



Service

Partners

SWIFTReady for Corporates - Trade and Supply Chain Finance

Label Criteria 2012

This document explains the business criteria needed to obtain the SWIFTReady for Corporates – Trade and Supply Chain Finance label, aimed at Corporate Applications.

27January 2012

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Preface

Purpose of this document

This document explains the criteria needed to obtain the SWIFTReady for Corporates – Trade and Supply Chain Finance label, aimed at Corporate Applications.

Intended audience

This document is for the following audience:

- Product Managers
- Development Managers/Developers

Related documentation

The first two references can be found at http://www.swift.com/partners/certify_your_application

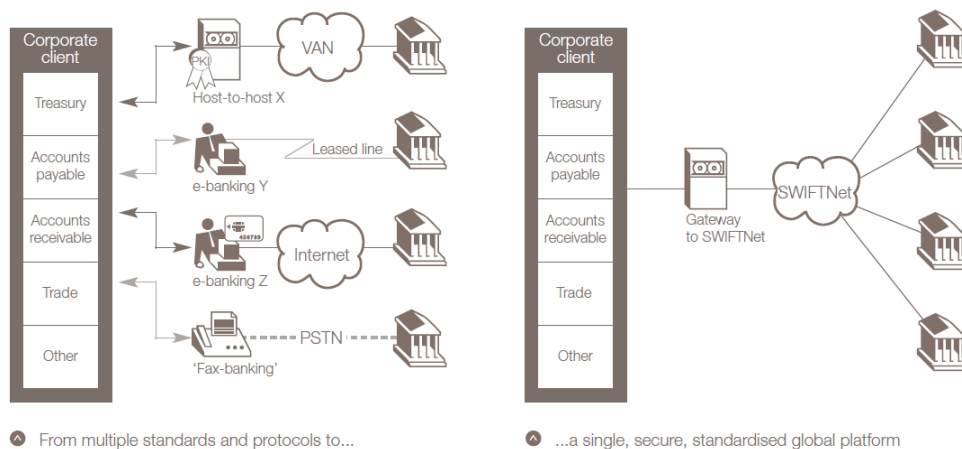
- *SWIFTReady Application Programme Overview*
The document provides an overview of the SWIFTReady programme, including the benefits to join for application vendors. It also explains the SWIFTReady validation process, including the technical, functional and customer validation.
- *SWIFTReady Technical Validation Guide*
The document explains the "How" in a detailed manner on how your application will be validated to become SWIFTReady.
- [SWIFT for Corporates – Trade Finance drivers](#)
- [SWIFT for Corporates – Standards MT Implementation Guide – Volume 1 \(ZIP\)](#)
- [SWIFT for Corporates - Standards MT Implementation Guide – Volume 2 \(ZIP\)](#) (27 August 2010)
- [SWIFTNet FileAct Implementation Guide \(PDF - May 2010\)](#)
- [Trade and Supply Chain](#) pages on swift.com
- [SWIFT User Handbook Online – Message Reference Guides](#)
- [TSU Corporate to bank Guidelines](#)
- [Standards MX General Information](#)

1 SWIFT for Corporates Trade and Supply Chain Finance Solution

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

To address these challenges, improved efficiency and overall control are needed. Because of this, corporates are increasingly trying to centralise and automate their operations.

In doing so, they 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, such environments 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).



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

For Trade Finance many corporates use up to 20 banks and more. The problems created by the use of multiple standards and protocols are therefore even more severe. Regulators are also becoming much more demanding, wanting, for example more details about a corporate trading activities in different parts of the world.

The SWIFT for Corporates – Trade and Supply Chain Finance offering encompasses the following components:

- **SWIFT Standards:** SWIFT Standards FIN, SWIFT Standards FileAct
- **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
- **Message User Guidelines:** sets out guidelines for message standards which must be followed
- **Access Models:** SCORE, SCORE-compliant MA-CUGs

