

The Joy and *pain* of ISO 20022

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ERP Integration / ISO 20022



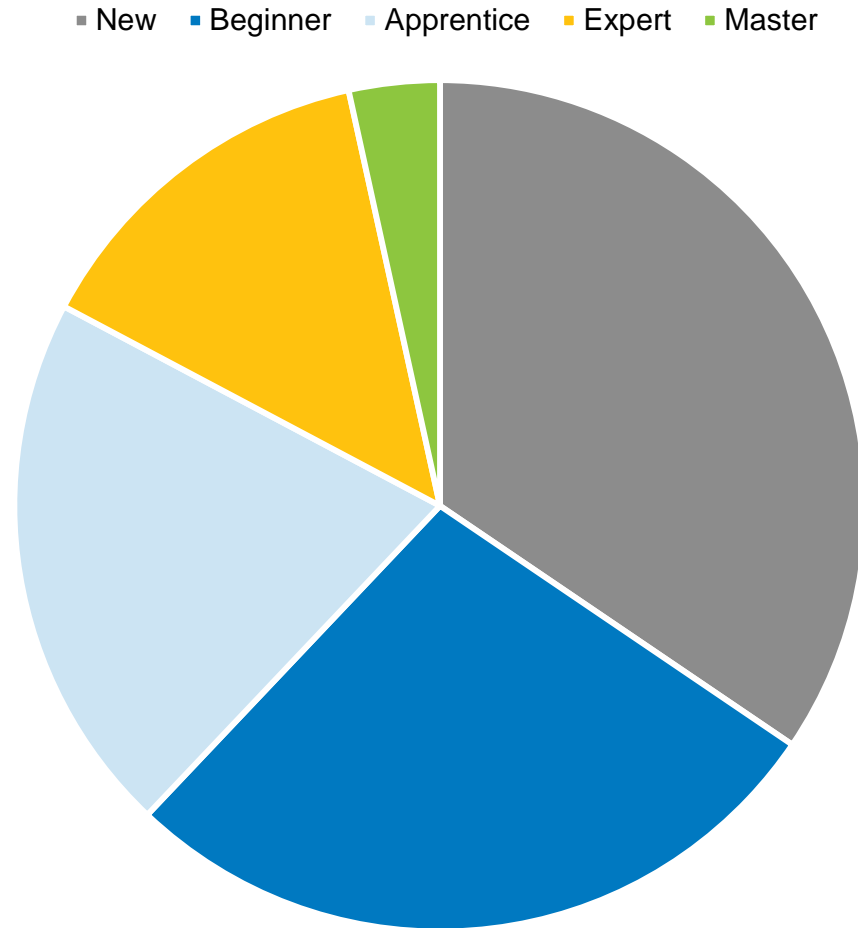
ISO In Practice – Agenda

- What is ISO 20022?
- How ISO 20022 Enables Payments Modernization
- Hot topics in Canada today
- The Stages of Automation
- How ISO helps with Automation
- Tools, Ingredients and Benefits of Automating with ISO 20022



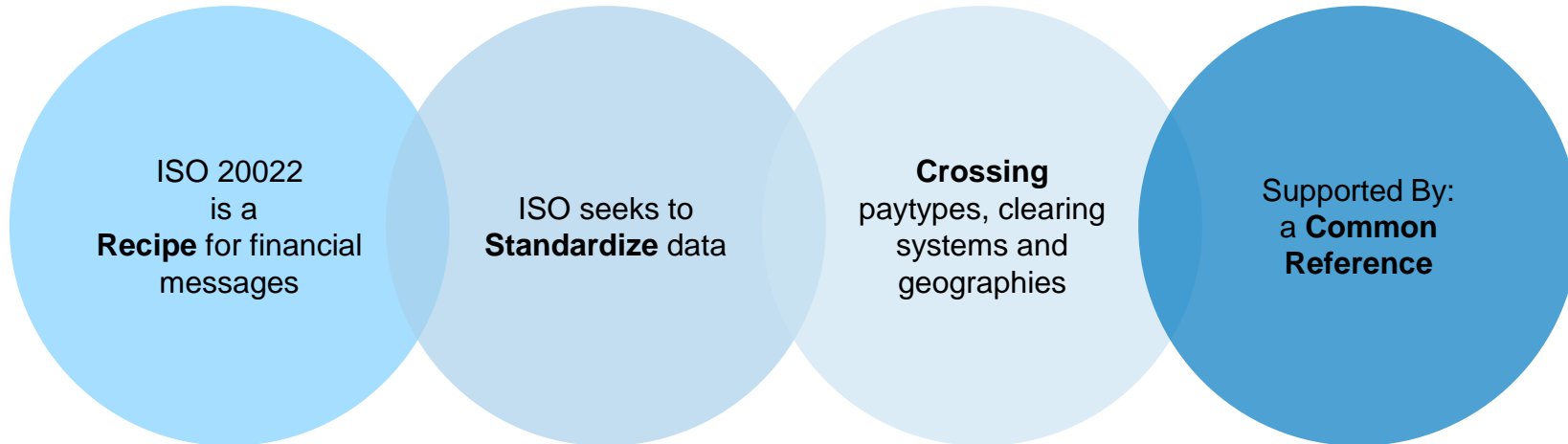
ISO 2022 Knowledge – poll

ISO 2022 KNOWLEDGE LEVEL



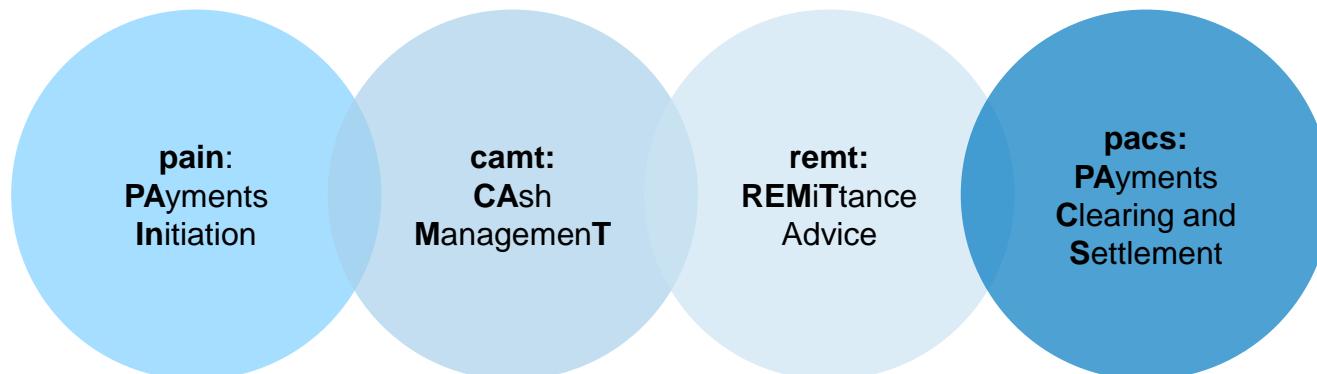
How well do you know ISO 2022?

