



SWIFT

## Electronic Bank Account Management - EBAM

### SWIFT Solution overview

This guide provides an overview of the EBAM solution. It includes a definition of the scope of the solution as well as a high level description of its building blocks. The document also contains references to detailed documentation which will help any interested parties in implementing the solution.

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## Preface

### About this document

The purpose of this document is to provide general information about the EBAM Solution. This includes an explanation of its scope and the scenarios that are covered, the key components of the solution and a reference to other relevant documentation.

### Audience

SWIFT intends this document for registered SWIFT customers – banks and corporates - and application providers, that participate, or consider participating, in the EBAM Solution.

### Related documentation

Customers can obtain additional information in the following SWIFT publications that are located in the Browse by category tab of the User Handbook Online at [www.swift.com](http://www.swift.com) > Support > Documentation:

Document title	Category
<i>MA-CUG Service Description</i>	Solutions > SWIFT for Corporates
<i>SCORE2.5 Service Description</i>	Solutions > SWIFT for Corporates
<i>Solutions Implementation Service Overview</i>	Solutions > SWIFT for Corporates
<i>SWIFTNet Service Description</i>	Messaging > SWIFTNet
<i>Naming and Addressing Guide</i>	Messaging > SWIFTNet
<i>Standards MX Message Reference Guides</i>	Standards > Standards MX
<i>SWIFT General Terms and Conditions</i>	SWIFT
<i>SWIFT Corporate Rules</i>	SWIFT
<i>SWIFT By-laws</i>	SWIFT
<i>SWIFT Price List</i>	SWIFT
<i>SWIFT Data Retrieval Policy</i>	SWIFT
<i>SWIFT Personal Data Protection Policy</i>	SWIFT
<i>Shared Infrastructure Policy</i>	SWIFT
<i>SWIFT Glossary</i>	SWIFT

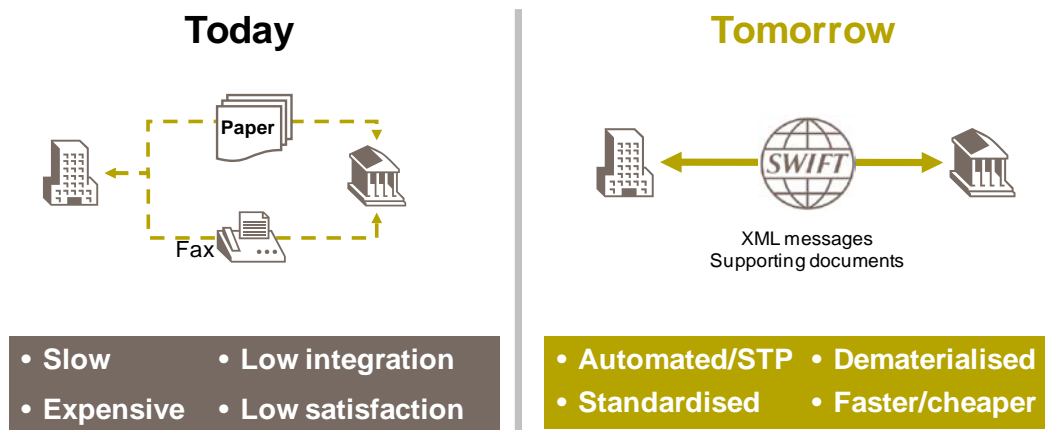
Customers can also refer to the following documents that are available at [www.swift.com/corporates](http://www.swift.com/corporates) > Resource centre > Technical and practical information:

Document title	Information type
<i>MA-CUG Service Description</i>	Contractual information
<i>SCORE Service Description</i>	Contractual information
<i>SWIFT for Corporates - FileAct Implementation Guide</i>	Message implementation guide - FileAct

<i>Standards MX General Information</i>	Message implementation guide - ISO 20022 - EBAM
<i>Message Reference Guides (HTML and PDF)</i>	
<i>XML Samples</i>	
<i>XML Schemas</i>	
<i>EBAM and Digital Signatures</i>	

# 1. Background

The current process of Corporate to Bank Account Management (BAM), i.e. opening, maintaining, and closing accounts, is very manual and paper based, leading to high costs and inefficiencies for both corporates and banks. The opportunity to dematerialise and automate this process has been widely discussed (e.g. workshops, conferences) and to respond to market demand, SWIFT has been asked by its community - including its largest financial institutions and corporates - to develop messaging standards and a SWIFT Solution.



The main benefits for both banks and corporates are:

- reduced total elapse time
- increased corporate customer satisfaction
- reduced cost
- improved STP and traceability.

The SWIFT Solution we describe in this document aims at addressing these expectations.

# 2. Scope

The solution scope covers the full end-to-end process:

- Bank account opening
- Bank account maintenance
- Bank account closing

A reporting message allows to confirm electronically the bank account features (e.g. ownership, mandates). This is especially relevant to reply to – external and internal - auditors requests.

