

Migration of CHAPS to ISO 20022

What is happening?

On the 19th June the UK CHAPS system is going live with a new ISO 20022 message standard.

Santander, along with all other banks in the UK, has been working closely with the Bank of England to fully prepare for this change, with a robust program of industry testing undertaken in readiness for the live date.

Whilst the change taking place affects the way Santander submits and receives CHAPS payments, there is no change in how corporate clients initiate or receive payments through Santander.

What is ISO 20022?

ISO 20022 is an XML based universal and flexible digital standard for financial messages that enables interoperability between financial institutions, market infrastructures and the Banks' customers.

With the growing digitization of the financial services industry, the need for an international payments 'language' has become greater than ever, and adoption of the standard by the major clearing houses around the world is gathering momentum.

Industry Adoption of ISO 20022

Scheme	Migration Status
SEPA	SEPA Credit and Direct Debit schemes have used ISO 20022 format messages since their launch in 2008/9
Swift Cross Border Payments and Reporting	Live since 20 Mar 2023. Legacy formats continue to be supported during a co-existence period running until November 2025.
Target 2 and EURO1 (high value EUR)	Migrated to ISO 20022 on 20 Mar 2023
CHAPS	Migrating 19 June 2023
Fedwire and CHIPS (high value USD)	CHIPS will migrate in April 2024 Fedwire will migrate in March 2025

Benefits of ISO 20022

ISO format messages enable the exchange of more detailed and structured information. The provision of this richer data, together with the increasing global adoption of the formats, will enable increased straight through processing and fewer payment delays.

For recipients, the ability to include more detailed remittance information with the payment will enhance the reconciliation process.

Future developments

Whilst at present the focus for cross border payments is compatibility during the co-existence period, in the coming years there will be enhancements and changes to mandatory data that must be included with payments.

For CHAPS, this will include the requirement for sending banks to provide structured Address and Remittance Data from November 2025.

What changes should Corporate customers be preparing for?

At present, there is no requirement for Corporates to make any changes. This includes corporates that use MT101 messages and/or that connect to their banks using SWIFT SCORE, where there are no plans to withdraw the FIN service.

Nevertheless, any corporate implementing changes to internal payment, treasury or ERP systems should consider the adoption of ISO 20022 formats, ensuring that it is able to benefit from any enhanced data that becomes available, to future proof the payment initiation process and thus maintain high levels of straight through processing.

Please address any queries to your Relationship/Sales Manager

Useful Resources

[Bank of England](#)

[SWIFT](#)

[ISO20022](#)