The ISO 20022 Vision

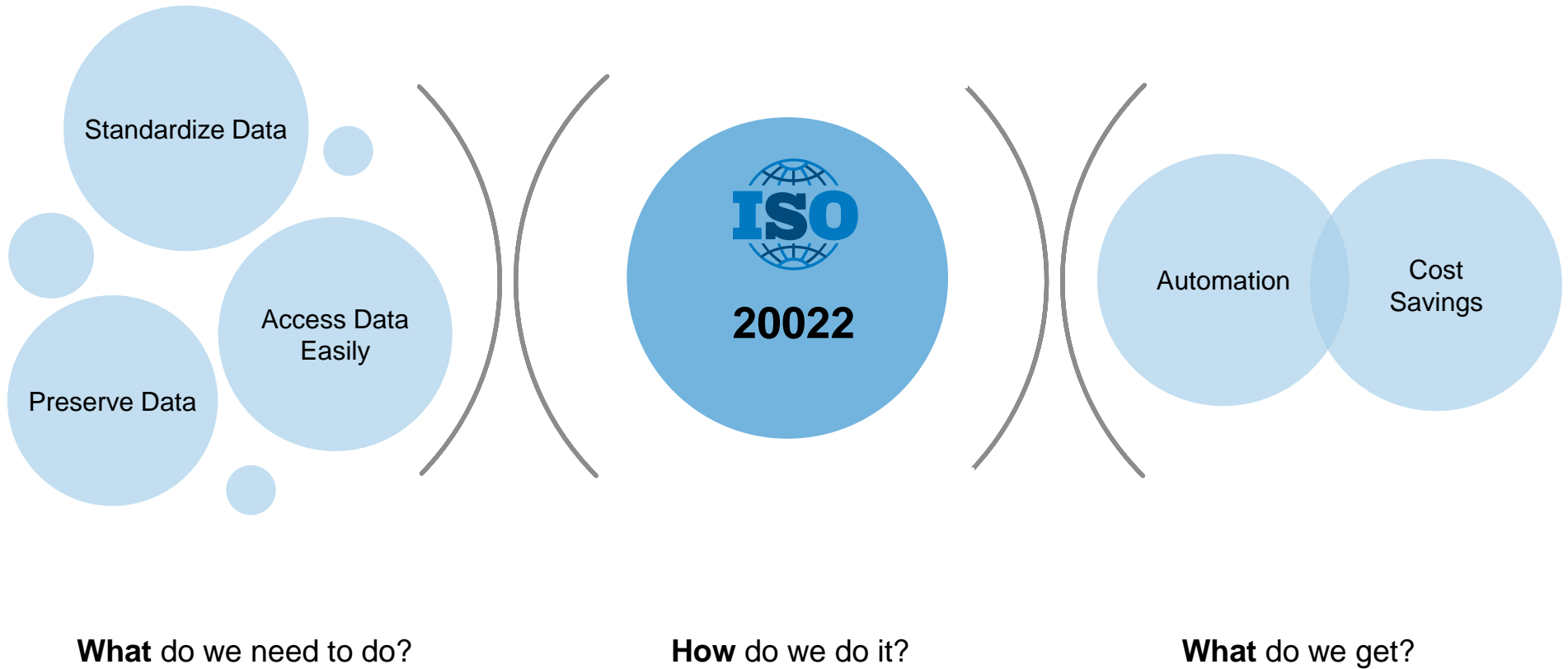


ISO 20022 DEFINES FINANCIAL MESSAGES FOR MANY BUSINESS AREAS

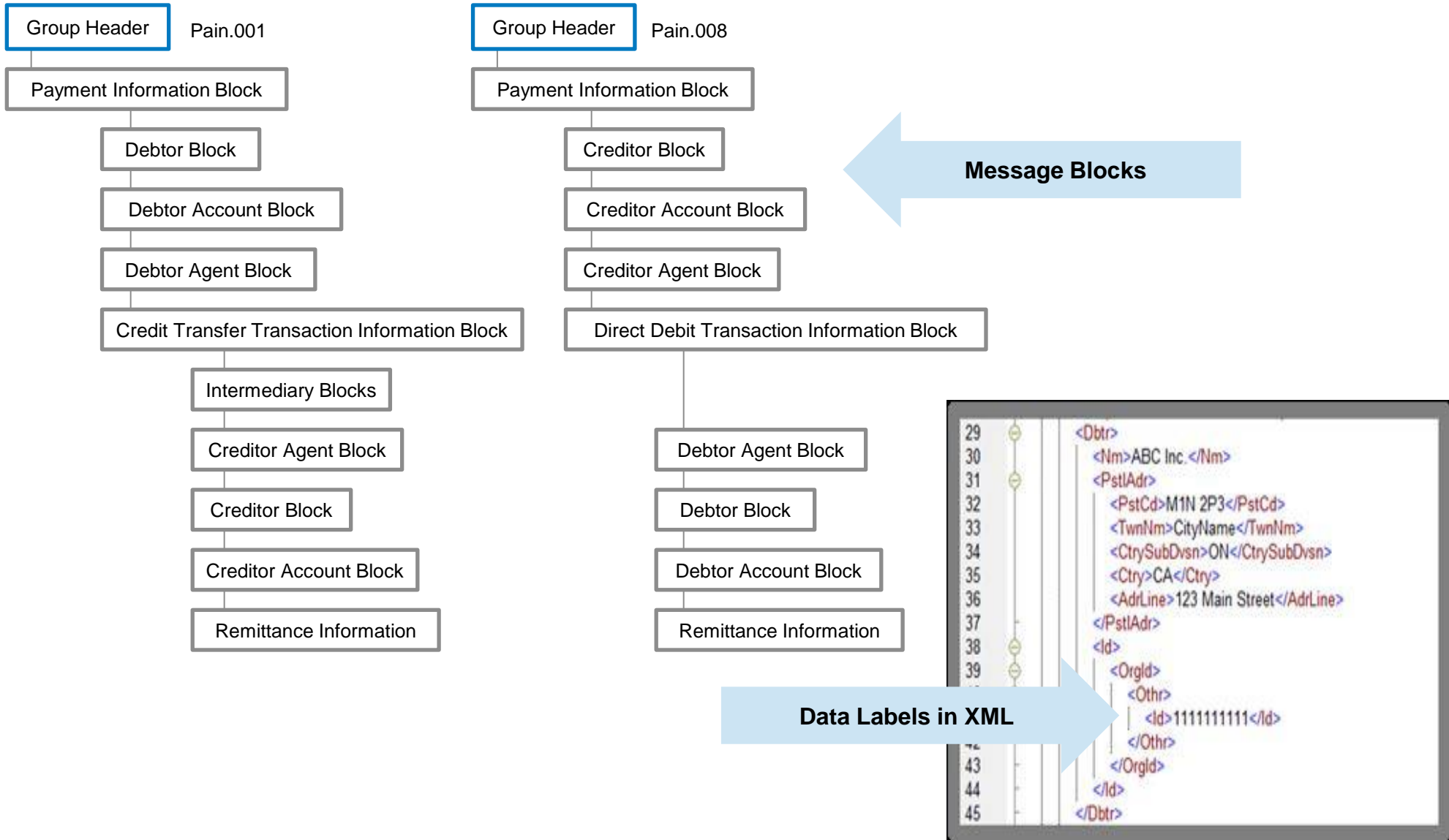
- Relevant examples for Treasury include:



