



SWIFT Partners

# SWIFTReady Funds

Label criteria 2009

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# Preface

## Purpose of this document

This document explains the criteria needed to obtain the SWIFTRReady Funds 2009 label for your business application. The intended audience are Application Product Managers and Developers as well as SWIFT customers seeking to understand the SWIFTRReady programme or being involved in the selection of 3rd party applications.

Please refer to the following set of documents for further information on the SWIFTRReady label programme.

## Related documents

- [SWIFTRReady applications guide](#)

Explains the 'Why and How' on joining the SWIFT Partner Management framework and its related SWIFTRReady Accreditation programmes.

- [SWIFTRReady criteria portfolio](#)

Explains the 'What' in a generic yet detailed manner on the criteria of your SWIFTRReady Application.

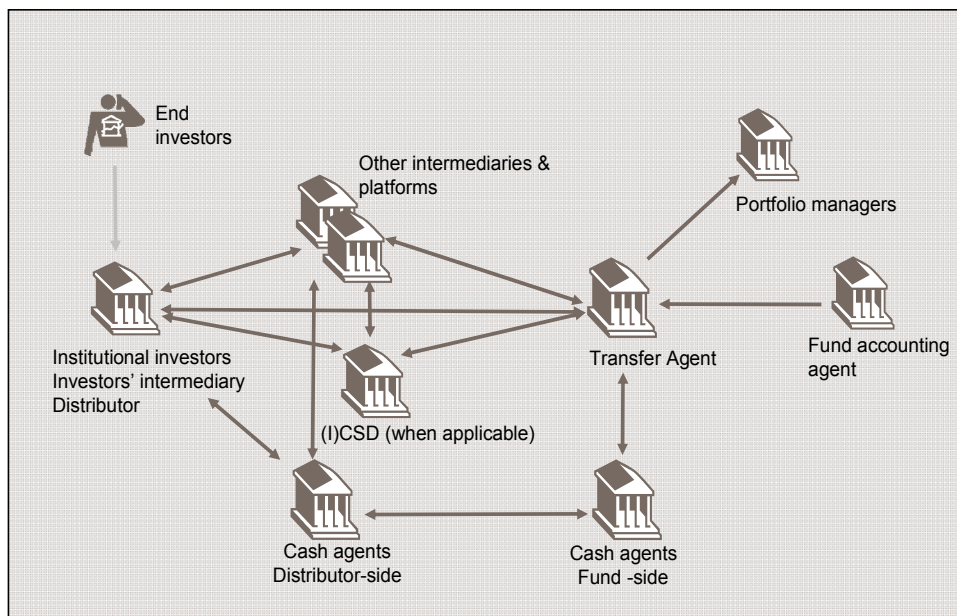
- [SWIFTRReady technical validation guide for Funds](#)

Explains the 'How' in a detailed manner on how your application will be validated to become SWIFTRReady Funds.

# 1 The Funds solution: supporting automation of investment funds distribution - high level introduction

Open architecture is progressively expanding in Europe and Asia-Pacific. The growth of this distribution model requires that the market shares a comprehensive set of open market message standards, and a scalable, highly secure and standardised platform for communication.

The Funds solution allows distributors, investment managers and their service providers to leverage their investment made in SWIFT and to deliver the same operational efficiencies in investment funds as other asset classes. SWIFT has deployed a comprehensive set of new open market global message standards (developed using ISO 20022 specifications) which allow for the majority of communication flows to be automated between all parties in the transaction chain for both cross-border and domestic business. These standards include account opening/maintenance, orders, confirmations, statements, price reporting, cash forecast reporting, commission reporting and static data.



