Common Global Implementation (CGI)

- Introduction
- ISO 20022 Landscape
- ISO 20022 Adoption by Corporates
- Common Global Implementation (CGI)
- Implementation Roadmap
- The Way Forward
- Q&A

Mission & Objective

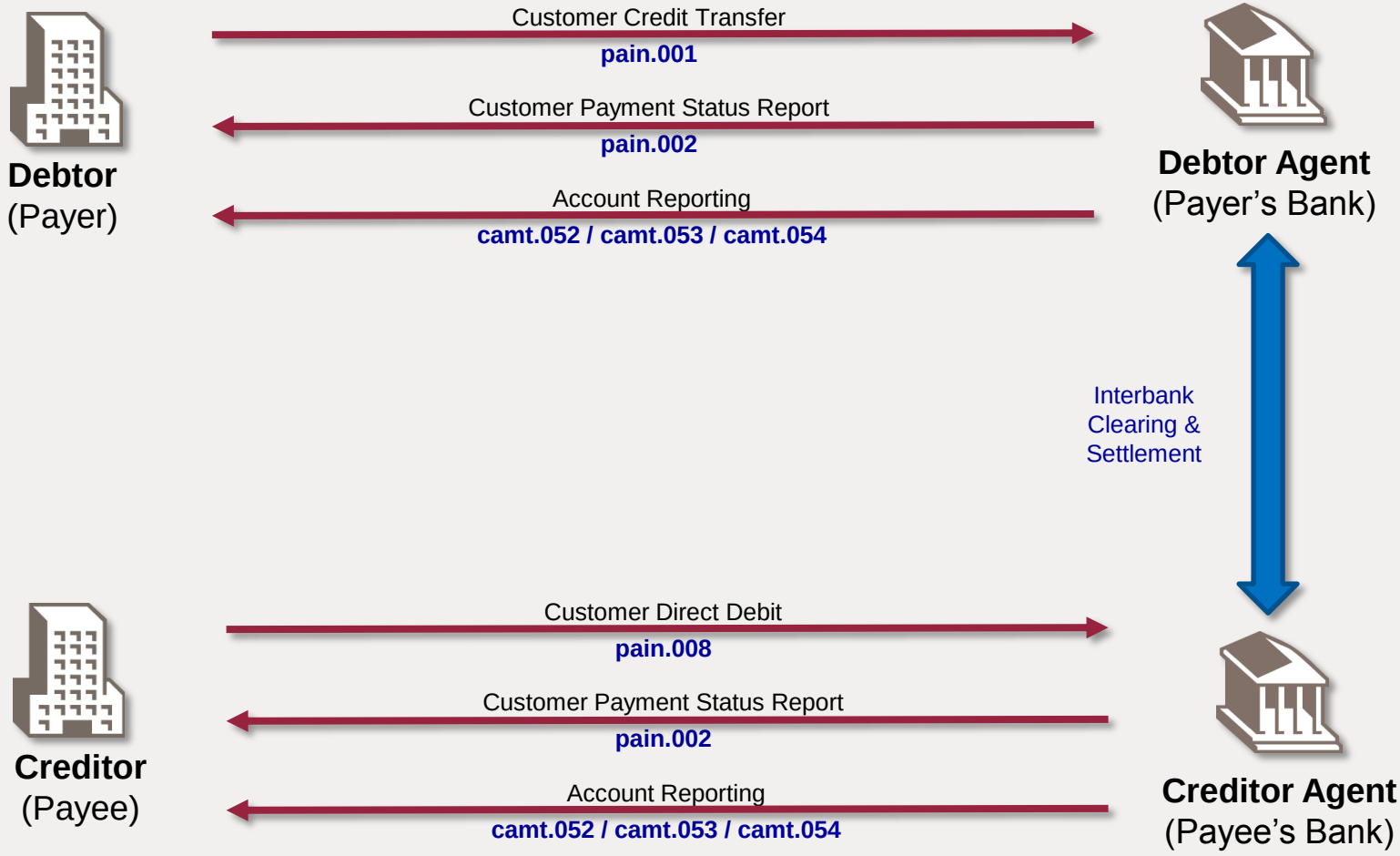
- Provides a forum for financial institutions (banks and bank associations) and non-financial institutions (corporates, corporate associations, vendors and market infrastructures) to progress various corporate-to-bank implementation topics on the use of ISO 20022 messages and to other related activities, in the payments domain.
- Simplify implementation for corporate users and thereby promoting wider acceptance of ISO 20022 as the common XML standard used between corporates and banks.
- Achieved through consultation, collaboration and agreement on common implementation templates for relevant ISO 20022 financial messages, leading to their subsequent publication and promotion in order to attain widespread recognition and adoption.

Drivers

- CGI is driven by customer demand for multibank coordination of implementations
  - Intended specifically for global, multi-country, multi-bank and multi-instrument implementations that the participating banks can commonly accept as ONE of their implementations.
  - Focused on the general message structure and then successful creation of individual transactions that can be executed by the participating banks.
  - Published and endorsed from appropriate communities.
  - Engaged through active corporate partnership.

"A corporate can use the same message structure for all their payments with all of their transaction banks reaching any payment system across the globe."

ISO 20022 message flows covered



CGI Working Group deliverables

- Credit Transfer (*pain.001*) template to include ACH and wires (domestic and international) and cheques/drafts
- Appendix A – Clearing system classifications
- Appendix B – Country specific data requirements
- Appendix C - Country specific Purpose codes
- Payment Status Report (*pain.002*) template with process flow

- Direct Debit (*pain.008*) template to include any electronic debit transaction
- Appendix B* – Country specific data requirements
- Appendix C*- Country specific Purpose codes
- Mandate Initiation Request (*pain.009*)*
- Mandate Amendment Request (*pain.010*)*
- Mandate Cancellation Request (*pain.011*)*
- Mandate Acceptance Report (*pain.012*)*

- Account Report (*camt.052*) template to include intra-day bank account activity
- Statement (*camt.053*) template to include end of period bank account activity
- Debit/Credit Notification (*camt.054*) template template to include detail notification reporting
- Appendix A – Uses cases and examples

WG4? Bank Account Management

- 15 Account Management (acmt) messages covering account opening, account maintenance, account closing, mandate management.