The 'what' and the 'how'



What's in an ISO 20022 Message?

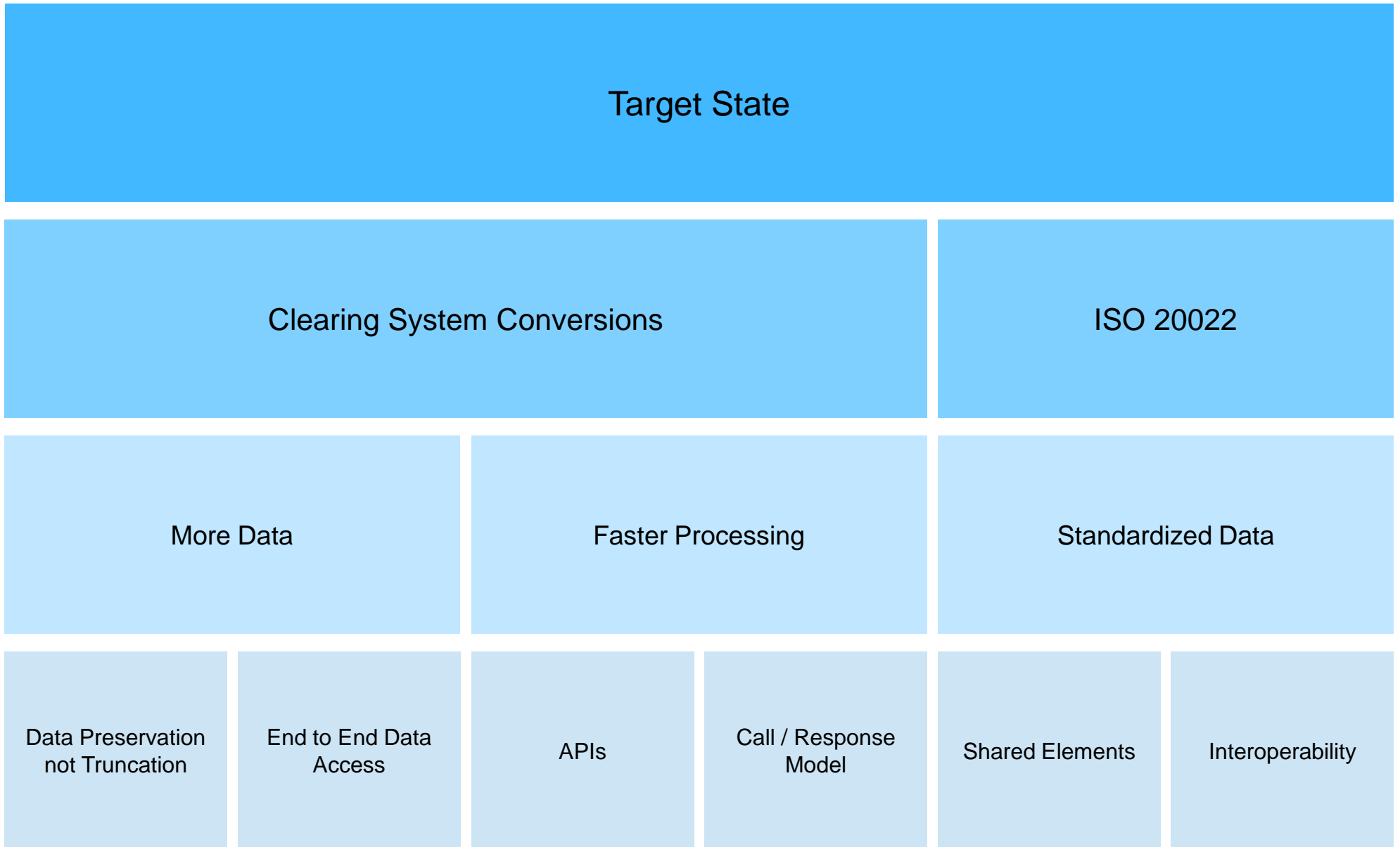


The Journey to Payments Modernization

