



SWIFT Partners

SWIFTReady Payments

Label criteria 2010

Version 2

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Preface

Purpose of this document

This document explains the business criteria needed to obtain the SWIFTRReady Payments label 2010 for payments applications. The intended audience is Product Managers and Development Managers/ Developers.

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](#)

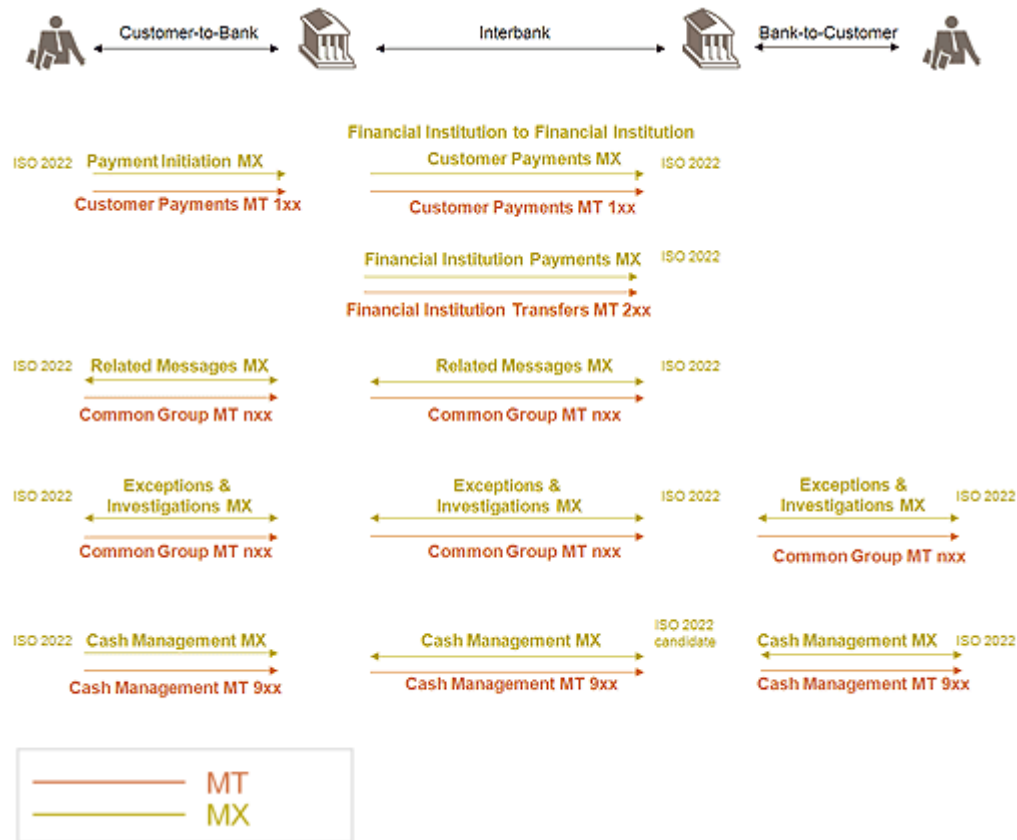
Explains the 'How' in a detailed manner on how your application will be validated to become SWIFTRReady.

1 SWIFT in Payments and Cash Management: high level introduction

In payments, more than 60 clearing systems, carrying from 500 to over 300.000 payments a day, rely on SWIFT for the secure messaging connectivity and common message standards essential to their smooth operation.

SWIFT offers a range of standards to initiate, and to clear and settle customer payments between the different players in the end-to-end payments chain. A related set of standards is also available to handle status reporting and deal with exceptions and investigations, as well as standards that provide account related information exchanged between an account owner and an account service.

Standards are a core element of SWIFT’s global offering. SWIFT Standards has developed a comprehensive set of business standards to support end-to-end payment transactions. The traditional MT messages are complemented by new MX messages, which enable the completion of the information loop through the transfer of richer data for end-to-end business transactions.