2 SWIFTReady for Corporates Trade and Supply Chain Finance Label

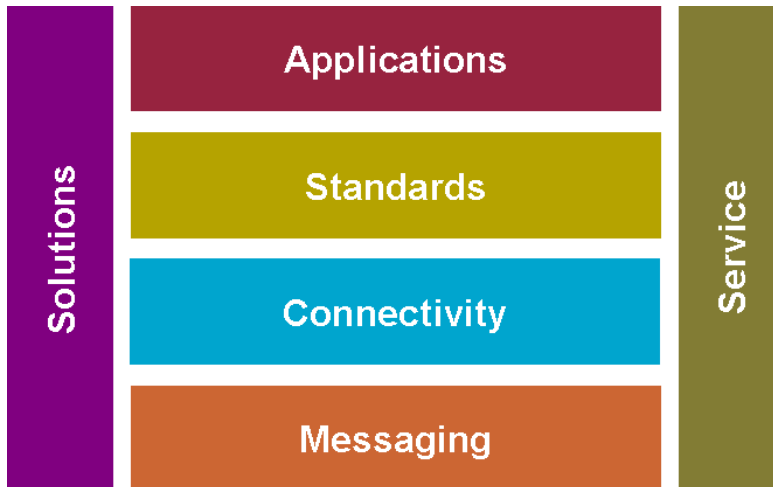
The SWIFTReady for Corporates – Trade and Supply Chain Finance label has been introduced in 2010.

It complements the SWIFTReady Trade Finance banking application label. The label for corporates aims at business applications that are capable of processing and exchanging trade flows (for example, application for issuance of a Letter of Credit (L/C), Documentary Credit Advice). The SWIFTReady for Corporates – Trade and Supply Chain Finance label is granted to Trade applications that work in a corporate back-office context.

The label is awarded after a successful technical and functional validation by SWIFT experts.

Applications qualifying for this labelling programme must offer a set of business functions which involve the processing of the data to be ultimately exchanged over SWIFTNet. Applications of which the aim is to primarily facilitate connectivity (that is, reformatting and technical integration with third-party applications) do not qualify. Stand-alone EAI (Enterprise Application Integration) products (without further business functionality) do not qualify.

3 SWIFTReady for Corporates Trade and Supply Chain Finance Criteria 2012



3.1 Changes compared to 2011

New label

Vendors applying for the SWIFTReady for Corporates – Trade and Supply Chain Finance label for the first time must comply to all criteria as defined in this document.

Existing label (renewal from previous year)

Vendors that have been granted the SWIFTReady for Corporates – Trade and Supply Chain Finance label in 2011 are required to prove compliance to 2012 Standards Release Guide (SRG).

Following optional criteria for 2011 are mandatory in 2012:

- Submessages / flows (optional in 2011) of MT798 are mandatory in 2012
- FileAct with specific Trade Request types and support of reference in the MT798 field 23X) to a related FileAct file.

Optional support of ISO20022 messages (tsmt) for corporate to bank (incl BPO).

In case the vendor has upgraded its application, details of the new functionalities will be requested by SWIFT and demonstrated by the vendor (e.g. New Functional validation required).

3.2 Installed Customer Base

Vendors applying for SWIFTReady for Corporates – Trade and Supply Chain Finance are requested to provide one or more live customer reference(s), This requirement however is not mandated for 2012. By "customer" we mean a Corporate using the product to generate/receive trade-related messages transported over SWIFTNet between the corporate and the back-office of the related financial institution.

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

Mandatory:

- [FIN](#)
FIN is SWIFT core store-and-forward messaging service. It enables the exchange of individual structured financial messages in a secure and reliable way.
- [FileAct](#)
FileAct enables 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.

Optional:

- [BIC](#) directory and [BICPlusIBAN](#) directory integration
- ISO20022 messages (tsmt) for C2B (incl BPO).

3.4 Connectivity

The application must be able to connect its application with SWIFT:

- either **directly** through one of the available **Alliance** interface adapters
- or **indirectly** through a **SWIFTReady Financial Enterprise Application Integration (EAI)** solution

A partner application that does not connect directly or indirectly to Alliance cannot be considered for a SWIFTReady label. The Alliance interface can be deployed at customer premises, or managed at a service bureau.

3.4.1 Option 1: [Direct connectivity](#)

For direct connectivity, the vendor application must integrate with Alliance Access.

Alliance Access provides File, Simple Object Access Protocol (SOAP) and MQ-based adapters for FIN, InterAct, and for FileAct connectivity. The direct business application to Alliance Access connection can be achieved using one of the Alliance Access adapters: MQ Host Adapter (MQHA), Automated File Transfer (AFT) or SOAP Host Adapter.

