



SADC-RTGS Operator

Migration to ISO 20022



Agenda

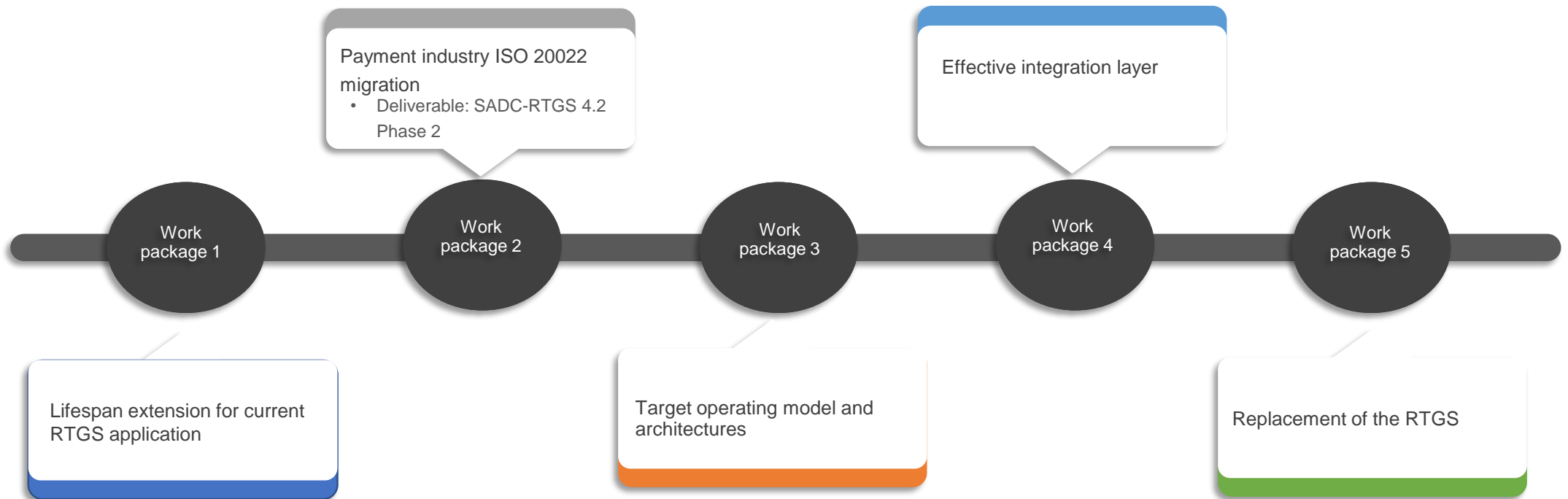
- Project Background
- SADC-RTGS 4.2 Project Overview
- SADC-RTGS Operator: ISO20022 Key Drivers
- SADC- RTGS Operator: Our Approach
- AS-IS: MT Message Flows
- Coexistence Message Flow
- TO-BE: ISO 20022 Message Flow
- Our Journey so far
- Next steps



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Project background

- The South African Reserve Bank has re-assessed the RTGS Replacement Programme and the revised approach was approved in February 2020. (Ref. Renewal programme presentations shared on Day 1)
- The scope for the renewal programme is divided into 5 work packages:



SADC-RTGS 4.2 Project Overview

- Deliverable of Work Package 1
- The scope is divided in 2 phases:
 - Phase1: Operational changes, other regional multi currencies – implementation July 2021
 - Phase 2: Compliance with ISO 20022 as an international standard taking effect from November 2022 for SWIFT integrated domestic and cross border payments.
- The goal and objective is to upgrade the current SADC RTGS system with a solution that will address current business functionality and cater for evolving business requirements due to industry regulatory changes and changing business landscape.



