Mapping a path to ISO 20022 with SWIFT Translator

With the industry migration to ISO 20022 on the horizon, Deutsche Bank decided to adopt SWIFT Translator – a powerful tool that can be used to validate and translate messages from any format to any format, including ISO 20022.

ISO 20022 brings major opportunities for the financial industry to benefit from richer data and frictionless payments. But different markets are adopting ISO 20022 at different speeds – so for financial institutions, it is important to be able to manage both legacy formats and ISO 20022 messages during the transition period. In addition, banks will need to continue supporting certain external formats and local formats that will continue to exist in the future.

With the migration to ISO 20022 on the horizon, Deutsche Bank decided to take the opportunity to optimise its systems architecture and enhance communication across the bank's application landscape. A major goal was the harmonisation of the bank's global payment flows. "We are active in the majority of global markets, and our aim is to increase the

efficiency of our communications," explains Denis Andrejew, Business Product Manager for Conversion at Deutsche Bank. "We also wanted to avoid any future issues with data migration that might arise if data is truncated or lost during translation."

As such, Deutsche Bank was looking to address format translation in three ways:

— Convert legacy formats sent by corporate clients, and translate them into the bank's data format model based on ISO 20022.

— Translate the bank's formats into the formats required by domestic clearing institutions.

— Apply MT to MX/MX to MT translation for any of the bank's applications that are not due to migrate to ISO 20022.

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Denis Andrejew
Business Product Manager for
Conversion, Deutsche Bank

Adopting SWIFT Translator

To address these goals, the bank was looking for a powerful translation tool – and SWIFT Translator had the right credentials. The tool can be used to validate and translate messages from any format to ISO 20022, and vice versa, thereby reducing the costs and risks associated with moving to the new standard.

"As part of our thought processes about ISO 20022, we took a further look at how we could make use of technology," says Ferko-Guy Weermann, Director, Product Development Messaging & Integration at Deutsche Bank. "With SWIFT Translator, we added further conversion capabilities in our environment and therefore conversion flexibility."

In the first instance, Deutsche Bank has focused on the part of the project that delivers cash clearing flows. By using SWIFT Translator, the bank is able to accommodate its clearing requirements in a cost-efficient way, as message syntax validation requirements can be fulfilled by the tool instead of by the bank's payment applications.

The bank is also currently planning the migration of legacy formats for clients. While part of the exercise involves encouraging clients to switch to ISO 20022, with SWIFT Translator the bank will still be able to support clients that continue to use legacy formats in the future.

When it comes to rolling out SWIFT Translator internally, the team has adopted a flexible approach: translation capabilities can be accessed by different applications and business units as a microservice on a centralised basis. "But if a particular application would like to run translation by themselves, we can support them in this setup," comments Andrejew.

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Reaping the benefits

Andrejew highlights a couple of features of SWIFT Translator that are proving to be particularly valuable for Deutsche Bank. For one thing, the tool includes validation and rule setting capabilities that were not available in the bank's legacy translation tool. Also beneficial is the many-to-many mapping capability, which means the bank can use the tool to manage many input formats, and create many output formats.

In addition, banks that use SWIFT Translator can order pre-defined translation libraries that convert messages to and from ISO 20022 and MT. Deutsche Bank has opted to use translation libraries for CBPR+, T2, CHAPS and MEPS+.

"The mapping libraries have helped us set up our test environment quickly and to a high standard, and have given us insights into the mapping rules," comments Andrejew. "These standard translation packages help us to reduce costs and reduce the time needed for testing. It also means our experts can concentrate on other tasks, instead of spending time developing translation rules from scratch." Moving forward, the integration between MyStandards and SWIFT Translator will bring further benefits as the bank plans to enhance its client documentation using MyStandards.

Andrejew concludes, "SWIFT Translator is a flexible translation tool that allows us to use standard conversion maps, to customise those standard maps, and to create conversion maps specific to Deutsche Bank's needs. These are the foremost advantages we see with this particular tool, compared to competitor products."