INTERNATIONAL STANDARD

ISO 20022-2

Financial services — UNIversal Financial Industry message scheme —

Part 2:
Roles and responsibilities of the registration bodies

Services financiers — Schéma universel de messages universel pour l'industrie financière —

Partie 2: Rôles et responsabilités des organismes d'enregistrement

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 20022-2 was prepared by Technical Committee ISO/TC 68, *Financial services*.

ISO 20022 consists of the following parts, under the general title *Financial services — UNIversal Financial Industry message scheme*:

— *Part 1: Overall methodology and format specifications for inputs to and outputs from the ISO 20022 Repository*

— *Part 2: Roles and responsibilities of the registration bodies*

— *Part 3: ISO 20022 modelling guidelines* [Technical Specification]

— *Part 4: ISO 20022 XML design rules* [Technical Specification]

— *Part 5: ISO 20022 reverse engineering* [Technical Specification]

Introduction

In the mid-1990s, it was felt strongly that the International Standard for communication between securities industry participants required an urgent review aiming at (1) reducing the time taken to deliver new standardized Message Sets to the market place and (2) improving "straight through processing" capabilities.

ISO 15022 set the principles necessary to provide the different communities of users with the tools to design Message Definitions to support their specific information flows. These tools consisted of

— a set of syntax and message design rules;

— a Data Field Dictionary uniquely identifying Business Elements to be communicated and their technical representation;

— a Catalogue of Messages built by the industry with the above-mentioned fields and rules.

To address the evolving needs of the industry as they emerge, the Data Field Dictionary and the Catalogue of Messages had been kept outside ISO 15022 though maintained according to it. They were made available by a Registration Authority, which updated them as necessary upon the request of industry participants.

The early 2000s saw the widespread growth of IP (Internet Protocol) networking and the emergence of XML (eXtensible Mark-up Language) as the "de facto" open technical standard for electronic communications. It was felt that ISO 15022 needed to be extended to offer the whole financial industry a common platform for the development of messages in a standardized XML syntax. At the same time, to shield the platform from further syntax changes, it was felt necessary to better split messaging into its business dimension, on one hand, and its technical representation, on the other hand. Therefore, while capitalizing on the original ISO 15022 tool set, ISO 20022 proposes

— to use a modelling methodology (e.g. based on formal notation such as UML – Unified Modelling Language) to capture, analyse and describe in a syntax-independent way the Business Areas, Business Processes, Business Transactions, Business Actors, Business Roles, Business Information and associated Message Flow Diagrams and Message Definitions which allow the industry to exchange the information required to achieve its business objectives;

— to define the design rules to be used to convert Message Definitions described in a modelling notation into a standardized syntax representation. At the moment of the publication of ISO 20022 the preferred syntax for all electronic documents (including the subset of electronic STP-messages) is XML [as defined by the World Wide Web Consortium (W3C)]. On request of the financial industry, the design rules can later be extended to cover other future open syntaxes.

Under this approach, which is in line with the messaging developments undertaken by other industries, the complete models and the derived syntax output are stored in a central Repository (the ISO 20022 Repository), serviced by the Registration Authority. The ISO 20022 Repository offers industry participants access to the following.

— A financial Business Process Catalogue, containing

— the description of the financial Business Model;

— the description of financial Business Transactions, including Message Definitions;

— the Message Schemes represented in an agreed syntax (such as ISO 20022 XML).

— A financial Data Dictionary, containing

— Business Concepts, Data Types and Message Concepts used in Business Areas, Business Processes, Business Transactions and Message Sets.

It is expected that this flexible framework will allow communities of users to build Business Transactions and Message Sets according to an internationally agreed approach and to migrate to the use of a common syntax (such as ISO 20022 XML). If the existing set of Business Transactions and Message Definitions stored in the ISO 20022 Repository does not address their requirements, the communities of users can agree on the use of other Business Transactions and Message Definitions and design them from the items registered in the Data Dictionary. They can submit these Business Transactions and Message Definitions to the Registration Authority. The Registration Authority, with the support of Standards Management Groups, will validate the requests and update the ISO 20022 Repository as necessary and generate the corresponding ISO 20022 syntax output using the agreed ISO 20022 Syntax Design Rules for XML or for other future open syntaxes.

Agreement of common financial Business Models and Message Definitions, which address the business requirements of the communities of users and include a common syntax solution (such as ISO 20022 XML), facilitates end-to-end straight through processing. Furthermore, the agreed Business Models and Message Definitions serve as a reference to migrate to an agreed ISO 20022 syntax (such as ISO 20022 XML). Indeed, communities using another syntax may link the content of their Industry Message Sets to items already existing in the ISO 20022 Repository. The relation between these items could be provided to the communities of users as "Convergence Documentation". It is expected that this new, dual split of business standard and technical standard will facilitate the convergence and the development of any required conversion mechanisms.