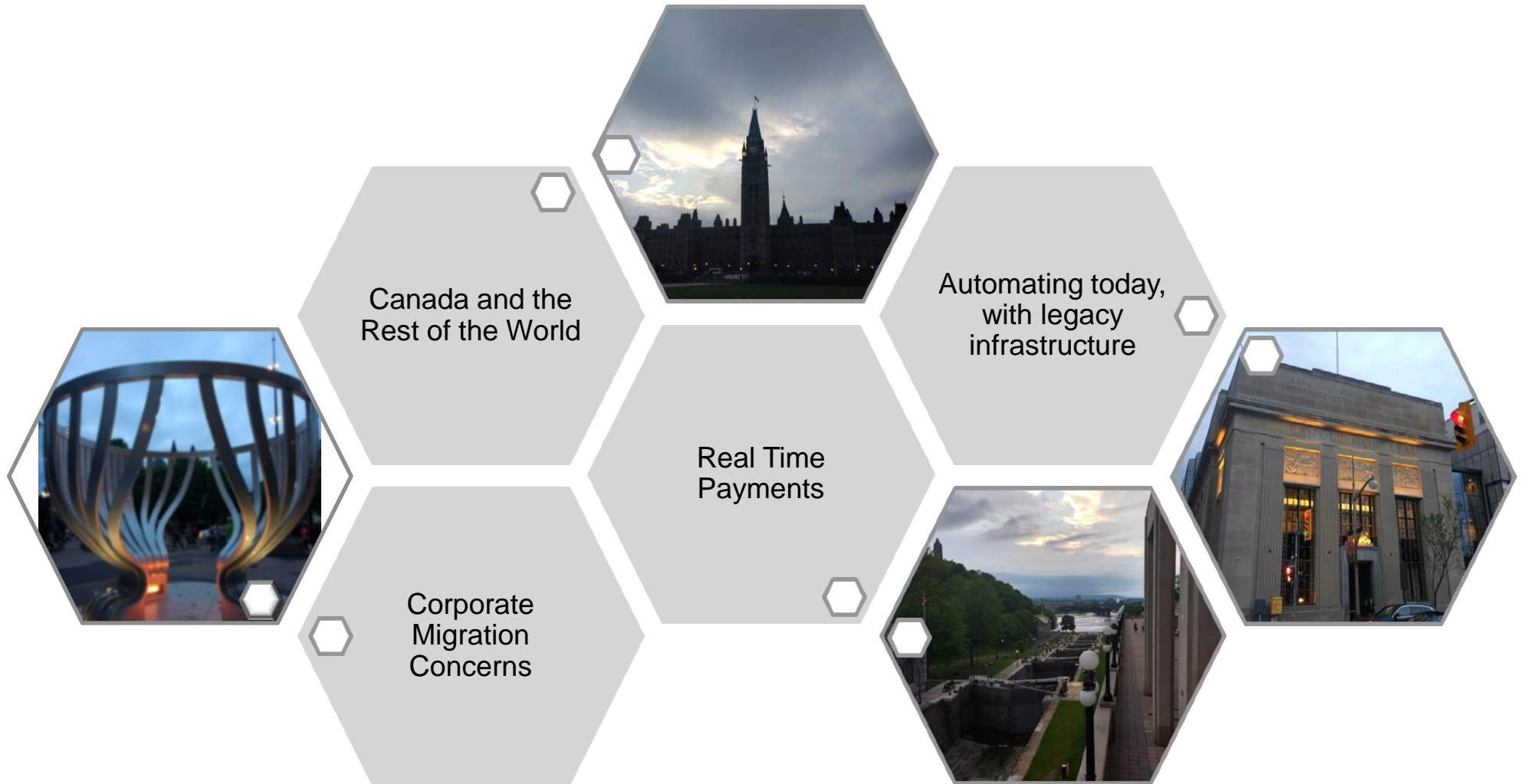
SIMPLIFIED EXPERIENCES WITH FASTER PAYMENTS AND RICHER DATA



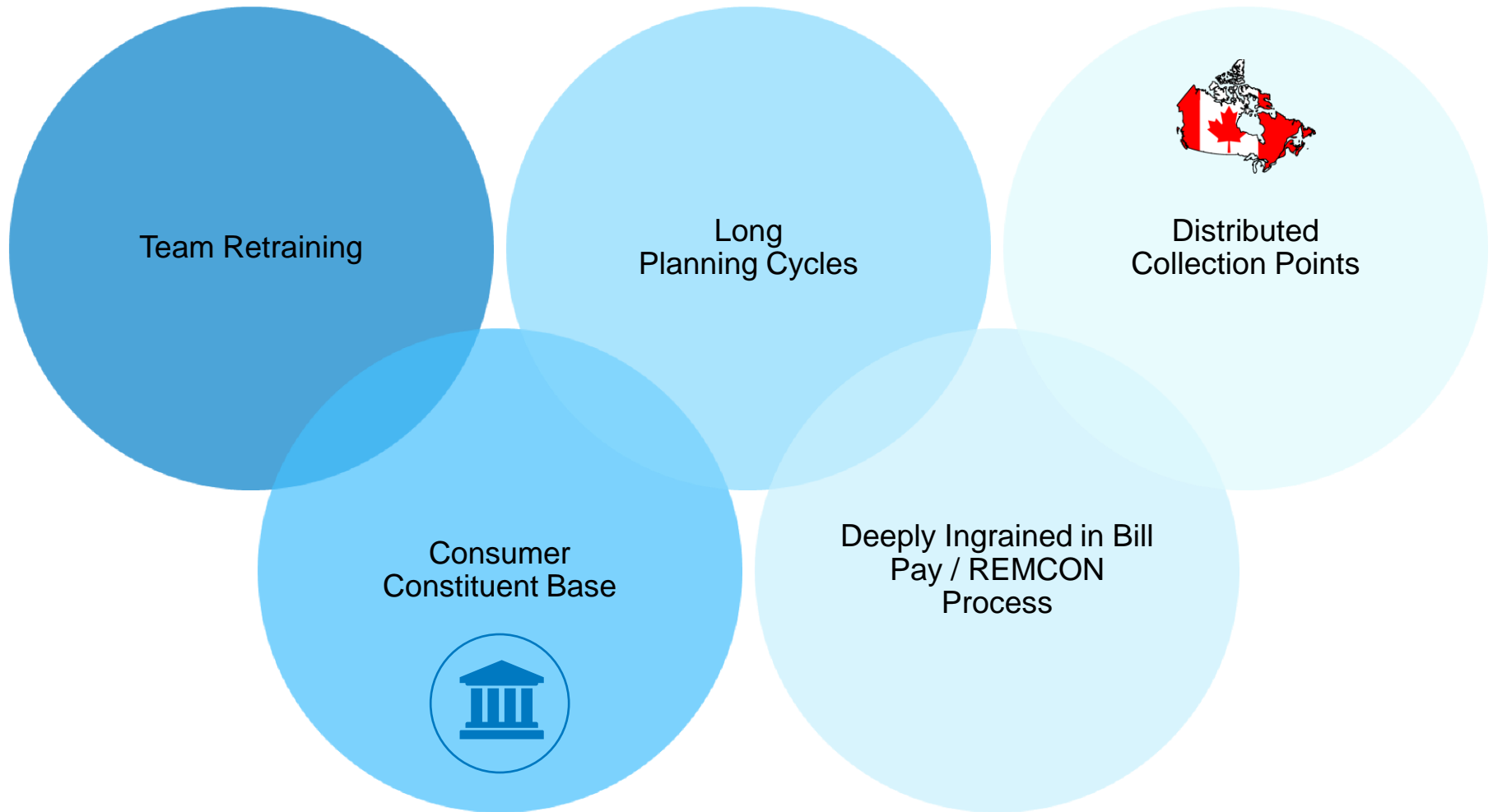
