

# Clearstream Spotlight

## Supporting the adoption of ISO 20022

SWIFT has recently announced the migration of all cross-border and many-to-many payments onto the ISO 20022 message standard as of 2021, followed by a four-year coexistence phase<sup>1</sup>. At Clearstream, we actively engage with established industry experts to explore the use of new technologies to ease and facilitate migration activities for our SWIFT user community.

### Industry-wide efficiency gains

The ISO 20022 standard will impact financial messaging across all financial industry processes, including payments, cash management, securities settlement, asset servicing and collateral management. The widespread adoption of ISO 20022 intends to increase the rate of automation, lower operating costs due to coexistence, enrich data carried in financial messages and create opportunities for standardisation, collaboration and further innovation.

### Key drivers for adopting ISO 20022

Major market infrastructure projects, new regulations and harmonisation standards' initiatives are pushing for an accelerated adoption of ISO 20022 messaging standards worldwide. The new Second Shareholders' Rights Directive (SRD II), for example, foresees to further expand the use of ISO 20022 beyond securities settlement introduced by the implementation of T2S.

### Leveraging industry expertise

Clearstream is actively collaborating with SWIFT and the initiating market

infrastructures in the definition of message structure, standards and harmonisation.

### Supporting our customers

Clearstream intends to introduce a co-existence phase for each of the business domains impacted by the respective directives and initiatives, to sustain existing processes and services for partners that may not become ISO 20022 compliant by the deadlines defined by the external market infrastructures.

### SRD II and the adoption of ISO 20022

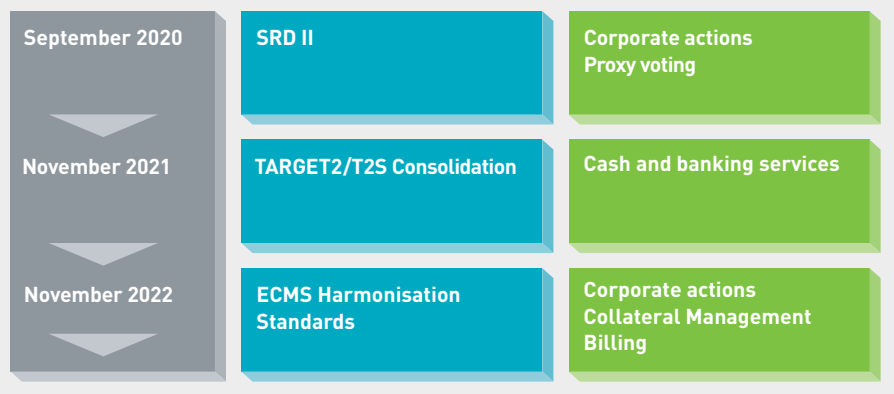
The aim of the Shareholder Rights Directive II (SRD II) is to encourage long-term shareholder engagement and to improve corporate governance in EU companies traded on EU regulated markets by enabling shareholders to exercise their voting rights and claims on information across borders. To comply with this directive, the ISO 20022 Securities Standards Evaluation Group is endorsing the new message standards for shareholder identification and message maintenance for General Meetings (Proxy voting).

### Collateral Management Harmonisation initiatives and ISO 20022

The go-live of the Eurosystem Collateral Management System (ECMS) in November 2022 together with the implementation of harmonisation standards in ten areas will rely on the ISO 20022 messaging standard.

Wave 1 for corporate actions is scheduled to be implemented by November 2022 and will apply to CSDs, CCPs and Eurosystem counterparties as collateral givers. The timing for Wave 2 for other financial market stakeholders is still to be decided.

### Migration milestones and timeline



### More information

For more information, please contact your Relationship Manager.  
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