



SWIFT Partners

SWIFTReady SEPA

Label criteria 2010

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Table of content

1	SWIFT FOR SEPA: HIGH LEVEL INTRODUCTION.....	5
2	THE SWIFTREADY SEPA LABEL	6
3	SWIFTREADY SEPA CRITERIA 2010	6
3.1	NEW CRITERIA FOR 2010.....	6
3.2	INSTALLED CUSTOMER BASE.....	7
3.3	MESSAGING	7
3.4	CONNECTIVITY	8
3.5	STANDARDS AND MARKET PRACTICES COMPLIANCE	8
3.6	UNIQUE MESSAGE IDENTIFICATION	9
3.7	RELATING ORIGINAL PAYMENT INSTRUCTIONS TO R-MESSAGES	9
3.8	OUT OF SCOPE.....	9
3.9	MARKETING.....	10
4	RELATED DOCUMENTATION	11

Preface

Purpose of this document

This document explains the business criteria needed to obtain the SWIFTRReady SEPA label 2010. 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.

Important note

The European Payments Council (EPC) will be introducing a new release for SEPA – release 4.0 – on November 2nd 2010. As a consequence, the current release 3.3 will as of then not be supported anymore. The SWIFTRReady SEPA 2010 criteria described in this document reflects compliancy with the current rel 3.3 but not rel 4.0. SWIFT has therefore taken the decision to extend the validity of the current SEPA label only until November 2nd 2010. The label will be 'phased out' as from this date on.

As a consequence of this, the current SEPA label can still be marketed by the compliant partners until November 2nd 2010.

1 SWIFT for SEPA: high level introduction

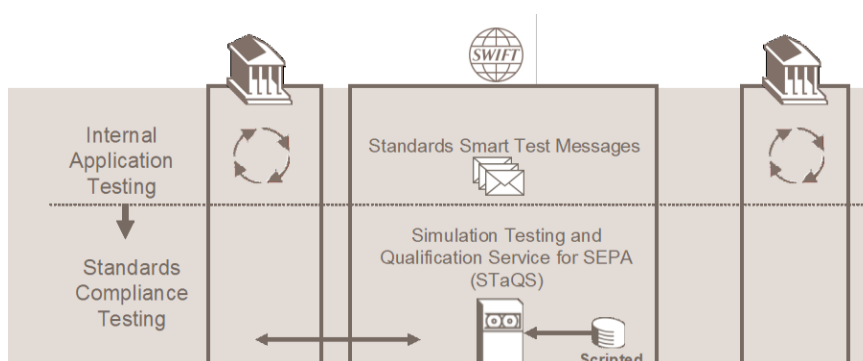
SWIFT actively supports its customers in their implementation of SEPA by developing standards and providing a set of products and services to facilitate operation and interoperability across the industry.

SWIFT for SEPA consists of a combination of the following elements:

1. Bulk Payments: The solution uses SWIFTNet messaging features, i.e. real-time and store-and-forward file based communication. Please refer to the related Service Description for a complete description of features and functions.
2. SEPA XML messages: The set of messages (MXs) based on UNIFI (ISO20022) that the EPC has developed for the core SEPA service: the inter-bank SEPA Credit Transfer and inter-bank SEPA Direct Debit and related R-related messages (Reject, Return, Refund and Reversal).
3. Rulebooks: The solution for SEPA includes several rulebooks:
 - a) The EPC defines a set of rules and best practice recommendations for each payment instrument in terms of business rules (the Scheme Rulebook) and physical representation (the Implementation Guidelines).
 - b) CSM Market Practices. Complementing the EPC guidelines, the CSM Market Practices define additional rules depending on the CSM model to improve interoperability.
 - c) The Bulk Payments Rulebook defines the rules and best practice guidelines applicable to all Bulk Payments users.

Note that the CSM operational rulebook(s) related to specific CSM implementation guidelines are out of the scope of this label.

