

OMG'S MODEL DRIVEN MESSAGE INTEROPERABILITY (MDMI) STANDARD

Overview

The Finance Domain Task Force (FDTF) of the Object Management Group™ (OMG™) has created a new OMG Standard, “Model Driven Message Interoperability (MDMI)” (previously called Conversion Models for Payment Message Standard or CM4PM). This general-purpose specification, written in industry standard UML®, lets financial institutions (FIs) map legacy financial data correctly into ISO 20022 compliant formats. The standard helps FIs readily comply with SEPA through an open standard migration path from legacy messages to modern ones without rebuilding their systems. The new standard also defines mechanisms for FIs to prevent important financial information from being lost or corrupted whenever and wherever data has to be converted from one message format into another message format.

Facilitating and mediating payments is a high cost obligation that all FIs have to perform for their commercial clients. Worse, FIs are handling an increasingly larger number and variety of payments messages with ever more diverse characteristics over new transports and channels that cross global, heterogeneous payment networks. The OMG's FDTF learned from industry members that all these conversions lead to material errors being made in payment messages when translations at one point the global network are sent to another point. These errors lead to lost sales, higher back-office processing costs, and fraud. Such mistakes have been estimated to equal as much as 2% of global annual payment volume, a drag on the world economy of about USD \$3 trillion annually.

Uncontrolled growth in new payment channels and new payment formats have created a global challenge not unlike the one that occurred during the 19th century when most countries found that their railroads did not connect with their trading

partners because track sizes were too dissimilar. A standard track size was the solution for the railroads then, and the MDMI standard is the solution for FIs today.

MDMI represents a different approach to message conversion. Prior approaches tried to “harmonize” existing message sets by creating yet another set of messages, which then had to be mapped into existing messages. This just added to coordination and processing problems by adding “another new track gauge.” The MDMI's focus on message conversion allows continued use of legacy messages while simultaneously creating a process for smoothly introducing new message formats. It also means that financial information may be more easily moved from any format to any another. This new approach has the support of the largest and most important global financial networks.

An important additional objective of MDMI is support for ISO20022 (UNIFI). This initiative creates a common data dictionary of reusable elements. MDMI explains the technical details of how to map any message to the UNIFI dictionary. The procedure used is a “hub and spoke approach” to message management where new message formats connect to existing ones without compromising either internal systems or message integrity. It also provides for faster SEPA compliance. To work, national or international standards bodies need only create and publish detailed conversion specifications using MDMI to avoid a myriad of bi-lateral conversions.

For more information about OMG, visit <http://www.omg.org/> or the OMG's Finance Domain Task Force homepage at fdtf.omg.org. Questions about membership in OMG may be directed to Ken Berk at +1-781-444-0404 or kenberk@omg.org.



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