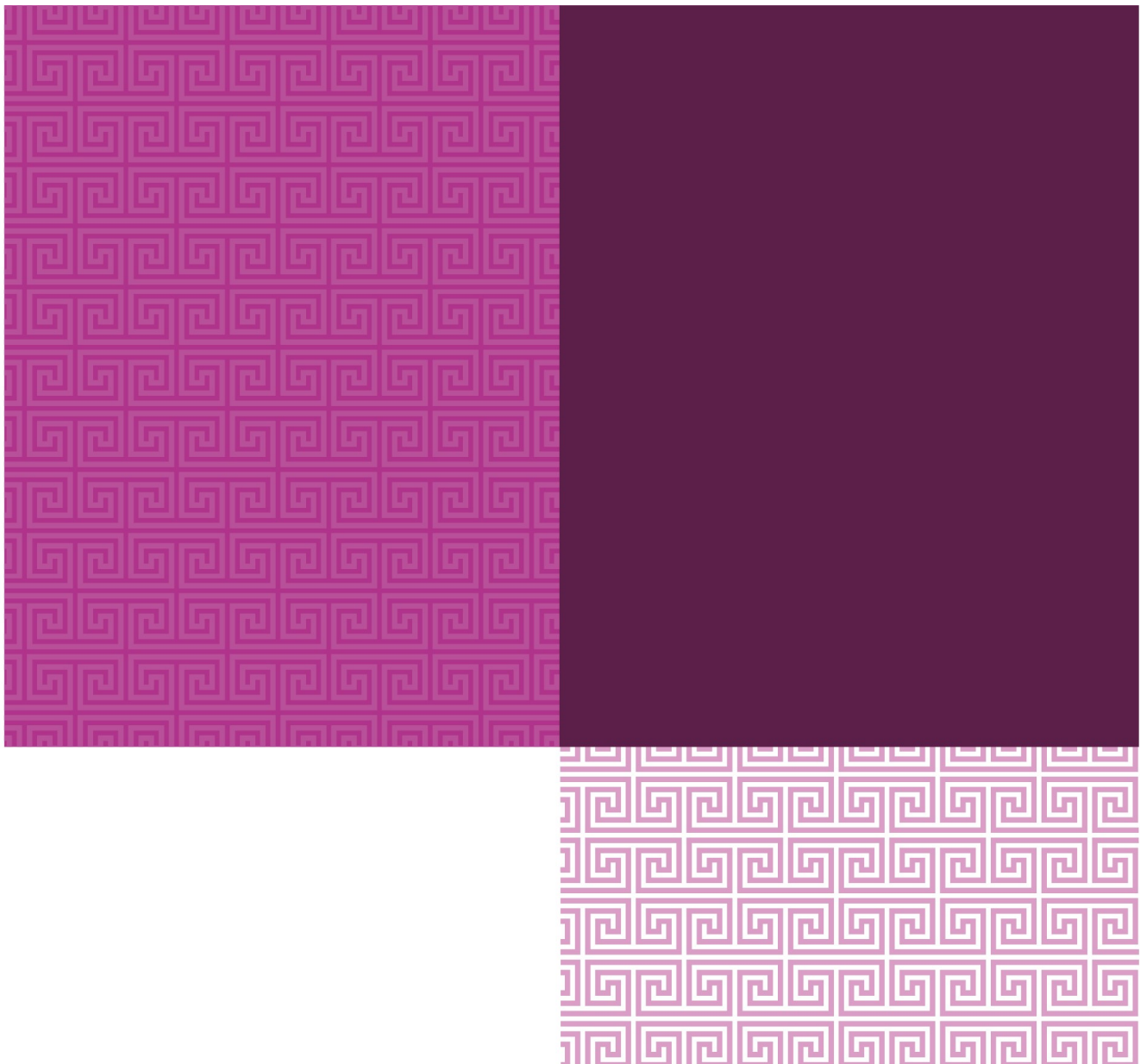




RTGS Renewal Programme

ISO 20022 migration of non-payment messages: for CHAPS Direct Participants

September 2021



This update is specifically intended for CHAPS DPs.

Overview

The Bank of England (the “Bank”) has previously communicated its intention to provide further information on the migration of non-payment messages to ISO 20022 for CHAPS Direct Participants (DPs). Throughout 2020, the Bank has focused on the migration of the CHAPS payment messages to ISO 20022 (June 2022 for like-for-like and February 2023 for enhanced data). This document focusses on the non-payment messages.

