



The ISO 20022 Standard as an Exemplar of Interoperability

A sector led initiative to establish interoperability in payments

Interoperability

- **Interoperability does not require everybody to do things the same way...**

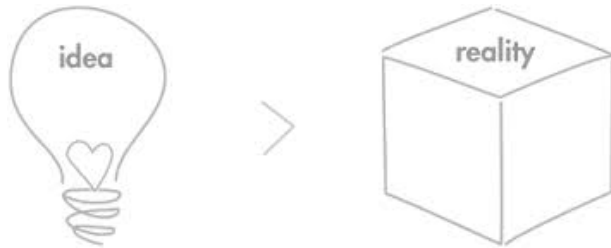
...but it *does* require that we *understand* what everybody does

- What we commonly do
 - What we need to do in-common
 - What are the limits of that commonality
-
- **Standards reflect this understanding...**
... Adoption generates interoperability

Getting to Interoperability

Arriving at understanding...

This is not how it happens!



Recipe for Mice by Dr. Jan Baptista von Helmont



Corporate to Bank Payment Standards



The same banks involved in different standardization initiatives (IFX, TWIST, OAGi, SWIFT)

Need to converge



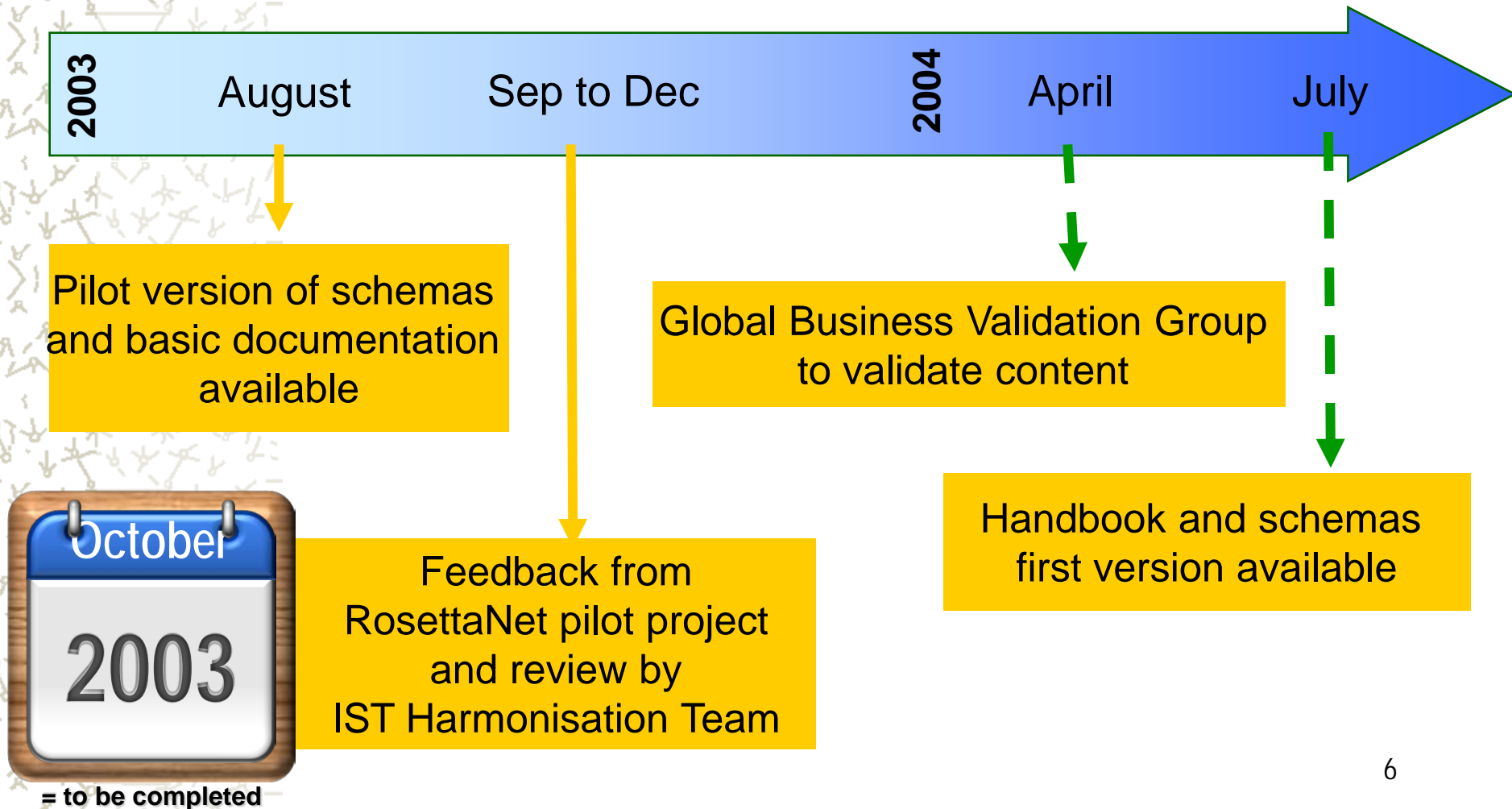
Creation of the IST Harmonisation Group to define a common "core payment XML kernel"

Objectives of the IST Harmonisation Team

- Adopt a business model
- Resolve content differences between messages
- Standardize the representation of the content
- Establish a method of interoperability to have extended or related message packaging
- Recommend a common core payment that can be accepted into each of the XML standards bodies



IST Timeline



UNIFI – The five parts of ISO 20022

Part 1:

International Standard: Overall methodology and format specifications for inputs to and outputs from the ISO 20022 Repository

Part 2:

International Standard: Roles and responsibilities of the registration bodies

Part 3:

Technical Specification: ISO 20022 modelling guidelines

Part 4:

Technical Specification : ISO 20022 XML design rules

Technical Specification: ISO 20022 reverse engineering



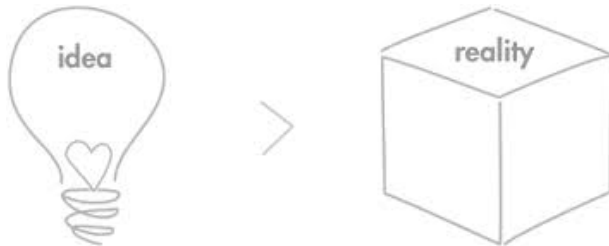
Copies can be obtained from www.iso.org

Elapsed time = 2 years

pain.001.001.01

- The first ISO 20022 messages were published in 2005 and the first of those was Customer to Bank Payment Initiation
- SEPA adopted v.03 in 2009

This is not how it happens!



Interoperability

- **Interoperability requires that we understand what everybody else does...**

And this includes your technology partners

- FIS Global
 - TCS
 - Oracle
 - CSC
 - Microsoft
 - Fiserv
 - ACI
 - Jack Henry Assoc.
 - ...
- 
- SAP
 - IBM
 - Infosys
 - Cognizant
 - Misys
 - Temenos
 - Xero
 - Ripple
 - ...

Global Dynamics

- Your vendors and service providers right now are dealing with these requirements from their global customers
 - PSD2
 - Standardizing Banking APIs
 - Block Chain Technology
 - W3C Payments
 - Mobile payment schemes
 - ...
- Each of these will significantly impact on interoperability
- If you aren't participating, you are not influencing their product/service strategies

How much influence did *you* have on ISO 20022?