

# ISO 20022

## Accelerating Beyond Legacy

**ISO 20022 &  
Corporate Actions**  
2025 Insights

the ValueExchange 

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# Decoding standards: Why ISO 20022 matters now

As the financial services industry progresses towards harmonisation, accelerating digital transformation has become critical. Within asset servicing, there is an urgent need to reduce risk and enhance operational efficiency through timely and prudent management. Achieving this requires prioritising standardisation, operational and technological optimisation, and regulatory alignment.

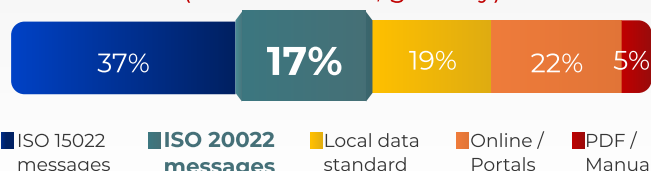
These critical themes, along with the compelling business case for transforming asset servicing operations, will be explored in this four-part series of white papers, developed in partnership with SmartStream Technologies.

## Decoding Standards: Why ISO 20022 Matters Now

Standardisation has emerged as a cornerstone of risk reduction, operational efficiency, and alignment with rapidly evolving regulatory requirements. In this context, **ISO 20022 is increasingly viewed as essential to achieving harmonisation, marking a fundamental shift in how asset servicing providers communicate, interpret, and manage critical information.**

The asset servicing industry continues to grapple with inefficiencies, costly manual processes, declining straight-through processing (STP) rates, and fragmented regulatory expectations. Collectively, **these challenges result in asset servicing operations incurring direct costs of up to \$21 million per annum**, encompassing both operational expenditure and expenses related to processing errors. Against this backdrop, ISO 20022 is gaining recognition as a critical driver of operational excellence. Yet, despite its clear benefits, adoption remains slow: **currently, only 17% of event notifications are received in ISO 20022 format, and an even lower 2% of elections are processed using this standard.** The industry remains heavily reliant on the older ISO 15022 messaging standard, which itself does not provide comprehensive coverage across all required messaging scenarios.

How are we receiving event notifications  
(% distribution, globally)

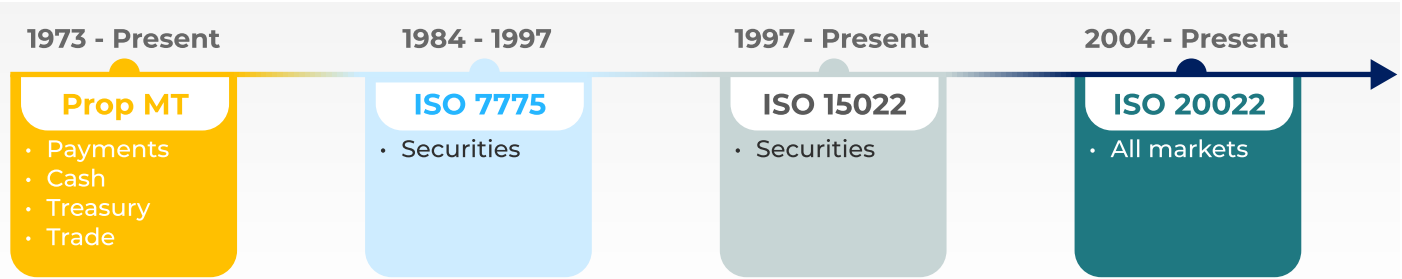


## What is ISO 20022?

**ISO 20022 is a comprehensive and flexible messaging standard designed to standardise financial communications across payments, securities, trade finance, and corporate actions.**

It replaces legacy standards such as ISO 15022, facilitating interoperability and enabling a richer, more detailed exchange of financial information. By November 2025, payments messages will have fully transitioned to ISO 20022, following a three-year interoperability period with ISO 15022. Corporate actions messages are anticipated to follow this transition closely, marking the next phase of widespread industry adoption.

# Understanding the relationship between ISO 15022 and ISO 20022: A Brief Historical Context








Financial messaging standards have evolved significantly, from proprietary message types through ISO 7775 and ISO 15022, culminating now in ISO 20022. **ISO 20022 utilises structured message-building blocks and a generic field concept, enabling systematic processing of corporate action events.** This structured approach provides comprehensive event, security, processing, and account information consistently throughout the event lifecycle, from notifications and elections through to payments.

