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ISO 20022 Data Compliance:
The 10 step action plan

ISO 20022 is fundamentally changing how payment data is exchanged between corporations, financial institutions and banks, on a global scale.

With a focus on better prevention of financial crime through richer data, your payments will now need to contain 4 new data sets:

✓ **Purpose of Payment (POP) Codes**

✓ **Structured Addresses**

✓ **Structured Remittance**

✓ **Legal Entity Identifier (LEI) Codes**

This will also impact the data presented in your end-of-day and intra-day statements. The operational impact of the new financial messaging standard is huge. And some changes will already be mandatory from May 2025.

If payments aren't compliant with the new standard, they'll fail.

Businesses need to be ready, and fast. But it's not that simple. Implementation can be challenging, time-consuming, and requires resources from your IT & finance teams, as well as additional information from your banks.

Businesses can't afford to wait - they must act now if they plan to meet the fast-approaching deadlines.

Beginning with the main Western economies, ISO 20022 mandatory data will first impact high value payments (CHAPS, SEPA HV, Fedwire/CHIPS) but the intention is that it will apply to low value payments, too (BACS, Faster Payments, ACH and SEPA).

52% of businesses recently surveyed by AccessPay Have made no preparations for the ISO 20022 changes.

So how will you ensure you are ready for compliance, and futureproof your processes for the upcoming changes?

Your successful compliance plan

Follow this essential 10-step action plan to ensure your organisation is fully prepared for the new messaging standard; ISO 20022.

These steps act as a guide for businesses on an optimal approach to reach successful ISO 20022 compliance and futureproof your processes with minimal effort required for the impending changes to all payment types.

ISO 20022 readiness checklist

It is important to start your ISO 20022 compliance journey as soon as possible to avoid disruptions and failed payments.

The checklist provides a comprehensive framework to guide you through understanding the new data mandates, evaluating operational impacts across teams, enhancing systems capabilities, leveraging external resources where needed, and ultimately futureproofing your payment operations.

The ISO 20022 timeline

March 2025 –
US Fedwire (FED) migrates to ISO 20022

May 2025 –
Initial migration for CHAPS payments

November 2025 –
SWIFT MT formats retire and move to new ISO 20022 formats (Pain, CAMT)

Coming soon-
Faster Payments (FPS) / BACs TBC.

* Please note this timeline is accurate as of May 2024 and may be adjusted as timelines shift.

Step 1

Action points	Questions to ask
Understand the 4 sets of data required:	• What information needs to be captured for the Purpose of Payment (POP) field?
• Purpose of Payment (POP)	• Do your organisation and the person/organisation you are paying have a Legal Entity Identifier (LEI) and do you have the processes to include it in your payment instructions?
• Legal Entity Identifier (LEI)	
• Structured Addresses	• Do you know what the specific formatting requirements will be for Structured Addresses from each of your banks and by payment type in every country in which you make payments?
• Structured Remittance Information	• Do you know where your existing unstructured remittance information will be placed in the new structured fields?

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Step 2

Action points

Identify all your payment types and the timeline for change:

- CHAPS payments will be impacted first.
- AccessPay recommends taking the view that all payment types will require the mandatory data eventually, so plan to accommodate this in one go.

Questions to ask

- What are all the different payment types/systems your organisation uses (CHAPS, BACS, Fedwire, etc.)?
- Have you determined when each payment type will require ISO 20022 data based on regulatory mandates?
- For payment types without a set mandate date yet, have you planned a conservative timeline to be compliant well in advance?
- Does your plan account for AccessPay's recommendation to accommodate all payment types for the new data requirements in one implementation?

Step 3

Action points

Speak with your banking partner:

- You need to understand their ISO 20022 timelines and requirements for different payment types.

Questions to ask

- Have you opened a dialogue with your bank(s) specifically about their ISO 20022 migration plans?
- Get clear timelines from them for when different payment types will require ISO 20022 data.
- Get them to provide full specifications on the exact data elements and formatting that will be required.
- Do you have a direct contact/project manager at the bank to coordinate the ISO 20022 transition?

Step 4

Action points

Identify the impact:

- Assess who this will impact within your business.

Questions to ask

- Have you identified all the different teams/departments that initiate payments or work with payment data?
- Do you understand how each team's processes and systems will be affected by the new ISO 20022 data requirements?
- Have you evaluated the need for training or process changes for impacted teams?
- Have you assigned an internal project lead or working group to coordinate the ISO 20022 transition across your organisation?

Step 5

Action points	Questions to ask
Identify the potential system limitations: • Evaluate if your payment systems can capture and apply the additional data fields required to output a compliant payment instruction file.	• Have you conducted a full review of your existing payment systems and file formats? • Do your current systems have the capability to add the new ISO 20022 data fields like Purpose of Payment, LEIs, structured addresses etc.? • Can your systems maintain the proper data formatting for ISO 20022 compliance when generating payment instruction files? • Are your systems capable of consuming the new CAMT statement reports and all the extra fields of information provided by the people/ businesses who pay you? • What will you do with this new structured remittance information if you receive it? Do you have plans of how it will it aid your reconciliation process? • If your systems aren't compatible, how will your systems need to be updated to support these new data fields? • If gaps exist, have you documented what system enhancements or replacements may be needed?

