



## Beyond ISO 20022 Compliance: TD Bank adopts an industry standard that delivers business value and payment efficiency for its customers.

The global payments industry is undergoing one of the most significant transformations in decades with the adoption of the ISO 20022 standard. It is a new way to facilitate digital interbank and interparty financial messaging that promises to enhance the efficiency, security, and transparency of money flows across the many participants in the world's payment systems.

ISO 20022 is designed to address the inefficiencies of legacy payment systems, which have long used disparate messaging standards. It also sets the stage for innovation, such as real-time payments, advanced data analytics, and more intelligent payment routing.

In effect, this industry initiative represents a key step toward modernization of the global payments infrastructure that is necessary to handle an ever-growing volume of digital payments, especially as national economies and industries worldwide have become increasingly interconnected. Through 2028, in fact, the world's total annual volume of digital payments is forecast to expand by a 9.52% compounded annual growth rate (CAGR) to \$16.59 trillion.<sup>1</sup>

The adoption of ISO 20022 by TD Bank and other financial institutions globally reflects the industry's commitment to achieve improvements in cost, speed, transparency, and access. Of course, regulators and central banks are playing a key role in driving this change, recognizing that ISO 20022 can help reduce systemic risks, improve compliance, and prevent financial crimes.

For TD Bank customers, the worldwide implementation of ISO 20022 presents an opportunity to optimize payment processes, improve financial data accuracy, gain better visibility into payments, and ultimately manage cash flow more efficiently.

### ISO 20022, an overview

At its core, ISO 20022 is a globally adopted framework designed to help standardize the digital communications between various electronic payment systems. It allows for more structured, data-rich transactions that can be interpreted more consistently and accurately by financial institutions, regardless of their country or the systems they use.

ISO 20022 also covers a wide range of financial services, including payments, securities, trade, and foreign exchange. Unlike previous standards, it accommodates the growing complexity of worldwide commerce by supporting multiple message types and greater data granularity.

As a global standard that enables the seamless flow of data, ISO 20022 addresses one of the primary pain points in today's payment systems worldwide: *diverse and often fragmented digital messaging and data formats*. The result is a universal language for financial communications that improves accuracy and operational efficiency.

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<sup>1</sup> [Digital Payments – Worldwide](#). Statista. March 2024.

## Standardization to improve payments speed, security, and transparency

Historically, the lack of global payment messaging standards has been a barrier to efficient and secure payment processing. The fragmentation of the current payment systems and formats used across the industry are no longer sufficient in today's digital-first world, where speed, security, and transparency are table stakes for businesses and consumers.

ISO 20022 introduces necessary standardization that will enhance payments as it becomes adopted across the payment eco-system. By moving to this new framework, financial institutions can reduce operational risks, improve data transparency, and offer a more seamless experience to their customers.

The worldwide adoption of the ISO 20022 standard is being driven not only by modernization needs but also by regulatory mandates. Leading payment systems worldwide, including CHIPS, Fedwire, and SWIFT, have committed to adopting ISO 20022 fully by the end of 2025. *(See sidebar.)*

In addition, new real-time payment networks, such as The Clearing House's RTP® and FedNow in the U.S., use ISO 20022 as their messaging foundations, demonstrating the standard's important role in the future of digital payments.

### How ISO 20022 will affect TD Bank customers

With TD Bank embracing ISO 20022, customers can expect notable changes in three key areas of the payments process: **origination**, **execution**, and **reporting**.

These are aimed at streamlining operations, enhancing data accuracy, and ensuring regulatory compliance to help us improve client-facing capabilities. Initially, these changes will be particularly evident for international wires and other payments that cross borders:

- **Payment origination.** With ISO 20022, TD Bank customers will benefit from improved workflows when initiating payments. The standard's enriched data structure will allow them to embed more detailed information in payment instructions, helping to reduce potential errors.

### Key ISO 20022 timelines

CHIPS (Clearing House Interbank Payments System) was the first high-value payment system in the U.S. to adopt the ISO 20022 message format. Lynx in Canada, T2 in Europe, and several other international payment systems have already transitioned to the new standards, as well. The following systems will fully transition on these dates

- **July 14, 2025:** Fedwire — the U.S. Federal Reserve's bank-to-bank wire system — will require all 5,000+ participating financial institutions to be ISO 20022-ready.
- **November 2025:** SWIFT, the global messaging network used by banks and corporates globally to send and receive financial information, will end its Cross-Border Payments and Reporting Plus (CBPR+) co-existence and require its 11,000+ network participants to be fully ISO 20021-compliant.