The partner must develop and test SWIFT application integration using Alliance Access 7.0. Proper support of Alliance Access 7.0 is mandated for the 2012 label.

The SWIFTReady for Corporates – Trade and Supply Chain Finance label requires support for either Automated File Transfer (AFT) or an interactive link with MQHA or SOAP.

In summary:

Messaging service	Standards	Interface	Mandatory adapter
FIN	MT	Access	AFT or MQHA or SOAP
FileAct RT (real-time)	Any	Access	AFT or MQHA or SOAP
FileAct SF (store-and-forward)	Any	Access (client)	AFT or MQHA or SOAP

(1) MQSA can no longer be ordered. It is supported in maintenance mode only.

The partner must develop and test SWIFT application integration using Alliance Access 7.0. Proper support of Alliance Access 7.0 is mandated for the 2012 label.

3.4.2 Option 2: Indirect Connectivity

Alternatively, you can prove your application 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. For indirect connectivity, a selection must be made from the list of **2011 SWIFTReady**

Financial EAI suites, which are listed on [swift.com](http://www.swift.com/partners/locator) <http://www.swift.com/partners/locator>. Please note that there will not be a 2012 SWIFTRReady Financial EAI label.

Financial EAI provides generic adapters that capture business data for various file systems, documents and business application databases, and map them to the requested MT or MX formats, prior to routing and dispatching them to the appropriate Alliance interface. It deals with the messaging and network complexities and eases the integration with SWIFT. The EAI adapters must be customised and configured to map to the partner application, which must also provide the appropriate message reconciliation mechanisms.

When the Partner selects the indirect connectivity option for label qualification, the combined solution (partner application and SWIFTRReady Financial EAI) must be tested end-to-end over the SWIFT Integration Test Bed (ITB).

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

3.5 Standards

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

3.5.1 FIN

The FIN standards as documented in the SWIFT User Handbook Online, in the areas of trade. The message type 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 Standardized CORporate Environment (SCORE) which are documented in the *SWIFT for Corporates - Standards MT Implementation Guide – Volume 2*.

	Corporate to Bank (C2B)	Bank to Corporate (B2C)
Mandatory	MT 798 Trade Envelope (Trade for Corporates) and the mandatory submessage types (flows) as described below	MT 798 Trade Envelope (Trade for Corporates) and the mandatory submessage types (flows) as described below

The MT 798 is an "envelope" message, one of the "common group" messages in category 7 which has always been used bank-to-bank. In November 2008, the MT 798 (Trade Envelope) was made available for bank-to-corporate/corporate-to-bank use. The main difference between the bank-to-bank use and the corporate-to-bank use of the message is that in the latter case the content of the envelope is highly structured.

Corporates will need help from their vendors in order to implement the Trade Envelope both corporate-to-bank and bank-to-corporate. The message and its related submessages cater for Import Letters of Credit, Export Letters of Credit and Guarantees/Standby Letters of Credit. The messages that were optional in 2011 are indicated in *italic*.

Mandatory:

Import Documentary Credit
Application for issuance of Documentary Credit - C2B
Notification of issuance of Documentary Credit - B2C
Request for amendment of Documentary Credit - C2B
Notification of amendment of Documentary Credit - B2C
<i>Notification of Acceptance/Refusal of Amendment – B2C</i>
<i>Advice of Discrepancy – B2C</i>
<i>Response to Advice of Discrepancy – C2B</i>
<i>Notification of Advice of Payment/Acceptance/Negotiation – B2C</i>
<i>Notification of Advice of Discharge – B2C</i>
<i>Notification of Advice of Refusal – B2C</i>
<i>Notification of Advice of Reimbursement or Payment – B2C</i>
<i>Settlement of Import Documentary Credit – B2C</i>