SADC – RTGS Operator: ISO20022 Key Drivers

- The RTGS Renewal Programme
- The ISO20022 is a new message standard in the financial industry that is replacing the antiquated MT message standard.
- The migration process of the new message standard is driven by SWIFT, and the industry timelines are that by November 2025, the financial industry must have migrated from the MT message standard to enable leveraging of rich data and to support interoperability



SADC – RTGS Operator: ISO20022 Approach-Strategy

- Implementation of work package 2 has been driven by need to align with Swift paced migration from Nov 2022 to Nov 2025
- Minimal changes to the current RTGS in preparation for the new RTGS system
- Work closely with the regional project manager to manage regional migration
- Learnings from other markets
- Harmonisation of HVPS+ and CBPR+



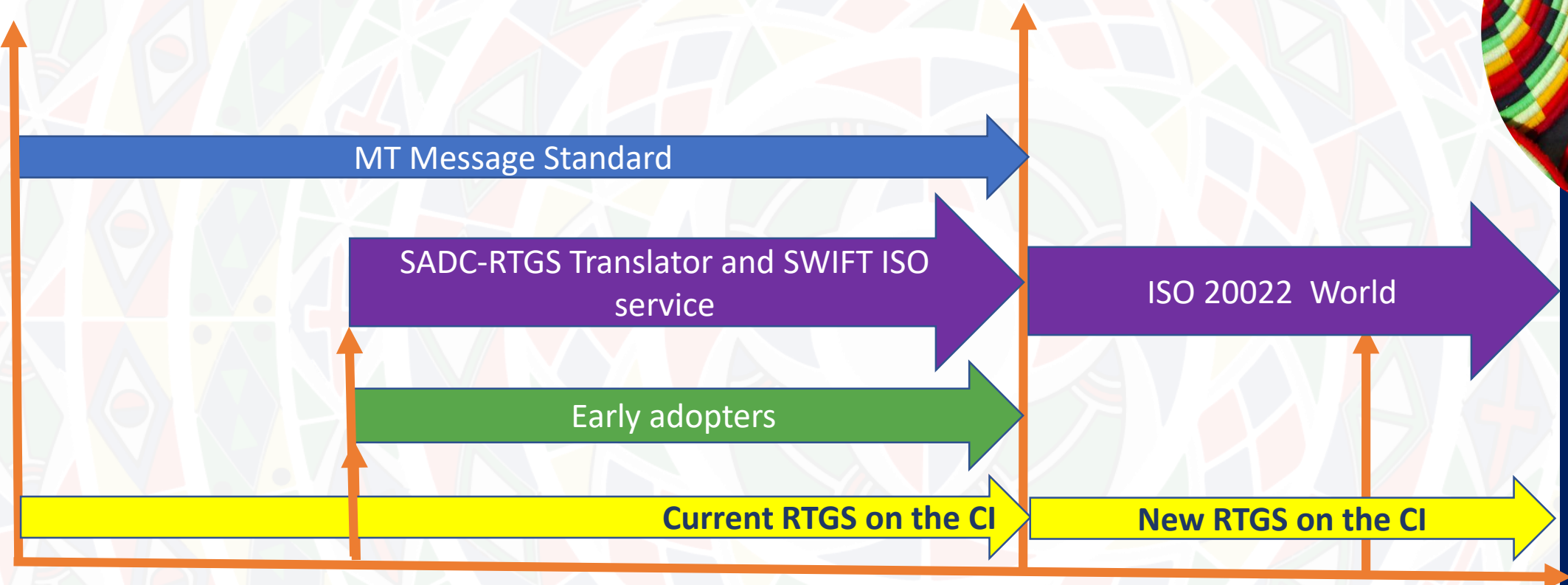
SADC – RTGS Operator: ISO20022 Approach- Strategy – Option 1

- **Co-existence (Option 1)**
 - To provide support to both early and slow adopters
 - Implementation of a message translator to enable settlement as RTGS remains on MT message standard
 - MT message standard support will cease when landing the new RTGS



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SADC – RTGS Operator: ISO20022 Approach- Strategy – Option 1



Today

Date to be agreed

New RTGS Date TBC

SWIFT November 2025



SADC – RTGS Operator: ISO20022 Approach- Strategy – Option 2.