The Funds solution combines the use of the following elements:

<p>SWIFTStandards</p>	<p><b>4 ISO15022 FIN Fund template messages</b>, which will be removed from the SWIFT network in 2012 providing specific milestones are achieved. A major migration program to migrate MT messages to the equivalent MX messages starts in January 2009.</p> <p><b>68 ISO20022 MX Funds messages</b></p>
<p>SWIFTNet messaging service</p>	<p>InterAct in Store and Forward mode.</p>
<p>The Rulebook</p>	<p>Sets out the rules and best practice guidelines applicable to all Funds Users.</p>

The full list of ISO20022 MX messages available for Mutual Funds, per category:

SUBSCRIPTION ORDERS & CANCELLATIONS & CONFIRMATIONS		
1	Subscription Order V03	setr.010.001.03
2	Subscription Order Cancellation Request V03	setr.011.001.03
3	Subscription Bulk Order V03	setr.007.001.03
4	Subscription Bulk Order Cancellation RequestV03	setr.008.001.03
5	Subscription Order ConfirmationV03	setr.012.001.03
6	Subscription Order Confirmation Cancellation InstructionV01	setr.047.001.01
7	Subscription Order Confirmation Amendment V01	setr.048.001.01
8	Subscription Bulk Order Confirmation V03	setr.009.001.03
9	Subscription Bulk Order Confirmation Cancellation Instruction V01	setr.049.001.01
10	Subscription Bulk Order Confirmation AmendmentV01	setr.050.001.01
REDEMPTION ORDERS & CANCELLATIONS & CONFIRMATIONS		
11	Redemption OrderV03	setr.004.001.03
12	Redemption Order Cancellation Request V03	setr.005.001.03
13	Redemption Bulk OrderV03	setr.001.001.03
14	Redemption Bulk Order Cancellation RequestV03	setr.002.001.03
15	Redemption Order ConfirmationV03	setr.006.001.03
16	Redemption Order Confirmation Cancellation InstructionV01	setr.051.001.01
17	Redemption Order Confirmation Amendment V01	setr.052.001.01
18	Redemption Bulk Order Confirmation V03	setr.003.001.03
19	Redemption Bulk Order Confirmation Cancellation Instruction V01	setr.053.001.01
20	Redemption Bulk OrderConfirmation AmendmentV01	setr.054.001.01
SWITCHES		
21	Switch Order V03	setr.013.001.03
22	Switch Order Cancellation RequestV03	setr.014.001.03
23	Switch Order ConfirmationV03	setr.015.001.03
24	Switch Order ConfirmationCancellation InstructionV01	setr.055.001.01
25	Switch Order Confirmation Amendment V01	setr.056.001.01
ORDER STATUS		
26	Request For Order Status ReportV03	setr.018.001.03
27	Order Instruction Status Report V03	setr.016.001.03
28	Order Cancellation Status Report V03	setr.017.001.03
29	Request For Order Confirmation Status Report V01	setr.058.001.01
30	Order Confirmation Status Report V01	setr.057.001.01
PRICE REPORTS		
31	Price Report V03	reda.001.001.03
32	Price Report CancellationV03	reda.002.001.03
33	Price Report CorrectionV03	reda.003.001.03
FUND CASH FORECASTS		
34	Fund Estimated Cash Forecast ReportV03	camt.040.001.03

35	Fund Confirmed Cash Forecast ReportV03	camt.041.001.03
36	Fund Confirmed Cash Forecast Report Cancellation V02	camt.044.001.02
37	Fund Detailed Estimated Cash Forecast Report V03	camt.042.001.03
38	Fund Detailed Confirmed Cash Forecast Report V03	camt.043.001.03
39	Fund Detailed Confirmed Cash Forecast Report CancellationV02	camt.045.001.02
<b>TRANSFERS</b>		
40	Transfer Out Instruction V02	sese.001.001.02
41	Transfer Out Cancellation Request V02	sese.002.001.02
42	Transfer Out Confirmation V02 sese.003.001.02	sese.003.001.02
43	Reversal Of Transfer Out Confirmation V02	sese.004.001.02
44	Transfer In Instruction V02	sese.005.001.02
45	Transfer In Cancellation RequestV02	sese.006.001.02
46	Transfer In ConfirmationV02	sese.007.001.02
47	Reversal Of Transfer In ConfirmationV02	sese.008.001.02
<b>TRANSFER STATUS</b>		
48	Request for Transfer Status Report V02	sese.009.001.02
49	Transfer Cancellation Status ReportV02	sese.010.001.02
50	Transfer Instruction Status Report V02	sese.011.001.02
<b>PORTFOLIO TRANSFER</b>		
51	Request For PEP Or ISA Or Portfolio InformationV01	sese.19.001.01
52	PEP Or ISA Or Portfolio InformationV01	sese.18.001.01
53	PEP Or ISA Or Portfolio Transfer Instruction V02	sese.012.001.02
54	PEP Or ISA Or Portfolio Transfer Cancellation Request V02	sese.014.001.02
55	PEP Or ISA Or Portfolio Transfer Confirmation V02	sese.013.001.02
<b>STATEMENTS</b>		
56	Custody Statement Of Holdings V02	semt.002.001.02
57	Custody Statement Of Holdings Cancellation V02	semt.004.001.02
58	Accounting Statement Of Holdings V02	semt.003.001.02
59	Accounting Statement Of Holdings Cancellation V02	semt.005.001.02
60	Statement Of Investment Fund Transactions V02	semt.006.001.02
61	Cancellation V02	semt.007.001.02
<b>ACCOUNT MANAGEMENT</b>		
62	Account Opening Instruction V02	acmt.001.001.02
63	Account Details Confirmation V02	acmt.002.001.02
64	Account Modification InstructionV02	acmt.003.001.02
65	Get Account DetailsV02	acmt.004.001.02
66	Request For Account Management Status Report V02	acmt.005.001.02
67	Account Management Status Report V02	acmt.006.001.02
<b>GENERIC</b>		
68	SecuritiesMessageRejectionV02	semt.001.001.02.