FIN enables the exchange of messages formatted with the traditional SWIFT MT standards. FIN works in store-and-forward mode and offers extensive value-added functionality, such as message copy (e.g. FINCopy and FINInform), broadcasts, and online retrieval of previously-exchanged messages.

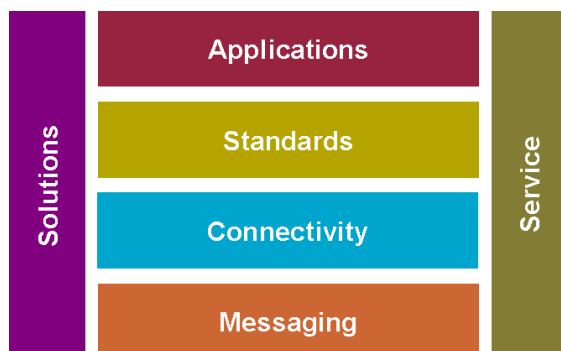
2 The SWIFTReady Payments label

The SWIFTReady Payments label focuses on the certification of core banking solutions that allow the initiation, generation, processing and settlement of inter-bank payments. This label is awarded to business applications that adhere to a specific set of criteria linked to the support of SWIFT FIN (MT) messages, SWIFT connectivity and SWIFT functionality.

The following applications are out of scope of the SWIFTReady Payments label:

- Clearing and settlement applications (ACH and/or RTGS applications) targeted at central institutions.
- Software solutions primarily reformatting business data into SWIFT compliant messages that can be released over SWIFT (Middleware and EAI). These solutions should apply for the SWIFTReady Financial EAI or Messaging Data Services label.

3 SWIFTReady Payments criteria 2010



3.1 New criteria for 2010

The 2010 criteria are fully aligned with the MT Standards Release 2010. No new business criteria are added for 2010, with the exception of additional connectivity options:

- Connectivity to SWIFT interfaces: Integration through Alliance Access is still mandated as a minimum compliance criteria. It is now being complemented with Alliance Lite (through the Alliance Lite AutoClient file transfer mechanism), which is optional.
- New Alliance Access adapters: an alternative connectivity option to Alliance Access is offered, through the SOAP Host Adapter. SOAP adapter support is optional in 2010.

3.2 Installed Customer Base

To be eligible for the 2010 label, the application must be implemented and used by at least 5 live customers*.

SWIFT reserves the right to contact some relevant customers 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.

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

3.3 Messaging

The application should support the FIN protocol.

In particular, the application should be able to generate the correct FIN header, body and trailer blocks, and should be able to parse and act upon any incoming messages pertaining to the Payment solution (see list in 3.5) as appropriate.

3.4 Connectivity

The application should integrate with Alliance using one of the available Alliance interface adapters provided by SWIFT, or through a SWIFTReady Enterprise Application Integration (EAI) solution.

An application which does not support a connection with the Alliance interface, even though it may support a link to a 3rd party SWIFT interface, will not be considered for a SWIFTReady label.

3.4.1 Option 1: Direct connectivity

The direct connection of the business application to Alliance Access can be achieved through one of the Alliance Access adapters:

- WebSphere MQ Adapter for Alliance Access (MQSA or, preferably the new native MQHA available as of release 6.2) **or**
- AFT (Automated File Transfer) **or**
- SOAP adapter (Available as of Alliance R7.0)

At least one of these adapters must be supported for the 2010 label. The support of alternate adapters will be recognized in the product sheet published over swift.com

As SWIFT is planning to terminate the support for MQSA, we encourage all SWIFTReady vendors to plan for a migration from MQSA to MQHA, although this is not required to get the 2010 SWIFTReady label.

On top of this mandatory criterion, the Payment application may connect via Alliance Lite using the AutoClient adapter to serve customers with limited messaging volume. The support of Lite AutoClient is optional.