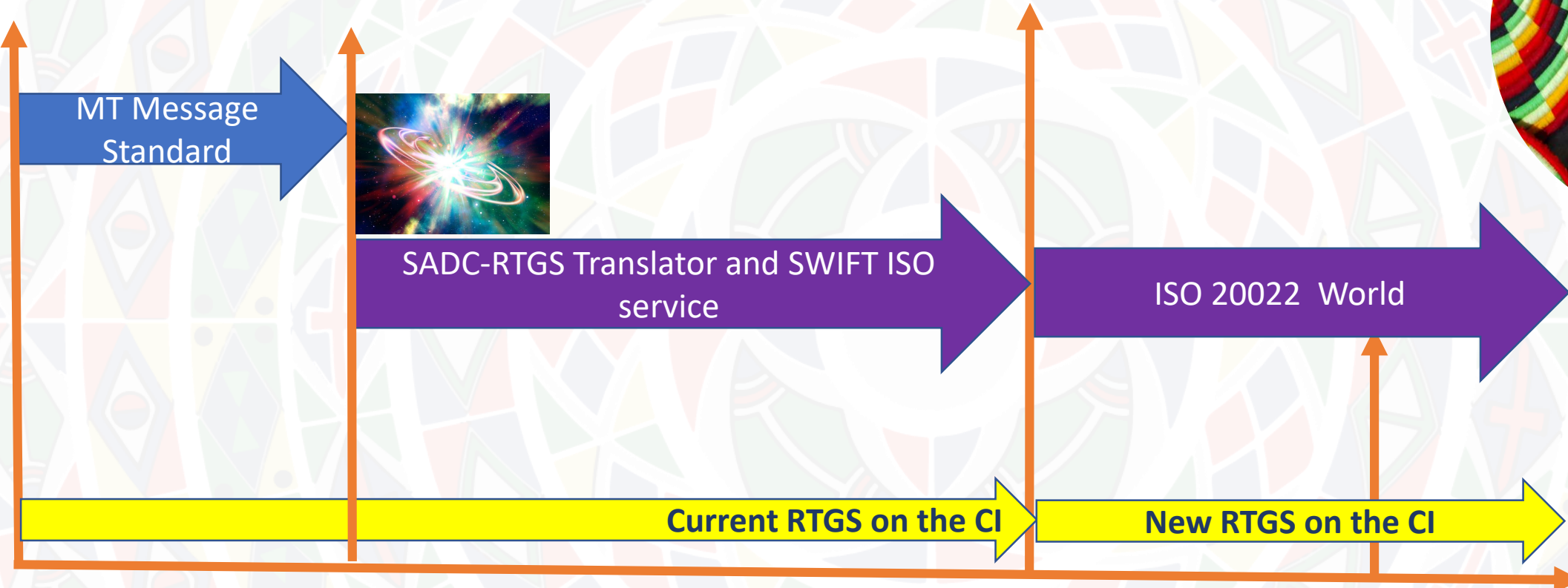
- **Big Bang (Option 2)**
 - Cut off date to be agreed with the market and stakeholders.
 - MT message standard service cutoff to be agreed with the market
 - Implementation before the landing of the new RTGS
 - To be implemented on the old Central Infrastructure
 - Translator required on the Central Infrastructure to facilitate settlement
 - Participate translators
 - Implementation after or with the landing of the new RTGS
 - Old Central Infrastructure decommissioned
 - Translator not required on the Central Infrastructure
 - No early adopters



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SADC – RTGS Operator: ISO20022 Approach- Strategy – Option 2 – Current RTGS



Today Date to be agreed New RTGS Date TBC SWIFT November 2025



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SADC – RTGS Operator: ISO20022 Approach- Strategy – Option 2 – New RTGS



