ISO 20022 compliance and why structured payment data is a private markets priority

From November 2026, payment messages will need to meet stricter address requirements under ISO 20022. Beyond compliance, this is an opportunity for private markets fund managers to improve payment data and reduce operational risk for cross-border operations. Nick Walmsley sets out what fund managers need to do to prepare and comply.

In private markets, payments are varied and often complicated by data that is either incomplete or inconsistent, and held in different formats. Whatever the payment, administrators must rely on potentially fragmented data moving between multiple systems, banks, platforms and stakeholders. Mistakes or omissions cost money because of payment delays and manual remediation, while also increasing operational risk and negatively affecting service delivery for clients and investors.

Though organisations don't have to be using the Society for Worldwide Interbank Financial Telecommunication's (SWIFT) network, which is driving the process, their banks most likely are, which is why from November all organisations will need to provide the correct information to their bank. SWIFT spans more than 200 countries carrying the equivalent of the world's GDP every three days.

What is ISO 20022?

ISO20022 is a global messaging standard used by banks and payment systems to exchange financial information. It replaces many older payment message formats with a richer, structured format that allows significantly more information to accompany a payment.

Think of it as moving from a simple text message to a detailed digital form. By providing more structured data, ISO 20022 helps banks and payment providers process payments more efficiently and accurately, improving transparency, compliance and straight-through processing.

While key industry implementation milestones for ISO 20022 take effect from November 2026, teams should already be reviewing and improving address data to ensure records are compliant in time.

Why does the introduction of ISO 20022 matter?

The Bank of England describes ISO 20022 as an open international standard with the potential to create “a single common language for most payments globally”, supporting richer and more structured payment data. Its purpose is to enable richer, more structured data to be exchanged between financial institutions, market infrastructures and payment participants.

For many organisations, the migration to ISO 20022 has already been under way for several years. In cross-border payments, SWIFT’s Cross-Border Payments and Reporting Plus (CBPR+) coexistence period ended on 22 November 2025, meaning payment instructions between financial institutions on SWIFT moved away from legacy MT messages and towards ISO 20022 messages.

The next major milestone comes in November 2026. From then, SWIFT will no longer accept fully unstructured postal addresses in CBPR+ ISO 20022 payment messages. Only fully structured or hybrid address formats will be permitted, with town and country fields required.

For fund managers, this makes the November deadline a data readiness challenge.

Why was ISO 20022 introduced?

Legacy payment messages were built for a different era. Much of the information required to process a payment was carried in free-text fields, which could be interpreted differently by different banks, systems or jurisdictions. In a digital and automation-enabled ecosystem ISO 20022 aims to replace this ambiguity with structure, ensuring key information is carried in defined and machine-readable fields, including address components, remittance information, payment purpose codes and identifiers such as Legal Entity Identifiers (LEIs).

ISO 20022 supports longer names and specific address components, including country code, which can reduce the risk of data loss and improve the regulatory screening process. It also supports extended remittance information, which can improve straight-through processing for business-to-business payments.
This is especially relevant in a private markets context, where payments often involve multiple parties, jurisdictions, bank accounts and approval processes. A small inconsistency in investor, counterparty or beneficiary data can quickly become a payment exception or a manual remediation exercise.

What does the November 2026 address requirement entail?

The November 2026 milestone focuses specifically on structured postal addresses in payment messages.

Today, many organisations still hold address data in free-text or semi-structured formats. A single address may appear differently across banking platforms, ERP systems, investor records, payment templates and spreadsheets. This means different systems might hold different versions of the same customer record.
Practically for fund managers and their administrators this means that from November the underlying data they hold for their clients and stakeholders must be accurate, complete and stored in a way that can be used reliably by payment systems.

How does ISO 20022 fit in with the broader global push to prevent financial crime?

ISO 20022 aligns with broader regulatory and policy priorities around payment transparency, fraud prevention and financial crime controls. The Federal Reserve Financial Services has highlighted that ISO 20022 can provide richer and more structured information about payer and payee details, remittance data and transaction purpose, helping fraud detection systems interpret data more precisely and supporting faster, more accurate risk pattern detection.

The Financial Action Task Force (FATF) updated Recommendation 16 in June 2025 to improve the content and quality of originator and beneficiary information in payment messages, supporting more effective AML/CFT controls and greater transparency across payment chains.

The FATF also noted that the update supports the G20 priority of making cross-border payments faster, cheaper, more transparent and more inclusive while maintaining safety and security.

What are the potential benefits for fund managers?

For private markets managers, the immediate benefit of ISO 20022 compliance is continuity because payments are less likely to be delayed, rejected or subject to manual repair because of missing or poorly structured address information.

However, there are other potential benefits, first among them is an improvement in operational efficiency. With standardised data fields and more consistent records, payment processes will become easier to validate, approve, route and reconcile. This reduces reliance on manual interpretation and helps teams focus on higher-value activity. Another potential benefit is improved transparency across the payment lifecycle. Payment data that is structured from the outset is easier to use downstream, whether for reconciliation, reporting, audit trails, investor servicing or exception management.

Another benefit that goes beyond just the payments system is that regulation such as this encourages better data management throughout the industry, making organisations more resilient as the digitisation process picks up pace and ecosystems integrate. This is where organisations can make use of the process to future-proof their data collection, storage and governance procedures.

What should fund managers be doing now to prepare?

The structured address requirement depends on the quality of the data held upstream, which means fund managers and their administrators have an important role to play. Here are six practical steps to take now:

1. Map where payment address data is held

Identify every system, platform and process that stores investor, counterparty, beneficiary or banking address data. This may include banking portals, investor registers, ERP platforms, onboarding systems, centralised payment tools and spreadsheets.

2. Assess data quality and completeness

Review whether address records contain the mandatory structured fields required under ISO 20022, particularly town and country. Identify incomplete, duplicated, outdated or conflicting records.

3. Define a source of truth

Decide which system or process should be treated as the authoritative record for payment address data. Without clear ownership, inconsistencies are likely to reappear after any initial clean-up.

4. Agree governance and update processes

Establish clear controls for how address data is created, validated, amended and approved. Changes made in one system should be reflected wherever that data is required for payment processing.

5. Engage banks, administrators and technology partners now

Confirm how banks and service providers are implementing the November 2026 requirements, what testing windows are available and what data formats they expect.

6. Test before the deadline

Use the next three months to test payment files and workflows, identify exceptions and refine processes before the requirement becomes business critical.

How Aztec is supporting clients

At Aztec, we see ISO 20022 as exactly the kind of challenge where technology and specialist expertise need to work together. This philosophy is particularly relevant to ISO 20022 because compliance requires clean data, disciplined processes, clear ownership and experienced teams who understand both the systems and the fund structures they support.

Aztec's Banking Hub is helping to support a smoother transition by bringing greater structure, control and consistency to banking and payment-related data and workflows. By centralising key payment processes and supporting more consistent data governance, the Banking Hub helps reduce reliance on fragmented records and manual workarounds. This is directly aligned with the ISO 20022 requirement for payment messages to be underpinned by accurate, structured and trusted data.

More broadly, Aztec's digital ecosystem is designed to gather, curate, standardise and govern data from across multiple systems through the Aztec Data Platform, creating a single, trusted source of data that clients can access and use in their own reporting, analytics and operating environments.

Our client teams also embed systems expertise within relationship teams, working side by side with in-house technology specialists. For clients, this means they are supported by people who understand both the operational nuance of private markets and the technology that enables accurate, scalable delivery.

If you'd like to discuss your readiness for the November deadline, please contact us directly.