3.4.2 Option 2: Indirect connectivity

Some Payment applications are provided together with a Financial EAI to ensure connectivity to SWIFT. If this is your case, you can prove your application's compliance with SWIFT connectivity by complementing your business application with a middleware (EAI) solution for the connectivity tests. This will preferably be 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.

Indirect connectivity through an EAI application needs to be proven by means of connecting through the SWIFT Integration Test Bed (ITB) infrastructure or a customer implementation.

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

3.5 Standards

The application should support the messages belonging to the categories 1, 2 and 9 as specified in the Standards MT Release Guide 2010. The application must be able to support all fields and all code words, mandatory and optional.

The application must be able to:

- generate all outgoing messages types in categories 1, 2 and 9, validate them against the related syntax and semantic rules, then route them to the SWIFT Interface
- receive and parse any incoming message in these categories, and properly act upon, according to the business transaction rules.

List of FIN Messages required for SWIFTReady Payments

Mandatory/ Optional	MT	MT Name	Authen.	Max. Length
M	101	Request For Transfer	Y	10,000
M	102 102+	Multiple Customer Credit Transfer	Y	10,000
M	103 103+	Single Customer Credit Transfer	Y	10,000
O	103 REMIT	Single Customer Credit Transfer	Y	10,000
O	104	Direct Debit and Request for Debit Transfer	Y	10,000
O	105	EDIFACT Envelope	Y	2,000
O	107	General Direct Debit	Y	10,000
O	110	Advice of Cheque	Y	2,000
O	111	Request for Stop Payment of a Cheque	Y	2,000
O	112	Status of a Request for Stop Payment of a Cheque	Y	2,000
M	200	Financial Institution Transfer for its Own Account	Y	2,000
M	201	Multiple Financial Institution Transfer for its Own Account	Y	2,000
M	202	General Financial Institution Transfer	Y	10,000
M	202 COV	General Financial Institution Transfer	Y	10,000
M	203	Multiple General Financial Institution Transfer	Y	2,000
O	204	Financial Markets Direct Debit Message	Y	2,000
M	205	Financial Institution Transfer Execution	Y	10,000
M	205 COV	Financial Institution Transfer Execution	Y	10,000
O	207	Request for Financial Institution Transfer	Y	10,000
M	210	Notice to Receive	Y	2,000
O	256	Advice of Non-Payment of Cheques	Y	10,000
M	900	Confirmation of Debit	N	2,000
M	910	Confirmation of Credit	N	2,000
M	920	Request Message	N	2,000
O	935	Rate Change Advice	N	2,000
M	940	Customer Statement Message	N	2,000
M	941	Balance Report	N	2,000
M	942	Interim Transaction Report	N	2,000
M	950	Statement Message	N	2,000
O	970	Netting Statement	N	2,000
O	971	Netting Balance Report	N	2,000
O	972	Netting Interim Statement	N	2,000
O	973	Netting Request Message	N	2,000

O	985	Status Enquiry	N	2,000
O	986	Status Report	N	2,000
M	n90	Advice of charges, interest and other adjustments	N	2,000
M	n91	Request for Payment of charges, Interest and other expenses	N	2,000
M	n92*	Request for Cancellation	N	2,000
M	n95*	Queries	N	2,000
M	n96*	Answers	N	2,000
M	n98	Proprietary message	N	2,000
M	n99	Free Format message	N	2,000

**SWIFT has introduced the Exceptions and Investigations solution to streamline the management of payments-related enquiries. To allow for consistency and a single standard support going forward, SWIFT plans to (partly) remove the FIN payment-related enquiry messages at the end of 2012, provided a number of interim milestones are achieved.*

List of ISO20022 messages optional for SWIFTReady Payments

Cash Management (camt)

