Implementation of ISO® 20022 Payment Messages
for U.S. Wire Transfer Systems

Several major markets around the world have announced plans to adopt ISO® 20022 payment message standards in response to regulatory mandates or in conjunction with the development of new systems and/or technology upgrades. Given these global developments, the Federal Reserve Banks co-sponsored a study with a U.S. stakeholder group (Stakeholder Group) including The Clearing House Payments Company L.L.C., NACHA – The Electronic Payments Association and the Accredited Standards Committee X9 – Financial Industry Standards, Inc. to evaluate whether or not there was a business case for U.S. payment and clearing participants to adopt the ISO 20022 payment standards for wire transfer and automated clearing house (ACH) systems in the U.S. The study was conducted by an independent external consultant who recommended that there were strategic reasons to consider ISO 20022 adoption in the United States.

Strategic Reason to Adopt ISO 20022 in U.S.	Description
Global Momentum	Large U.S. corporates and banks are actively adopting ISO 20022 and that is expected to continue.
Global Competition	Compatibility with the ISO 20022 format enables the U.S. to maintain parity with other global markets and U.S. dollar clearing systems in other jurisdictions that are adopting ISO 20022 messaging, which may help preserve the attractiveness of the U.S. dollar as a global currency.
Cost Savings & Processing Efficiency	Standardizing message formats allows for consolidation of payments platforms at banks and corporations, which could promote straight-through processing and drive down costs.
Consistent & Rich Data	While domestic formats support robust data content, ISO 20022 enables all parties to leverage a common set of data dictionary elements to build transactions and messages under an internationally agreed approach.
Interoperability	A common format promotes ease of transacting domestically and globally by using a single, open standard rather than multiple proprietary standards.
Agility to Meet Evolving Regulatory Needs	The ISO 20022 format provides for full originator and receiver information, allowing for improved regulatory reporting and monitoring.
New, Innovative Products	A common format across systems reduces the amount of change required to bring innovative new products and services to market.

The Federal Reserve Banks and The Clearing House have expressed intentions to adopt ISO 20022 for the Fedwire® Funds Service and the Clearing House Interbank Payments System (CHIPS®) funds-transfer systems, but the scope, means and timing of adoption have not yet been determined.

The Federal Reserve Banks and The Clearing House invite you to participate in this important survey to weigh in on the scope, approach and timing of ISO 20022 adoption for wire transfer systems in the United States. Your input is extremely valuable and appreciated as we design an implementation strategy for ISO 20022 adoption for wire transfer systems in the United States. Your individual response will be kept confidential. Only aggregate data from this survey will be disclosed.

Although the Federal Reserve Banks and The Clearing House plan to disclose only aggregate data from this survey, your survey response may be subject to disclosure under the Federal Reserve Banks' information disclosure policies. To request confidential treatment of specific information in your response, you must clearly indicate which information you deem to be confidential; you may do so in the box provided at the end of the survey for additional comments. A request for confidential treatment does not guarantee that the information will not be disclosed under the Federal Reserve Banks' information disclosure policies.

Please provide the following information:
   a. Name: _____
   b. Email: _____
   c. Organization Name: _____

1. Please indicate which of the following phrases describe your organization? *(Select all that apply)*
   a. Financial institution that has a FedLine Direct® connection to the Fedwire Funds Service
   b. Financial institution that has a FedLine Advantage® connection to the Fedwire Funds Service
   c. Financial institution that is a user of the "import" and/or "export" functionality in the FedPayments® Manager for the Fedwire Funds Service
   d. Financial institution that is a CHIPS participant
   e. Financial institution that is a SWIFT® participant
   f. Vendor that provides services to Fedwire Funds Service participants
   g. Vendor that provides services to CHIPS participants
   h. Vendor that provides services to corporates
   i. Corporate that is a SWIFT® participant
   j. Corporate

   ==If Q1 A,B,C or E is selected, show 2a. If Q1 D is selected show 2b==
2. Please provide your organization's routing number:
   a. ABA number _____
   b. CHIPS participant number _____

3. Please indicate which of the following roles <u>best</u> describes <u>your</u> role in your organization:
   a. Product management
   b. Wire/treasury operations
   c. Sales
   d. Systems development/information technology
   e. Accounts payable
   f. Accounts receivable
   g. Other, please specify_____

4. **For financial institutions only (those who answered question 1 with options A, B, C, D, F, G or H):**
For each type of system, please indicate if your organization uses a vendor software product, relies on in-house development, or a combination of both. ***Please specify the vendors used.***

	System	Vendor (please specify)	In-House Development
a	FedLine Direct interface to the Fedwire Funds Service		
b	Internal system that can create files to import to and/or receive export files from the FedLine Advantage FedPayments Manager Funds application		
c	Interface to CHIPS		
d	Front-end interface to corporate customers		
e	DDA system		
f	Cash management system		
g	Compliance screening		
h	Other, please specify _____		

