



SWIFT Partners

SWIFTReady for Corporates – Cash Management

Label criteria 2009

Version 3.2

March 2009

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Table of content

1	SWIFT FOR CORPORATES – CASH MANAGEMENT SOLUTION RELATED TO THIS SWIFTREADY LABEL CRITERIA : HIGH LEVEL INTRODUCTION	5
2	THE SWIFTREADY FOR CORPORATES - CASH MANAGEMENT LABEL	5
3	SWIFTREADY FOR CORPORATES – CASH MANAGEMENT CRITERIA 2009.....	6
3.1	NEW CRITERIA FOR 2009.....	6
3.2	INSTALLED CUSTOMER BASE.....	6
3.3	MESSAGING	6
3.4	CONNECTIVITY	7
3.5	STANDARDS	7
3.6	MESSAGE RECONCILIATION	9
3.7	MESSAGE VALIDATION (SYNTAX/SEMANTIC – RULEBOOK COMPLIANCE).....	9
3.8	BUSINESS WORKFLOW.....	9
3.9	USER PROFILE MANAGEMENT	9
3.10	OPTIONAL : INFORMATION SERVICES INTEGRATION (BIC AND BICPLUSIBAN)	9
3.11	RELATED DOCUMENTS ON SOLUTION	10

Preface

Purpose of this document

This document explains the business criteria needed to obtain the SWIFTRReady for Corporates – Cash Management label, aimed at Corporate Applications. The intended audience is Product Managers and Development Managers/Developers.

Please refer to the following set of documents for further info 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 for Corporates – Cash Management Solution related to this SWIFTReady label criteria : high level introduction

The world of corporate treasurers has undergone significant changes over the last years. An ever more competitive, global, and regulated market is forcing treasurers to rethink the way they operate. To do this, they need to respond to several challenges such as improving efficiency, reducing operational risk and complying with an ever stricter regulatory framework.

To address these challenges, treasurers need to improve efficiency and overall control. Because of this, they are increasingly trying to centralise and automate their operations.

However, in doing so, they still face the challenge of different platforms and communication standards when trying to establish electronic connections with their banks. Clearly, this situation is not ideal as these environments are costly to maintain and operate. In addition, they are a source of risk because their heterogeneity is more difficult to control (for example, weak business continuity plans due to complexity, and lack of security discipline due to multiplicity of passwords).

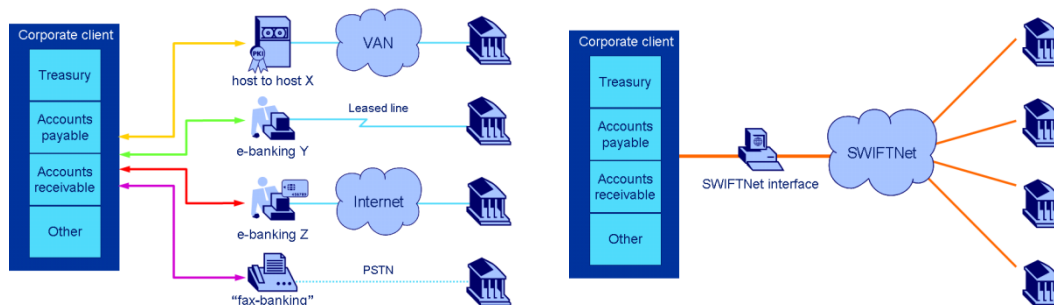


Fig 1a: From multiple standards and protocols to... :...a single platform

In response to these issues, and with the support of its community, SWIFT has created its SWIFT for Corporates offering allowing corporates to use SWIFT's single, secure and reliable messaging platform to access the services that their financial institutions can provide (for example, cash management services). This enables them to reduce cost and risk, optimise their liquidity management, and strengthen security.

The SWIFT for Corporates offering encompasses the following components:

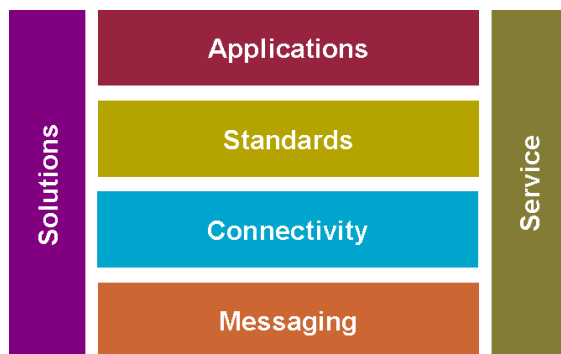
- **SWIFTStandards:** SWIFTStandards FIN; non-SWIFT standards in the context of cash management are also allowed.
- **SWIFT Messaging services:** SWIFTNet FIN and SWIFTNet FileAct (Real-time and Store-and-forward mode).
- **Rulebook:** sets out rules and best practices for the use of the standards and messaging services
- **Access Models:** SCORE, MA-CUG, and Treasury Counterparty

2 The SWIFTReady for Corporates - Cash Management label

The SWIFTReady for Corporates – Cash Management label aims at business applications that are capable of processing and exchanging cash management flows (eg supplier payments). The label is awarded after a successful technical and functional validation by SWIFT experts.