* Not published

Financial Institution Members

In total 34 FI members (Contributing & Observers)

- Bank of America Merrill Lynch
- Barclays
- BBVA
- BNP Paribas
- BSK, Bankenes Standardiseringskontor
- Citibank
- Commerzbank AG
- Danish Bankers Association
- Danske Bank
- Deutsche Bank
- DnB NOR
- HSBC
- ING Bank
- J.P.Morgan
- Nordea Bank
- Payments Council
- Raiffeisen Bank International
- Royal Bank of Scotland
- Santander
- SEB
- Standard Chartered Bank
- Sydbank A/S
- UniCredit Bank

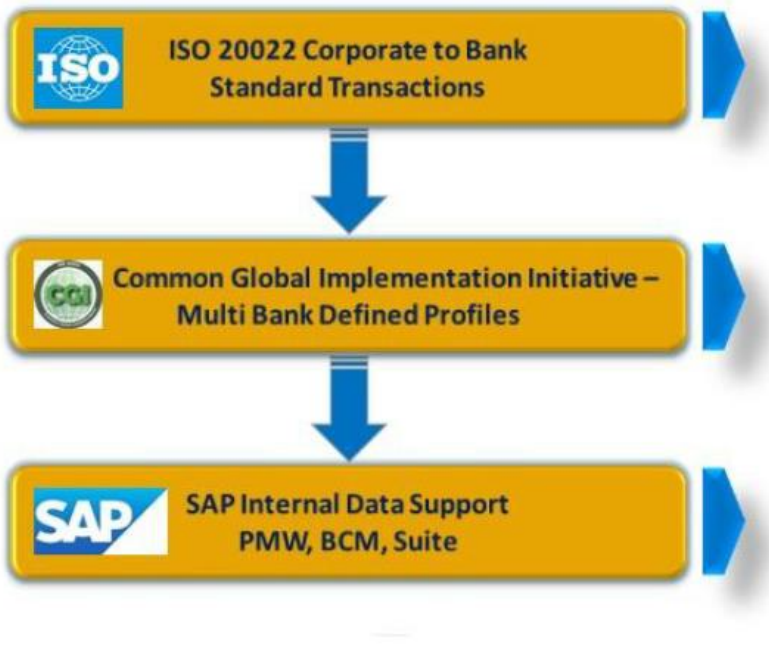
Non-Financial Institution Members

In total 37 Non-FI members (Contributing & Observers)

- AITI
- BBP
- Bottomline Technologies
- CBI Consortium
- Exalog
- General Electric
- GXS
- IKEA
- Netilys Consulting
- Nets
- PwC
- SAP AG
- Siemens
- SIX Interbank Clearing
- Sungard
- SWIFT
- TIS
- Traxpay
- UTSIT
- Visma Software International AS
- XMLdation
- Zanders

SAP implements CGI

Figure 1. ISO – CGI – SAP CDG Flow



ISO Standards
- Define set of standard transactions
- Broad Use
- Confusing country by country variables

CGI Initiative
- >50 Banks, Corporates and Solution Providers
- Defining agreed upon global profile for each transaction
- Reduce connectivity costs
- Reduces back end support requirements

SAP Rollout
- Ensure all internal data requirements supported in application logic/data fields
- PMW/BCM/Suite out of the box support as applicable
- Minimize Customer adoption costs
- Enables quick onboarding with BCM

To date, all six XML transactions have been mapped and the first of these – Credit Transfer Initiation pain.001.001.03 – has already been incorporated into the SAP Payment Medium Workbench and is available for customer implementation (See related article on PMW support). Direct Debit pain.008.001.02 is under development for PMW support, Payment Status pain.002.001.03 is under development for Bank Communication Manager support, and Bank Statement camt.053.001.02 is under development for Business Suite support. The remaining two transactions – B2C Account Report and Debit Credit Notification - are under evaluation for future support.

Source: SAP - April 2012

Microsoft implements CGI

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Microsoft Drives ISO-XML Messaging Development Initiative With Bank of America Merrill Lynch, Citi and SWIFT

TORONTO — Sept. 19, 2011 — Today at SIBOS 2011, Microsoft Corp. announced it recently became the first corporate treasury to implement Extensible Markup Language (XML) standard ISO 20022, camt.052 and camt.053 version two, the new international standard for cash management financial messaging. Microsoft implemented this solution with Bank of America Merrill Lynch and Citi to provide a common language for Microsoft to receive electronic bank statements from its global banking providers.