4. SEPA Testing Programme: The testing service comprises the following elements:
 - a) Samples of test messages with realistic business data in the form of Smart Test Messages (SEPA Credit Transfer) to test the inbound flows in an unconnected mode.
 - b) The Simulation Testing and Qualification Service (STaQS). STaQs is a central testing facility playing the role of sparring partner able to exchange messages over FileAct real-time and execute scripted test cases (SEPA Credit Transfer and Direct Debit). The STaQS test configuration and test reporting are performed via Browse.
 - c) Sample version of a subset of the reference data directories for SEPA (BICPlusIBAN and SEPA Routing Directories).



2 The SWIFTReady SEPA label

This label aims to validate and certify payments applications and financial Enterprise Application Integration solutions (EAI) that support:

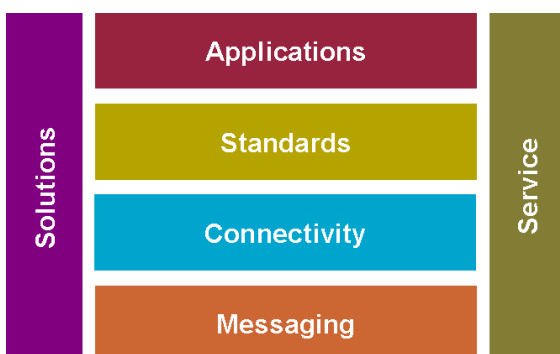
- a) SEPA Standards. The SWIFTReady SEPA label focuses on the capability of an application/EAI to support the UNIFI (ISO20022) standards for SEPA: this includes the implementation and the usage rules related to these standards as described in the EPC Implementation Guidelines and in the CSM Market Practices. The label does not cover the business and operational end-to-end SEPA testing.¹
- b) Bulk Payments. The SWIFTReady SEPA label validates the application's readiness for Bulk Payments: this includes its ability to carry payments into files over FileAct and to build the file to benefit from the price per payment scheme.

The capability of a payments application/EAI to integrate with Alliance Gateway for the FileAct service as described in the Bulk Payments Service Description must also be demonstrated.

Important note: The SWIFTReady SEPA label is associated to the SEPA Testing Programme as a package only. This means that:

- By submitting an application for the SWIFTReady SEPA label you acknowledge and agree to pay the related label fee and to subscribe to and pay for the SEPA Testing Programme for SWIFT Partners (2000 EUR one time – 1000 EUR annually).
- By subscribing to the SEPA Testing programme for SWIFT Partners, you acknowledge and agree to pay the related fee (2000 EUR one time – 1000 EUR annually) and to submit and pay for the application for the SWIFTReady SEPA label. By subscribing to the SEPA Testing Programme, you are entitled to use the testing tools that will be required to execute a pre-defined set of tests.

3 SWIFTReady SEPA criteria 2010



3.1 New criteria for 2010

The 2010 criteria are fully aligned with the SEPA Programme release 3.3, which supports the SEPA Credit Transfer (SCT) Scheme 3.x and SEPA Direct Debit (SDD) Scheme 3.x for EBA, as described in the SEPA testing Programme Release letter.

¹ It is up to each CSM to define the operational guidelines and propose the appropriate testing facilities. This includes for instance the bulking of payments into files, for which there is no common agreed standard.

3.2 Installed Customer Base

SWIFT does not require having a live/test and training customer as one of the criteria for the 2010 label.

If the application (in the release associated with the 2010 label application request) is used by a Bulk Payments customer in the context of SEPA, 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.

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

3.3 Messaging

The SWIFTReady label for SEPA requires applicants to demonstrate that their applications are enabled for FileAct in real-time mode.

When using Simulation Testing and Qualification Service (STaQS), the applications will use FileAct in real-time mode and its associated features as described in the SEPA Testing Programme Service Description. You need to connect to the Integration Test Bed (ITB) and successfully execute a predefined number of test cases on STaQS using FileAct real-time.

Optionally, SWIFT Partners seeking to perform additional and complete testing of their application's support for FileAct in real-time and/or store and forward mode should be provisioned on the ITB Generic FileAct messaging service.

