



EUROPEAN CENTRAL BANK

EUROSYSTEM

ISO 20022 Message Unfreeze Strategy

T2 request for exception

T2-CG Meeting
12 February 2025

Market Infrastructure and Payments
European Central Bank





Discussion results on T2 request for exception

- T2 community request for exception to ISO unfreeze was brought to MIB end of December 2024
- MIB discussed three high-level options on how to address T2-CG request and tasked the Trilateral Group which developed the ISO message unfreeze strategy to further work on the different options
- All options were discussed in the Trilateral Group taking into account the views of each TARGET service. Two options were considered as viable options as an outcome of the mid-January meeting
- Both options were presented and reconfirmed in the T2-WG meeting on 22 January 2025. T2-CG written procedure resulted in broad support for option A “Follow one-step approach for T2 payment related messages while other messages continue to apply two-step approach”
- Trilateral Group considered feedback from T2-CG written procedure, from T2S PMG meeting and from 4CB high-level analysis during meeting on 31 January 2025. Follow up actions have been discussed, and no objections have been raised to proceed with option A
- MIB took note of recent discussion results and requested T2 CR-0132 detailed re-assessment in view of proceeding with option A to address T2 community exception request on 6 February 2025



Options presented to T2 governance for consideration

- A. Approve T2 community exception** - *Follow one-step approach for T2 payment related messages while other messages continue to apply two-step approach*
- Option aimed at satisfying T2 exception request and limiting impact on other TARGET services
 - Exception to ISO message unfreeze strategy limited to payment related messages (i.e. pacs.002, pacs.004, pacs.008, pacs.009, pacs.010, camt.029 and camt.056) subject to technical feasibility and subsequent detailed re-assessment of T2 CR-0132
 - Version upgrade of other T2 related messages e.g. common component messages or messages exchanged with/used by other TARGET Services continue to follow two-step approach due to impact on other TARGET Services
 - 4CB sunk cost and impact on other T2 evolution activities expected due to detailed re-assessment of T2 CR-0132
 - Extended market testing window for payment related messages in November 2026 subject to detailed assessment of related T2 change request
- B. Reject T2 community exception** - *Continue with two-step approach for all TARGET services*
- Default option in case option A is not agreeable



Next steps on T2 request for exception

- T2 CR-0132 detailed re-assessment to be finalised and presented for approval. Ongoing implementation will be paused until approval of re-assessment according to 4CB
- Possibility to reduce T2 CR-0132 detailed re-assessment duration by moving T2 CR-0147 “Upgrade of T2 messages to ISO MR2025” to T2 R2026.NOV in discussion
- Ways to accommodate need for extended market testing window in T2 R2026.NOV to be explored. According to 4CB extension of testing is unlikely due to:
 - i. November release schedule does not offer flexibility for earlier UTEST delivery
 - ii. Testing requirements from other TARGET Services like T2S (i.e. T2S R2026.SEP)
 - iii. Late availability of new ISO 20022 draft MR2026 message versions leading to late start of detailed assessment and implementation
- TARGET services governance groups and AMI-Pay/AMI-SeCo to be informed about proceeding with option A to address T2 exception request pending CR detailed re-assessment



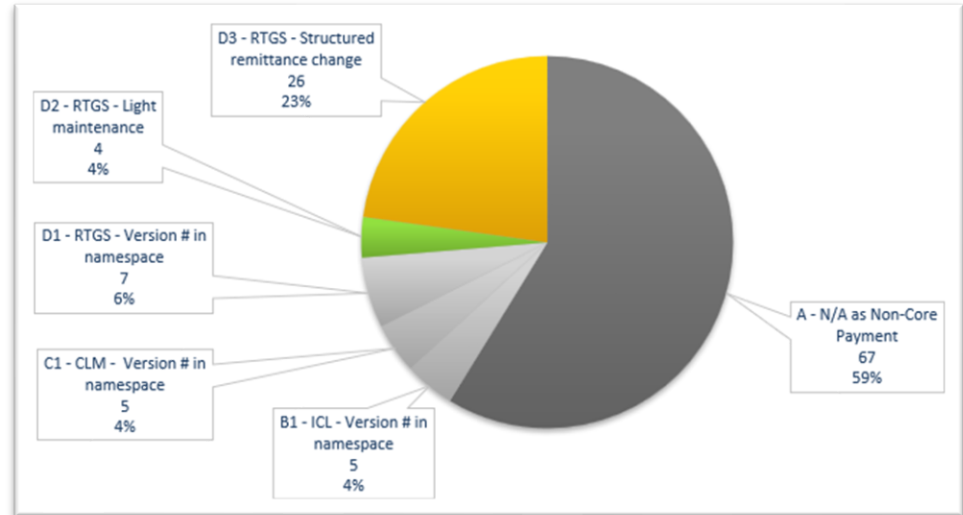
Annex A - Summary of feedback from T2-CG written procedure until 31 January 2025