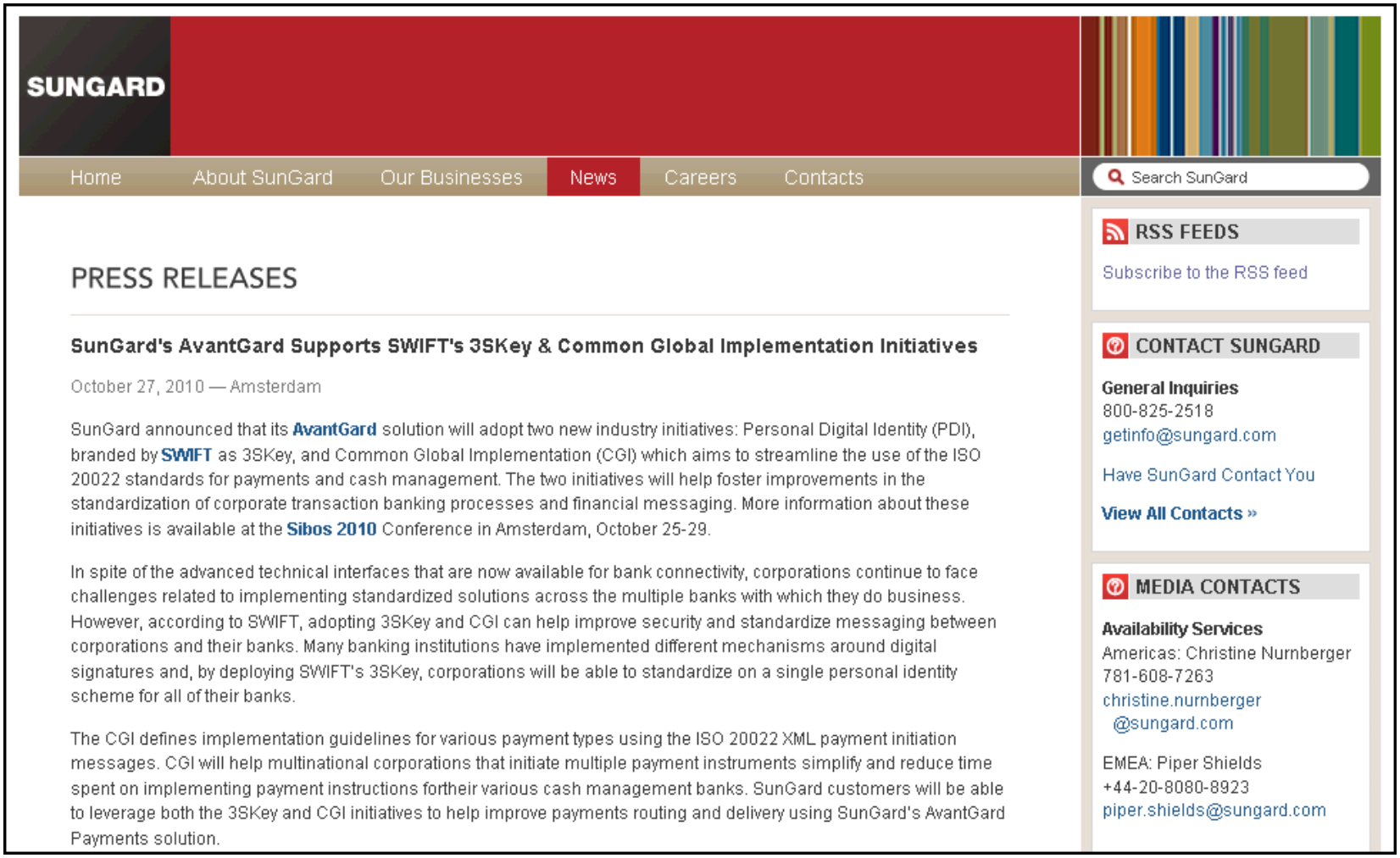
For years, banks and corporate treasuries have struggled to implement standard payments and cash reporting formats. The ISO 20022 Common Global Implementation (CGI) is a collaborative effort driven by Microsoft, two of its major global banking partners, Bank of America Merrill Lynch and Citi, and SWIFT to define a standard implementation of ISO 20022 XML messages for transaction exchange over the SWIFT network — setting a higher standard regarding how corporate treasuries connect to banks.

Press Contacts

Rapid Response Team
Waggener Edstrom Worldwide
(503) 433-7070

Source: Microsoft – September 2011

Sungard implements CGI



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PRESS RELEASES

SunGard's AvantGard Supports SWIFT's 3SKey & Common Global Implementation Initiatives

October 27, 2010 — Amsterdam

SunGard announced that its **AvantGard** solution will adopt two new industry initiatives: Personal Digital Identity (PDI), branded by **SWIFT** as 3SKey, and Common Global Implementation (CGI) which aims to streamline the use of the ISO 20022 standards for payments and cash management. The two initiatives will help foster improvements in the standardization of corporate transaction banking processes and financial messaging. More information about these initiatives is available at the **Sibos 2010** Conference in Amsterdam, October 25-29.

In spite of the advanced technical interfaces that are now available for bank connectivity, corporations continue to face challenges related to implementing standardized solutions across the multiple banks with which they do business. However, according to SWIFT, adopting 3SKey and CGI can help improve security and standardize messaging between corporations and their banks. Many banking institutions have implemented different mechanisms around digital signatures and, by deploying SWIFT's 3SKey, corporations will be able to standardize on a single personal identity scheme for all of their banks.

The CGI defines implementation guidelines for various payment types using the ISO 20022 XML payment initiation messages. CGI will help multinational corporations that initiate multiple payment instruments simplify and reduce time spent on implementing payment instructions fortheir various cash management banks. SunGard customers will be able to leverage both the 3SKey and CGI initiatives to help improve payments routing and delivery using SunGard's AvantGard Payments solution.