‘Non-payment messages’ specifically refers to the existing statement, notification and report messages i.e. MT298/nnn and MT950 type messages. Only CHAPS DPs receive MT950 *and* MT298/nnn messages, and this document is therefore intended for, and only for, all CHAPS DPs. This document refers to migration of those messages to their ISO 20022 equivalents (see annexes A and B).

- **Each CHAPS DP is asked to confirm which date they intend to migrate their non-payment messages to ISO 20022. All messages must migrate at the same time.**
- **The options are Transition State 2 go-live on (20 June 2022) or Transition State 3 go-live (expected late 2023).**
- **Testing windows/dates for each option are explained below; DPs must be ready to test on the relevant dates for their chosen option.**
- **Each DP must confirm their preferred migration date by 30 September 2021 to RTGSReadiness@bankofengland.co.uk.**

The migration approach in detail

Overall approach

Following industry consultation and in conjunction with in-house subject matter experts, the Bank has now agreed its approach for the migration of the non-payment messages for CHAPS DPs and other settlement and reserves account holders. This approach takes into account other industry events and risks associated with certain dates, as well as required readiness lead times.

Each CHAPS DP will need to choose one of these dates to migrate from MT non-payment messages to the ISO 20022 equivalents. This means that they will need to be ready to receive the ISO 20022 messages from that date.

For the migration:

- Each account holder must migrate all MT non-payment statement messages together on their chosen date. For example: for CHAPS DPs this will mean migrating MT950 and MT298/nnn messages together at once. CHAPS DPs will not be able to migrate the MT950 on a different day to the MT298/nnn messages.
- It will not be possible for the Bank to send both an MT and ISO 20022 equivalent message to a single DP for data integrity reasons. For example, an account holder will not be able to receive both an MT statement message (MT950) and the same message in the ISO 20022 format (camt.053).
- CHAPS DPs will have to migrate all accounts that share a BIC on the same date. This means that an account used by a CHAPS DP but not for CHAPS settlement (e.g. a prefunding account for a retail settlement system) must be migrated on the same day if it shares the same BIC as the CHAPS settlement account.
- The switch from MT to ISO 20022 messages is made by the Bank, not by the CHAPS DP.

If a CHAPS DP does not currently receive MT950 or MT298/nnn messages for an account, but would like to do so in the future, please mention this in your response. This migration approach is primarily intended for existing messages but we would be happy to discuss options for receiving new statement and notification messages.

Timeline and migration dates

Each CHAPS DP is asked to select a date for the migration of all of their non-payment messages. In order to avoid unnecessary disruption and to ensure the correct testing is carried out as required, it is requested that account holders confirm and secure their preferred cutover date for these messages by 30 September 2021.

	TS2 go-live (20 June 2022)		TS3 go-live (late 2023)
	CHAPS DPs can decide to either: (i) receive ISO 20022 messages on and from 20 June 2022 or (ii) continue to receive MT statement and notification messages until the day before TS3 go-live		All CHAPS DPs must be ready to receive the ISO 20022 non-payment messages from this point
Name of message	MT message	ISO 20022 message	ISO 20022 message
Statement	MT950	camt.053	camt.053
Liquidity report	MT298/010	camt.052	camt.052
Confirmation of Liquidity Decrease	MT298/011	camt.054	camt.054
Confirmation of Liquidity Increase	MT298/012		
Liquidity Pre-Advice	MT298/013		
Cancellation Advice	MT298/014		
Funds Queue Status Message	MT298/003	admi.004	admi.004
RTGS Status Report	MT298/004	admi.004	admi.004

When deciding on the date of the non-payment ISO 20022 message migration, please consider:

- If a DP migrates to ISO 20022 at TS2, it will receive camt.053 messages that are translated from the (RTGS1) system-generated MT950. This means that a DP would continue to receive multiple shorter camt.053 messages each day even if there are many movements across the account, until TS3. The camt.053 does not have the same 20 line restriction as the MT950 (i.e. which can result in multiple MT950 statements when a large number of transactions have taken place on a given day). The DP therefore must be able to handle both multiple 'short' camt.053 messages (up to TS3) but also full-length camt.053 messages (post-TS3). If a DP migrates to ISO 20022 at TS3, it will receive full length camt.053 messages generated natively from the new RTGS core ledger from the start.
- There are other events during this period that may restrict a DP's capacity for testing / implementation. This includes the CHAPS ISO 20022 payment messaging migration dates, as well as broader industry timelines like the go-live of the SWIFT ISO 20022 correspondent banking network.
- The data contained in the messages before and after the go-live of the new RTGS core ledger in late 2023 will remain the same i.e. the Bank will not introduce new optional fields to camt.053 statements as part of this migration work, either during TS2 or TS3.
- The overall approach parameters, as well as the readiness and testing stipulations and timelines set out in this document.