5. **For corporations only (those who answered question 1 with options F, G , H, I or J):** For each type of system, please indicate if your organization uses a vendor software product, relies on in-house development, or a combination of both. ***Please specify the vendors used.***

	System	Vendor (please specify)	In House Development
a	Cash management system with your bank		
b	Treasury operations		
c	Accounts payable		
d	Accounts receivable		
e	Enterprise Resource Planning (ERP)		
d	Other, please specify _____		

6. How familiar are you with the ISO 20022 standard for payments?
   a. Very familiar
   b. Somewhat familiar
   c. Not familiar

7. Is your organization involved in ISO 20022 adoption efforts in other markets?
   a. Yes – please specify which markets _____
   b. No

8. Which type of ***wire transfer*** payments should be included in an ISO 20022 implementation strategy for U.S. wire transfer systems?
   a. Cross-border wire transfer payments only
   b. Domestic wire transfer payments only
   c. Both domestic and cross-border wire transfer payments

9. Which value-added enhancements would you like to see included in an ISO 20022 implementation strategy for U.S. wire transfer systems? *(Select all that apply)*

a. Extended remittance information
b. Payment tracking
c. Investigation messages
d. None; initial adoption should be ISO version of legacy systems ("like for like")
e. Other, please specify _____

10. **For FedLine Direct customers & vendors only (those who answered question 1 with options A or F)**:
Which aspects of the Fedwire Funds Service message format should be considered as part of the scope for adoption of the ISO 20022 format for U.S. wire transfer systems? *(Select all that apply)*

Select	Fedwire Funds Service
	Transfer Messages & Responses
	▪ Value payment messages (i.e., bank-to-bank transfer, customer transfer, drawdown payment, reversal of a current-day or prior-day transfer)
	▪ Non-value request for reversal of a current-day or prior-day transfer
	▪ Non-value request for credit (drawdown)
	▪ Non-value refusal to honor a request for credit (drawdown)
	▪ Non-value service message
	▪ Short acknowledgment
	▪ Advice
	▪ Reject notification
	Inquiry Requests and Responses
	▪ Account Balance Request
	▪ Account Balance Report
	▪ Account Balance Request Error Response
	▪ Detailed Summary Request
	▪ Detailed Summary Report
	▪ Detailed Summary Request Error Response
	▪ Error Code Description Request
	▪ Error Code Description Response
	▪ Error Code Description Request Error Response
	▪ Retrieval Request
	▪ Retrieval Request Response
	▪ Retrieval Request Error Response
	Broadcast Messages
	▪ Startup
	▪ Shutdown
	▪ Other (e.g., extensions)
	Statements
	▪ Funds Subsidiary Statement

11. **For CHIPS customers & vendors only (those who answered question 1 with options D or G)**: Which aspects of the CHIPS message format should be considered as part of the scope for adoption of the ISO 20022 format for U.S. wire transfer systems? *(Select all that apply)*

Select	CHIPS
	Payment Messages & Responses
	▪ Payment Message
	▪ Payment Message Stored Response
	▪ Payment Message System Cancelled Response
	▪ Payment Preference Message

	▪ Payment Preference Response
	▪ Invalid Payment Preference Response
	▪ Delete Payment Message
	▪ Payment Resolver Notification
	▪ Invalid Delete Response
	▪ Payment Message Retrieval
	▪ Resolver Retrieval
	▪ Receive Retrieval
	▪ Payment Message Retrieval Response
	▪ Receive Retrieval Response
	▪ Payment Resolver Retrieval Response
	▪ Invalid Payment Message Retrieval Response
	▪ Invalid Receiver Retrieval Response
	▪ Invalid Resolver Retrieval Response
Service Messages & Responses	
	▪ Service Message
	▪ Valid Service Message Response
	▪ Invalid Service Message Response
	▪ Service Message notification
	▪ Service Message Input Retrieval
	▪ Service Message Notification Retrieval
	▪ Valid Service Message Input Retrieval Response
	▪ Invalid Service Message Input Retrieval Response
	▪ Valid Service Message Notification Retrieval Response
	▪ Invalid Service Message Notification Retrieval Response
Inquiry Messages & Responses	
	▪ Participant Inquiry
	▪ Participant Inquiry Response
	▪ Invalid Inquiry Response
	▪ Bilateral Inquiry
	▪ Bilateral Inquiry Response
	▪ Invalid Bilateral Inquiry Response
Supplemental Funding Messages & Responses	
	▪ Participant Withdrawal Request
	▪ Invalid Withdrawal Response
	▪ Reserve for Preference Request
	▪ Invalid Reserve Request Response
Report Requests & Responses	
	▪ Warning Report Request
	▪ Warning Report
	▪ Receiver's Unresolved Payment Message Report Request
	▪ Receiver's Unresolved Payment Message Report Response
	▪ Invalid Receiver's Unresolved Payment Message Report Response
	▪ Cutoff / Expired Report
	▪ Initial End-of Day Balance Report
	▪ Final End-of Day Balance Report
	▪ Initial Bilateral Position Report
	▪ Final Bilateral Position Report
	▪ Status /Recovery/ Closing Report
Supervisory Messages and Responses	
	▪ Supervisory Message