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CONTACT SUNGARD

General Inquiries
800-825-2518
getinfo@sungard.com

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MEDIA CONTACTS

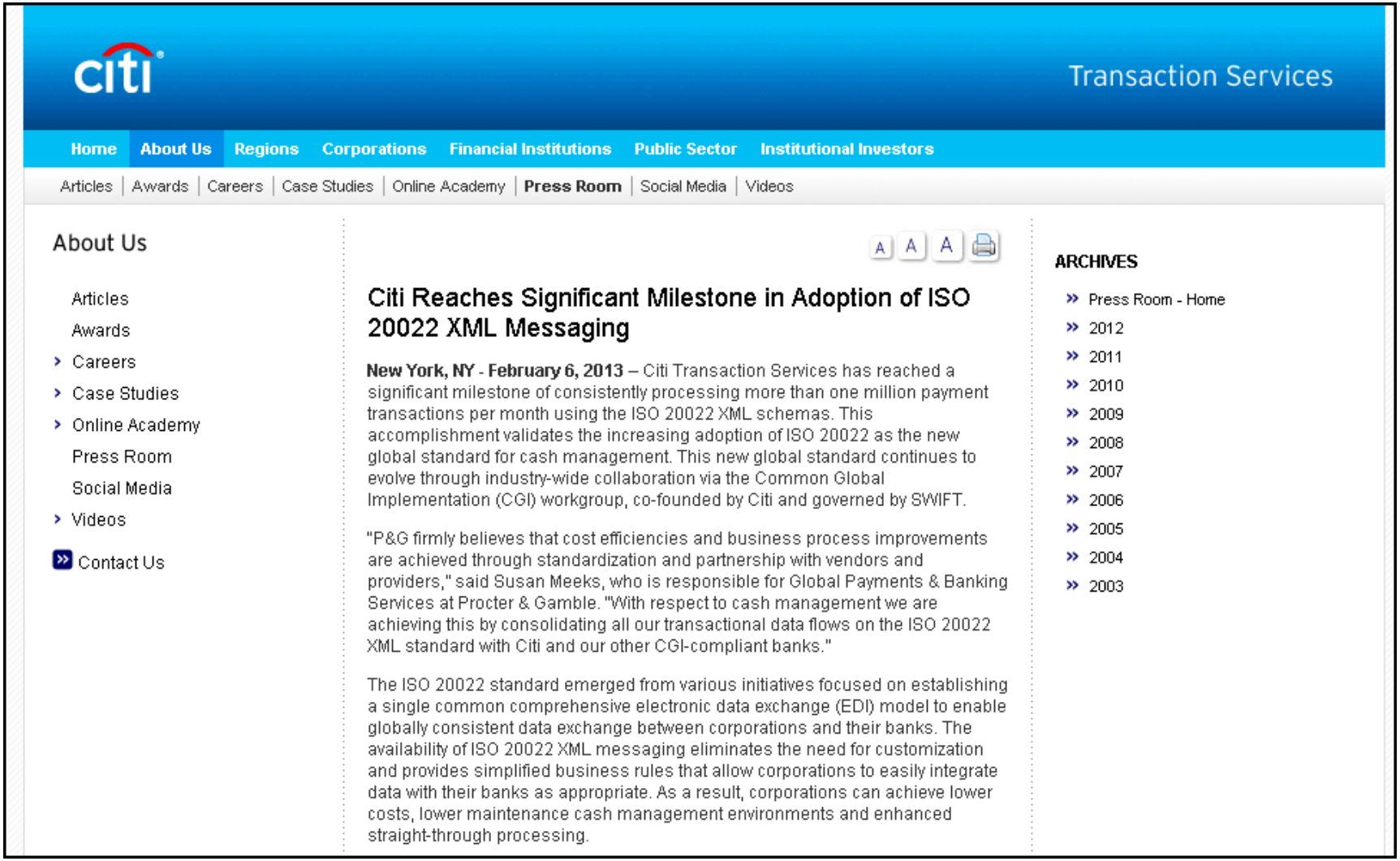
Availability Services
Americas: Christine Nurnberger
781-608-7263
christine.nurnberger
@sungard.com

EMEA: Piper Shields
+44-20-8080-8923
piper.shields@sungard.com

Source: Sungard – October 2010

Citi implements CGI

Citi implements CGI



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A A A

Citi Reaches Significant Milestone in Adoption of ISO 20022 XML Messaging

New York, NY - February 6, 2013 – Citi Transaction Services has reached a significant milestone of consistently processing more than one million payment transactions per month using the ISO 20022 XML schemas. This accomplishment validates the increasing adoption of ISO 20022 as the new global standard for cash management. This new global standard continues to evolve through industry-wide collaboration via the Common Global Implementation (CGI) workgroup, co-founded by Citi and governed by SWIFT.

"P&G firmly believes that cost efficiencies and business process improvements are achieved through standardization and partnership with vendors and providers," said Susan Meeks, who is responsible for Global Payments & Banking Services at Procter & Gamble. "With respect to cash management we are achieving this by consolidating all our transactional data flows on the ISO 20022 XML standard with Citi and our other CGI-compliant banks."

The ISO 20022 standard emerged from various initiatives focused on establishing a single common comprehensive electronic data exchange (EDI) model to enable globally consistent data exchange between corporations and their banks. The availability of ISO 20022 XML messaging eliminates the need for customization and provides simplified business rules that allow corporations to easily integrate data with their banks as appropriate. As a result, corporations can achieve lower costs, lower maintenance cash management environments and enhanced straight-through processing.