Applications qualifying for this labeling programme must offer a set of business functions which involve the processing of the data exchanged over SWIFTNet. Such applications include, for example, treasury management systems, accounts payable/receivable modules within ERP systems, payment factory applications. Applications of which the aim is to primarily facilitate connectivity (i.e. reformatting and technical integration with third-party applications) do not qualify. Stand-alone EAI products (without further business functionality) do not qualify.

3 SWIFTReady for Corporates – Cash Management criteria 2009



3.1 New criteria for 2009

It is mandatory to support SWIFT connectivity. This can be through either direct or indirect access (details : see paragraph 3.4).

Within direct connectivity, it is mandatory to support either Alliance Access or Alliance Lite.

3.2 Installed Customer Base

At least 1 live customer* is needed as a reference.

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 a Corporate using the product to generate/receive messages transported over SWIFTNet.

3.3 Messaging

The messaging services and related tools form the core offering of SWIFT and include information directories and business intelligence.

Mandatory :

- [FIN](#)
FIN is SWIFT's core store-and-forward messaging service. It enables the exchange of individual structured financial messages in a secure and reliable way.
- [FileAct](#)
FileAct allows secure and reliable transfer of files and is typically used to exchange batches of structured financial messages and large reports
FileAct supports tailored solutions for market infrastructure communities, closed user groups and financial institutions. FileAct is particularly suitable for bulk payments, securities value-added information and reporting, and for other purposes, such as central-bank reporting and intra-institution reporting.

Optional (information directory integration) :

- BICPlusIBAN directory integration
Combines the 90.000 BICs and their details with the national clearing codes of some 60 countries. Lists all IBAN-related SEPA BICs.

3.4 Connectivity

The application should properly integrate with SWIFT using :

- SWIFTAlliance Lite, or SWIFTAlliance Access
- or through a SWIFTReady Financial EAI, Service Bureau or Member Concentrator (indirect connectivity)

3.4.1 Option 1: Direct connectivity

You will have to connect your application to the [SWIFTAlliance Lite](#) or [SWIFTAlliance Access](#) interfaces depending on business requirements and volume throughput needed by your customer.

- Alliance Access is the preferred choice for middle/high volume traffic. It provides several file, Web and MQ based adapters for FIN, InterAct and (as of SAA R6.3) FileAct connectivity. Automated File Transfer (AFT) or either MQSA or MQHA connectivity mechanisms are possible (1 out of 3 is mandated if connection needed over Alliance Access)

MQSA will be phased-out in favor of the embedded MQ Host Adapter (MQHA) introduced in Alliance Access 6.2. We encourage all SWIFTReady providers to plan for MQHA support in the coming years, or even offer it as of 2009 although not required to get the 2009 SWIFTReady label.
- Alliance Lite is the preferred choice for low volume traffic. It provides an AutoClient functionality to import/export the messages to the Cash Management business application. Release-1's AutoClient allows the file input/output of multiple FIN MT messages in RJE file format, as well as sending and receiving of FileAct files (Autoclient connectivity mandated if connection needed over Alliance Lite)

3.4.2 Option 2: Indirect connectivity

Alternatively, you can prove your application's messaging support by providing SWIFT with evidence of an indirect connectivity solution consisting of :

- your business application and a SWIFTReady Financial EIA (middleware) solution.. The complete and up-to-date list of SWIFTReady Financial EAI applications can be found on www.swift.com/partners.

An SWIFTReady Financial EAI proposes generic adapters that allow to capture business data from diverse file systems, documents or vendor applications databases, and to map them to the requested MT or MX formats, prior to route and dispatch them to the appropriate Alliance interface.

The EAI absorbs the messaging and network complexities and allow for much quicker integration with SWIFT. The EAI adapters should be customised and configured to map to the vendor application, which should also provide appropriate messages reconciliation mechanisms. The combined Vendor application – EAI should be end-to-end tested over SWIFT Integration Testbed (ITB) for label validation.

- A connection of your business application through an Alliance Access powered SWIFT Service Bureau (List of SWIFTService bureau's available on swift.com)
- A connection of your business application through an Alliance Access - bank managed Member Concentrator.

3.5 Standards

In terms of standards, the application will need to support :

- the MT standards as documented in the SWIFT User handbook, in the areas of payments and reporting. The exhaustive set of message types to be supported is listed in the below table. The implementation of these standards must be in line with the rules and guidelines set out for the Standardised CORporate Environment (SCORE) which are documented in the *SWIFT for Corporates - SWIFTStandards MT Implementation Guide*.