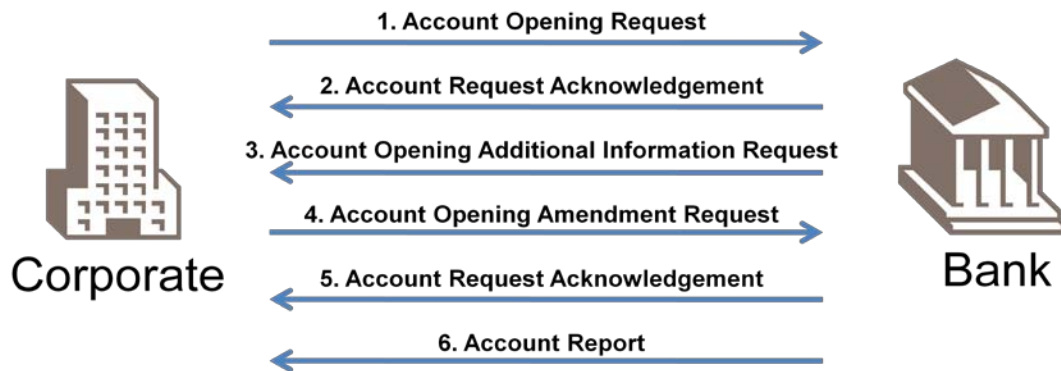
Last but not least, the solution is designed for existing customers only: a customer that has an established relationship with the bank or a new legal entity of this customer. KYC requirements are not captured in the solution. All KYC activities are handled as parallel activities.

### 3. Business scenarios

To cover the above scope, several business scenarios have been discussed during the modelling phase. The resulting solution uses 15 different EBAM XML messages to address these scenarios.

To illustrate how the 15 EBAM XML messages may be combined, we give here below three examples of business scenarios.

#### Bank account opening

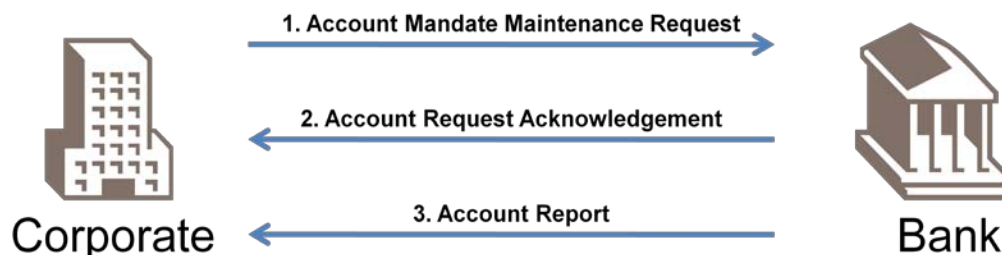


#### Explanatory comments

1. The AccountOpeningRequest is sent by an authorised individual within the corporate organisation. This person is known and identified by the bank.
2. The model guarantees traceability: the bank acknowledges the receipt of the opening request with an AccountRequestAcknowledgement message.
3. The bank may ask additional information.
4. The bank's request is then addressed by the corporate with an AccountOpeningAmendmentRequest message
5. As per step 2, the bank acknowledges the receipt of the message.
6. The process is closed with the issuance by the bank of the AccountReport message. This reporting message contains all bank account information and guarantees the corporate that the initial request is fully processed by the bank and that the account is active.

All messages contain a unique ID so that they can refer to the same initial opening request.

### Maintenance of bank mandates

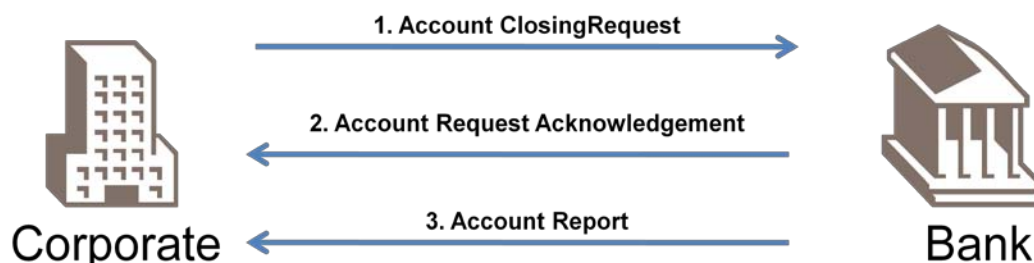


#### Explanatory comments

1. As for bank account opening, the initial request is sent by an authorised individual within the corporate organisation
2. Traceability is ensured by the issuance by the bank of an acknowledgement
3. The process ends always with the issuance of the account report message which guarantees the corporate that the request is fully processed.

As mandate maintenance may involve the exchange of individual certificates and/or the need to sign either a message or a file, the EBAM solution has been developed to address this particular need. See section 4.4. here below.