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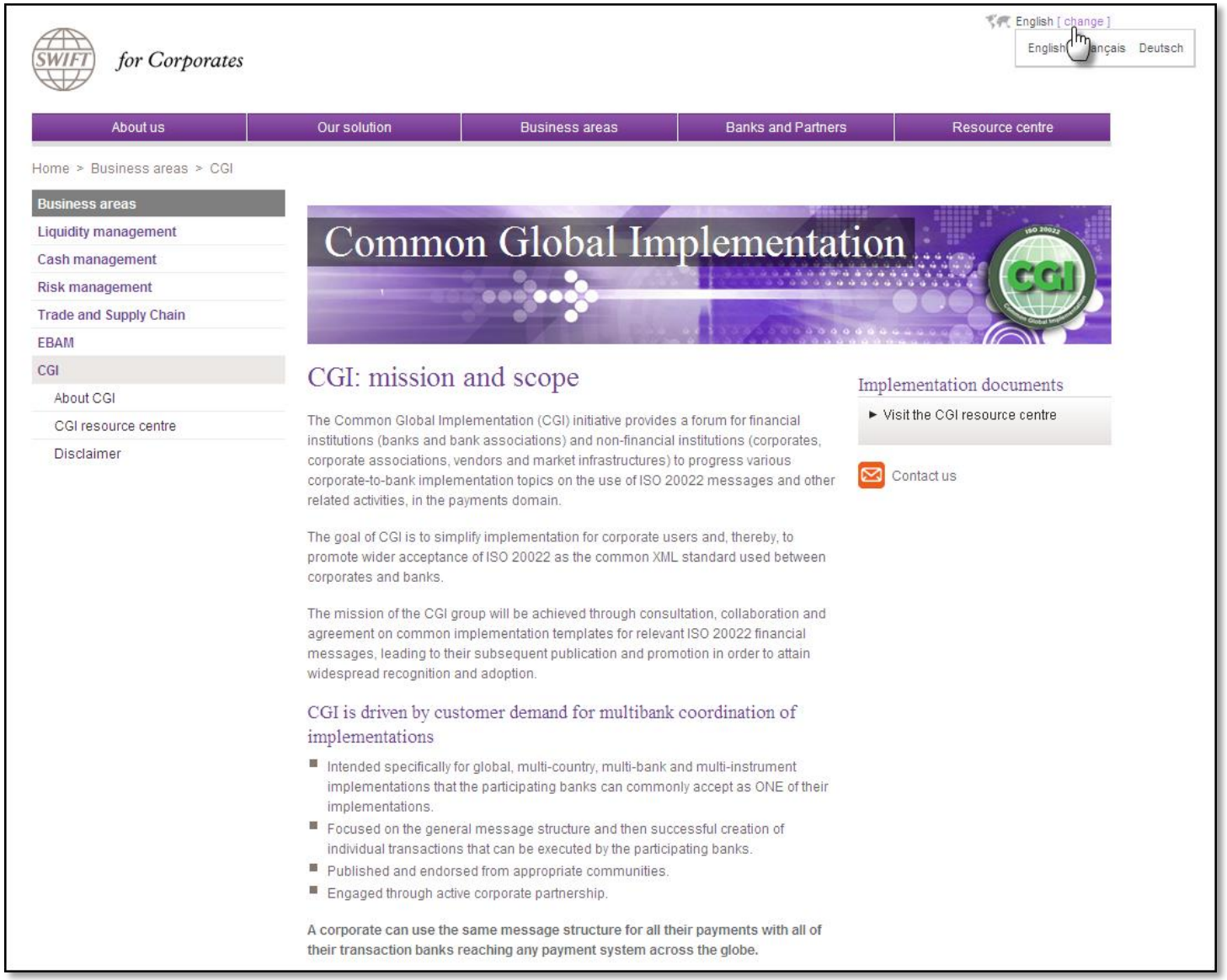
Source: Citi – February 2013

www.swift.com/cgi



Implementation Roadmap

- Key Challenges & Trends in the Payment Market
- ISO 20022 Landscape
- ISO 20022 Adoption by Corporates
- Common Global Implementation (CGI)
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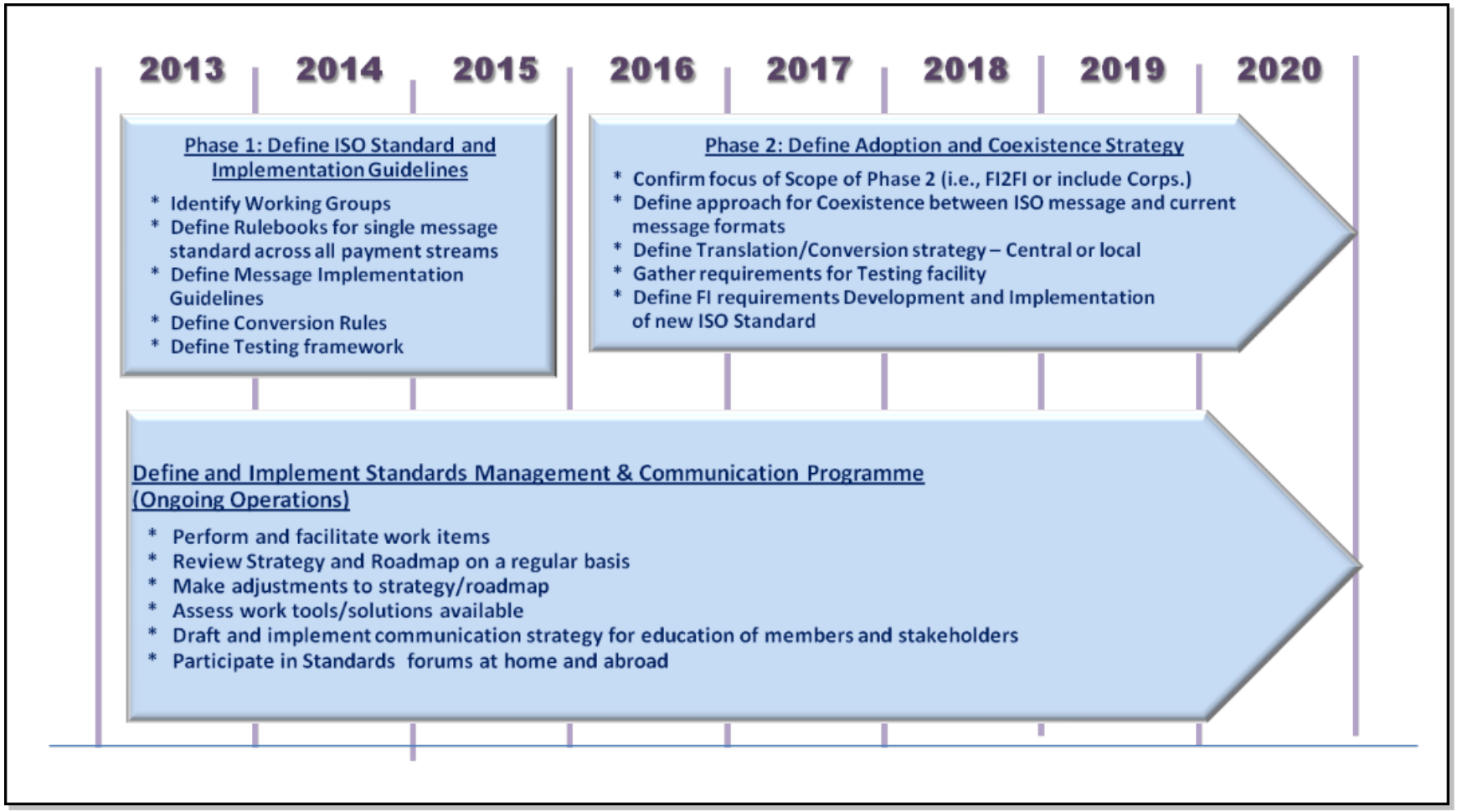
- The Way Forward

The road to implementing ISO 20022

What	How	
Ensure common understanding	Document • Scenarios • Examples	ISO 20022 Message Usage Guidelines
Agree on harmonised practices	Define • Rules • Guidelines	
Define country / regional / community specific practices	Initiative at country/regional/ community level	Message Implementation Guidelines

The road to implementing ISO 20022

Implementation roadmap example



Source: CPA ISO 20022 Strategy and Roadmap Consultation - July 2012

Implementation Considerations - 1/2

When migrating to new standards such as ISO 20022 the following should be considered:

- Vendor application readiness – Central clearing & settlement systems, and back-office applications of participants may not be ISO 20022 ready and may not fully leverage the features of ISO 20022.