Eventually, other U.S. payment methods such as ACH and credit card may move to the ISO standards, while newer payment facilities like The Clearing House's RTP® and FedNow have already been built from the ground-up using the ISO 20022 specifications.



- **Payment execution.** For both domestic and international payments, ISO 20022 ensures more structured, predictable and complete transactions. The standard will improve the industry's ability to coordinate payments that may cross over multiple jurisdictions, clearing systems, currencies, and other requirements. Customers can expect faster processing times and settlement.
- **Payment Reporting.** One of the most significant enhancements will be to payment reporting. TD Bank will be able to report transactions with enriched data, offering customers clearer views of outbound and incoming payments. Over time, this richer reporting will provide customers with actionable insights to help optimize their payment processes, saving staff time and administrative costs.

## ISO 20022's key benefits for TD Bank customers

For multinational businesses that operate across different countries and conduct their financial operations in diverse currencies, the interoperability enabled by ISO 20022 will be a game-changer. By streamlining domestic and international wire payments, it can remove many of the roadblocks different banking standards have previously imposed. Customers should expect fewer errors—and resulting manual interventions to correct them—and a more seamless payment experience overall.

In addition, ISO 20022's data-rich messaging system will facilitate more structured transactions that can provide better visibility and tracking of payments. This will enable customers to follow their payments in real time from initiation to completion.

It can provide more assurance of a payment's accuracy and timeliness—for both senders and recipients. In turn, this visibility can help build and strengthen trust across a customer's business ecosystem, especially with suppliers who will have better certainty of the status and timing of their receivables.

Moreover, ISO 20022 can enable enhanced security protocols to better protect customer transactions. The standardized data structures facilitate more rigorous screening processes to identify suspicious activity more efficiently and flag them for investigation. ISO 20022 can also help financial institutions and their customers simplify their regulatory reporting to meet various compliance obligations and save staff time for more value-adding activities.

While the current focus of ISO 20022 is on upgrading the wire capabilities of the world's banking systems, the messaging standard paves the way for expanded capabilities. Among them are real-time payments that allow customers to settle transactions immediately, maintain always updated account balances, and improve managing cash flow.

## TD Bank is ready for ISO 20022 and focused on customer support

At TD Bank, we have made significant investments to upgrade our payment systems to be fully compliant with ISO 20022, from payment origination to execution to reporting. Our preparations have included updates to our network communications for both Fedwire, which uses American Bankers Association (ABA) routing numbers to identify member banks, and the SWIFT global payments system.

We have also completed ISO-compliant upgrades to the communication channels customers use to provide the bank with instructions on who to pay, how much to pay, and when these payments should



be executed. For example, we have updated our online banking channels, where customers can initiate wire payments or upload files of wire instructions, plus we revised the host-to-host systems that are used to send TD Bank large batches of file-based payment instructions.

**Supporting customers.** TD Bank's #1 goal is to ensure a seamless transition for all customers to ISO 20022 compliant capabilities. Along the way, we are providing them with ongoing support throughout the migration process to help minimize any impacts on customers' payment operations.

In addition, we will also be keeping customers informed of changes they may need to make to their current payment processes. For example, Fedwire will require new beneficiary address formats, and some terminology will change in wire instructions. *(See chart.)*

TD Bank is working closely with key industry bodies and software vendors that our clients use to manage their financial operations, such as providers of Enterprise Resource Planning (ERP) and Treasury Management Software (TMS).

We will remain aligned with all major industry participants to ensure a smooth transition for clients, and that TD Bank's interfaces with their systems are fully compliant with the new standards.

When the ISO 20022 standard is fully implemented globally across financial institutions, it will lead to vastly improved speed, accuracy, security, and transparency of payments. With these benefits, TD Bank customers can streamline their own payment processes to improve operational efficiency, save staff time, and reduce the potential for errors.

TD Bank understands that navigating these changes may be challenging. We are fully prepared to support customers throughout the migration to ISO 20022 and to ensure a seamless transition and ongoing assistance every step of the way. ■

**New ISO 20022 payment terminology is coming**

Today, many terms are used to designate the various participants in wire payments, as shown in the left column below, while the ISO 20022 standard will introduce new terminology for these parties, as shown in the right column.

Historic terminology	ISO-Driven terminology
Originator / Sender	Debtor
Originator's Bank	Debtor Agent
Beneficiary / Receiver / Payee	Creditor
Beneficiary's Bank	Creditor Agent
Ultimate Beneficiary (For Further Credit To)	Ultimate Creditor
By Order Of	Ultimate Debtor