Export Documentary Credit
Advice of Documentary Credit – B2C
Advice of amendment of Documentary Credit – B2C
Advice of Third Bank Documentary Credit – B2C
Advice of Transfer Documentary Credit – B2C
<i>Advice of Acceptance/Refusal of Amendment – C2B</i>
<i>Response to Documentary Credit presentation – B2C</i>
<i>Notification of authorisation to Pay, Accept or Negotiate – B2C</i>
<i>Notification of Advice of Payment/Acceptance/Negotiation – B2C</i>
<i>Notification of Advice of Discharge – B2C</i>
<i>Notification of Advice of Refusal – B2C</i>
<i>Notification of Advice of Reimbursement or Payment – B2C</i>
<i>Request for Transfer of a Documentary Credit – C2B</i>
<i>Advice of Transfer Documentary Credit – B2C</i>
<i>Settlement of Export Documentary Credit – B2C</i>

Guarantee / Standby Letter of Credit
Application for issuance of Guarantee / Standby Letter of Credit – C2B
Notification of Guarantee / Standby Letter of Credit – B2C
Request for amendment of Guarantee / Standby Letter of Credit – C2B
Notification of amendment of Guarantee / Standby Letter of Credit – B2C
Query to extend or pay Guarantee / Standby Letter of Credit – B2C
Response to extend or pay Guarantee / Standby Letter of Credit – C2B
Notification of claim for payment of Guarantee / Standby Letter of Credit – B2C
Settlement of Guarantee / Standby Letter of Credit claim for payment and/or charges – B2C
Request for Guarantee / Standby Letter of Credit Reduction / Release – C2B
Advice of Guarantee / Standby Letter of Credit Reduction or Release – B2C

Common Group
Free Format Message – C2B
Free Format Message – B2C
<i>Notification of Settlement of Charges – B2C</i>
<i>Request for Settlement of Charges – B2C</i>

More information and specifications of the flows can be found in the *Standards MT Implementation Guide – Volume 2 (Aug 2010)*.

All changes to the MT 798 must be supported by the application before their live release date on the SWIFT network. When new flows are introduced or significant modifications have been made to existing flows, we expect the application provider to provide adequate testing time to its customers prior to these messages going live.

3.5.2 FileAct

For some types of trade data exchange, the FileAct messaging service may be more appropriate. Specific Trade Request types enable corporates and banks to identify files in a formal matter. Trade documents

and images can be sent over SWIFT, and FIN messages for one transaction can be grouped together. Transparency, classification, routing, and processing are all improved.

Mandatory:

Trade Request Type	For files containing ...
tsrv.xxx.lettersofcredit	Items relating to L/Cs in any agreed format: for example, SWIFT Standards, EDIFACT, XML, scanned images
tsrv.xxx.gteesstandbys	Items relating to Guarantees/Standbys in any agreed format: for example, SWIFT Standards, EDIFACT, XML, scanned images
tsmt.xxx.tradedocuments	Trade documents: for example, invoices, certificates of origin, Bills of Lading
tsrv.fin.mt7xx.lettersofcredit	Items pertaining to L/Cs in FIN format
tsrv.fin.mt7xx.gteesstandbys	Items pertaining to Guarantees/Standbys in FIN format

More information on names and specifications Trade Request Types can be found in the *SWIFT for Corporates - FileAct Implementation Guide (May 2010)*.

3.5.3 ISO20022

The following functions are required for corporate-to-bank communication:

- baseline establishment
- baseline amendment
- data set submission
- intent to pay

Other functions exist in the TSU, like reporting, but have been put out of scope and have not been specifically tested. Financial institutions offer more complete reporting than the TSU. Therefore using the existing TSU reports would be of limited value in the corporate-to-bank space.

Documentation of messages:

- XML schemas and documentation (MDR – Message Definition Report) is on www.iso20022.org web site, at the bottom of the page “catalogue of messages”.

- [TSU Corporate to bank Guidelines](#)

Optional:

The list of TSU messages that are in scope is as follows:

Incoming (to TSU)	Message Identifier
InitialBaselineSubmissionV03	tsmt.019.001.03
BaselineReSubmissionV03	tsmt.012.001.03
DataSetSubmissionV03	tsmt.014.001.03
BaselineAmendmentRequestV03	tsmt.009.001.03
AmendmentAcceptanceV02	tsmt.005.001.02
AmendmentRejectionV02	tsmt.007.001.02
MisMatchAcceptanceV02	tsmt.020.001.02
MisMatchRejectionV02	tsmt.022.001.02
IntentToPayNotificationV01	tsmt.044.001.01