- Standards training – IT and operations staff of participants, operators and vendors may need ISO 20022 training to implement and manage the standard

- Counterparty readiness – For an institution and its customers to fully benefit from ISO 20022 its counterparties must also be ready to accept and understand the new standard. For this reason it is better for market infrastructures to collectively migrate to new standards simultaneously and in a coordinated fashion.

Implementation Considerations - 2/2

Standards related areas for which rule books and guidelines will likely require development:

- Payment instruments
- Rejections, returns, status reports, request for cancellations, reversals, i.e., any kind of exception handling
- Currency conversion
- Multiple character set handling
- Financial reporting, confirmations and statements
- Regulatory reporting
- Exceptions and investigations
- Compliance requirements
- Cross-border payment charges claiming
- Format conversion / translation
- Security

ISO 20022 - Version History

pain.001 CustomerCreditTransferInitiation

Ver.	Date	
V01	**Sep 2005**	1st Version
V02	**Sep 2006**	CoreCreditTransferInitiation (pain.001.001.01) and its two variants STPCreditTransferInitiation (pain.001.002.01) and EUSTPCreditTransferInitiation (pain.001.003.01) were replaced by the single harmonized CustomerCreditTransferInitiation (pain.001.001.02)
V03	**Mar 2009**	• *BatchBooking* indicator moved from *GroupHeade*r to *PaymentInformation* level. • *PaymentInformationIdentification* element made mandatory. • *Grouping* element removed. • *ClearingChannel* element removed • Adjustments to *PaymentTypeInformation* elements • *CashAccount* element adjusted, BBAN and UPIC elements made external codes • A number of adjustments applied to *StructuredRemittanceInformation* • The *NumberOfTransactions* and *ControlSum* elements added optionally at *PaymentInformation* level. • *CreditorSchemeIdentificatio*n element added at *PaymentInformation* level.
V04	**Apr 2012**	• *Signature* element added to *ChequeInstruction*. • *SupplementaryData* component added at Level 1 of message. • *UnitCurrency* element added to *ExchangeRateInformation.* • *CashAccountType* codes made external. • Tax *Type* component added to *TaxAmount*. • *InstructionForDebtorAgen*t element added to *PaymentInformation*.

