-industry buy-in to the published Market Practice, share a picture of likely adoption, including indicative timelines, and some information on corporates' reaction to our approach on Structured Data.

Final versions of the draft Market Practice will be presented to the IMSC (Industry Migration Steering Committee) for formal approval in Q4 2023 along with the related adoption forecast. Our intention is then to periodically review Participants' progress and any change of initial plans.
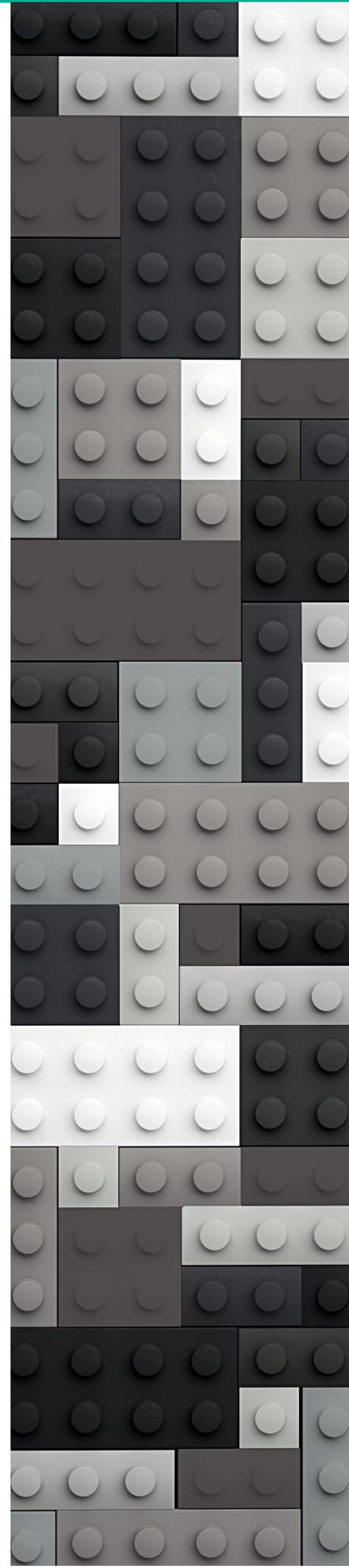
# HYBRID POSTAL ADDRESS

HVCS will adopt the PMPG proposal to allow mixed use of structured and unstructured Postal Address elements, referred to as 'hybrid Postal Address'.

The proposal describes a future state where fully structured Postal Address can be used (as it can today), or a hybrid Postal Address comprised of a minimum of Town Name and Country as structured elements, and any remaining address data placed in the unstructured Address Line element.

Introduction of hybrid Postal Address needs to be coordinated between MIs and with CBPR+ and will take effect at the end of the CBPR+ Coexistence period in November 2025. Removal of fully unstructured address also needs to be coordinated across MIs and CBPR+ and that will take place in November 2026.

The HVCS MUGs will need to be updated to align with these changes, both in November 2025 and November 2026.

# CONSULTATION ON POSTAL ADDRESS & UG VALIDATION

A consultation on postal address changes and Usage Guideline validation just commenced. Conclusions will be presented to Participants at the end of November 2023.

Unlike the recent Structured Data consultation, where the focus was on appetite for adoption of optional Market Practice, the consultation on postal address does not seek to establish appetite as the change is mandatory, but will draw out any concerns or challenges, and determine how the Migration Program can best support the HVCS community in its adoption of hybrid postal address, and removal of fully unstructured postal address.

HVCS went live with MX without Usage Guidelines (UG) validation. That decision was made to allow Participants time to familiarise themselves with MX, and to work through any teething problems with using the new ISO 20022 structure and aligning to the rules as defined in the HVCS MUGs. It was also agreed that there would not be any changes made to the HVCS MUGs before the end of Coexistence.

In November 2025, the HVCS MUGs will be updated to 'UG2025' (Usage Guidelines 2025) to remain current, and to pick up a back-log of required MUG changes and corrections identified since the change freeze on the current versions, including changes to support hybrid postal address as discussed above. We are now considering the introduction of UG validation at the time of those changes, and we are gathering feedback on any challenges Participants foresee.

We are asking Participants to consider the impacts of UG validation and answer specific questions relating to its implementation to ensure full understanding and foster whole of industry buy in to the decision to implement UG validation. Subject to the outcomes of that consultation, our recommendation will be that we adopt UG validation as part of the UG2025 implementation, first in Pre-Production, then in Production. Once implemented, adherence to the MUGs will be enforced and non-compliance will result in messages being rejected by the network (NACKed).

To ensure Participants are aligned to the MUGs, UG validation will be deployed in the test environment (Pre-Production) which will highlight non-compliance issues and allow Participants time to resolve them prior to the November 2025 Go Live.