**New RTGS
Date TBC**

SWIFT
November
2025



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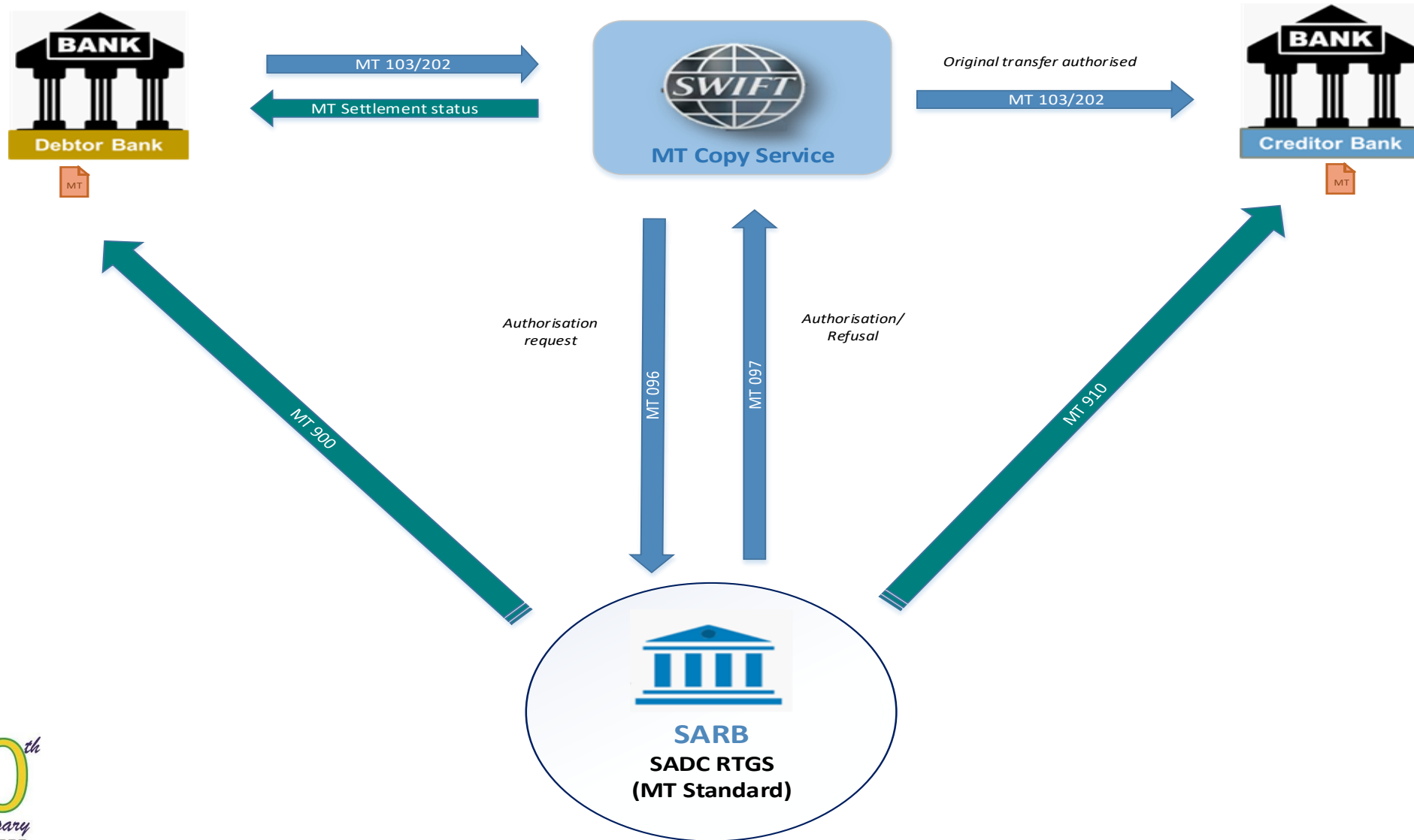
SADC – RTGS Operator: ISO20022 Approach – Challenges

- Process complexity (CI, Participants and SWIFT services)
- Costs (still to be fully explored)
- Coexistence impact on participants
- Significant time may be required for planning, development and teams engagements
 - Swift transaction management platform (Transaction Management Platform) readiness
 - Participants who will not meet the cut-off date
- Operator not privy of participants' migration plans