ISO 15022		
Notification	Election	Entitlement
<b>MT564</b> Corporate action notification	<b>MT565</b> Corporate Action Instruction	<b>MT566</b> Corporate action confirmation of payment

<b>MT568</b> Corporate action additional information	<b>MT567</b> Corporate action processing advice and status advice	
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ISO 20022		
Notification	Election	Entitlement
<b>CANO</b> Corporate action notification	<b>CAIN</b> Corporate action instruction	<b>CACO</b> Corporate action movement confirmation
<b>CANC Corporate Action Cancellation Advice</b>	<b>CAIC</b> Corporate action instruction cancellation request	<b>CARE</b> Corporate action movement reversal advice
<b>CAPA</b> Corporate action movement preliminary advice	<b>CAIS</b> Corporate action instruction status advice	
<b>CAPA</b> Corporate action movement preliminary advice cancellation advice	<b>CACS</b> Corporate action instruction status advice cancellation	
<b>CANA</b> Corporate action narrative		
<b>CAPS</b> Corporate action status advice		

The shift from ISO 15022 to ISO 20022 is not incremental but transformational. The following table highlights the key differences in the messaging standards:

Feature	ISO 15022	ISO 20022
 Messages	Covers basic event phases: notification, election, and payment, with notification narrative and election confirmation. Limited to 5 message types.	Extended message coverage including statements, preliminary advice, cancellations, and status updates, encompassing 13 distinct message types.
 Classes of information	Includes general information, event details, account details, linkage, and instrument details.	Expanded information sets including agent details, registrar data, and supplementary information for direct and enriched communication.
 Object Richness	Basic information with limited context and detail for events, securities, instructions, beneficial owners, confirmations, and accounts.	Comprehensive, detailed fields providing granular contextual information and enhanced insights across all data objects.
 Flexibility	Rigid data structure with narrative limited solely to notifications.	Highly adaptable data structure with narrative extensibility available throughout all message types.
 Interoperability	Standalone standard with limited compatibility across messaging platforms.	Fully backwards compatible with ISO 15022, offering extensive interoperability and multi-language support across financial platforms.

## What are the benefits of ISO 20022 adoption?

Several compelling factors drive the adoption of ISO 20022:

Industry Driver	ISO 20022 Advantage
Global standardisation	ISO 20022 provides a unified messaging standard that facilitates consistent communication across international markets. This standardisation is essential for corporate actions and proxy voting, where discrepancies in formats and interpretations can lead to processing errors and delays. <b>Over 65% of investors cite that lack of consistency in corporate actions notifications is the number one issue causing a meaningful P&amp;L impact in asset servicing today.</b>
Interoperability	<b>A significant advantage of ISO 20022 is its compatibility with existing standards like ISO 15022 as well as data vendors and legacy systems.</b> This backward compatibility ensures that institutions can transition to the new standard without disrupting current operations. By facilitating seamless communication between legacy systems and modern infrastructures, ISO 20022 promotes interoperability, allowing for a gradual and manageable migration process.
Operational Risk Reduction	The adoption of ISO 20022 mitigates operational risks by enabling higher levels of automation and reducing reliance on manual processes. Its structured messaging format decreases the likelihood of errors, exceptions, and processing delays. <b>Financial institutions have reported improved straight-through processing (STP) rates and reduced operational costs after implementing ISO 20022-compliant systems. Considering the average investor reports it's STP for voluntary events to be as little as 39%, it's a much-needed improvement.</b>
Enhanced Data & Analytics	ISO 20022's rich data structures provide financial institutions with granular insights into transaction details, customer behaviours, and market trends. <b>This enhanced data allows service providers to focus on value added product enhancements such as AI assisted experience-based decision support, and predictive risk modelling, which only around 18% of firms are doing today.</b>



Industry Driver	ISO 20022 Advantage
Client Expectations	<b>20% of asset servicing transformation projects are driven by the need to improve client experience.</b> With asset servicing a key factor in vendor selection and performance reviews, firms need to offer more than just great service, but also a differentiated service.
Regulatory compliance	The operational principals and advantages of ISO 20022 will allow adopters to meeting regulatory pressures such as those from SRD II which require notification within 24 hours, electronic elections and use of messaging across counterparties. <b>Regulation like SRD II can be a key driver for investment into automation, and is currently responsible for 31% of all proxy voting automation projects</b>