Using ISO 20022 in a Pre-ISO World



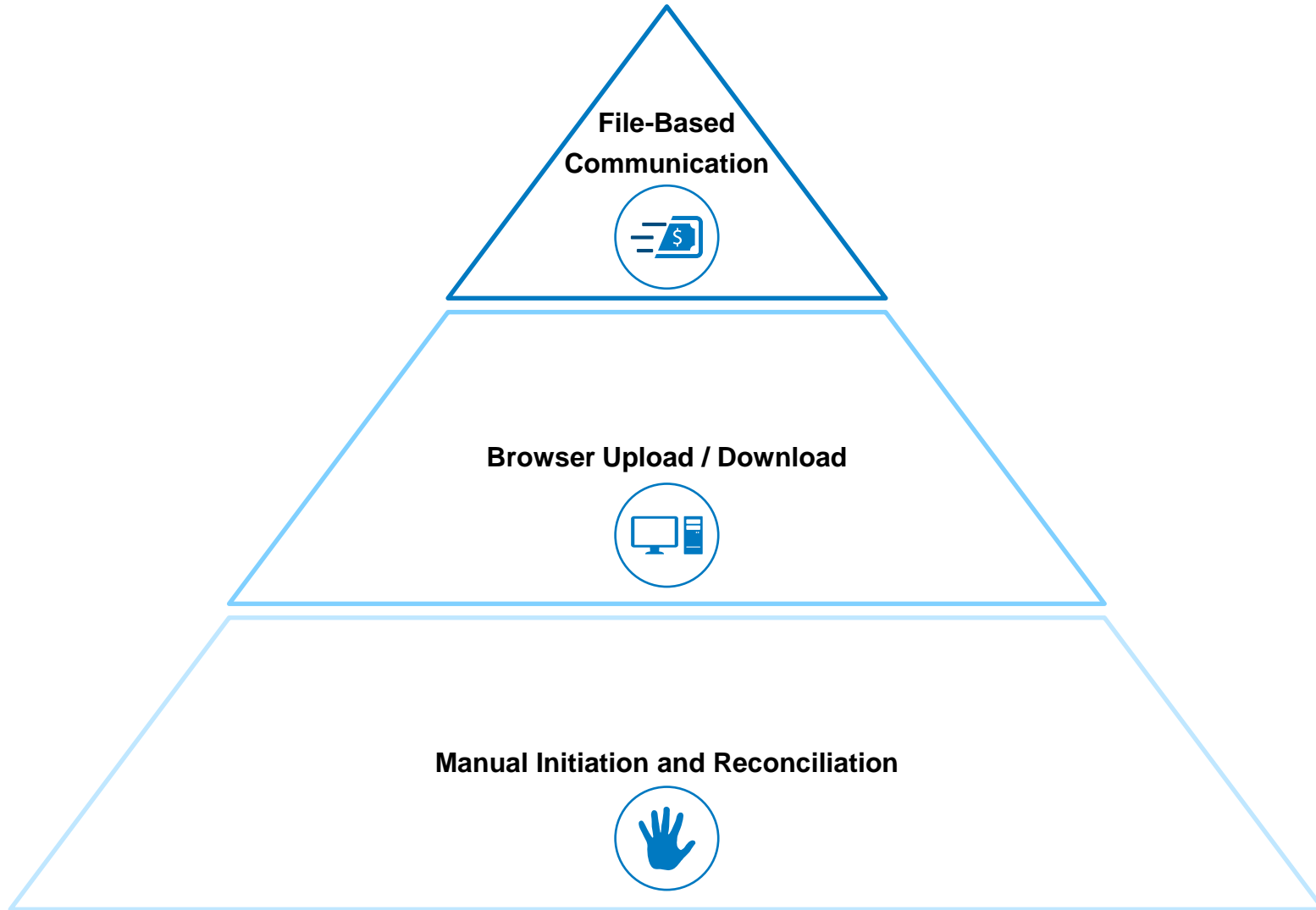
Canadian Market ISO 20022 Hot Topics



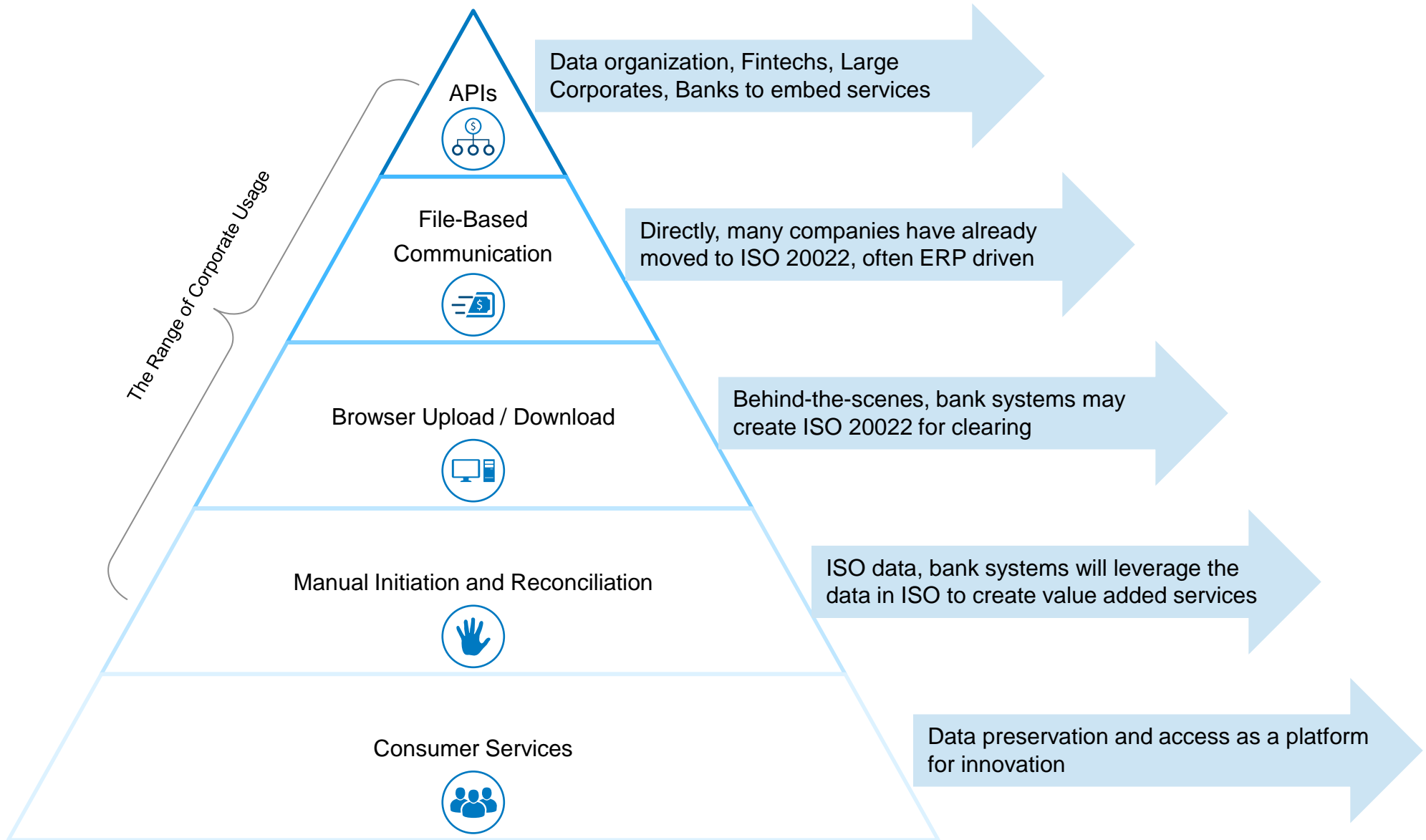
