To: All CHIPS Participants and Software Providers

**CHIPS ISO 20022 Implementation Update**

The Clearing House as the operator of CHIPS is continuing its efforts towards a coordinated approach to the adoption of ISO 20022 message formats for cross-border and domestic wire payments. As we have informed Participants in the past, given our role as the largest provider of USD clearing and settlement services in the cross-border high value payments (HVP) marketplace, we are employing the best practice guidelines for Market Infrastructures established by SWIFT’s High Value Payments Systems (HVPS Plus) working group and using SWIFT’s MyStandards utility and portal to develop and test our ISO 20022 Message Usage Guidelines (MUGs), which will replace legacy CHIPS payment and payment related messages.

This bulletin provides an overview of our immediate next steps to address the adoption of ISO 20022 by SWIFT in Europe and the United Kingdom prior to its adoption by CHIPS. We are also establishing a validation period for CHIPS Participants and software providers to review and comment on our CHIPS ISO 20022 MUGs. We strongly encourage CHIPS Participants and software providers to examine and provide comment and questions to CHIPS MUGs during a comment period defined below. Finally, this bulletin outlines our plans for an external training program for CHIPS Participants and vendors.

We will continue to send periodic updates and instructions about our CHIPS ISO 20022 implementation as the work progresses.

**CHIPS ISO 20022 Transition Project**

The Clearing House, along with other U.S. stakeholders, has been working with SWIFT through the Cross Border Payments and Reporting (CBPR+) US Observers Work Group to address the challenges introduced by the adoption of ISO 20022 in Europe and the United Kingdom prior to adoption in the U.S. Based on these discussions, CHIPS will enhance its legacy message format in November 2022 to enable Participants to include the full ISO 20022 message, up to 9,000 characters minus the Business Application Header, in a new [900] field. Information in this new field will be for informational purposes only to support Participants’ compliance programs during the coexistence period (November 2022 through November 2023).

The Clearing House plans to make technical details regarding the new [900] field available to Participants and software providers this November and enable testing of the new field in its test environment next June.

As part of this effort, The Clearing House will also develop market practice guidelines for Participants to populate the legacy CHIPS payment message with the extended information contained in payments instructions originating in ISO 20022-ready markets. The guidelines will be ready for publication in September 2021. We will conduct a working session, date to be determined, with Participants and software providers to review the changes to the new [900] field of the CHIPS message.
CHIPS ISO 20022 Transition – Project Timeline:

CHIPS ISO 20022 Implementation Program of Work

As we informed you in our earlier announcement on March 11th, CHIPS messaging formats will be changed to the ISO 20022 standard in November 2023 using a “big bang” implementation approach in which all Participants will go live with CHIPS ISO 20022 message formats at the same time. Below is a snapshot of current timelines for select global market infrastructures.
### ISO 20022 Roadmap

All CHIPS-related systems will be ISO 20022-enabled by November 2023. The client-facing changes to CHIPS include but are not limited to the following:

- Converting CHIPS payment and payment-related messages to the ISO 20022 message format and wrapping all CHIPS proprietary reports, supervisory messages and inquiries in an ISO 20022 message rendering all CHIPS communications messages ISO 20022 formatted.
- Modifying the CHIPS-Participant interface message layer as part of architecture restructuring.
- Modifying CHIPS Web and CHIPS NA applications to accommodate new ISO 20022 payment message elements.

Additional information regarding these changes will be forthcoming as the program progresses.

### Next Steps

The immediate next steps are two-fold. First, The Clearing House is at a point in the program where we will engage Participants and software providers. We will publish our MUGs for a comment period to start on August 2\textsuperscript{nd}, 2021 and close on September 17\textsuperscript{th}, 2021. The Clearing House is utilizing this comment period as an early opportunity for Participants and software providers to validate our new ISO 20022 CHIPS messages formats.
The Clearing House will leverage the MyStandards platform to provide access to the CHIPS MUGs via a “Community” on MyStandards and enable Participants and software providers to provide comments. The communities are separated into Participants and Vendors. These are:

- CHIPS ISO 20022 Migration – Participants
- CHIPS ISO 20022 Migration – Vendors

The communities were implemented so that our Participants, and certified software providers, can leverage the comment section to provide feedback and have a place to collaborate with TCH.