The schedule for release of the 2025 MUGs, test windows and UG validation availability will be developed and published in Q1 2024.
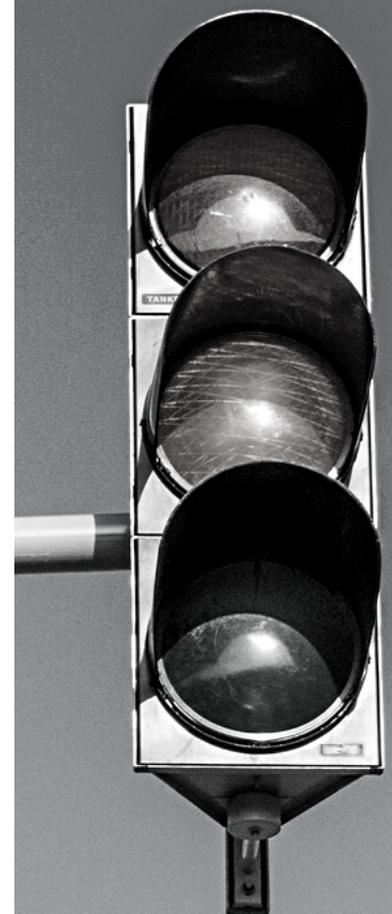
# END OF COEXISTENCE & CLOSURE OF THE MT CUG

The HVCS Coexistence Period is scheduled to end in November 2024. The HVCS migration to MX will complete in September 2024. MT will continue to be used for some cross border payments until November 2025.

To accommodate the continued use of MT for cross border payments during 2025, the HVCS MT CUG will remain operational until the end of CBPR+ coexistence. However, once the HVCS MT to MX migration is complete in September 2024, use of HVCS MT will only be permitted for the on-sending of the domestic leg of an inward cross border MT payment by intermediaries.

## Key Points:

- The target for the completion of HVCS MT to MX migration remains September 2024.

- The HVCS Coexistence Period will end, as planned, in November 2024, with one exception: the sending of HVCS MT messages after completion of the HVCS migration in September 2024 will only be permitted for on-sending an inward cross border MT payment by intermediaries.

- The HVCS MT CUG will remain in place until the end of CBPR+ Coexistence – more specifically until Swift removes the use of Category 1 and 2 MT messages for cross border payments – at which time, the HVCS MT CUG will be decommissioned.

- This restriction will be enforced as an HVCS compliance requirement through the HVCS Procedures.

- This will have no impact on any MT traffic outside the HVCS MT CUG, for example, AIF.

# CFI MUGS

Having confirmed that the Customer-to-FI/FI-to-Customer (CFI) Message Usage Guidelines (MUGs) are not being used by any HVCS Participants, and that CGI-MP (Common Global Implementation-Market Practice) aims to serve an equivalent purpose, a decision to decommission AusPayNet's CFI MUGs has been made on the basis that retaining them is inefficient and increases the risk of standards fragmentation. These MUGS are now being taken down from MyStandards as they are not used by any HVCS Participants.

# HARMONISATION & INTEROPERABILITY

In recent months the HVPS+ group has formed two new taskforces:
- One to develop an Interoperability Charter.
- The other to review, document and align change management cycles across CBPR+, HVPS+ and Market Infrastructures.

Discussions at the HVPS+ group are ongoing on both topics and more work remains to be done to progress development and, ultimately, finalisation of these artifacts. The next HVPS+ meeting is late in December 2023.