Government / Municipal ISO Planning



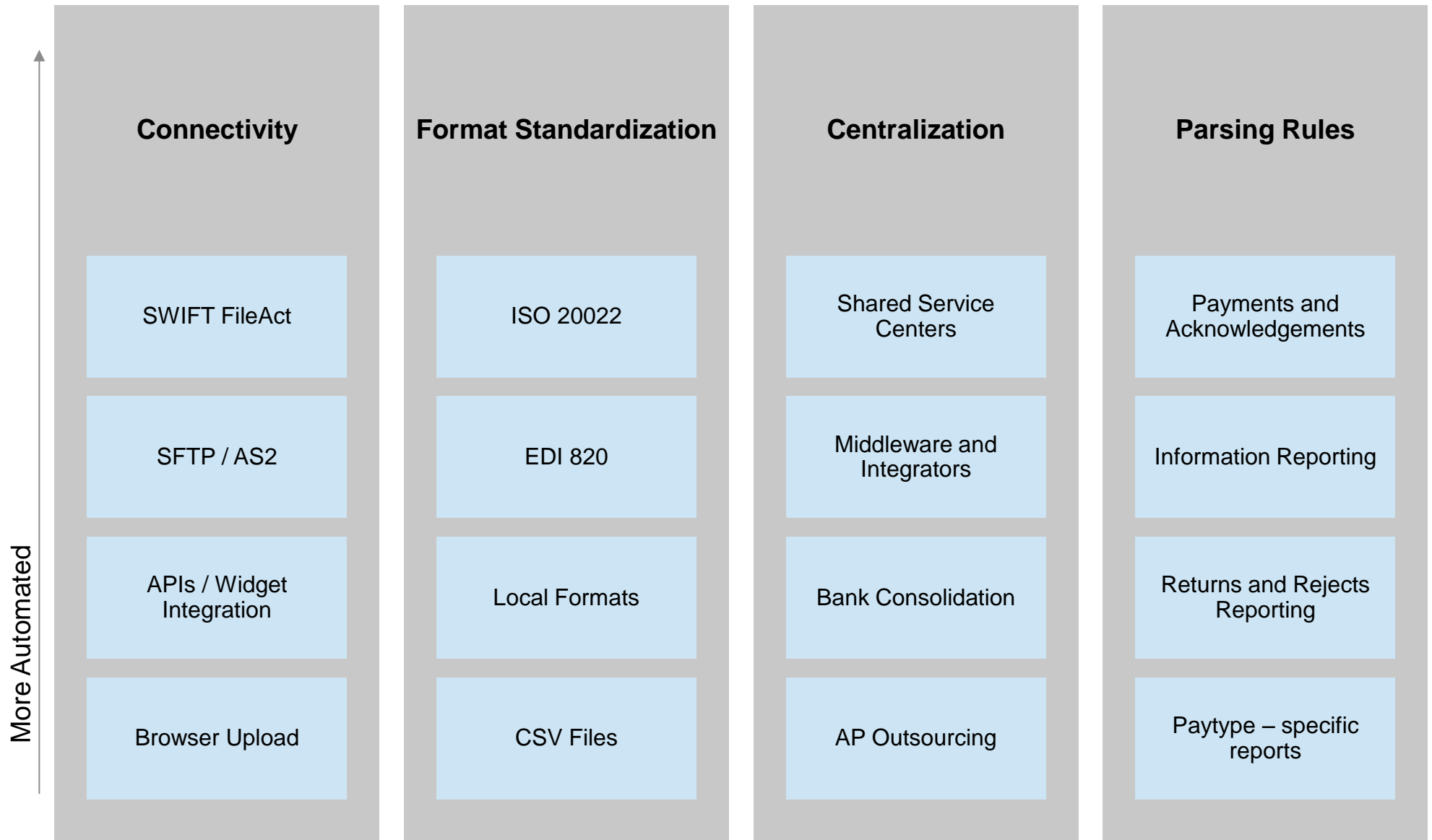
The Stages of Corporate Automation



How Will ISO 20022 Be Used?

