



ISO 20022

The new, global standard for transmitting financial information

Technical standards are used by the financial services industry to automate, dictate, and create consistency in the way data is exchanged during business transactions, such as payments. In order to ensure fast and reliable payment processing, banks and payment clearing systems within a country generally agree on a format in which they will exchange specific payment information. Subsequently, banks require customers to format payments in a specific manner, usually through required fields in an online banking portal or in a payments file sent via Host-to-Host or API.

One of the challenges with these standards is that, historically, the global financial ecosystem has not agreed upon uniform and interoperable payment formats. But this is about to change.

What is ISO?

The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies. Well-known, payment-related standards covered by ISO include country codes, currency codes, the IBAN registry, the Bank Identifier Code (BIC), and card message types, such as those used by the Mastercard and Visa networks.

Under an international consensus approach and working with SWIFT, the world's largest secure financial messaging platform for cross-border payments, ISO created the ISO 20022 standard to facilitate electronic data interchange relating to payments. While ISO 20022 is defined in XML (eXtensible Markup Language), which is a very broad coding language, it adds specific tags which introduce standards to the coding language for payment files.

While SWIFT has already adopted the ISO format for cross-border payments (at present optional but will become mandatory in 2025), many countries' payment clearing systems are now also adopting the ISO 20022 standard for financial messaging, including the Federal Reserve Bank (Fedwire). It is anticipated that Fedwire will implement the ISO20022 formatting in 2025.

Going Live!

Today, financial institutions across the US, and indeed around the world, are preparing to go live with ISO 20022. This means that banks are busy preparing their systems to handle payment messages in the ISO 20022 format. At the same time, banks are changing their online banking portals and host-to-host file formats to help customers transmit payment instructions under a new global standard format.

For example, companies will need to provide the payment beneficiary address in structured address fields, including:



- Building Number
- Street Name
- Postal Code
- Town Name
- Country Sub Division (eg US State), and
- Country, respectively.

What is Mizuho doing to prepare?

Mizuho Americas is currently preparing our payment channels to handle the new ISO 20022 formatting requirements. Soon, we will guide all of our customers through the changes to ensure that they understand what additional information they will need to provide in their payment instructions.

A one-year transition period is expected to begin near the end of 2024, and continued communication on this topic should be expected over the coming months.

In the meantime, if you have any questions or concerns, please do not hesitate to contact our technical support team: MIZUHOCash.MgmtSupport@mizuhogroup.com.