ISO 20022 contains

— the overall description of the modelling approach (Part 1);

— the overall description of the ISO 20022 Repository contents (Part 1);

— a high-level description of the input to be accepted by the Registration Authority to feed/modify the Repository's Data Dictionary and Business Process Catalogue (Part 1);

— a high-level description of the Repository output to be made publicly available by the Registration Authority (Part 1);

— the responsibilities, service levels and procedures for the Registration Bodies, including the role of Standards Management Groups and the supervision by a Registration Management Group and ISO (Part 2);

— the detailed modelling guidelines to be used to construct ISO 20022 compliant Business Transactions and Message Sets (Part 3);

— the syntax design rules applied by the ISO 20022 Registration Authority to translate an ISO 20022 compliant Message Definition into an ISO 20022 syntax solution. The actual document shall specify a particular syntax such as "XML Design Rules" for the production of ISO 20022 XML Message Schemes and ISO 20022 XML Message instances (Part 4).

NOTE   The Syntax Message Schemes published by the Registration Authority for the Message Definitions registered into the ISO 20022 Business Process Catalogue constitutes the reference against which Syntax Message Schemes generated by proprietary implementations of the ISO 20022 syntax design rules can be compared in order to validate the compliance of those implementations with the design rules.

— the reverse engineering guidelines explaining how to extract relevant information from existing Industry Message Sets in order to prepare the submission to the ISO 20022 Registration Authority of equivalent ISO 20022 compliant Business Transactions and Message Sets (Part 5).

The ISO 20022 Registration Authority keeps a set of Submission Templates to the Data Dictionary and Business Process Catalogue available outside of ISO 20022. These templates are to be used when submitting requests to the Registration Authority for inclusion into the ISO 20022 Repository.

NOTE   Even though ISO 20022 deals with the standardization of the communication between financial industry players, it should be clear that it does not deal directly with any of the seven layers of the ISO Open Systems Interconnect model (OSI model). In fact, one could state that ISO 20022 starts where the OSI-model ends, i.e. ISO 20022 standardizes the content of the "file" (i.e. the message content) that is transported in the OSI Application Layer. The standardization of the message content deals itself with two separate layers: the "syntax layer", i.e. the standardization of the physical representation of the information that is transported, which deals with aspects related to the use of XML, Enhanced 7775, EDIFACT or other syntaxes; and the "semantic layer", i.e. the standardization of the meaning of the information that is transported. Although these layers were already covered in ISO 15022, ISO 20022 makes the standardization of these layers more formal and makes the separation between both layers more explicit and complete. The introduction of this formal approach improves (1) the interoperability and convergence across existing Industry Message Sets, (2) the re-usability across business domains and market practices and (3) the stability of the standardized Business Transactions and Message Sets. Another important factor in ISO 20022 is the introduction of open syntaxes, such as XML, which removes the necessity to describe the technical specification of a particular syntax (such as Enhanced 7775 in ISO 15022).

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Financial services — UNIversal Financial Industry message scheme —

Part 2:
Roles and responsibilities of the registration bodies

1   Scope

This part of ISO 20022 specifies the responsibilities of the bodies involved in the registration and maintenance of the Data Dictionary and Business Process Catalogue items in the ISO 20022 Repository. The Registration Authority (RA) is the operating authority responsible for the above-mentioned tasks, and is assisted by different Standards Management Groups (SMG), i.e. groups of industry experts responsible for specific Business Areas of the Repository. The Registration Management Group (RMG) is the governing body of the overall registration process and the appeal body for the communities of users, the RA and the SMGs, and monitors the registration process performance.

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2   Normative references   (standards.iteh.ai)

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 20022-1, *Financial services — UNIversal Financial Industry message scheme — Part 1: Overall methodology and format specifications for inputs to and outputs from the ISO 20022 Repository*

3   Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 20022-1 apply.

4   Structure

4.1   There is a Service Level Agreement which determines the RA's and SMG's responsibilities and terms of reference specified in this part of ISO 20022.

NOTE   See Annex C.

4.2   There is a contract between ISO and the organization fulfilling the responsibilities of the RA.

NOTE   The contract between ISO and the RA is not part of ISO 20022.

4.3   ISO Technical Committee ISO/TC 68 appoints a Registration Management Group (RMG) which is made up of senior industry experts nominated by P-member countries and Liaison A Organizations of ISO/TC 68 and the relevant ISO/TC 68 subcommittees.

4.4   An SMG is composed of recognized experts in the related SMG Business Area(s) or Asset Class(es) nominated by the member countries and Liaison Organizations of ISO/TC 68 and the relevant ISO/TC 68 subcommittees.

NOTE   See 6.3 for the definition of the scope of an Asset Class and a Business Area.