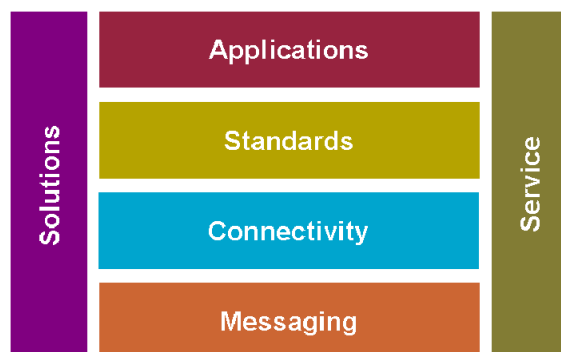
## 2 The SWIFTReady Funds label

The SWIFTReady Funds label aims primarily at third-party **business applications** that are involved in the distribution of investment funds, not only for the SWIFT message creation/understanding but also for the creation and/or processing of information. Targeted application types, although not restricted, are funds distribution, funds accounting, funds administration and portfolio management systems.

**Middleware product**, whose primary objective is to reformat business data into SWIFT Funds compliant messages to be released over SWIFT, can also apply for the SWIFTReady Funds label at certain conditions detailed under section 3. Note that SWIFT offers two specific distinct labels to recognize generic middleware capabilities: SWIFTReady Financial EAI and SWIFTReady Messaging Data Services. Vendors willing to evidence their middleware capabilities across multiple solutions should go for these.

The SWIFTReady label is granted to business applications or middleware that adhere to a specific set of criteria linked to the support of SWIFT MX messages, SWIFT connectivity and SWIFT functionality.

## 3 SWIFTReady Funds criteria 2009



### 3.1 New criteria for 2009

As of 2009, the following changes are introduced:

- Connectivity to SWIFT interfaces: integration through SWIFTAlliance Gateway is not offered as an option anymore. Integration through Alliance Access is the only option available until a new connectivity option - Alliance Lite - is offered second half of 2009.
- Connectivity option to Alliance Access: an alternative connectivity option to Alliance Access is offered, through the MQHA (the new WebSphere MQ Adapter for Alliance Access).
- New requirements in term of Funds ISO20022 MX messages supported:
  - **Business application products** must support a limited number of relevant ISO20022 MX messages for Funds, amongst a list of pre-defined message categories.
  - **Middleware products** must support a minimum of 39 defined ISO20022 MX messages for Funds

*The full list of MX messages for Mutual Funds can be found in section 1 of this document.*

## 3.2 Installed Customer Base

The application must be used by a minimum of 1 live customer.

By 'customer' we mean separate financial institutions using the product to generate/receive FIN messages transported by SWIFTNet.

SWIFT reserves the right to contact the relevant customer to validate the functionality of the application submitted for SWIFTReady certification. A questionnaire will be sent as the basis for the customer validation which can be in the form of a telephone interview, an e-mail or a discussion at the customer site. The information provided by the customer will be treated as confidential and will not be disclosed, unless explicitly expressed by the customer.