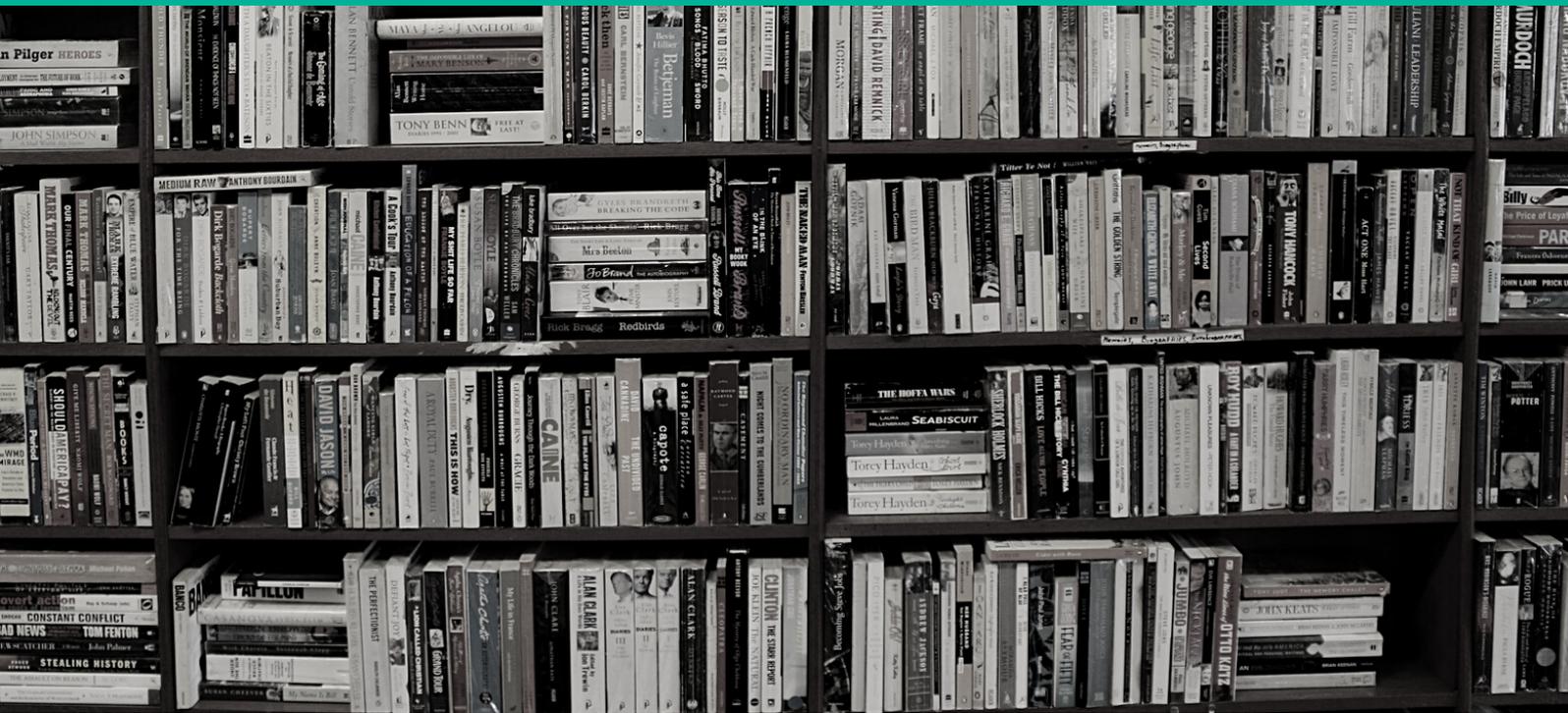Updates will be provided in future editions of the Migration Monitor.

# TEAM NEWS

We are pleased to announce that the AusPayNet ISO 20022 Industry Migration Program has been awarded the Australian Institute of Project Management (NSW Chapter) Project Management Achievement Award in the Professional Services category. The Program is now in the running for the national award, to be announced at the end of October 2023.

The Program was also a finalist in the Outstanding Payments Industry Collaboration category of the APAC Payments Excellence Awards, finishing in the runner up spot.

Huge congratulations to the team on very well deserved and hard-earned recognition.

Our Program Director, Rob Magee, and Program Manager, Mel Gauci, have been representing Australia and the Migration Program in recent travels. The PMPG (Payments Market Practice Group) has a Forum during the weekend before Sibos each year, which Rob and Mel attended and where Rob took part on a panel session covering payment market infrastructures' implementation experience, sharing the Australian point of view.

At Sibos itself, Mel took part on a panel titled 'Achieving Harmony: ISO 20022 maintenance in a connected world', and Rob took part on a panel titled 'Harnessing the value of ISO 20022: From opportunity to success'.

# KEY PROGRAM DOCUMENTATION

| Key Document | Description | Location |
|---|---|---|
| HVCS Message Usage Guidelines (MUGs) | ISO 20022 message specification, hosted on MyStandards<br>Collection: APN_HVCS_2020 // Current Technical Version 9 | Available via the HVCS Community in MyStandards |
| FAQ Register V8 | Bringing together all of the available information related to the Industry Migration Program, along with answers to dozens of frequently asked questions. These questions have been compiled from a range of sources including Participant meetings, working group meetings, ISO Bites sessions, the PMO mailbox and Participant support requests. | |
| Industry Test Workbook V4.0 | Articulation of Industry Test requirements, cases and scenarios, forming the foundation for Participant progress reporting and certification. | |
| Emulator Information Pack V3 | A compilation of how-to guides, demo videos and security information relating to the Unifits HVCS ISO 20022 Emulator. | |
| MUG Comparisons – HVCS to CBPR+ | Line by line comparisons between HVCS and CBPR+ message specifications.<br>(current as of January 2022) | |
| MUG Release Notes | Release notes, updated as we progress through different versions of the MUGs.<br>(current as of January 2022) | |
| Migration Monitor | Public/vendor facing newsletter providing a program overview/update. | Available via ISO 20022 page on the AusPayNet website |
| Migration Services Marketplace | Summary and contact information for vendors and service providers related to the Industry Migration Program. | |

# WHAT'S NEXT?

In the next quarter we will complete our consultation, and publish outcomes, on hybrid Postal Address and UG validation. Implementation Group B will go live, and Groups C and D will be mobilised.

Key an eye out for those updates and more in the next edition of the Migration Monitor, due to be published in December 2023.

In the meantime, if you have any questions, or would like any further information, please feel free to contact the PMO via email to iso20022@auspaynet.com.au.

The PMO welcomes all feedback from Participants and Program Stakeholders to support our commitment to continuous improvement. We are particularly interested in what is working well, and what else you would like to see from the Program. Please use this form to submit your feedback.

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