Please have your internal teams do the following to obtain access to the CHIPS ISO 20022 Migration – Participants community on MyStandards:

1.) Register on swift.com, if you have not already done so. The information to register can be found here: https://www.swift.com/myswift/how-to-become-a-swift_com-user. If you are registered please go to step 2.

2.) Login to swift.com

3.) Once authenticated navigate to the following section:
4.) If you have never used MyStandards before you will be prompted to accept the End-User-Agreement (EUA). Please review the agreement, which must be accepted in order to get to the following screens:
Block: 1.) All CHIPS Message Usage Guidelines (MUGs) will be accessible here once published.

Block: 2.) Please request access to the participant community. The vendor community is strictly for software providers of payment applications.
Block: 3.) All updates affecting CHIPS messages, on a yearly basis, will be published as releases. (e.g. SWIFT Standards)

Additionally the comment period on MyStandards is intended for Participants and software providers to provide feedback to The Clearing House on the CHIPS MUGs. An example could be on the usage of a particular tag or rule that CHIPS needs to edit. Please see screen shot below for an example comment made on the Group Header element in the MUG:

The second immediate task under the program is to implement our external socializing and training program. This program will include the following:

- Establishing a technical work group from CHIPS Participants and software providers with the intention to examine the CHIPS MUGs in detail. This will include discussion of the message structure, element characteristics, new elements, party identification, qualifying agents and parties, the new use of structured address, remittance information, and use of the external code lists and special rules. There will be a series of three to four meetings to cover these elements.

- Hold training sessions for CHIPS Participants and software providers. This will consist of virtual sessions open to all interested Participants and software providers. Topics will range from understanding the MUGs to aspects of the new implementation and related applications that touch the new ISO 20022 messages and/or are affected by changes and additions to the data elements, as well as discussion of the new testing program.
Please take note of the following planned sessions and mark your calendars. We will advise of any changes that may occur based on feedback we learn throughout the summer.

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<tr>
<th>Training</th>
<th>Proposed Dates</th>
<th>Audience</th>
<th>Topics</th>
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<tr>
<td>CHIPS Participant and Vendor Work Group 1</td>
<td>Tuesday August 31st 9:00 – 1:00 ET</td>
<td>Bank &amp; Vendor Personnel – Technical and Business</td>
<td>All about MUGs · Technical Review of the MUGs</td>
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<tr>
<td>CHIPS Participant and Vendor Work Group 2</td>
<td>Thursday Sept 2nd 1:00 – 5:00 ET</td>
<td>Bank &amp; Vendor Personnel – Technical and Business</td>
<td>· Technical Review of the MUGs (continued) · Server/MF Architecture Enhancements · Signature/Certificates · Queue Management</td>
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<tr>
<td>CHIPS Participant and Vendor Work Group 3</td>
<td>Friday Sept 10th 9:00 – 1:00 ET</td>
<td>Bank &amp; Vendor Personnel – Technical and Business</td>
<td>· TBD</td>
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<td>CHIPS Participant and Vendor Work Group 4 - (if needed)</td>
<td>TBD - -Date to be determined if necessary</td>
<td>Bank &amp; Vendor Personnel – Technical and Business</td>
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<tr>
<td>External Training 1</td>
<td>Thursday Sept 23rd 9:00 – 1:00 ET</td>
<td>Open to Bank and Vendor Personal</td>
<td>· Overview CHIPS ISO 20022 Project · CHIPS ISO 20022 Transition · MyStandards · Introduction to MUGs</td>
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<tr>
<td>External Training 2</td>
<td>Tuesday Sept 28th 1:00 – 5:00 ET</td>
<td>Open to Bank and Vendor Personal</td>
<td>· MyStandards Testing Portal · Testing Certification · CHIPS Functionality Testing · CHIPS NA · CHIPS Web</td>
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Feel free to forward this Bulletin to others within your organization who are participating in this initiative.

If you have any questions or want to be included in future communications regarding the ISO 20022 Program, please contact Bob Pepitone at Robert.pepitone@theclearinghouse.org, Adolfo Gonzalez at AdolfoGonzalezJr@theclearinghouse.org or Sharon Jablon at Sharon.Jablon@theclearinghouse.org.