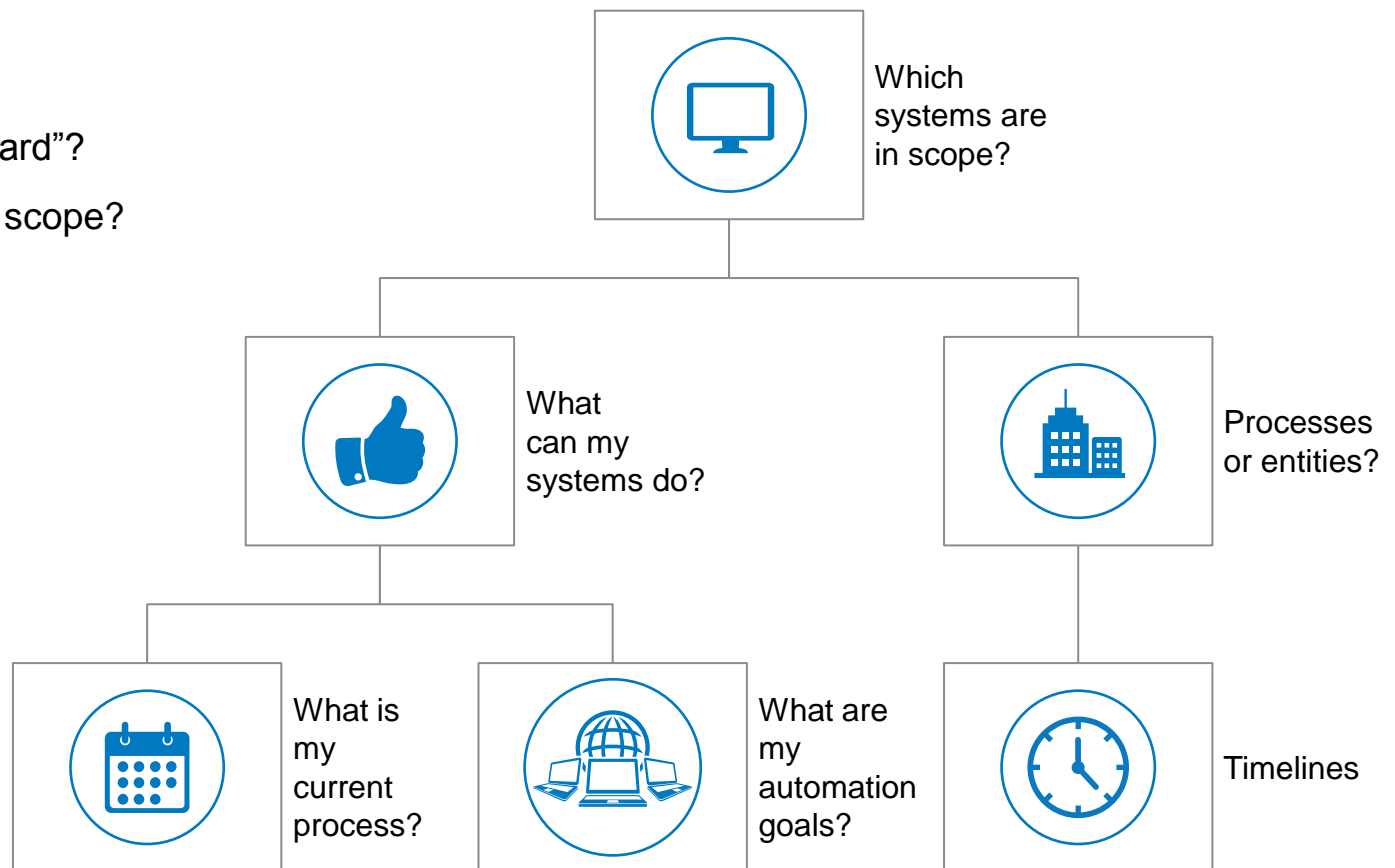


Different Ways to Automate



Corporate Pre-automation Homework

- What can my system do?
- What is considered “standard”?
- How many systems are in scope?
- Processes or entities?
- Resources available?
- Timelines?
- Cost?