- In total 24 T2-CG members replied to written procedure by 31 January 2025
 - Thereof, 17 payment banks, two ancillary systems (AS) and five central banks (on behalf of their communities) provided feedback
- 23 T2-CG members preferred option A (i.e. grant T2 exception request for core payment messages) over option B (i.e. reject T2 exception request). One AS voted for option B without additional comments
- 16 T2-CG members provided additional comments for consideration (multiple answers were possible):
 - Six T2-CG members re-emphasised the need for extended market testing window for T2 R2026.NOV (as currently planned T2 R2026.JUN market testing duration)
 - Five T2-CG members expressed their appreciation for option A and highlighted that it will mitigate critical risks as well as will deliver significant cost savings for the European payments industry
 - Four T2-CG members mentioned that neither option A nor option B are ideal. However, they prefer option A over option B
 - Three T2-CG members reported that their communities' unanimous preference is for option A
 - One T2-CG member requested reconsidering the annual update principle for payment messages
 - One T2-CG member urged for a quick decision on the T2 exception request



Annex B: CR T2-0132 – MR2019-MR2024 – Overview of message changes by category

- CR T2-0132 annex lists 114 change line items in total
- Several categories of changes can be observed in respect to the T2 exception request:
 - A. 67 items document non-core payment message related changes and hence are **not applicable** to T2 exception request
 - B. 5 items refer to increase of version number in message namespace of internal communication layer messages (i.e. cross-service messages transparent to end users)
 - C. 5 items refer to increase of version number in namespace of CLM core payment messages
 - D. 37 items refer to various changes in RTGS core payment messages





Annex C: CR T2-0147 – MR2025 – Extract from fast-track DA planning presentation to T2-CG

- From T2 perspective ISO MR 2025 scope covers ten ISO CRs
 - Thereof, eight ISO CRs result in version number upgrades only
 - Two ISO CRs (#1364,#1416) require additional changes to camt.054 and camt.025 which do not fall into core payment messages and hence are **not applicable** to T2 exception request
- Based on currently available information T2 exception request on CR T2-0147 impacts version number upgrades in core payment messages:
 - pac.002, pac.004, pac.008, pac.009



High-level impact analysis ISO MR 2025



ISO 20022 ID	CR Description	Impacted base messages used by T2	Description of impact on T2 messages	Inclusion in T2-0147-SYS CR on ISO MR2025
ISO 20022 CR 1335	Add UnderlyingFICreditTransfer	pac.004, pac.009	Additional element(s) can be pruned	No
ISO 20022 CR 1355	add ExecutionConfirmation in PaymentTransaction information block	pac.002	Additional element(s) can be pruned	No
ISO 20022 CR 1356	add PaymentInstructionExpiryDateTime in GroupHeader	pac.004, pac.008; pac.009	Additional element(s) can be pruned	No
ISO 20022 CR 1357	add Verification of Terms in CreditTransferTransactionInformation block	pac.004, pac.008; pac.009	Additional element(s) can be pruned	No
ISO 20022 CR 1358	add CryptographicLockChoice	pac.004, pac.008; pac.009	Additional element(s) can be pruned	No
ISO 20022 CR 1364	add InstructionCopy string of characters	camt.053; camt.054	Requirement for T2 Recovery	Yes
ISO 20022 CR 1366	Addition of absent message components from the underlying credit transfer message to the Underlying Customer Credit Transfer section	pac.004, pac.009	Additional element(s) can be pruned	No
ISO 20022 CR 1406	change CAEV (Corporate Action event type)	camt.053; camt.054	Impacted element is pruned in T2 usage guideline(s)	No
ISO 20022 CR 1408	Change UTI implementation in most Securities messages, with addition of an element dedicated to UTI in ISO 20022 messages	pac.004, pac.008, pac.009	Additional element(s) can be pruned	No
ISO 20022 CR 1416	Add "description" element back in the camt.025	camt.025	Change of x-path due to previous CR-1346	Yes

Note: The above high-level analysis was conducted based on the [approved](#) Payments MCR v4 (ISO20022MCR_Payments_2024_2025_Swift_v4_0).