Message Name	Msg ID (XML Schema)
BankToCustomerAccountReportV02	camt.052.001.02
BankToCustomerStatementV02	camt.053.001.02
BankToCustomerDebitCreditNotificationV02	camt.054.001.02
CustomerPaymentCancellationRequestV01	camt.055.001.02
FIToFIPaymentCancellationRequestV01	camt.056.001.02

Payments Initiation (pain)

Message Name	Msg ID (XML Schema)
CustomerCreditTransferInitiationV03	pain.001.001.03
CustomerPaymentStatusReportV03	pain.002.001.03
CustomerPaymentReversalV02	pain.007.001.02
CustomerDirectDebitInitiationV02	pain.008.001.02

Payments Clearing and Settlement (pacs)

Message Name	Msg ID (XML Schema)
FIToFIPaymentStatusReportV03	pacs.002.001.03
FIToFICustomerDirectDebitV02	pacs.003.001.02
PaymentReturnV02	pacs.004.001.02
FIToFIPaymentReversalV02	pacs.007.001.02
FIToFICustomerCreditTransferV02	pacs.008.001.02
FinancialInstitutionCreditTransferV02	pacs.009.001.02

3.6 Message Reconciliation

SWIFT validates messages at different levels and provides notifications related to the validation and transmission results of the messages sent. The application should capture these notifications and ensure technical reconciliation, error handling, repair and retransmission where appropriate.

Please refer to the 'SWIFTReady criteria portfolio' guide for further details.

3.7 Message Validation

FIN Central Services validate every FIN message against syntax and semantic rules. Messages that do not pass validation are rejected by the central system, incurring substantial cost for SWIFT users. To avoid this, applications should provide the same level of validation on the generated messages as the FIN Central Services do.

3.7.1 Standards Release Guide

All the messages should be built according to the structure that is specified in the Standards MT Release Guide 2010. A vendor application must support all the message types before the live release date on the SWIFT Network.

We expect the vendor to provide adequate testing time to its customers before these messages go live.

3.7.2 Network Validated Rules

The application should validate the outgoing messages against the SWIFT published syntax definition listed in the Standards Release Guide 2010. With regard to the semantic validation, the set of MT network validated rules in the Standards MT Release Guide 2010 have to be implemented.

3.7.3 MT Usage Rules

The application is required to comply with the MT usage guidelines as listed in the Standards MT Release Guide 2010.

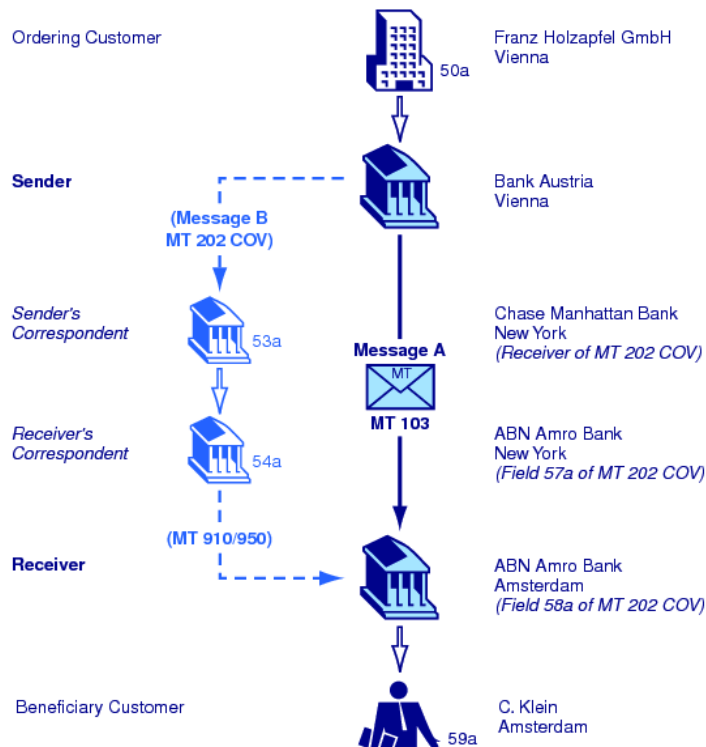
3.7.4 STP Guidelines

The application is required to comply with the guiding principles for STP in a SWIFT environment.

