



TEMENOS
Payments

SWIFT CBPR+ ISO 20022

The SWIFT CBPR+ ISO migration introduces the most significant change to cross border payments processing in 40+ years. Consequently, multiple processing areas within banks will be impacted and will require major updating.

Banks must assess their particular business needs and priorities and decide whether they want, or needs, to begin executing on their program of change in 2021 so they are ready to be CBPR+ compliant in November 2022.





Key Stats

SWIFT's own surveys have highlighted that 85%-94% of cross border payments currently rely on unstructured ordering and beneficiary data, leading to a minimum of 10% of all transactions requiring manual intervention.

This lack of automation and straight through processing leads to high costs and poor customer servicing. Hence the market's desire to introduce more structured data and tighter validations, as evidenced by 78% of banks being committed to moving to ISO 20022 for cross border processing according to SWIFT.



How we Address your Goals and Challenges?

The Temenos Payment Hub (TPH) provides next generation payments processing on the number 1 technology platform in banking. Built to support ISO 20022 standards, it delivers industry best practices which enable financial institutions to elevate their cross border payments capabilities for greater efficiency, throughput, and customer servicing.

Temenos is rolling out support for the new CBPR+ standards and processes within TPH thus enabling customers to engage in SWIFT testing cycles taking place in the second half of 2021. This enables us to build momentum for the enhanced market testing scheduled for early 2022 and further activity throughout the year leading up to the initial co-existence cutover date in November 2022.

What Our Solution Covers

The SWIFT Cross Border Payments & Reporting (CBPR+) initiative will introduce wholesale changes to how international payments and information related to these transactions will be processed and disseminated.

It has implications across all territories, as the data model changes that are being introduced will be felt within domestic payment flows as transaction information must be carefully maintained and curated throughout the lifecycle of each and every payment.

The rollout of CBPR+ itself is split into a number of tranches of updates targeting specific functional areas:

Payment Transactions & Confirmations

Account statements & Advices

Case Management, Exceptions & Investigations

Cheques

Interest, Fees, & Charges





In total, there are 40+ new ISO 20022 XML message types being introduced to manage all aspects of cross border payment flows. This is not just a simple message format change, akin to the annual SWIFT changes, instead SWIFT CBPR+ introduces a fundamental change to validations, to process flows, to confirmations, to reporting, to basically the everyday business of processing both outgoing and incoming international payments.

The impact on systems will be widely felt, as it is not just the core payment transaction processing engine that needs to change, it's also other software solution areas in the bank:

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Core Banking <ul style="list-style-type: none"> ▪ Structured Customer Data ▪ Investigation messages ▪ Debit and Credit Advices ▪ Account statements ▪ Payment Initiation from all Channels 	Analytics/Reporting <p>Changed Data Model</p> <p>Structured and richer data</p>	Compliance <ul style="list-style-type: none"> ▪ Sanction Screening ▪ Profiling / Smurfing ▪ Fraud Check ▪ Regulatory 	Technology <ul style="list-style-type: none"> ▪ Higher security level ▪ More hardware to reach same performance ▪ as before ▪ Reduce time for resource-intensive activities
<p>Deeper integration of payment processing into the core banking systems</p>	Channels <p>Consume and provide data and end to end workflow</p> <p>Rich customer experience</p>	<p>Structured and richer data</p> <p>No truncation</p>	<p>Structured and richer data</p> <p>Higher STP rates</p>

Features

To address this new payments data model challenge, Temenos are providing a comprehensive range of product updates. The majority of these updates are delivered in TPH, but there are also enhancements to some core functions in Transact.

The range of new features include:



Updated Order entry for Single & Bulk



Extensions to Payment Enquiries, customer Data model



Updated payment confirmations, debit and credit advices, account statements



Extended data sets for customer and bank transfers, cover payments



Enhanced payment recall processing, and returns processing



Expected receipts & acknowledgement updates



Technical – updated message formats, new technical and business headers, digital signatures, encryption, local authentication



SWIFT integration – updated RMA support, Interact message service, duplicate checking



Enhanced data sets for sanction screening & auto repair



In addition to this new CBPR+ support, TPH itself provides outstanding, next generation cross border payment execution functionality such as:



Customer Service level Agreement monitoring



Cut-off time management



Enhanced Risk filtering



Intelligent routing



SWIFT GPI

Key Benefits

- ✓ Ensures comprehensive coverage of critical market enhancements
- ✓ Ability to process CBPR+ ISO 20022 data natively thus removing costly exceptions
- ✓ Support for automated recall and returns processing
- ✓ Ability to service high end correspondent banks and retain/gain new cross border payments flows
- ✓ Proven and certified processing for lower risk and quicker implementation
- ✓ End to end coverage from order intake to network Gateway integration
- ✓ Temenos providing a range of deployment options and upgrade journeys to address the specific needs of the business

Contact Us

Each bank will be impacted by the SWIFT CBPR+ program differently, based on the existing environment and business priorities, therefore will require an upgrade journey that is shaped to meet their particular business needs.

Temenos has prepared a number of upgrade and deployment options to accommodate different scenarios and needs and we now seek to engage to work together on defining and agreeing the migration journey.

To find out more, please get in touch with us at sales@temenos.com

About Temenos

Temenos AG (SIX: TEMN) is the world's leader in banking software. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information, please visit www.temenos.com.



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