Step 6

Action points	Questions to ask
Identify knowledge gaps: • Determine if you have the skills in-house or will need external help.	• Have you taken an inventory of the technical skills and experience your internal teams have related to payment systems, data mapping, ISO 20022 requirements, etc.? • Do you have sufficient in-house expertise to properly implement all the necessary ISO 20022 changes across your payment processes and systems? • If skills gaps exist internally, have you identified what specific areas you may need external resources or support for, or mapped out an upskilling plan? • Have you evaluated and shortlisted potential vendors, consultants or other third parties that can provide implementation assistance where needed?

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Step 7

Action points

Investigate potential partners:

- Explore and evaluate using a third-party provider who can standardise your data. For example, AccessPay's "Beneficiary Portal" will enrich every payment instruction in a standardised format.

Questions to ask

- Have you assessed the challenges of standardising payment data across your organisation to meet the ISO 20022 structured data requirements?
- Do you have an inventory of all the different sources that payment instructions come from (ERPs, spreadsheets, email, etc.)?
- Have you evaluated your potential need for a centralised solution to capture, validate and enrich payment data?
- Specifically, have you explored solutions like AccessPay's "Beneficiary Portal" and how it could help standardise and enrich your ISO 20022 payment instructions?

Step 8 (A)

Action points

Conduct a testing plan for your payments and statements:

A. Payments

- Engage with a third party on testing the updated payment message formats to ensure no future payment failures.

Questions to ask

- Do you have a testing environment or process in place to validate your payment files against the new formats?
- Have you coordinated with a third party (like AccessPay) to ensure you understand their ISO 20022 migration timelines and testing requirements?
- Have you established a joint testing plan to verify successful payment processing using the new ISO 20022 message formats?

Step 8 (B)

Action points

Conduct a testing plan for your payments and statements:

B. Statements

- Can your ERP read your new ISO 200222 formatted statement data?

Questions to ask

- Have you reviewed the new ISO 20022 format for bank statements and reconciliation data with your ERP, Treasury and other finance system vendors?
- Do your current systems have the capability to ingest and process the updated ISO 20022 statement formats?
- If not, have the vendors provided a roadmap for adding ISO 20022 statement support through updates or new modules?
- Have you evaluated potential workarounds or third-party solutions if your vendors cannot natively handle the new ISO 20022 statement data formats?

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Step 9

Action points	Questions to ask
Address the impact of non-compliance: • Act now to avoid disruptions and penalties as the mandates roll out across payment systems.	• Have you assessed the potential business impacts if your organisation is not compliant with ISO 20022 by the mandated deadlines? • Do you understand the penalties, fees or other consequences you may face from banks, schemes or regulators for non-compliance? • Have you evaluated how payment processing disruptions or failures could impact your operations, cash flows, customer relationships, etc.? • Has your organisation committed the necessary resources and urgency to the ISO 20022 transition to mitigate these compliance risks?

Step 10

Action points	Questions to ask
Stay informed: • Stay updated on timelines and emerging deadlines to ensure readiness for new payment types and their associated deadlines.	• Have you assigned someone to actively monitor announcements and updates from SWIFT, regulatory bodies, and industry groups regarding ISO 20022 migration timelines? • Are you subscribed to the relevant communications channels and mailing lists to receive timely notifications about changes to the ISO 20022 roadmap? • Have you built in flexibility and contingency into your implementation plans to accommodate potential timeline shifts for different payment streams?

The migration to ISO 20022 messaging standards is an inevitable and extensive change. Failing to prepare adequately can result in significant business disruptions, payment failures and compliance risks.

We strongly advise addressing all four data sets concurrently as it may prove more disruptive to address them intermittently. As timelines come thick and fast, tackling all the data sets together allows for a more streamlined and efficient process so you're on the front foot for future changes, rather than being reactive to these deadlines.

Make ISO 20022 a top priority

By following the 10-step action plan laid out in this checklist, your organisation can methodically assess its current state, identify gaps, and implement the necessary updates to payment systems, data requirements, staff training, and third-party partnerships.

Taking these proactive measures now is crucial to ensure you meet the looming regulatory deadlines and position your organisation for a smooth ISO 20022 transition.

If you would like more advice on your ISO 20022 transition, speak to one of our ISO 20022 consultants today:

Get in touch →

With low market readiness and high risks associated with non-compliance, it's clear that businesses need a helping hand. That's why we've created The ISO 20022 Resource Hub, to enable you to make informed decisions and take the most appropriate steps for your business.

Stay up to date with the latest on ISO 20022 with bitesize videos, articles, and live Q&As with our team.

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