3.8 Business Workflow

The application must be able to automatically generate correct MTs when an event occurs or when a user manually enters an event.

Wherever possible, subsequent messages should be generated automatically. For example if an outgoing MT 103 contains field 53A (Sender's Correspondent), an MT 202/MT 205 COV should be generated automatically mapping the necessary information, references and fields into the cover payment message. This is illustrated in the information flow below.



We expect the application to receive incoming messages and process them according to predefined rules. The messages need to be passed on to the accounting system or to the next processing chain within the application if additional processing is needed. Where possible the automatic generation of subsequent messages is a requirement.

The application must be able to, wherever possible, automatically populate and generate common group messages. For example, if a message received requires a query message to be sent, the user must have the possibility to ask the system to generate an MT n95 (Query) message. The application needs to be able at least to populate the query with the respective references of the original transaction and provide a mechanism to copy the original message, if required.

3.9 User Interface

The application should have a manual entry/display/repair capability for the MTs listed above.

3.9.1 Message Entry

The application should allow a user to manually input or modify the MT messages, by offering normalised fields for input (independent from the underlying syntax and business meaning).

3.9.2 Message Repair

The application should validate the user's data input at field level and should flag any invalid entry, prompting the user to correct the input. This includes but is not limited to flagging mandatory fields.

3.9.3 User Profile Management

The application must provide a user profile management tool to ensure that only authorised users can perform a specific task. You should demonstrate how profile management is assured by demonstrating create / update / delete user profiles and

how different users log on and access is denied if a certain task is performed that the user is not entitled to.

The application must also be able to support the "four eyes principle". You should demonstrate how different activities require a second person to validate them before release.

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 lists the BICs issued under ISO 9362 to the financial institutions and corporates that need to be identified in FIN payments traffic. SWIFT provides monthly updates of the BIC Directory to all subscribers, downloadable in several file sizes and formats from swift.com.

3.10.2 User upload of the updated BIC Directory

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.

3.10.3 BICPlusIBAN

The BICPlusIBAN Directory contains the full list of the ISO9362 Bank Identifier Codes (BICs) with the national bank/branch identifiers. It also provides IBAN related information such as the national bank/branch codes used in IBANs and the corresponding BICs that the account holding banks issue to their customers together with the IBANs.

The BICPlusIBAN directory is indispensable for submitting international payments into local clearing and settlement, and in SEPA for validation and completing the mandatory IBAN and BIC information. SWIFT provides monthly updates of the BIC Directory to all subscribers, downloadable in several file sizes and formats from swift.com.

3.10.4 User upload of the updated BICPlusIBAN Directory

It is the responsibility of the subscriber at all times to make sure he uses the latest update of the BICPlusIBAN. 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 BICPlusIBAN Directory database is not located within the application, the vendor must provide an interactive query and retrieve functionality to the database where the BICPlusIBAN Directory is located.

3.10.5 Search and retrieve functionality during message composition

Using BIC: 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 BICs into the proper fields, correctly formatted.

Using IBAN: The codes contained in the BICPlusIBAN Directory can be used in various fields of the SWIFT messages. SWIFT expects vendors to provide an integrated interface within their application to allow users to input the codes retrieved from BICPlusIBAN into the proper field, formatted correctly as per the usage rules in the SWIFT User Handbook.

3.11 Marketing and Sales

Partner will work together with SWIFT developing and generating more business. To optimize the collaboration, Partner is expected to provide SWIFT with administrative and marketing information. In particular the Partner should provide SWIFT, under non-disclosure agreement, following 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 2010 and 2011 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

SWIFT User Handbook – accessible on-line through the Documentation site on www.swift.com

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