

Factsheet - Swift MX Summit

Streamline ISO 20022 Migration with Swift MX: the Way to Modernize Financial Messaging

ISO 20022, the successor of ISO 15022, is already half-way through its transition period. There is no time to waste in finding a solution to transition smoothly to Swift MX.

//

Summit provides a ready solution for migrating to Swift MX. If your MX project has not started, now is the time to begin. With a full solution ready with Summit, start your migrating journey to Swift MX with a peaceful mind."

Xavier Crépin-Leblond
Project Manager Finastra

Based on the ISO 20022 standard, Swift MX represents a significant evolution in financial messaging. This new standard replaces the legacy Swift MT messages, offering enhanced data richness and structure.

By adopting Swift MX, financial institutions can achieve greater interoperability, improved operational efficiency, and compliance with evolving regulatory requirements, positioning themselves for future innovations in the financial ecosystem.

As a reminder, Swift proposes a 3-year transition from November 2022 to November 2025 to migrate from Swift MT to ISO 20022 Swift MX messages.

Many banks are either live with the new MX messages or in the process of implementation.

Serving as the standard for financial service messaging, it covers electronic data interchange between financial institutions, providing consistent, rich, and structured data. This standard modernizes payment processes and supports instant payments.

Swift MX uses an XML format based on ISO 20022, replacing Swift MT messages. The scheme includes five financial business domains: payments, securities, head services, cards, and foreign exchange.

- **November 2022:** Euro Target System uses Swift MX messages.
- **March 2023:** CBPR Swift MX messages go live.
- **November 2024:** ECMS Platform go-live, supporting only Swift MX security settlement messages.
- **November 2025:** Final timeline for cross-border payments.



How can Summit help?

Finastra, makes sure that there is no impact regarding the current Swift MT message generation process when implementing MX messages in Summit. Indeed, using the example of cash settlement, MT and MX messages need to co-exist until 2025, when the transition will be fully achieved.

Customers also have the liberty to migrate to MX as per their own plan, since Summit is flexible enough to ensure a smooth shift.

The Market standard template tool allows clients to modify the MX formatting template on their own if required, to cover local RTGS requirements.

In terms of changes, Summit is enhanced with dedicated static data defining a transition day based on multiple criteria, such as currency, agent entity message types. For instance, based on a predefined date, Summit will automatically trigger MX instead of MT messages. A New XSLT template library adapted to Swift MX message is also made available.

One of the advantages of generating directly New MX messages and not applying translation from MT to MX message is the long-term solution offered to clients. This is also a way to integrate and link related incoming MX messages into Summit.

ISO 2022 and the Swift MX messages covered

Summit supports cash and security Swift MX settlement messages covering both outgoing and incoming messages.

Example of supported Swift MX messages:

- **Cash Settlements:**
 - PACS.008: Customer payment, equivalent to MT103.
 - PACS.009: Financial institution payments, equivalent to MT202.
 - CAMT.057: Notification to Receive, equivalent to MT210.
 - Incoming CAMT.054: Bank to Customer Debit / Credit Notification, equivalent to MT 900/910.
- **Security Settlements:**
 - Outgoing Messages: sese.020, 023 for security settlement instructions, equivalent to MT540-543.
 - Incoming Messages: sese.024, 025, 027 for security settlement statuses, equivalent to MT544-548.

Contact your account manager to get a full list of messages covered by Summit.



An optimized implementation

The estimated implementation time for Swift MX ranges from 2 to 6 months.

The primary participants in this process will be back-office users, business analysts, and the IT team. The initial step involves defining the client's transition strategy, including the timing and conditions under which MT messages will convert to MX.

The second step involves adjusting the Summit setup to trigger MX messages going forward. This includes defining the Swift MX transition date in the static data and making slight updates to cover both MT and MX messages. Once the setup is complete, generate and validate MX messages in Summit using the same principles as for MT messages.

For formatting, clients can adjust messages to include optional tags. After completing the testing phase, User Acceptance Testing (UAT) will be conducted for final validation. Once validated, Summit will be ready to generate and dispatch the new MX messages in production.

Why choose Summit as your Swift MX solution?

Summit is an excellent choice for a Swift MX solution for several reasons. Firstly, it covers all Swift MX messages required for the settlement process, including CBPR, TARGET2, and ECMS messages.

Secondly, the implementation is rapid, leveraging Summit's existing document generation architecture and workflow. Thirdly, both MT and MX messages are fully audited, ensuring transparency and compliance. Additionally, Summit offers a scalable solution, generating MX messages natively rather than translating from MT messages.

Summit makes it easier to maintain and evolve over time. The design and workflow are also compatible with future phases expected after November 25.



Swift MX with Summit in a nutshell



A smooth transition co-existence of MT and MX Messages: No impact on current Swift MT message generation while implementing MX messages.



Flexibility for clients: Migrate to MX as per their own plan, using the market standard template tool to modify MX formatting templates if required.



Transition day definition: Define a transition day based on multiple criteria, triggering MX messages instead of MT messages from the defined date.



XSLT template library: A new XSLT template library adapted to Swift MX messages is provided.



Advantages of direct MX Message generation:

- **Long-term solution:** Direct generation of MX messages avoids translation from MT to MX.
- **Integration:** Allows integration and linking of related incoming MX messages into Summit.

Implementation process:

- **Estimated time:** 2 to 6 months.

• Steps:

1. Define transition approach:

How and when messages will transition from MT to MX

2. Adjust Summit setup:

Trigger MX messages going forward, update static data for both MT and MX messages.

3. Generate and validate MX Messages:

Follow the same principle as MT messages.

4. Message adjustment:

To cover optional tags.

5. Testing and UAT:

For final validation.

With Summit as your Swift MX solution:



- **Comprehensive coverage:** All required Swift MX messages for settlement processes are covered, including CBPR, TARGET2, and ECMS messages.



- **Fast implementation:** Based on existing Summit document generation architecture and workflow.



- **Full auditing:** Available for both MT and MX messages.



- **Scalable solution:** Native generation of MX messages, easier to maintain and evolve.





Contact us

About Finastra

Finastra is a global provider of financial services software applications across Lending, Payments, Treasury and Capital Markets, and Universal (retail and digital) Banking. Committed to unlocking the potential of people, businesses and communities everywhere, its vision is to accelerate the future of Open Finance through technology and collaboration, and its pioneering approach is why it is trusted by ~8,100 financial institutions, including 45 of the world's top 50 banks. For more information visit finastra.com

© 2024 Finastra. All rights reserved.

ID-44643 / 0924



Corporate Headquarters

4 Kingdom Street
Paddington
London W2 6BD
United Kingdom
T: +44 20 3320 5000

FINASTRA