5   Contract with the Registration Authority

5.1   The Registration Authority (RA) is responsible for maintaining the Data Dictionary (DD), the Business Process Catalogue (BPC), the Submission Templates and for providing access to the information as described in ISO 20022-1.

5.2   The contract between ISO and the organization appointed as the RA shall be for an initial period of three years. Thereafter, it may be terminated by either party on 6 months' written notice.

5.3   The contract may be terminated with immediate effect if, in the opinion of the ISO/TC 68, the organization appointed as the RA seriously and consistently fails to perform its duties, or in the event of a corporate failure (e.g. bankruptcy) of the organization appointed as the RA.

5.4   If the contract is to be terminated, the secretariat of ISO/TC 68 shall instruct the RMG to initiate a search for a new Registration Authority. If no suitable alternative can be found within the relevant period, the ISO/TC 68 secretariat shall assume the responsibilities of the RA on a temporary basis until a replacement is found.

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6   Membership

6.1   Registration Authority

The initial Registration Authority is specified in Annex A.

The organization which provides the RA function undertakes that its interests and those of its members and subscribers cannot take precedence over the general interests of financial industry practitioners throughout the world, especially when addressing the provision of the Data Dictionary (DD) and the Business Process Catalogue (BPC).

6.2   Registration Management Group

The address of the Registration Management Group secretariat is given in Annex B. The list and contact details of the members shall be posted and maintained on the ISO/TC 68 website at www.tc68.org.

The members of the RMG are nominated by P-member countries and Liaison A Organizations of ISO/TC 68 and the relevant ISO/TC 68 subcommittees and approved by ISO/TC 68. The members shall be comprised of industry experts from not less than seven P-member countries or Liaison A Organizations, and at least five P-member countries. There shall be only one voting member per country or Liaison Organization. The organization which performs the RA function shall appoint a voting member to the RMG. The RMG shall appoint a convenor from its voting membership, who shall not be the RA member. Each of the voting members shall serve for a period of 3 years, after which time ISO/TC 68 may renew the membership or ask the relevant P-member country or Liaison A Organization to nominate a replacement. ISO/TC 68 shall, in consultation with the relevant ISO/TC 68 subcommittees, verify on a yearly basis that the membership of the RMG correctly represents the Business Areas that are part of the ISO 20022 Repository. Any significant mismatch in this representation shall result in a correction of the membership.

6.3 Standards Management Groups

The list of appointed SMGs and their members shall be posted on the ISO 20022 website maintained by the RA.

The main purpose of the SMGs is to provide a business driven validation of the registration requests received by the RA and of the repository business contents that are to be published under the auspices of ISO.

The SMGs' scopes of responsibility shall be based on meaningful subsets of the financial industry business activities. These subsets take into account the Business Area(s) (e.g. pre-trade, trade, post-trade/pre-settlement, settlement, post-settlement in the securities industry) and/or the financial asset class(es) (e.g. bonds, equities, funds and derivatives in the securities industry). The RMG shall verify on a yearly basis that the collection of all existing SMGs represents all Business Areas that are part of the ISO 20022 Repository.

An SMG is composed of recognized experts in the related SMG Business Area(s) or Asset Class(es). Those experts shall be nominated by member countries or liaison organizations of ISO/TC 68 and the relevant ISO/TC 68 subcommittees. Each SMG appoints a convenor and a secretary, both from amongst the SMG membership.

7 Functions and responsibilities

7.1 Registration Management Group

a) The RMG shall define the scope of responsibility of each SMG [i.e. in terms of Business Area(s) / Asset Class(es) subset].

b) Based on the Registration Authority reports (see 7.2, item g), the RMG shall monitor the performance of the SMGs in accordance with the processes and service levels set out in ISO 20022.

c) The RMG shall monitor the performance of the RA in accordance with the conditions documented in both the standard and the contract between ISO and the organization appointed as the RA.

d) The RMG shall submit to ISO/TC 68 a Registration Management Report consisting of any appeals or complaints acknowledged by the RMG within the reporting period. The report shall be produced at least six weeks prior to ISO/TC 68 meetings.

e) Any request for modification(s) to the standard shall be submitted to the RMG prior to circulation for approval to the relevant ISO members. The RMG shall issue an expert opinion on the validity of the request that shall be circulated with the modification request to the relevant ISO members.

7.2 Registration Authority

7.2.1 General responsibilities

a) The organization appointed as the RA shall maintain strict confidentiality between the RA operating functions and other parts of its organization.

b) The RA is responsible for the overall consistency of the Repository across Business Areas and in that capacity may challenge or reject registration requests that put at risk this cross-consistency or that do not comply with the ISO 20022 specifications. The final naming of repository items shall also fall under the responsibility of the RA.

c) The RA shall make available to any interested parties the DD and BPC outputs (as described in ISO 20022-1) in electronic form.