## 3.3 Messaging

The application must be able to support InterAct Store-and-Forward and its associated features.

## 3.4 Connectivity

The application should be able to connect directly or indirectly to Alliance Access.

An application which does not support a link to Alliance Access, even though it may support a link to a third-party SWIFT interface, will not be considered for a SWIFTReady label

Note that we plan to introduce a third connectivity option second half of 2009. This new automated option offered through 'Alliance Lite', can connect application to SWIFT for Funds messages. Alliance Lite targets smaller financial institutions and other funds distributors willing to reap the benefits of being on SWIFT at low costs, mitigated risks and increased service levels.

### 3.4.1 Option 1: Direct connectivity

The direct business application to Alliance Access connection can be achieved using one of the Alliance Access adapters: MQSA (MQ Series Alliance Access Adapter), the MQHA (the new WebSphere MQ Adapter for Alliance Access - available as of release 6.2) or AFT (Automated File Transfer).

The SWIFTReady Funds label requires support for either Automated File Transfer (AFT) or interactive link with MQSA or MQHA

We encourage all SWIFTReady Funds vendors to plan for MQHA support in the coming years, or even offer it as of 2009 although not required to get the 2009 SWIFTReady Funds label.

### 3.4.2 Option 2: Indirect connectivity

Alternatively, you can prove your application's compliance with the connectivity criteria by providing SWIFT with evidence of an indirect connectivity solution consisting of your business application and a middleware (EAI) solution. This is preferably one of the SWIFTReady Financial EAI applications. The complete and up-to-date list of SWIFTReady Financial EAI applications can be found on [www.swift.com](http://www.swift.com).

**Indirect connectivity can be accepted only for business applications** applying for a SWIFT Ready Funds label. Furthermore, its combination with an EAI application needs to be proven through ITB testing or a customer implementation.

In the latter case, Partner Management reserves the right to contact the relevant financial institution for further information.

### 3.4.3 ISO15022 Standards

The support of ISO15022 MT Funds templates messages (MT502, MT509, MT515) is not a criteria anymore for the SWIFTReady Funds label. These messages can be supported, as an option.

SWIFT publishes 'Funds MT- Funds MX' translation rules, available from the User Handbook online on swift.com. Since SWIFT does not require ISO15022 messages implementation, SWIFT does not mandate the implementation of these translations rules to get the 2009 SWIFTReady Funds label.

### 3.4.4 ISO20022 Standards

The third-party software products applying for the SWIFTReady Funds label must support a certain number of ISO20022 MX messages for Funds, depending on whether the software product is a back-office system or a middleware product.

*The full list of MX messages for Mutual Funds can be found in section 1 of this document.*

#### **For business application products:**

Depending on the information flows covered by the application, *the relevant ISO20022 MX messages incoming or outgoing*, must be supported within the following message categories:

- **Subscription orders/cancellations/confirmation**
- **Order status**
- **Redemption orders /cancellations/confirmation**
- **Price reports**
- **Statements**
- **Switches**

An application generating mutual funds order flows is expected to support at least some messages from the two first categories.

#### **For middleware products:**

A middleware product must support *all ISO20022 MX messages, both incoming and outgoing*, from the following message categories:

- **Subscription orders/cancellations/confirmation**
- **Order status**
- **Redemption orders /cancellations/confirmation TBC**
- **Price reports**
- **Statements**
- **Switches**

Support for other message categories i.e. cash forecasts, transfers and account management is encouraged but not mandatory to get the SWIFTReady Funds label.

## **3.5 Message Validation (Syntax and Semantic)**

Any outgoing message must be validated semantically and syntactically, as per the latest validation rules published in the latest version of the User Handbook.

### **3.5.1 Standards Release**

All changes to existing and introduction of new message types must be supported by the application before live release date on the SWIFT Network. If new messages are introduced or a significant modification has been done on existing messages we expect the application provider to provide adequate testing time to its customers before these messages go live.

## **3.6 Funds Rulebook**

By subscribing to Funds, each Funds user undertakes to abide by a set of minimum rules, as fully specified in the Funds Rulebook document which is made available within the Service Description.