MyStandards

Market Infrastructures

Corporates

Manage releases

Understand and implement specifications

Provide usage guidelines

Set and follow market practice

Provide usage guidelines

Market Practice Groups

Correspondents

Managing standards with MyStandards

Content

… a collaborative web platform

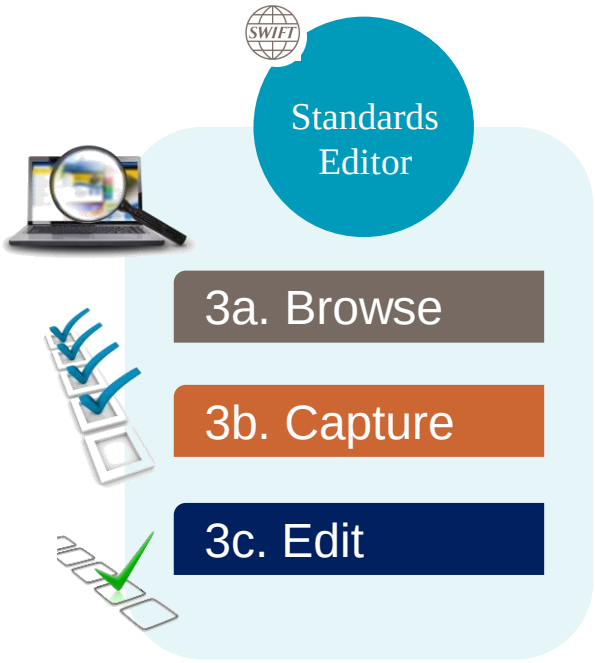
MyStandards

to better manage standards definitions and usage in the financial industry

Features

The Platform

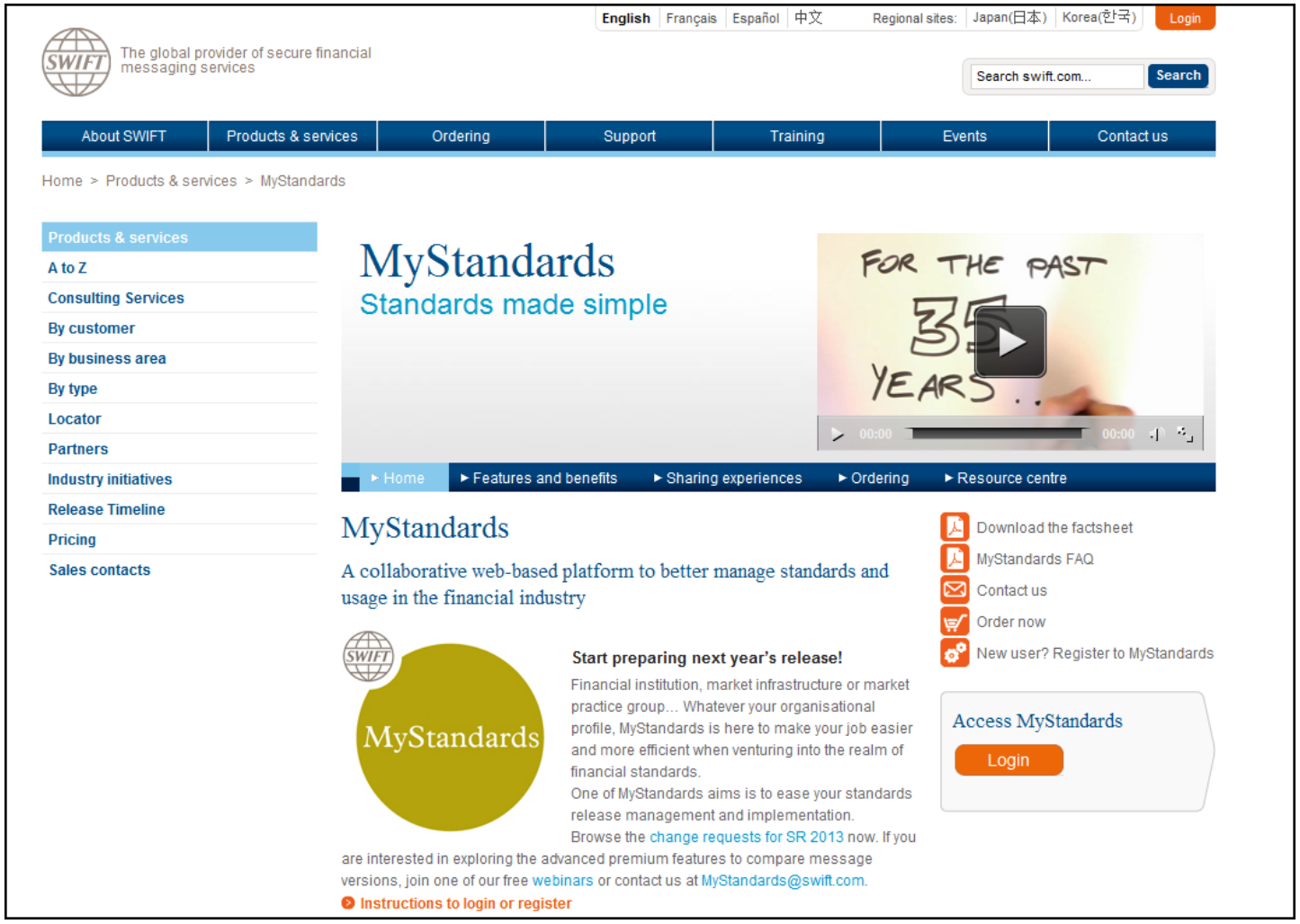
Off-line – Local PC



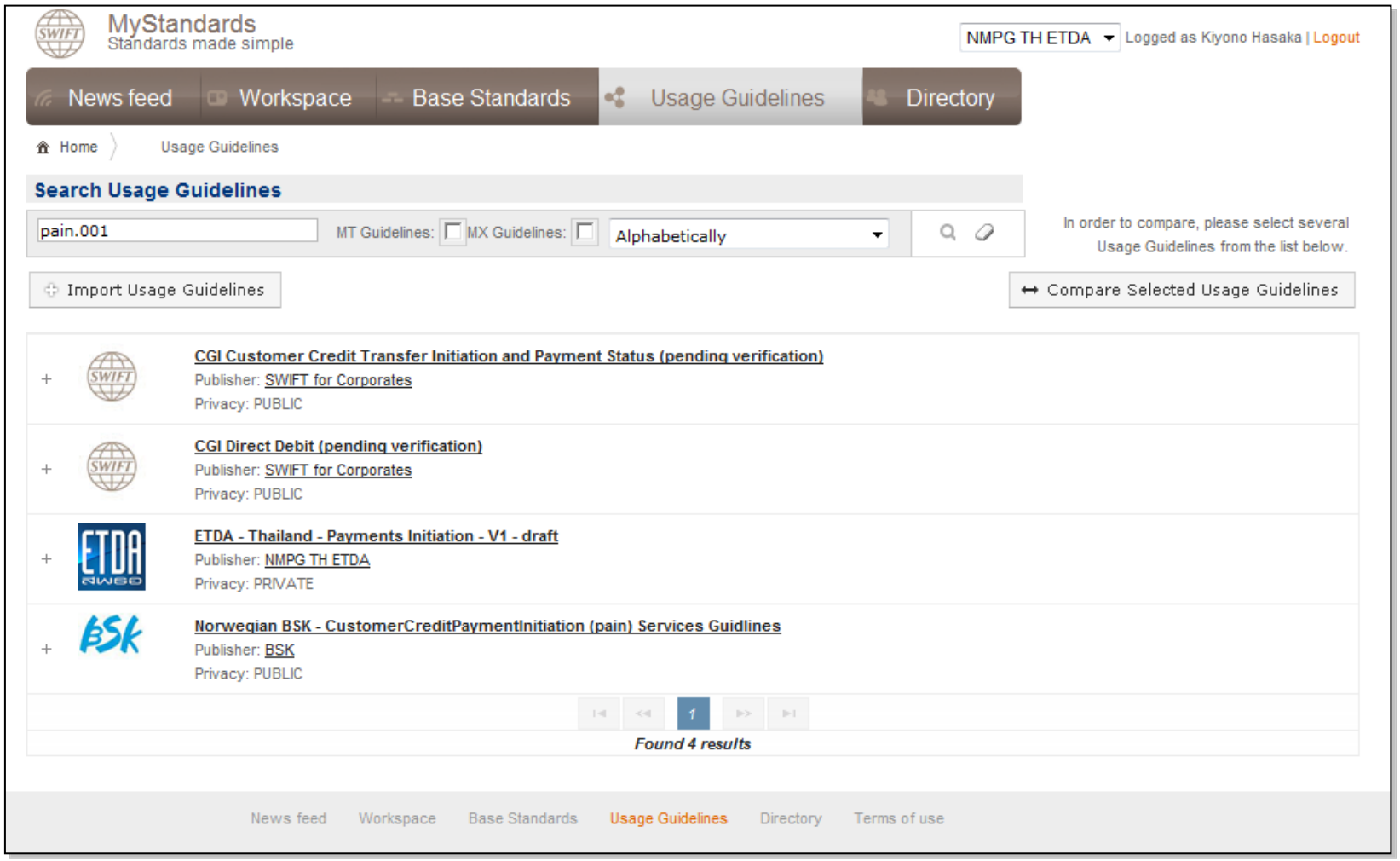
On-line – Web Browser

MyStandards ….