The following table summarises the testing services:

Testing Service	Mode	Mandatory/Optional	Service name	Web server url
STaQS over FileAct	Real-Time	Mandatory	swift.sepa!x.	https://swift-sepa-itb.swiftnet.sipn.swift.com
File exchange with Generic FileAct	Real-Time	Optional	swift.generic.fa!x	N/A
File exchange with Generic FileAct	Store-and-Forward	Optional	swift.generic.fast!x	N/A

3.3.1 Price per payment scheme support

As an alternative to the price per Kchar, the Bulk Payment service for SEPA offers a price per payment as described in the Service Description release 2.0.

In the scope of the SWIFTReady SEPA label, your application needs to demonstrate the correct specification of the number of individual payments per file in the FileAct header. This is achieved by populating the Total Number of Transactions field of FileAct release 6.1 enhanced headers. The schema definition can be found in the SWIFTStandard MX General Information in the chapter "Structure of the SWIFTNet FileAct HeaderInfo Field".

SWIFT requires minimum 5 different sample payloads generated by your application for validation.

3.4 Connectivity

The connection to SWIFT requires the installation of appropriate SWIFTNet Interface software, for example Alliance Gateway. It is your responsibility to install new releases or patches linked to the SWIFTNet Interface and to set up and maintain your connection to the ITB.

Important note: It is not mandatory to have your own connection to the ITB. You can use the connection of another SWIFT Partner to exchange messages on the ITB provided the test traffic sent can be identified as coming from your application, i.e. **using your PIC** (Partner Identification Code).

To prove your support for FileAct messaging, you must be able to connect to Alliance Gateway either directly via one of the adapters mentioned below or indirectly preferably via one of the SWIFTReady Financial Enterprise Application Integration applications.

To prove your support for FileAct messaging, you have the following options.

3.4.1 Option 1: Direct connectivity

You will have to connect your application to the Alliance Gateway using FTI (File Transfer Interface) or FTA (File Transfer Agent) and following the Alliance Gateway data format specifications. Alternatively you can connect your application to Alliance Gateway using MQHA (MQ Series Host Adapter) or RAHA (Remote Access Host Adapter).

3.4.2 Option 2: Indirect connectivity

Alternatively, you can prove your application's FileAct support 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. Indirect connectivity can be accepted only for business applications applying for a SWIFTReady SEPA label. Furthermore, its combination with an EAI application needs to be proven through ITB testing.

Note: Only on an exceptional basis, will SWIFT Partner Management accept proof of your compliance with the connectivity criteria using the live or test and training connection of a Bulk Payments Customer for SEPA in test or production mode. In this case you will be required to provide evidence of your compliance and SWIFT Partner Management reserves the right to contact the relevant financial institution for further information.

3.5 Standards and market practices compliance

The application must show support for the **SEPA bank-to-bank MX standards (SEPA Credit Transfer and SEPA Direct Debit)** following the rules described in the EPC Implementation Guidelines.

Your application must show the implementation of:

- at **least one of the following clearing topologies** of your choice as described in the CSM market practices:
 - a) T0: standard EPC rules with no additional CSM market practice rules or
 - b) T2: centralised clearing through a CSM (i.e.: ACH) for the bank-to-CSM flow (T2bc) and the CSM-to-bank flow (T2cb)

SWIFT Partners wishing to perform complete testing of their application's support for all available topologies are encouraged to do so.

The table below shows the available combinations for 2010:

SEPA Label sub-criteria			Request Name	Request Type
	SEPA Credit Transfer and R-Related messages (Reject and Return)	T0: EPC Standard only (subtype 001)	FI2FICustomer CreditTransfer PaymentStatusReport PaymentReturn	pacs.008.001.01 pacs.002.001.02 pacs.004.001.01
Or	SEPA Credit Transfer and R-Related messages (Reject and Return)	T2bc and T2cb: centralised clearing (subtype 001)	FI2FICustomer CreditTransfer PaymentStatusReport PaymentReturn	pacs.008.001.01 pacs.002.001.02 pacs.004.001.01
Or	SEPA Credit Transfer and R-Related messages (Reject and Return)	T2bc and T2cb: centralised clearing through EBA/Step2 (subtype HDR) ²	FI2FICustomer CreditTransfer PaymentStatusReport PaymentReturn	pacs.008.001.01 pacs.002.001.02 pacs.004.001.01
And	SEPA Direct Debit and R-Related messages (Reject, Reversal and Return)	T2bc and T2cb: centralised clearing through EBA/Step2 (subtype HDR) ³	FI2FICustomerDirect Debit PaymentStatusReport PaymentReturn FIToFIPaymentReversal	pacs.003.001.01 pacs.002.001.02 pacs.004.001.01 pacs.007.001.01