The Funds Rulebook provides rules and guidelines for a standardised use of Funds. It complements the messages description as provided by SWIFTStandards, and aims to achieve more harmonious business practice among Funds users. SWIFT's publication of such rules and guidelines and users compliance to them is especially valuable in a many-to-many environment, in which the risk of divergent practices that is detrimental to straight-through processing and straight-through reporting, is higher.

The application should demonstrate support for the minimum rules section of the Funds Rulebook.

## **3.7 Information and workflow processing**

The application/middleware is expected to demonstrate information processing capabilities, and also basic workflow management capabilities.

Back-office and middleware products should process incoming order status messages in such a way that the information received is used to update the status of the original transaction.

Middleware products sending funds order messages should be able to trigger an alert should the transaction remain pending beyond a certain period for a defined counterparty.

## **3.8 User Interface**

Whenever relevant, SWIFT expects the application/middleware to offer a Graphical User Interface (GUI)

### **3.8.1 Message Viewer**

The vendor application should be able to browse incoming and outgoing SWIFT messages in a formatted way. In particular, MX messages should be visualized using user-friendly GUI or web-browser offering business meaningful fields (or a reference to the meaning of a XML tag field code).

### **3.8.2 Message Entry**

The Graphical User Interface (GUI) or a web-based browser, if present, should allow a user to manually input any relevant SWIFT message. The message entry tool should cater for some data input validation at message field level – any invalid entry must be flagged, and the user prompted to correct the input.

### **3.8.3 Message Repair**

The Graphical User Interface (GUI) or the web-based browser, if present, should allow a user to manually modify any relevant SWIFT message.

## **3.9 Technical message reconciliation**

SWIFT validates messages at different levels and provides notification about validation and transmission results. The application should capture these technical notifications and acknowledgement as well as ensure technical reconciliation, error handling, repair and retransmission.

For more details, consult the SWIFTReady criteria portfolio document available from [swift.com](http://swift.com)

## **3.10 Information Services Integration**

SWIFT publishes a number of directories that are indispensable for improving the straight-through processing of payments or updating your customer database. The application must support the following directories:

### **3.10.1 BIC Directory**

The BIC Directory is a file containing the exhaustive list of institutions connected on the SWIFT network, and integration of its data must be supported.

#### Monthly update of the BIC Directory

SWIFT provides monthly updates of the BIC Directory to all subscribers ([swift.com](http://swift.com) download). It is the responsibility of the subscriber at all times to make sure he uses the latest update of the BIC. As such, we expect the application to provide the user with a comprehensive tool to allow this monthly update in an efficient manner without disrupting the customer operations.

If the BIC Directory database is not located within the application, the vendor must provide an interactive query and retrieve functionality to the database where the BIC Directory is located.

#### BIC search/retrieval capability

The BIC codes contained in the BIC Directory can be used in various fields of the SWIFT messages. The absence of BIC Codes in these fields is one of the major obstacles to STP and causes manual intervention on the recipient's side. SWIFT expects vendors to provide an integrated interface within their application to allow users to retrieve and input BIC's into the proper fields, correctly formatted. The user should be able to enter a number of search criteria, such as Bank Name or Location, perform a search and be presented with a list of results. From this window he should be able to select the correspondent BIC and to copy it into the message (i.e. transaction). If the search criterion returns no results, the user must be alerted that no BIC is available. If the user manually enters a non-existing BIC, the application must send an alert notifying the user that this BIC is not valid

### 3.11 Marketing and Sales

Collaboration in terms of administrative and marketing information is requested. In particular the Partner should provide SWIFT under non-disclosure agreement with customer related information.

- A list of all customers active in the finance sector. The list should provide institution names, locations, and an overview of the integration scope (domain, features, and sites) for the present and previous year.
- A product roadmap for 2009 and 2010 containing the plans for further developments, solutions support and new releases.
- A complete set of documentation, including features overview, where appropriate SWIFT adapters, workflow engine capability and user manuals.
- A dedicated web page on Partner web site for the SWIFTReady label.

## 4 Related Documentation

- Funds Service Description, SWIFTStandards Handbook and Funds Integration Guide, all three included in CD "SWIFTNet Funds 4.0 – August 2007 edition". The CD is available upon request from [partner.management@swift.com](mailto:partner.management@swift.com)
- SWIFT User Handbooks for FIN MT Standards – on-line accessible through [www.swift.com](http://www.swift.com)

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