### Bank account closing



#### Explanatory comments

The approach is very similar but dedicated messages have been developed as the closing of bank accounts is not as obvious as it may appear. The bank requires very specific data from the corporate in order to adequately process the demand. Example of these include the end date, the treatment of any outstanding balance (positive and negative), the impact on any existing pooling structure,....

To ensure the process is closed as expected, the account report message is ending the flow as for account opening and account maintenance.

## 4. Solution overview

### 4.1. Objectives

The EBAM solution addresses the following challenges:

- capture within ISO 20022 XML messages the key information that is today exchanged on paper between banks and corporates
- enable the electronic transfer of XML messages and of the information that will not be contained in the XML standards. The latter is then sent as attachment
- ensure all necessary information requiring authentication can be duly signed. This can either be the XML messages and/or the attachments.

### 4.2. Key components

The EBAM solution packages the following components into a single product:

- a set of 15 ISO 20022 XML messages
- A standard technique on how to digitally sign at individual level – vs corporate level – the XML messages and / or their related attachments
- A messaging service – FileAct – that allows the transportation of XML messages and their attachments, when any.

The below paragraphs describe each of these elements and contain the necessary references to detailed documentation, should further details be required.

### 4.3. XML standards

To support the agreed scope, and the business scenarios addressed during the modelling phase, 15 XML messages have been developed. They allow to refer to any attachments when needed. These messages have been piloted during the summer of 2009 and are going through the ISO 20022 certification during the last quarter of 2009. Schemas will be available by February 2010 on the [ISO 20022 website](#) and on [corporates resource centre on swift.com](#)

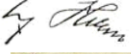
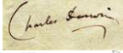


### 4.4. Use of digital signature

Managing bank accounts involves the exchange of information on individuals authorised to perform financial transactions from the designated bank account(s). This information – commonly known as bank mandates - includes:

- Name
- Function
- Financial limits up to which the individual is authorised to order transactions (e.g. treasury payment up to KEUR 10,000)
- The wet signature of the individual

Currently, this information is captured on paper on a “signature card” (“carton de signature”). As the below illustration indicates, wet signatures of authorised individuals

are documented as well as the signature of the main mandator. The main mandator signature is mandatory as it officially delegates authority to the authorised individuals registered on the signature card.

<b><u>Signature card</u></b>	
<b><u>KEUR</u></b>	
Mr X 10,000 CFO	
Mr Y 8,000 Treasurer	
Ms Z 5,000 GL accountant	
Main mandator	

In the context of the EBAM solution, the signature card is no longer needed because the related info may be captured within the XML message.

In addition, although the developed XML messages capture the core of the information needed to manage bank accounts, it is impossible to replace the entire set of paper documents that is used today. Main reasons for that are:

- Lack of harmonisation between/within banking groups
- Lack of harmonisation between countries/regions
- Legal constraints

As a result, banks and corporates may decide in the future to complement the XML messages with these paper documents under electronic format, in which case ***some of these documents will have to be digitally signed to comply with security requirements***. The SWIFT solution also addresses that need.

In summary, three business needs requiring digital signature at individual level have been identified:

1. ***transport signatures*** of authorised individuals (e.g. CFO, Treasurer, GL Accountant)
2. ***digitally sign the XML message*** containing the information on authorised individuals. This signature will replace today's wet signature of the main mandator. It is to be noted that this signature is at the individual – vs the corporate – level.
3. ***digitally sign an attachment to the XML message*** containing the non-standardised information and paper documents.

The technical specifications explaining how to use and implement the digital signature in the context of the SWIFT EBAM solution have been approved by the community in June 2009 and are now available. You can consult them on [swift.com/corporate](http://swift.com/corporate) in the [resource centre](#).

## 4.5. Messaging service: FileAct

The FileAct messaging service allows addressing the need for electronic transportation of different items under different formats (XML + attachments in non XML format) over SWIFTNet.

Specific rules have been defined for the FileAct header info fields to enable transportation of EBAM related information – XML and/or attachments – over FileAct. . In particular:

- The request type field starts with “acmt” (account management) to identify that the content of the file relates to EBAM (similar as payment files use “pain”, trade files “tsrv”). It will also indicate if the file contains an XML message only or if attachments are joined. This first set of rules aims at facilitating internal routing.
- The header info field will give additional information on the format and nature of any potential attachments. On top of that, SWIFT is working with the community on defining a naming convention that will enable to name supporting documents in a standard way between different banks, hence, reaching further harmonisation.
- As different items from different nature may be sent together within a single file (XML + attachments), the sender may use an archiving compression mechanism (e.g. WINZip application) to concatenate the items contained in the file. A dedicated field – the FileInfo field - allows the identification of the archiving compression application used, so that the receiver can read the list of the file content before processing it (e.g. routing to the right application, service).

Rules are documented in the [SWIFT for corporate FileAct implementation guide](#).

## 5. Next steps

This solution document will evolve depending on the feedback received from the early adopters – bank, corporates and application providers. Any further version will be published on the corporate website.

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