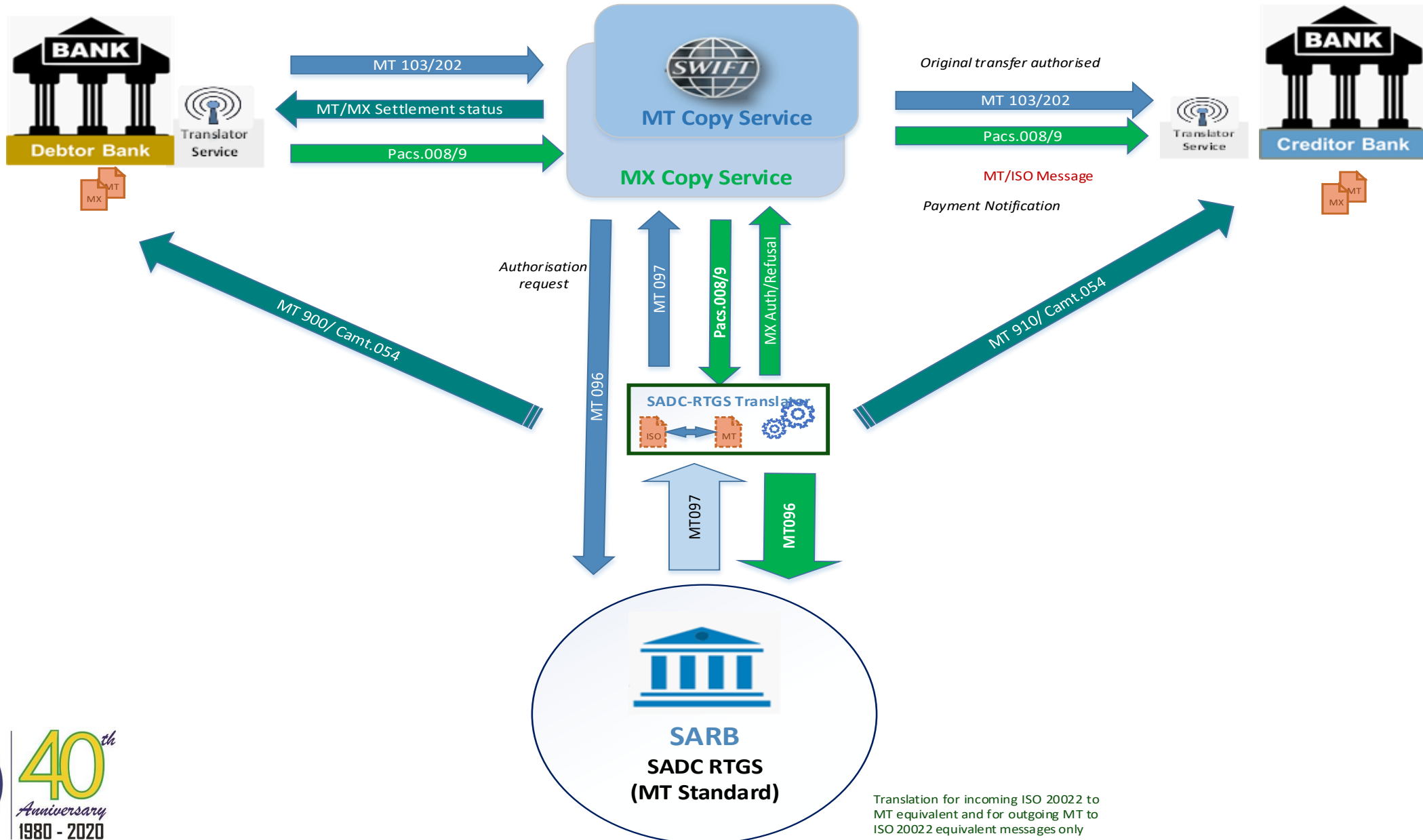


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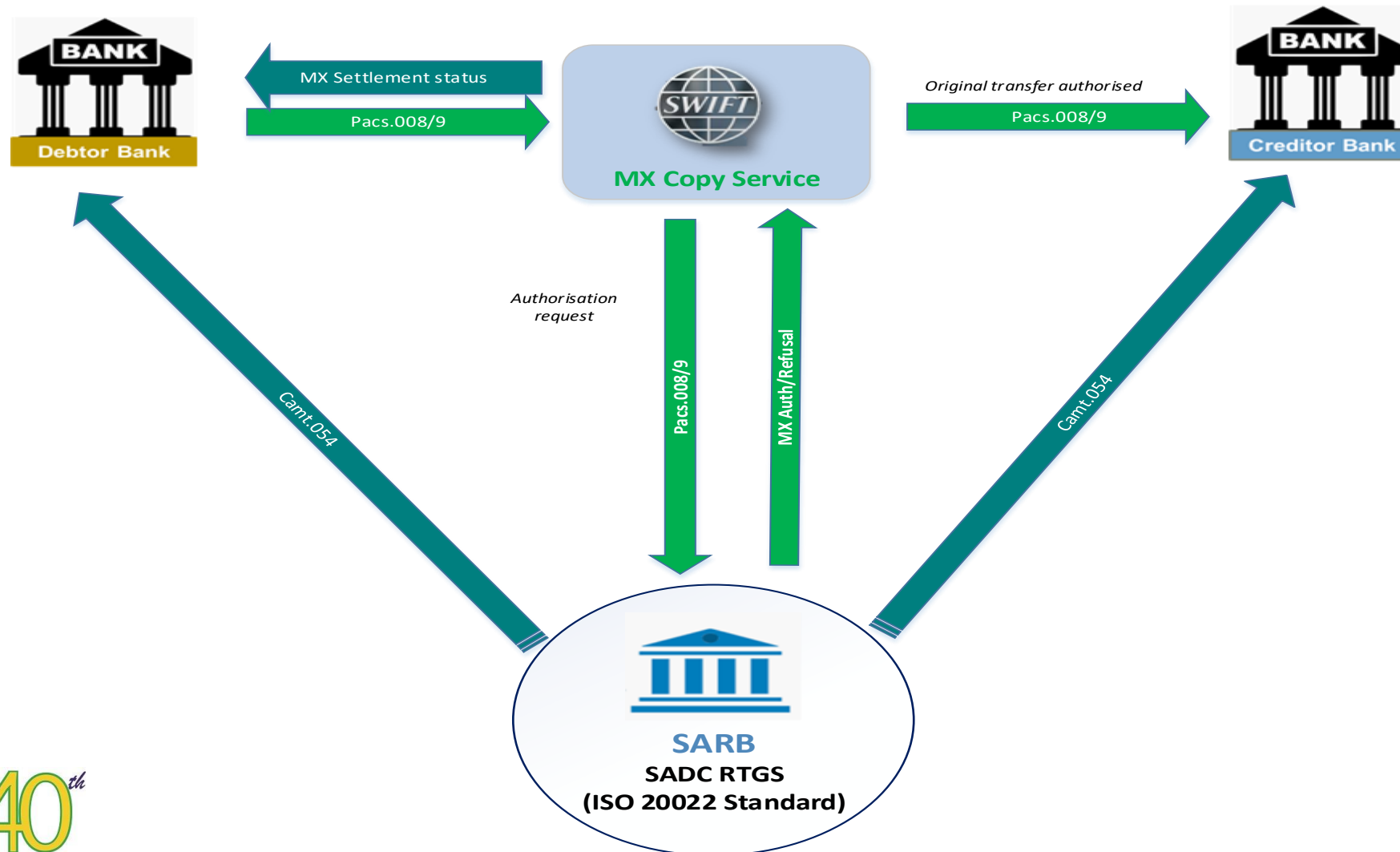
AS-IS: MT Message Flow



Coexistence Message Flow (if considered)



TO-BE: ISO 20022 Message flow



Our journey so far

- Go-live date for dual service implementation to be determine
- Full adoption date to be determined
- Operator's plan to be aligned with early adopters plans
- Currently not aware of our market early adopter's plans
- Interim timelines to be communicated when ready.

Timelines

- All payment messages are included in the scope
- Impact analysis draft document released internally
- To be released to participants when high level principle on technical details had been obtained

SADC-RTGS Project scoping

- SADC BA (Continuous)
- SADC regional Project manager
- PSOC
- PSMB
- SADC RTGS lead overseer

Governance level engagements

Project phase execution

- Currently the BA team is busy with the following:
- SADC-RTGS Functional Requirements Specification
 - SADC-RTGS Non-Functional Requirements Specification
 - SADC-RTGS Translator Requirements (Message Mappings)
 - Operational Specification for CORE & Web (development requirements)
 - Change document for SADC-RTGS Participants

Collaborative engagements

- Ongoing technical discussions with BSTD.
- Core project team established between SADC BA, BSTD and Operator
- Ongoing technical discussions with SWIFT
- SADC BA responsible for industry coordination and formation of workgroups including mystandards workgroup
- SADC BA has proposed another position for regional migration on 21 May 2021.
- Proposal to be discussed with Tim/Precious/SADC BA/Nom (date TBA)

Market engagements

1st Participant engagement at the SADC-RTGS User group 09 June 2021



Next steps

- Consider the inputs received from the various engagements
- Consult our principals and stakeholders for guidance on the best outcome approach
- Refine the approach and timelines
- Move the program to execution mode



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