Industry readiness and testing

Each CHAPS DP will be required to confirm to the Bank that they can receive and process the ISO 20022 non-payment messages in advance of their chosen migration date. The Bank will provide further details of what this will entail in due course.

As an indication, we expect that:

- The Bank will provide details of how CHAPS DPs should confirm they can receive the new ISO 20022 messages.
- The approach for Fin Copy Service testing will depend on the chosen migration strategy for non-payment messages: *[Note: this guidance was update on 29 October 2021].*
 - **CHAPS DPs who choose to migrate at TS2 (20 June 2022) should test the ISO 20022 messages during the TS2 Participant Acceptance Testing (31 January 2022 – 04 March 2022) / Participant Group Testing phases (28 February 2022 – 06 May 2022).** You will need to prove the camt/admit messaging via the interact service as part of your TS2 PAT testing. In addition, there may be additional regression testing across the other transition states
 - **CHAPS DPs who choose to migrate at TS3 (late 2023), should test the ISO 20022 messages during the TS3 Participant Acceptance Testing (currently expected to be 6 March 2023 – 14 April 2023) / Participant Group Testing phases (currently expected to be 1 May 2023 – 4 August 2023). You will need to continue to test MT950/298 messages over the existing FinCopy Services.**
- ~~Testing both MT and ISO 20022 non-payment messages within our test environments will be mandatory, to prove both configurations.~~

Future development of ISO 20022 for non-payment messages i.e. beyond TS3 go-live

Reconciliation confirmation

The Bank is looking to introduce a confirmation of reconciliation at the end of each day. Currently, each DP is required to notify the Bank if they have not reconciled. The Bank will however seek to introduce functionality that will require a positive/active confirmation. The Bank would consult DPs on the approach to this confirmation.

Additional data in statements

The data contained in the messages will remain the same. The Bank has previously asked account holders whether they would like to receive additional data in statement messages once the migration to ISO 20022 as completed. The Bank however has not received any feedback, but does intend to revisit the question as to whether CHAPS DPs would want additional data. We currently do not anticipate adding more data into statement messages until 2024/2025 at the earliest, but will engage industry in due course.

Wider context

The Bank is currently working on potentially offering statement balances and notifications via other services / products. In addition to being available via the new User Interface, the Bank expects that some firms may wish to receive data via APIs. More information will be available on this in due course.

Annex A – List of Non-Payment messages and their equivalents

Category	MT Message	ISO 20022 Equivalent Base Message	CHAPS Usage Guidelines (Like-for-Like)	CHAPS Usage Guidelines (Enhanced)
Statements	MT 950 Statement Message	camt.053.001.08	CHAPS_camt.053.001.08_(Statement)_MT 950	CHAPS_camt.053.001.08_(Statement)_MT 950
Statements Other	MT 298/003 Funds Queue Status Message	admi.004.001.02	CHAPS_admi.004.001.02_(Funds_Queue_Status_Message)_MT 298-003	CHAPS_admi.004.001.02_(Funds_Queue_Status_Message)_MT 298-003
	MT 298/004 RTGS Status Report	admi.004.001.02	CHAPS_admi.004.001.02_(RTGS_Status_Report)_MT 298-004	CHAPS_admi.004.001.02_(RTGS_Status_Report)_MT 298-004
Other Notifications	MT 298/010 Liquidity Report	camt.052.001.08	CHAPS_camt.052.001.08_(Liquidity_Report)_MT 298-010	CHAPS_camt.052.001.08_(Liquidity_Report)_MT 298-010
	MT 298/011 Confirmation of Liquidity Decrease	camt.054.001.08	CHAPS_camt.054.001.08_(Confirmation_of_Liquidity_Decrease)_MT 298-011	CHAPS_camt.054.001.08_(Confirmation_of_Liquidity_Decrease)_MT 298-011
	MT 298/012 Confirmation of Liquidity Increase	camt.054.001.08	CHAPS_camt.054.001.08_(Confirmation_of_Liquidity_Increase)_MT 298-012	CHAPS_camt.054.001.08_(Confirmation_of_Liquidity_Increase)_MT 298-012
	MT 298/013 Liquidity Pre-Advice	camt.054.001.08	CHAPS_camt.054.001.08_(Liquidity_Pre_Advice)_MT 298-013	CHAPS_camt.054.001.08_(Liquidity_Pre_Advice)_MT 298-013
	MT 298/014 Cancellation Advice	camt.054.001.08	CHAPS_camt.054.001.08_(Cancellation_Advice)_MT 298-014	CHAPS_camt.054.001.08_(Cancellation_Advice)_MT 298-014