Tools for ISO 2022 Adoption



Validation Testing

Allows ISO 2022 adopters to test files with rules built-in

Simulation

Companies can plan for response files based on their input data

Comparisons

Differences Tool lets you compare two similar files, easily



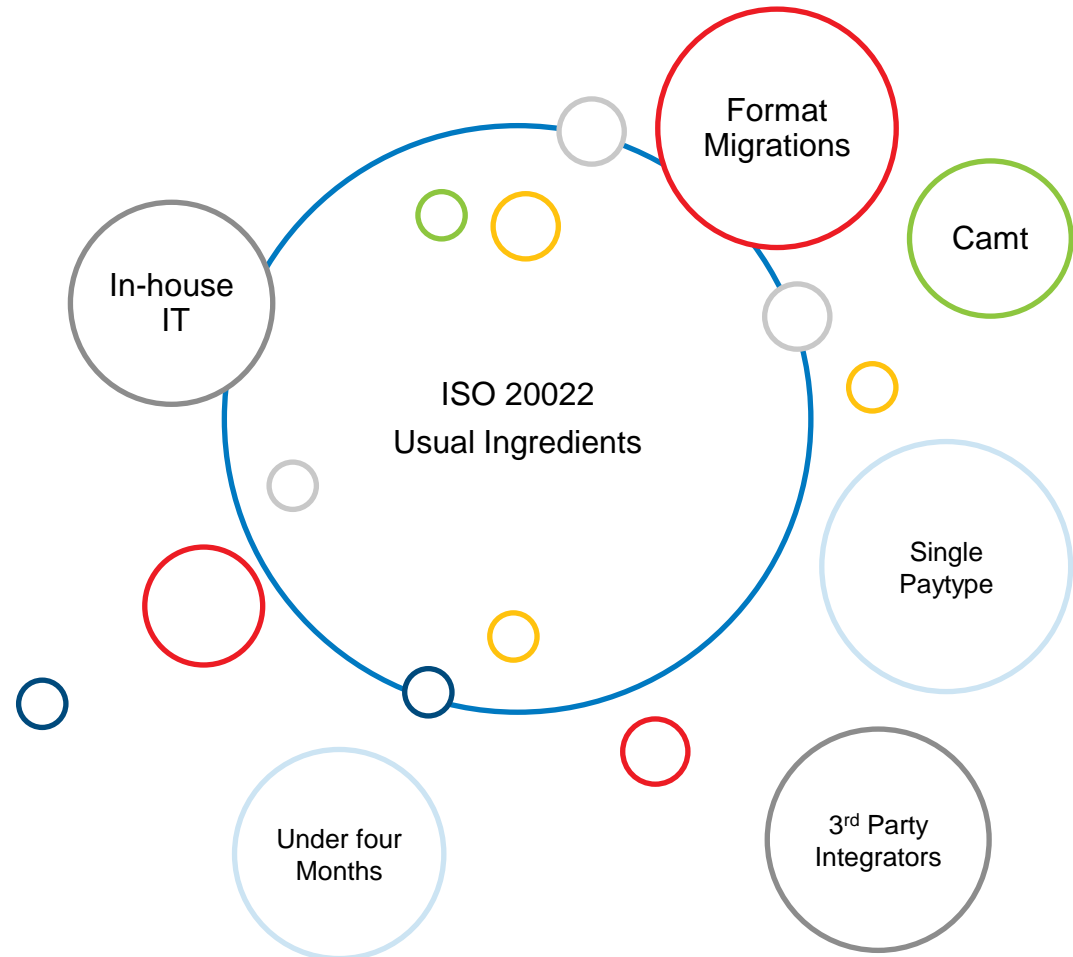
PAYMENTS FILE VALIDATION SERVICE

A Payments Canada service, powered by XMLdation

The “Usual Ingredients” of ISO 2022 Projects

- **Most ISO 2022 Clients**

- Hire External Consultants
- Make payments with pain.001
- Get acknowledgements - pain.002 / HRR
- Originate direct debits with pain.008
- Take 4+ months for the Project
- Implement two or more Paytypes
- Are new setups, not format migrations
- Use non-ISO Info Reporting
- Integrate directly with their ERP



ISO 2022 Benefits Now and Later

NOW

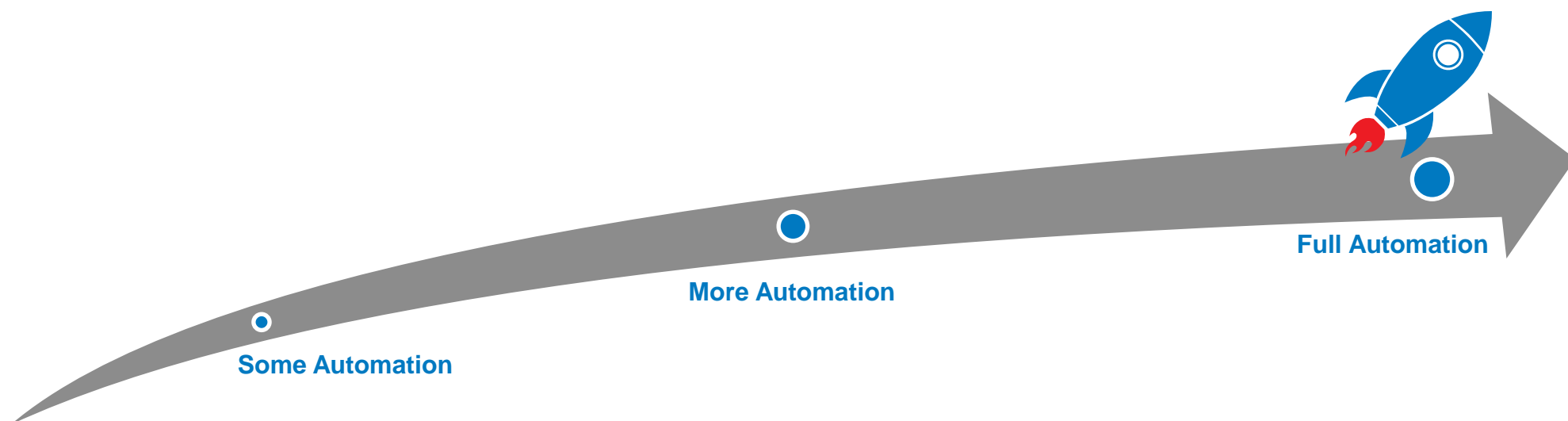
- Standardization across traditional paytypes
- ISO 2022 adoption on YOUR timeline
- Reduced IT support expenses
- Automated remittance delivery
- Less ERP development required

LATER

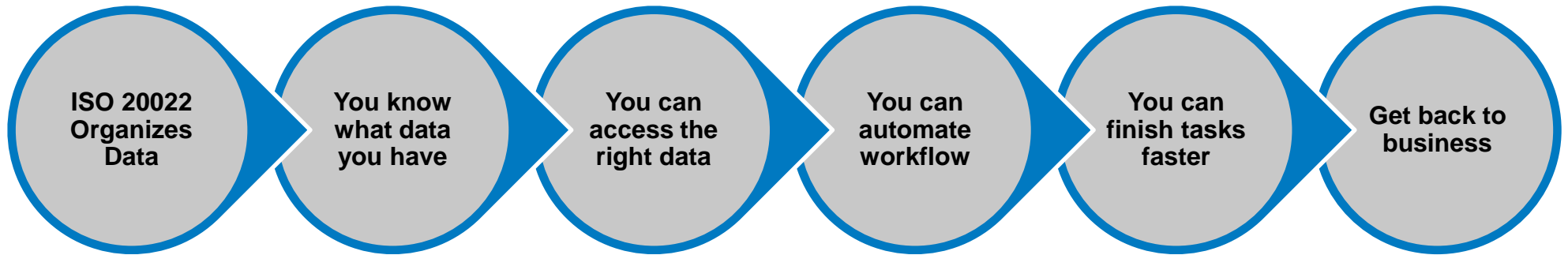
- Payment tracking in real time
- Easier reconciliation
- Improved consistency across banks

MUCH LATER

- Collections can speed up with Request for Payment
- Innovation occurs on top of ISO 2022 foundation



ISO 2022 is Paving the Way to Automation



Q and A



www.bmo.com/treasuryandpayments – Canada
www.bmoharris.com/treasuryandpayments – U.S.

Banking products and services in Canada are provided by Bank of Montreal, a member of CFIC. Banking products and services are provided in the U.S. by BMO Harris Bank N.A. Member FDIC and are subject to bank and credit approval