



April 17, 2023

Via Electronic Submission

CPMI Secretariat (cpmi@bis.org)
Committee on Payments and Market Infrastructures
Bank for International Settlements

Re: Request for Extension of the Public Consultation Period for ISO 20022 Harmonization Requirements for Enhancing Cross-Border Payments

To the Secretariat of the Committee on Payments and Market Infrastructures:

The Clearing House Payments Company L.L.C. (“TCH”)¹ is writing to request that the Committee on Payments and Market Infrastructures (“CPMI”) extend the public consultation period for its proposed ISO 20022 harmonization requirements for enhancing cross-border payments (the “Proposed Harmonization Requirements”).²

TCH requests this extension because the 10-week³ consultation period CPMI has established does not afford U.S. stakeholders sufficient time to review and assess the implications of the Proposed Harmonization Requirements. The United States is in the midst of its ISO 20022 implementation for high-value funds-transfer systems, with CHIPS[®] scheduled to go live in April 2024 and the Fedwire[®] Funds Service scheduled to follow in March 2025.⁴ Resources at U.S. banks and market infrastructures are fully occupied with these critical implementations. It is these same resources who are needed to review and assess the Proposed Harmonization Requirements, including the detailed data sets, against current ISO implementation plans.

¹ The Clearing House Payments Company L.L.C. owns and operates core payments system infrastructure in the United States, clearing and settling more than \$2 trillion each day. See The Clearing House’s website at www.theclearinghouse.org.

² COMMITTEE ON PAYMENTS AND MARKET INFRASTRUCTURES, [ISO 20022 HARMONISATION REQUIREMENTS FOR ENHANCING CROSS-BORDER PAYMENTS: CONSULTATIVE REPORT](#) (Mar. 2023) (hereinafter “CONSULTATIVE REPORT”).

³ The Proposed Harmonization Requirements were published March 1, 2023, and comments are currently due May 10, 2023.

⁴ “CHIPS” is a registered service mark of The Clearing House Payments Company L.L.C. “Fedwire” is a registered service mark of the Federal Reserve Banks.

Careful review by the appropriate subject matter experts is important as CPMI has suggested that the final harmonization requirements will be mandatory.⁵ Given the scale of current U.S. implementation efforts, we do not think it is realistic for U.S. stakeholders to evaluate the full impact of the Proposed Harmonization Requirements in a 10-week period without jeopardizing their ISO 20022 implementation efforts. Likewise, we are concerned that CPMI's planned publication of final harmonization requirements in late 2023 with a November 2025 effective date will complicate and hinder U.S. ISO 20022 implementations, putting them at risk for delay. Thus, ideally, CPMI would allow both CHIPS and the Fedwire Funds Service to complete their migrations before proposing changes to ISO 20022 standards. If such an extension cannot be accommodated, TCH suggests that CPMI extend the public consultation period to June 30, 2023⁶ and that the harmonization standards be finalized, at least initially, as recommendations rather than requirements. This will prevent U.S. stakeholders from having to simultaneously implement ISO 20022 in high-value systems while also preparing for potentially significant changes to their payment platforms, customer-facing portals, and other upstream and downstream systems to accommodate CPMI requirements.

We are also concerned about the lack of clarity regarding the scope of the Proposed Harmonization Requirements to non-ISO 20022-based systems and whether those other systems have been given sufficient notice and time to respond. There are references in the Proposed Harmonization Requirements to non-ISO 20022-based systems needing to accommodate the same kinds of data as CPMI is proposing for ISO 20022-based systems.⁷ If this is the case, we do not believe non-ISO 20022-based system operators and participants are aware that significant changes to those systems might be expected as a result of the Proposed Harmonization Requirements.

For these reasons and consistent with CPMI's recognition that "it is essential that the [Proposed Harmonization Requirements] are reviewed through an inclusive consultation process,"⁸ we respectfully request that CPMI:

- take into account ongoing ISO 20022 implementation efforts and constraints faced by stakeholders involved in those efforts by either

⁵ The Consultative Report states: "The CPMI believes that steering market practice in the direction of a more harmonised use of ISO 20022 in cross-border payments will be beneficial for all stakeholders. As such, the CPMI proposes to establish general requirements for the use of ISO 20022 in cross-border payments that will apply to all message types in the core message set (ie at the CPMI ISO 20022 data model level as documented in the tables in Annex 3 and 4)." CONSULTATIVE REPORT, *supra* note 2, at 5.

⁶ It should be noted that U.S. stakeholder input to the Proposed Harmonization Requirements is still likely to be incomplete with a June 30, 2023 deadline given the noted resource constraints. The additional time will allow for a more complete response than the current May 10, 2023 deadline, however.

⁷ For example, in discussing the requirement that all entities involved in a cross-border payment be identified in a standardized and structured way, the Consultative Report states: "[F]or payment systems not intending to migrate to ISO 20022, this requirement may impose additional efforts to be able to translate and populate the relevant structured data ISO 20022 message elements." CONSULTATIVE REPORT, *supra* note 2, at 19, n.15.

⁸ CONSULTATIVE REPORT, *supra* note 2, at 1.

- waiting until CHIPS and the Fedwire Funds Service have completed their ISO implementations to propose new ISO harmonization standards, or
- extending the public consultation period to June 30, 2023 and revising the Consultative Report to indicate that the final harmonization standards will be issued, at least initially, as recommendations rather than requirements; and
- more clearly state its intentions regarding compatibility with the Proposed Harmonization Requirements for non-ISO 20022-based payment systems such as automated clearinghouse and card networks. If CPMI expects non-ISO 20022-based systems to be compatible with the Proposed Harmonization Requirements, it should conduct outreach to those communities promptly and, if CPMI determines to move ahead with the Proposed Harmonization Requirements before the completion of ISO 20022 migrations for CHIPS and the Fedwire Funds Service, allow additional time (beyond June 30, 2023) for those communities to review and respond to the Consultative Report.

Thank you for your consideration of these requests. If you have any questions or wish to discuss this letter, please do not hesitate to contact me.

Yours very truly,



Alaina Gimbert
Senior Vice President & Assoc. General Counsel

cc: Jennifer Lucier, Board of Governors of the Federal Reserve System