www.swift.com/MyStandards

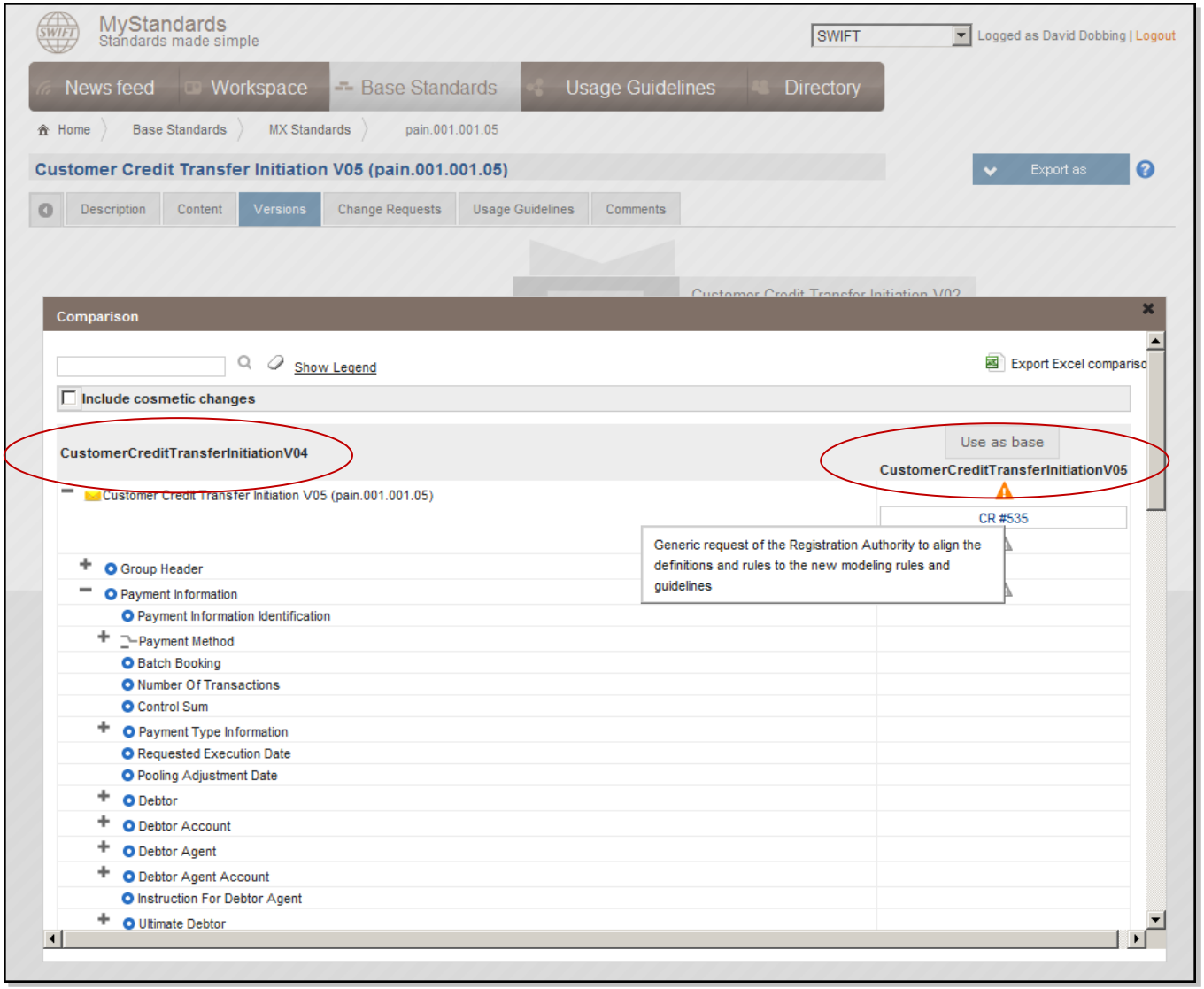


MyStandards – Usage Guidelines



MyStandards – Changes in next release

2012



2013

The Way Forward

- Key Challenges & Trends in the Payment Market
- ISO 20022 Landscape
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The Way Forward … with ISO 20022

- ISO 20022 is the enabler
- Corporate-to-Bank / Bank-to-Corporate
  - Transition to later ISO 20022 version
  - Alignment with CGI
  - Facilitate through Thailand Payments Market Practice Group
  - Consideration of other business areas
    - Direct Debit & Mandate Management
    - Account reporting
    - Account Management
    - Trade Services (Bank Payment Obligation, Guarantees/Standbys, etc)
- Bank-to-Bank
  - Adopt as part of market infrastructure renewal/update
  - Integral to future ASEAN cross border flows
- Education and Training
  - Community Awareness

Questions

Thank you

Kiyono Hasaka
Lead Standards Specialist
Banking & Payment Standards

SWIFT
8 Marina View
Asia Square Tower 1, #28-04
Singapore

T +65 6347 8000
D +65 6347 8064
F +65 6347 8099
M +65 8686 6172
E kiyono.hasaka@swift.com
W www.swift.com

David Dobbing
Business Manager
Banking & Payment Standards

SWIFT
8 Marina View
Asia Square Tower 1, #28-04
Singapore

T +65 6347 8000
D +65 6347 8052
F +65 6347 8099
M +65 8500 8056
E david.dobbing@swift.com
W www.swift.com