

THE MIGRATION MONITOR

YOUR QUARTERLY ISO 20022 INDUSTRY MIGRATION PROGRAM NEWSLETTER

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WELCOME

Welcome to the latest 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 have now been up and running for four months on ISO 20022 in HVCS. We had an incident-free Go Live, and we're pleased to report that has remained the case in those first few months. Congratulations again to all our HVCS Participants, and their vendors and suppliers who have help them along the way.

Please feel free to contact our team via email at iso20022@auspaynet.com.au if you would like to suggest topics for future editions.

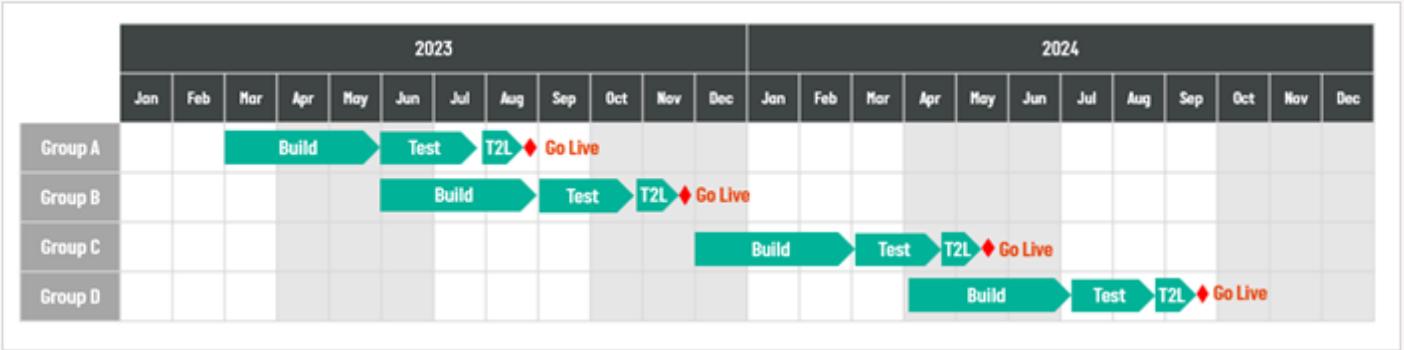


HANDY LINKS & RESOURCES



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.



IMPLEMENTATION WORKSTREAM

Our Implementation Workstream is proceeding to plan. It is comprised on four Implementation Groups, two this year and two in 2024, as shown in the diagram above.

The first two implementation working groups are now both fully mobilised and progressing to schedule.

Implementation Working Group A (IWGA)

IWGA has now completed it's Industry Test window, Production Verification Testing (PVT) takes place early in August 2023, and Go Live on Monday, 14 August 2023.

Implementation Working Group B (IWGB)

IWGB are still quite early in its implementation cycle, with the next progress checkpoint in mid-August 2023.

IWGB will commence Industry Testing in September 2023, ahead of PVT and Go Live in November 2023.





STRUCTURED DATA WORKSTREAM

The Structured Data Working Group (SDWG) has now endorsed three sets of draft Market Practice: for LEIs, Purpose Codes, and Structured Remittance.

We will now consult all Participants with the following objectives:

- Establish whole of industry buy-in to the published Market Practice.
- Have all Participants determine and report their own intentions for adopting the published Market Practice.
- Where the intention is to adopt, collect indicative timelines for those Participants.
- Where applicable, build a picture of corporates' level of interest in each set of Market Practice.

The consultation will run for two months, in August and September 2023. The three sets of Market Practice will be published to all HVCS Participants, along with detailed instructions and guidance on the impact analysis we are asking Participants to carry out.

Participants will be asked to:

- Carefully review each set of Market Practice, including rationale, benefits, guidance, and adoption notes [challenges and considerations].
- Consult relevant internal teams/impacted business domains.
- Consider funding and resource approval cycles for any subsequent implementation projects.
- Where applicable, consult with their corporates.

Information collected will be collated by the PMO and presented back to Participants as a whole of industry view of the likely adoption of the various aspects of structured data, including indicative timelines.

The digital survey will gather Participants' views and preferences and set out to establish whole of industry buy-in by confirming agreement for each set of Market Practice on rationale, benefits, guidance, and adoption notes [challenges and considerations].

Participants will be asked to report their own intentions regarding adoption of optional best practice, including assumptions on timing, approvals, funding, and implementation projects.

Participants with corporate customers will also be asked to report their corporate community's level of interest in adoption and use of each area of structured data.

Survey results will be used to inform any final revisions to draft Market Practice and related adoption plans. Our intention is then to annually review Participants' progress and any change of initial plans.

HARMONISATION & INTEROPERABILITY

There are two aspects of harmonisation currently being considered by the global payments community:

- Harmonisation between HVPS+ and CBPR+; and
- Harmonisation of Market Infrastructures' ISO 20022 versions, with each other and with CBPR+, including harmonisation of future version changes.