- the ISO 20022 standards as documented in the ISO 20022 Payment Initiation Message Definition Report and the ISO 20022 Schema's for Payment Initiation (www.iso20022.org). Note : the same information can be found in the SWIFT for Corporates - SWIFTStandards MX Message Reference Guide. The implementation of these standards must be in line with the rules and guidelines set out for the Standardised CORporate Environment (SCORE) which are documented in the *SWIFT for Corporates - ISO 20022 Payment Initiation Rulebook*.

All changes to the messages must be supported by the application before their live release date on the SWIFT network. When new messages are introduced or significant modifications have been made to existing messages, we expect the application provider to provide adequate testing time to his customers prior to these messages going live.

Payments and Reporting		
	Corporate to Bank (C2B)	Bank to Corporate (B2C)
Mandatory	FIN MT 101 Request for transfer MT 199 Free Format Message MT 999 Free format ISO20022 (over FileAct) MX : pain.001.001.02 Customer Credit Transfer	MT 199 Free Format MT 940 Customer Statement MT 942 Interim Transaction Report MT 999 Free format MX : pain.002.001.02 Payment Status Report
Optional	MT 104 Direct Debit MT 192* Request for Cancellation MT 195* Queries MT 196* Answers (to MT195 queries) ISO20022 (over FileAct) – as of July 2009	MT 195* Queries MT 196* Answers (to MT195 queries) MT 900 Confirmation of Debit MT 910 Confirmation of Credit MT 941 Balance report MX : camt.052 Bank to Customer Account Report MX : camt.053 Bank to Customer Statement MX : camt.054 Bank to Customer Debit/Credit Notification

**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.*

The support of other standards (e.g. CFONB, BAI, BACS) for payments is also possible (these must be carried over FileAct)

Important notice : As from November 2009, the MT103 will be taken out of the SCORE model. We advise all Corporate Treasury applications to start planning an opt-out of the MT103 in favor of the MT101 as soon as feasible.

3.6 Message Reconciliation

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

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

The application must be able to support SWIFTNet FileAct Real-time and store-and-forward mode. The implementation of FileAct must be in line with the rules and guidelines set out for the Standardised CORporate Environment (SCORE) which are documented in the *SWIFT for Corporates - SWIFTNet FileAct Implementation Guide*.

3.7 Message Validation (Syntax/Semantic – Rulebook compliance)

The application must comply to message syntax/semantic and rules described in the most recent version of 'SWIFT for Corporates – SWIFT FileAct Implementation Guide, SWIFT for Corporates – SWIFT Standards MT Implementation Guide, ISO20022 rulebook for Cash Management and ISO20022 Payment Initiation Rulebook.

3.8 Business Workflow

The application should support Straight Trough Processing (STP) principles and SWIFT usage guidelines as described in above mentioned Rulebooks.

3.9 User Profile Management

The application must ensure the security of the Financial Institution's process(es).

SWIFT expects this to include ensuring that only authorised users (whether people or applications) can perform a specific task. You should demonstrate how profile management is assured and how access is denied to unauthorized users.

In a non-automated environment the application must also be able to support the "four eyes principle".

3.10 Optional : Information Services Integration (BIC and BICPlusIBAN)

The BIC Directory is a database containing the exhaustive list of institutions connected on the SWIFT network, the ISO Country and Currency codes and other banking reference data. The BICPlusIBAN is a comprehensive database based on the previous BIC+ directory, expanded to include SEPA identifiers, such as national bank identifiers used in IBANs, IBAN formats, and BICs issued with IBANs.

Your application could provide access to these directories both for message validation and as look-up function in the message creation and message repair stations. This is an optional criterion.

SWIFT Users can download the BIC Directory from www.swift.com in full or delta versions. Registered Partners can request from Partner Management a free sample of the BIC Directory for integration testing purpose on the www.swiftcommunity.net site (blog : 'registered vendors').

Directory integration

To fulfil the Directory Integration requirements, the vendor application must include:

3.10.1 User upload of the updated BIC Directory

SWIFT provides monthly updates of the BIC Directory to all subscribers, downloadable in several file sizes and formats from swift.com.

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.

3.10.2 Search and retrieve functionality during message composition

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 criteria return 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.

3.10.3 Integration of BICPlusIBAN data

Same as for BIC Directory except that codes retrieved from BICPlusIBAN data must be inserted into the proper field and formatted correctly as per the usage rules in the SWIFT User Handbook.

Please be reminded that the current BIC Database+ Directory has been expanded to include a number of fields that are dedicated to the validation and the extraction of BIC & IBAN combinations. The new directory, i.e. BICPlusIBAN replaces the BIC Database+ which has been phased out in November 2008.

3.11 Related Documents on Solution

- *SWIFT for Corporates - SWIFTStandards MT Implementation Guide.*
- *SWIFT for Corporates - SWIFTStandards MX Message Reference Guide.*
- *SWIFT for Corporates - SWIFTNet FileAct Implementation Guide.*

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