# Adopting ISO 20022 will increase your operational maturity

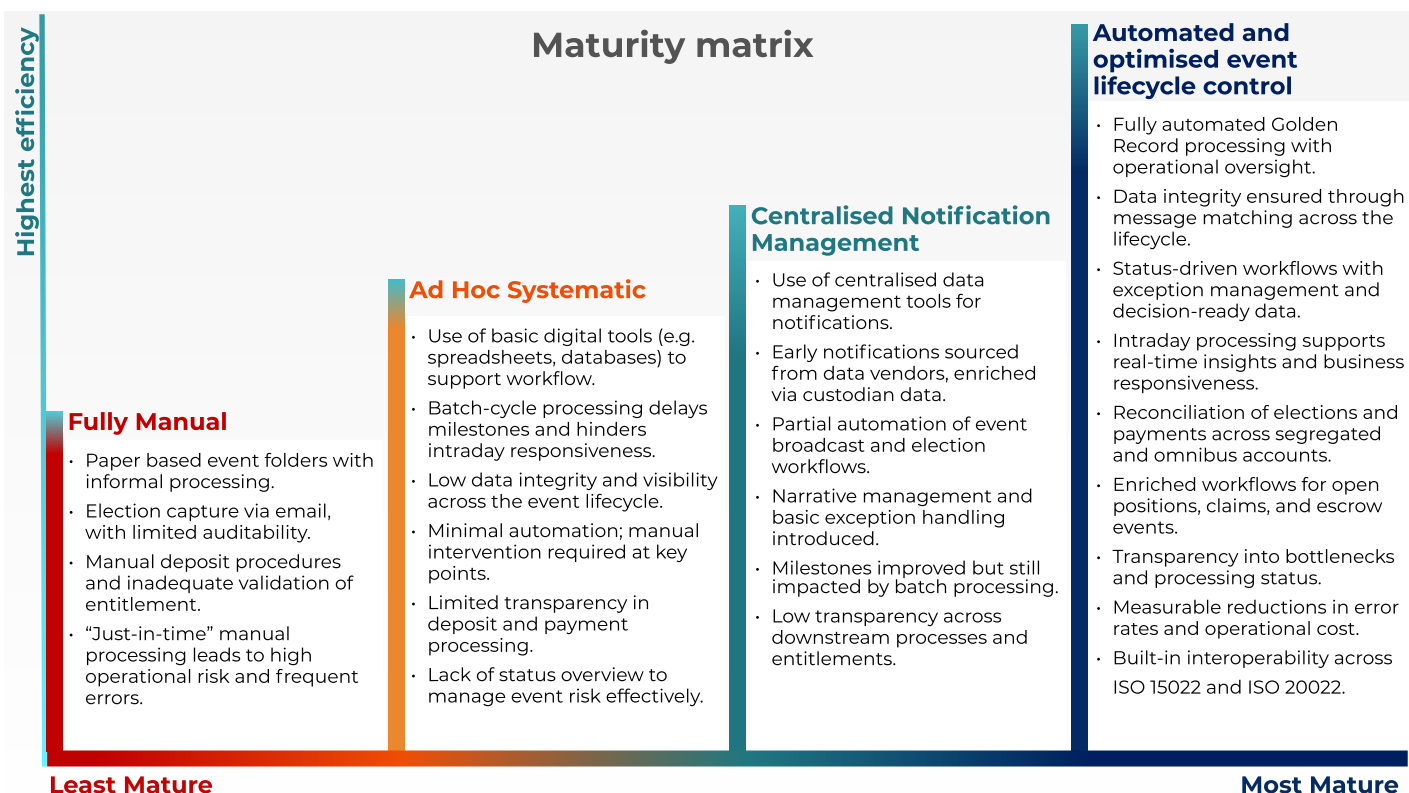


Corporate actions processing frequently incurs error-related expenses of up to 10% of total operational expenditure, yet continues to rely heavily on fragmented infrastructure, manual workflows, and paper-based processes. The absence of accurate and timely data alignment between corporate action events, related accounts, and counterparties complicates event management, limits the decision-making window available to beneficial owners, and disrupts the critical phases of notification, election, and payment processes.