HVPS+ and CBPR+ Harmonisation

Local Market Infrastructures have generally developed their MUGs aligned to HVPS+ or CBPR+, or somewhere in between.

There are some necessary differences between the two but, with the benefit of seeing both in live operation, work is now underway to identify, assess and correct any unnecessary differences. Some of these differences create operational challenges and processing friction. The HVPS+ group is close to finalising amendments to its standard to resolve a number of these differences.

We will continue to identify improvements that can be made to our MUGs to improve harmonisation with CBPR+ as, in practical terms, that delivers a more tangible benefit to our Participants than alignment with HVPS+. However, that distinction will diminish as those two standards themselves align more closely. The next update to our HVCS MUGs remains planned for Q4 2025. Recent HVPS+ changes will be factored into the development of HVCS message updates.

Version Harmonisation Between Market Infrastructures

There are various ISO 20022 implementations in use (or planned) within Australia. These include HVCS (based on both HVPS+ and CBPR+), CBPR+ for cross border, AUSTRAC, NPP, and the ASX / Austraclear. Overseas, each MI also has its own message collection.

Many Participants operate globally in several MIs, and/or locally in HVCS and NPP, ASX, etc. Fragmentation or variation in version between these implementations creates an operational cost and risk overheads and challenges for those Participants, as well interoperability challenges. This is an area already under scrutiny by the Committee on Payments and Market Infrastructures (CPMI) cross border payments initiative, which sees greater harmonisation as an objective to reducing friction and cost and increasing speed and transparency.





Currently, HVCS is running the 2020 version of ISO 20022, HVPS+ and CBPR+ the 2019 version, and NPP the 2015 version. These differences in version can increase the difficulty of achieving interoperability and add complexity to maintenance of Participant systems. The future interlinking of domestic fast payment systems also adds to the need for interoperability.

Some level of harmonisation of versions is desirable, but it needs to be balanced against the overheads of frequent version changes. ISO will publish a new version of the ISO 20022 standard every year, but the incremental differences may sometimes be minimal or have little relevance to high value payments. It could, therefore, sometimes be acceptable to skip a version or two.

HVCS Participants were invited to share views, ideas, and preferences on this topic. The following points have been shared with HVPS+ and the HVPSO (the High Value Payment System Operators Forum):

- We support creation of an HVPS+ change management framework to facilitate better alignment between HVPS+ and CBPR+, with improved transparency on changes being considered.
- Our working assumption is that HVCS will update versions every two to three years.

- We would support creation of an international harmonisation (or interoperability) charter.
- HVCS Participants have a range of preferences on frequency of version changes.

With an expectation that message specifications will stabilise over the coming years, and HVPS+ and CBPR+ better align, we have suggested that a practicable compromise might be for MIs to each manage two or three version changes between November 2025 and November 2030, with a vision of moving to annual, aligned, harmonised changes from 2030, once all have developed some expertise in implementing version changes and when year-to-year changes might be less impactful.

PMO representatives are actively taking part in these discussions, through HVPSO, HVPS+ and the CBPR+ AU mirror group. We will also take part in additional 'task force' meetings convened by HVPS+ to agree on an interoperability/harmonisation approach.

We will provide further updates in the Migration Monitor as these discussions continue.

HYBRID POSTAL ADDRESS

The PMPG proposal to allow mixed use of structured and unstructured postal address elements, referred to as 'hybrid' address, has been put forward to both CBPR+ and HVPS+.

The proposal suggests a future state where fully structured address can be used (as it can today), or a hybrid 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(s).

The Payments Standards Working Group (for CBPR+) and the HVPS+ group have both considered the proposal, as well as factors relating to timing of implementation of the hybrid address and removal of fully unstructured address.

Feedback from those groups will be captured in an updated PMPG proposal document, which will also reflect the position of HVPS+ and CBPR+.





KEY PROGRAM DOCUMENTATION

Key Document	Description	Location
HVCS Message Usage Guidelines (MUGs)	ISO 2022 message specification, hosted on MyStandards Collection: APN_HVCS_2020 // Current Technical Version 9	
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.	
HVCS Truncated Message Processing Guidelines V1	The TMPG provides guidance to HVCS Participants covering scenarios where an inward cross border FIN payment instruction is received that has truncated or missing data and is therefore subject to the guidance provided in the CBRP+ Data Integrity Market Practice.	Available via the HVCS Community in MyStandards
Industry Test Workbook V4	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 2022 Emulator.	
MUG Comparisons – HVCS to CBPR+	Line by line comparisons between HVCS and CBPR+ message specifications. [current as of January 2022]	
MUG Release Notes	Release notes, updated as we progress through different versions of the MUGs. [current as of January 2022]	
Migration Monitor	Public/vendor facing newsletter providing a program overview/update.	Available via ISO 2022 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 first industry consultation on structured data market practice, Implementation Group A will go live, and Group B will complete industry testing.

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.

Stakeholders are encouraged to remain engaged and continue to reach out to the PMO for support when needed.



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.