



flow briefing



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Topic

Cross-Border Payments,
ISO 20022 Migration

Date

31 July 2023

The future of structured addresses

If you were asked what information is needed to execute a cross-border payment, what would come to mind? Is it amount being paid? Or the payer and payee account, perhaps? And what about addresses?

In fact, proper identification of all participants involved in the payment chain is a crucial part of cross-border payments processing. While certain data elements, such as the payee/creditor account, are required for the funds to be allocated to the recipient correctly, the names and addresses of the actors involved play an important role in anti-financial crime processes (AFC).

To exchange this data, the Swift MT messaging standard provides fields, in which the name and address of a party can be represented by four lines of 35 characters each. The challenge with this unstructured format, however, is that automated AFC solutions must rely on approximate matching of party details against sanction lists. This leads to a high ratio of “false-positive” hits and triggers manual intervention and payment delays.

By comparison, the beauty of the ISO 20022 standard is its rich and granular structure, which provides address components via dedicated data elements. At the same time, ISO 20022 messages foresee an alternative option – <AddressLine> data element – to provide unstructured address (see Figure 1).

The “previous” requirement

Though ISO 20022 was introduced in March 2023, the MT standard will remain an option until the expected end of the co-existence period in November 2025. The resulting interoperability considerations mean that banks will be able to choose between structured and unstructured addresses during this period.

At the end of the co-existence period, the plan was to “retire” the MT format and eliminate the ability to provide unstructured addresses in ISO 20022 messages. However, this requirement for fully structured addresses would have come with several challenges:

Swift MT103 (:50K Ordering customer)	ISO 20022 pacs.008 CBPR+ (Structured option)	ISO 20022 pacs.008 CBPR+ (Unstructured option)
:50K:/0123456789 SUSTAINABILITY LTD 11 CUBA AVENUE WELLINGTON 1111 NEW ZEALAND	<pre> <Dbtr> <Nm>Sustainability Ltd</Nm> <PstlAdr> <StrtNm>Cuba Avenue</StrtNm> <BldgNb>11</BldgNb> <PstCd>1111</PstCd> <TwnNm>Wellington</TwnNm> <Ctry>NZ</Ctry> </PstlAdr> </Dbtr> <DbtrAcct> <Id> <Other> <Id>0123456789</Id> </Other> </Id> </DbtrAcct> </pre> <p>Discrete fields to distinguish specific name and address information</p>	<pre> <Dbtr> <Nm>Sustainability Ltd</Nm> <PstlAdr> <AdrLine>11 Cuba Avenue</AdrLine> <AdrLine>Wellington 1111, NZ</AdrLine> </PstlAdr> </Dbtr> <DbtrAcct> <Id> <Other> <Id>0123456789</Id> </Other> </Id> </DbtrAcct> </pre> <p>Free-text lines for address attributes</p>

Figure 1: Capturing addresses in MT vs. ISO 20022 (Source: Deutsche Bank)

- **Corporate readiness.** To create a valid interbank payment message, banks rely heavily on corporates to provide details of their payment counterparties since banks' static data only capture details of their customers. For example, if a bank acts as the debtor agent, the debtor address may be populated from the static data, while the creditor data must be received with the message from the corporate/payment initiator. Today, the majority of enterprise resource planning (ERP) systems and treasury management systems (TMS) used by corporates does not maintain counterparty data in the structured format. This means that the requirement for fully structured data by November 2025 would likely create an enormous challenge for the industry and payment processing as a whole.
- **Lack of a globally standardised and harmonised structured address.** Based on the fact that there is no standardised address format across ~200 countries, not all address attributes globally can be populated in line with the ISO 20022 standard – with the exception of town name and country code. As a result, the requirement for structured addresses would likely lead to mis-formatting and incomplete data.

The revised requirement

In view of the above challenges, the community decided to reconsider and ease the requirement for fully structured addresses by approving the following change request (see Figure 2):

From November 2025, the following three options to populate address information will be supported:

- 1) **Fully structured option.** Usage of dedicated address components, such as <BuildingName>, <Country>, across all address attributes (with minimum of <TownName> and <Country>).
- 2) **Hybrid option.** Mixed usage of dedicated address components, such as <StreetName>, <TownName>, <Country>, and unstructured <AddressLine> (with minimum of <TownName> and <Country>).
- 3) **(Temporary) Fully unstructured option*.** Usage of the unstructured <AddressLine> element.

*Introduced to allow the industry sufficient time for preparation for the target option taking effect November 2026.

From November 2026 onwards, **only the fully structured and hybrid options will remain available:** Usage of either fully structured address components or mixed usage of structured components (with minimum of <TownName> and <Country>) and unstructured <AddressLine>.

ISO 20022 element	Today (from March 2023)	From November 2025	From November 2026
Previous instructing agent 1	● ●	● ● ●	● ●
Previous instructing agent 2	● ●	● ● ●	● ●
Previous instructing agent 3	● ●	● ● ●	● ●
Intermediary agent 1	● ●	● ● ●	● ●
Intermediary agent 2	● ●	● ● ●	● ●
Intermediary agent 3	● ●	● ● ●	● ●
Ultimate debtor	●	● ●	● ●
Initiating party	●	● ●	● ●
Debtor	● ●	● ● ●	● ●
Debtor agent	● ●	● ● ●	● ●
Creditor agent	● ●	● ● ●	● ●
Creditor	● ●	● ● ●	● ●
Ultimate creditor	●	● ●	● ●

<p>Legend</p> <p>● Fully structured</p> <pre><PstlAdr> <StrtNm>Taunusanlage</StrtNm> <BldgNb>12</BldgNb> <PstCd>60325</PstCd> <TwnNm>Frankfurt</TwnNm> <Ctry>DE</Ctry> </PstlAdr></pre>	<p>● Hybrid (mix of structured and unstructured)</p> <pre><PstlAdr> <TwnNm>Frankfurt</TwnNm> <Ctry>DE</Ctry> <AdrLine>Taunusanlage 12, 60325</AdrLine> </PstlAdr></pre>	<p>● Fully unstructured</p> <pre><PstlAdr> <AdrLine>Taunusanlage 12</AdrLine> <AdrLine>60325 Frankfurt, DE</AdrLine> </PstlAdr></pre>
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*Please note that the forwarding agent, instructing agent and instructed agent must be identified with BIC

Figure 2: Options to provide address information (Source: Deutsche Bank)

The new requirement represents the balancing act between the need for further enhancement of party identification and the impact/implementation risk faced by the industry. It is, however, important to remember that while the industry now has more time to adjust to the requirement, it is clear that providing correct and full address information will continue to be a prerequisite for frictionless and efficient straight-through processing of cross-border payments in the long term.

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