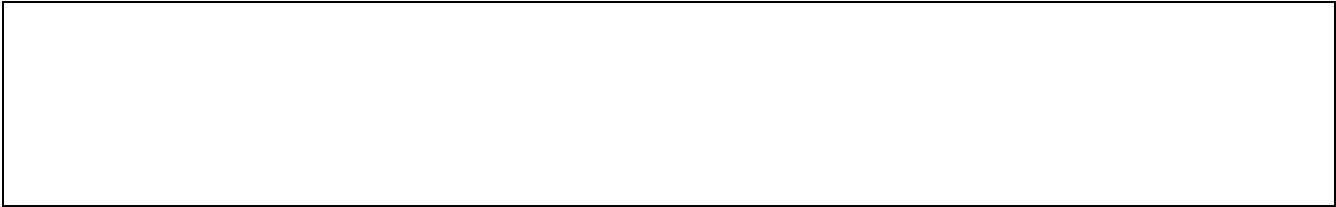|		
	▪ Status Funded Participants Response	
	▪ Status Active Participants Response	
	▪ Cutoff Time Response	
	▪ Queue Status Response	
	▪ Rule 13 Status Response	

12. Which of the following ISO 20022 implementation approaches for the U.S. wire transfer systems do you support?

	ISO 20022 Implementation Approach for U.S. Wire Transfer Systems	Description
1	Market Convention	The market infrastructures (i.e., Federal Reserve Banks and The Clearing House) can work with the banks to develop a market convention for sending an ISO 20022 formatted message within an existing free-text field (up to about 9,000 characters) of the existing Fedwire Funds Service and CHIPS formats; however, banks would still need to complete the basic payment information in the Fedwire Funds Service and CHIPS message formats. While the market infrastructures would not need to make any changes to support the market convention and could support it today, banks (and their vendors) who wish to participate would need to make programming changes to support the market convention.
2	Phased conversion to receive ISO 20022, followed by phased conversion to send ISO 20022	**Phased conversion period to receive ISO 20022** ▪ Market infrastructures mandate a conversion period for banks to convert to "**receive**" only the ISO 20022 format for the U.S. wire transfer systems. ▪ Banks would continue to send only the legacy format and the market infrastructures would convert the legacy format to the ISO 20022 format to send to the receivers who can receive the ISO 20022 format. ▪ Banks that wish to minimize the amount of time they need to support both the legacy and ISO 20022 formats could cut over to receive the ISO 20022 format toward the end of the receive phase and then be an early adopter for the send phase. **Phased conversion period to send ISO 20022** ▪ Once the receive phase is complete, market infrastructures mandate a conversion period for banks to convert to "send" only the ISO 20022 format. ▪ The market infrastructures would sunset the legacy formats at the end of this phase.
3	Big bang to receive ISO 20022, followed by phased conversion to send ISO 20022	**Big bang to receive ISO 20022** ▪ Market infrastructures mandate that banks convert (**on the same day**) to "**receive**" only the ISO 20022 format for the U.S. wire transfer systems.

		Phased conversion period to send ISO 20022
		▪ Banks (who are ready) could also convert to sending the ISO 20022 format for the U.S. wire transfer systems on the same day as above. Otherwise, banks would continue to send the legacy format and convert (over a conversion period) to "send" only the ISO 20022 format.
		▪ During the conversion period, the market infrastructures would convert legacy format to the ISO 20022 format to send to the receivers.
		▪ The market infrastructures would sunset the legacy formats at the end of this phase.
4	Big Bang	Market infrastructures would establish a sunset date for the legacy formats and require all banks to **send and receive** the ISO 20022 format for the U.S. wire transfer systems on the **same cut over day**.
5	Other Implementation Approach	Please describe_____

13. <mark>**For Fedwire & CHIPS participants only (those who answered question 1 with options A AND D):**</mark>
Your organization participates in both the Fedwire Funds Service and CHIPS. What is your preference for converting to the ISO 20022 message format for those systems?
a. Convert both systems at the same time
b. Convert one system at a time
c. No preference

14. How much lead time (from the time the Federal Reserve Banks and The Clearing House announce the new ISO 20022 format specifications) would your organization need to budget resources and make changes to prepare for an ISO 20022 implementation for wire transfer systems?
a. 12 to 18 months
b. 19 to 24 months
c. 25 to 36 months
d. 3 to 5 years
e. More than 5 years

15. Please identify other initiatives that will compete with ISO 20022 adoption efforts for resources within your organization. (*Select all that apply*)
a. Regulatory initiatives, please specify _____
b. Security initiatives
c. Resiliency initiatives
d. Faster payments
e. Internal system upgrades
f. New products
g. Other, please specify_____

16. Please provide any additional comments.

Additional Comments