



ISO 20022

A New Global Standard Is Just Around the Corner

In 2025 the financial industry will be undergoing a significant, mandatory transformation with the adoption of ISO 20022, a new global standard for exchanging electronic messages between financial institutions. It will replace older wire messaging formats such as Fedwire and SWIFT MT, offering a more flexible, efficient, and data-rich way to process transactions and communicate across the financial landscape.

Key ISO 20022 milestones are Fedwire in July 2025 and Swift in November 2025.

What Is ISO 20022 And Why Does It Matter:

ISO 20022 is an international standard that provides a common language for financial messaging. It also includes a data dictionary and guidelines for usage. Existing messaging systems have limitations related to the length, type, and unstructured nature of some of their data elements.

Key benefits of ISO 20022 include:

- **Rich Data Handling:** ISO 20022 messages can carry much more detailed information than older formats. This means more data can be transmitted in a single message, reducing the need for multiple messages to complete a single transaction.
- **Standardization Across Markets:** Currently, different regions and banks often use different messaging formats, creating complexity and inefficiency in cross-border payments. ISO 20022 offers simplified processing which should reduce errors.
- **Enhanced Compliance and Transparency:** The new standard supports better data granularity and quality, which is crucial for meeting regulatory requirements.
- **Future-Proofing Financial Systems:** With the increasing digitization of financial services, there is a growing need for systems that can handle large volumes of complex data. ISO 20022 is designed to be flexible and extensible.



Steps Along the Way:

Transitioning to ISO 20022 will not be without its challenges. One of the major hurdles for banks is the need for significant investment in upgrading legacy systems to support the new standard as well as training staff. Bank clients will also need to make some changes. For most corporate clients, these changes will be minor and consist mostly of updates to wire templates and file format modifications. Santander has invested heavily in ISO 20022 to ensure compliance and to be able to offer clients the flexibility to transition gradually, by providing options in our online and file-based channels.

For On-Line Solution: Santander Treasury Link (STL)

Santander Treasury Link will support both the current wire payment format as well new ISO 20022 standard in July 2025 to allow for a gradual conversion.

- Beginning in July 2025, all new STL wire payments and any wire templates created will default to the new ISO 20022 standard.
- Clients will be required to gradually convert all current wire templates to conform to the new standard. Changes will be focused on conforming the recipient address fields to the new structured fields including the requirement for a country code for each wire recipient address.
- STL will provide a facility to migrate existing templates to the new standard.

For File Based Solutions: Enterprise Payment Link and Santander Cash Nexus

All current file formats used today will continue to be supported for payment delivery, this includes non-ISO XML formats such as CSV and Fixed Width text files. Due to the additional validation and compliance rules being introduced with ISO 20022, some minor changes may be needed, such as incorrectly formatted addresses with missing data or accounts being improperly identified as IBAN. These changes are needed to avoid delays or rejection of payments in the future. Support for new or changed payment data elements will be gradually phased in and, in most cases, will be optional.

Although certain SWIFT MT messages and files are being retired, delivery of SWIFT files such as the MT940 and MT942 will continue to be supported. And SWIFT for Corporates users will still be able to deliver MT messages as being done today.

Santander will continue provide updates and direction on the steps we will take to support the gradual transition to ISO2022.