Some operations attempt to compensate for infrastructural shortcomings by increasing team

sizes; however, this approach often fails to proportionately reduce the error rate relative to the increased operational costs.

Today, operations aim to transition to intraday processing, reduce administrative burdens, harness data-driven insights, and enhance automation to mitigate event-related risks. ISO 20022 serves as both a catalyst for progressing operational maturity and a safeguard against regression within the maturity cycle, particularly if technological barriers persist as custodians transition towards the new standard through 2026.



Every firm sits at a unique position within the maturity cycle. Some continue to operate manually, characterised by low efficiency and elevated operational risks. At the opposite end of the spectrum, other firms have embraced full integration and automation, leveraging ISO 20022 strategically to drive operational excellence.

Firms evaluating their current maturity typically find themselves between Levels 2 and 3. Critically, transitioning directly from these lower maturity stages to full ISO 20022 integration offers a valuable opportunity to bypass the intermediate friction points and inherent limitations associated with ISO 15022 legacy systems. Adopting vendor-based solutions can significantly expedite this progression, lowering transition risks and shortening the path to operational readiness.

# Or you risk being left behind



## The cost of non-adoption

**Delaying the adoption of ISO 20022 exposes firms to escalating costs and heightened operational risks.** The consequences of maintaining the status quo include:



### Lost Time

Investors frequently report insufficient decision-making windows, with critical time lost due to intermediary inefficiencies. Adopting ISO 20022 can reclaim up to three days within the corporate action lifecycle, directly benefiting the issuers and investors.



### Manual Intervention and Low STP Rates

Lack of trust in the system, low data integrity and poor tooling means 81% of firms are spending time to manually revalidate data received in a corporate action announcement. This inefficiency persists across the entire lifecycle.



### Increased Errors During Seasonal Spikes

Processing errors currently account for up to 10% of firms' total operational costs. Standardisation through ISO 20022 is viewed as a pivotal solution, potentially reducing errors by as much as 87%.



### Costs from Outdated Complex Systems

Firms anticipate operational costs to rise by approximately 10% per annum due to legacy systems, compounded by the specialised expertise required to maintain them.



## The cost of non-adoption

**Effective adoption strategies** must be highly productised, easy to test and maintainable:



### Address Legacy Infrastructure

The complexity of transitioning to ISO 20022 goes beyond simple data mapping, prompting a strategic decision: Should firms develop solutions internally or partner with established technology vendors? While in-house solutions offer bespoke control, they involve substantial upfront investment, higher ongoing maintenance costs, and significant operational risks. Conversely, vendor-based solutions typically enable faster implementation, reduced risk, and quicker market readiness.



### Highly Productised Best-of-Breed Solutions

Optimal solutions should seamlessly support interoperability between ISO 15022 and ISO 20022 across the entire asset servicing lifecycle.



### Test Readiness

Solutions must support the upcoming custodial test windows for ISO 20022 migrations, providing robust test data sets and realistic interoperable use cases.



### Maintenance and Adaptability

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### Enhanced Adaptability and Competitiveness

As client expectations evolves it's no longer enough to simply deliver corporate actions notifications on time. To be competitive firms must deliver advanced analytics, decision-support tools, and sophisticated risk management capabilities to remain competitive.

# What do the experts say?



Listen as Adam Cottingham, SVP of Asset Servicing Products and Services at SmartStream discusses the urgent need for ISO 20022 adoption and outlines its significant operational advantages



**ISO 20022**  
A next-gen  
messaging standard

Scan the QR code  
to access the video



[https://www.youtube.com/watch?v=aUQ-B1\\_BITg](https://www.youtube.com/watch?v=aUQ-B1_BITg)

## What Happens Next?

ISO 20022 is more than a regulatory or operational necessity; it is a strategic catalyst. Firms that adopt ISO 20022 early will experience substantial improvements in operational efficiency, reduced risks, and enhanced client experience, positioning themselves for future competitiveness.

In our next white paper, we will explore the regulatory implications of ISO 20022 in greater detail, examining how forthcoming mandates will shape strategic approaches to compliance, operational efficiency, and industry competitiveness.





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