3.6 Unique message identification

You are required to provide a detailed description on how your application guarantees the message identification uniqueness.

3.7 Relating original payment instructions to R-messages

You are required to show the correct grouping of the original payments instructions (SCT or SDD) and the related R-messages (rejects, returns, reversals) by sending Partner Management at least 3 examples per R-message.

3.8 Out of scope

The following functionality is out of the scope of the SEPA label:

² The implementation for EBA/Step2 testing is limited to one "pacs" message per file: the bulking functionality must be tested with EBA/Step2

³ The implementation for EBA/Step2 testing is limited to one "pacs" message per file: the bulking functionality must be tested with EBA/Step2

3.8.1 No guarantee of incoming messages processing at application

The aim of the STaQS service is to guarantee the compliance of the MX messages with the SEPA EPC Implementation Guidelines and CSM Market Practices.

Therefore, STaQS validates the inbound flow from your application and reports the test results. On the other hand, STaQS sends messages to your application but has no means to detect whether the application has processed these messages correctly or not: the SEPA workflow protocol does not define any acknowledgement message. Therefore, the STaQS will consider the test successful in two cases:

- a) the message sent is valid and the application does not answer.
- b) the message sent is invalid and the application sends the correct expected answer (as specified in the test case).

Important note:

The SWIFTReady SEPA label validates and confirms the compliance of the messages generated by your application against the Standards and the CSM market practices (outbound flow or response to inbound flow). However, it does not validate the correct processing of incoming messages at your application (inbound flow).

3.8.2 No bulking of pacs messages into files

Because the bulking specifications have been left open, there is currently no standard way of bulking payments into files.

Therefore, the STaQS does not support bulking of payments and supports only one pacs message per file.

In the case of the EBA/Step2 support, the STaQS implements the application header fields necessary to transport one payment in a EBA/Step2 like mode. However the STaQS does not verify the EBA/Step2 application header fields.

3.8.3 No support of CSM specific messages or protocol

In addition of the EPC messages for SEPA, each CSM has defined its own set of operational messages, i.e. acknowledgement messages, reporting messages, cancellation messages.

Also, in some cases, the CSM has defined its own business protocol: for example, a SCT sent to a bank has been settled and cannot be rejected by the bank: a bank is only allowed to send a return.

STaQS does not support these messages or business protocol behavior, as it is not specified by the EPC. Those specificities require appropriate testing with each relevant CSM.

3.9 Marketing

The partner will work together with SWIFT developing and generating more business. To optimize the collaboration, the 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

For more information on the SEPA Testing Programme, please refer to www.swift.com.

The following information is available:

1. SEPA Testing Programme

- SEPA Testing Programme Guide
- SEPA Testing Programme Service Description
- SEPA Testing Programme Release Letter
- SEPA Testing Programme Standards Compliance Completion Confirmation
- SEPA Testing Programme End-to-End Operational Readiness Completion Confirmation

2. Smart Test Messages

- Smart Test Messages Service Description
- Smart Test Messages Release Letter
- Smart Test Messages User Guide for SEPA Credit Transfer Scheme
- Smart Test Messages User Guide for SEPA Direct Debit Scheme

3. Simulation Testing and Qualification Service (STaQS) for SEPA

- STaQS Service Description
- STaQS Release Letter
- STaQS User Guide

4. Directory services for SEPA

- SWIFT Directories for SEPA – Fact sheet
- SWIFT Directories data update

- End of document -