Outgoing (from TSU)	Message Identifier
AcknowledgementV03	tsmt.001.001.03

AmendmentAcceptanceNotificationV03	tsmt.006.001.03
AmendmentRejectionNotificationV03	tsmt.008.001.03
BaselineAmendmentRequestV03	tsmt.009.001.03
BaselineMatchReportV03	tsmt.010.001.03
BaselineReportV03	tsmt.011.001.03
DataSetMatchReportV03	tsmt.013.001.03
DeltaReportV03	tsmt.015.001.03
ErrorReportV03	tsmt.016.001.03
ForwardDataSetSubmissionReportV03	tsmt.017.001.03
FullPushThroughReportV03	tsmt.018.001.03
MisMatchAcceptanceNotificationV03	tsmt.021.001.03
MisMatchRejectionNotificationV03	tsmt.023.001.03
ActionReminderV03	tsmt.024.001.03
TimeOutNotificationV03	tsmt.040.001.03
ForwardIntentToPayNotificationV01	tsmt.045.001.01
IntentToPayReportV01	tsmt.046.001.01

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 must capture these notifications and ensure technical reconciliation, error handling, repair and transmission.

-The application must also 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 Standardized CORporate Environment (SCORE) which are documented in the *SWIFT for Corporates - FileAct Implementation Guide (May 2010)*.

In this case, the application must also be able to support the reference in the MT 798 (field 23X) to a related FileAct file.

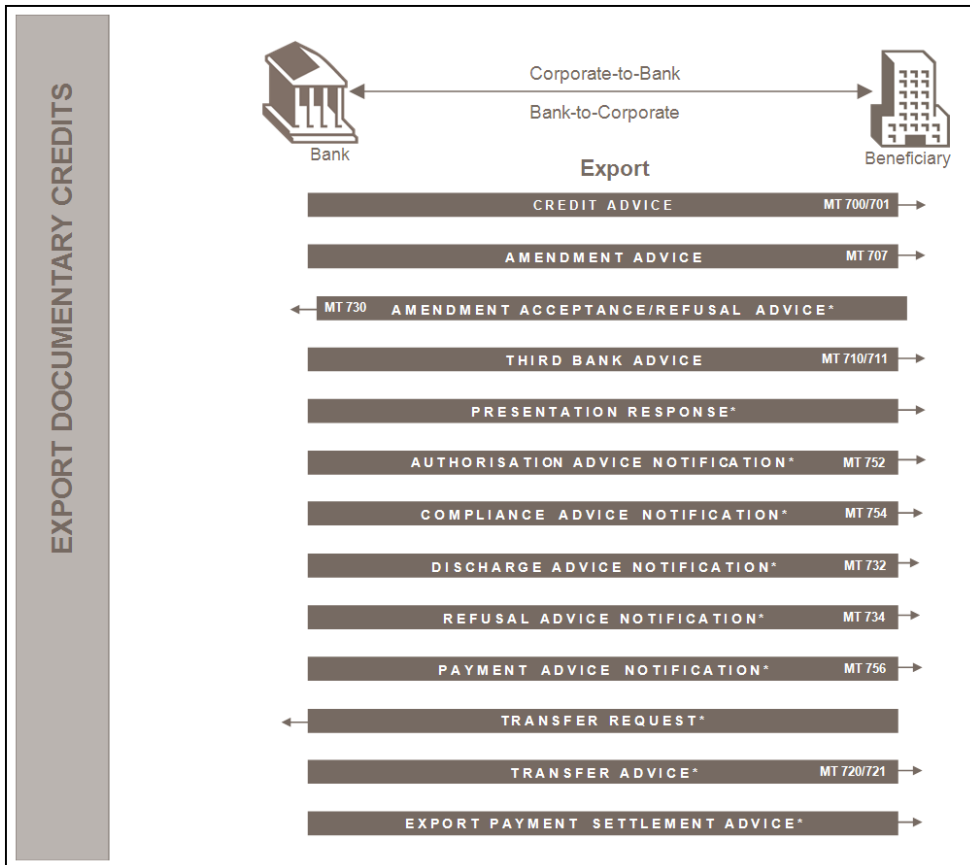
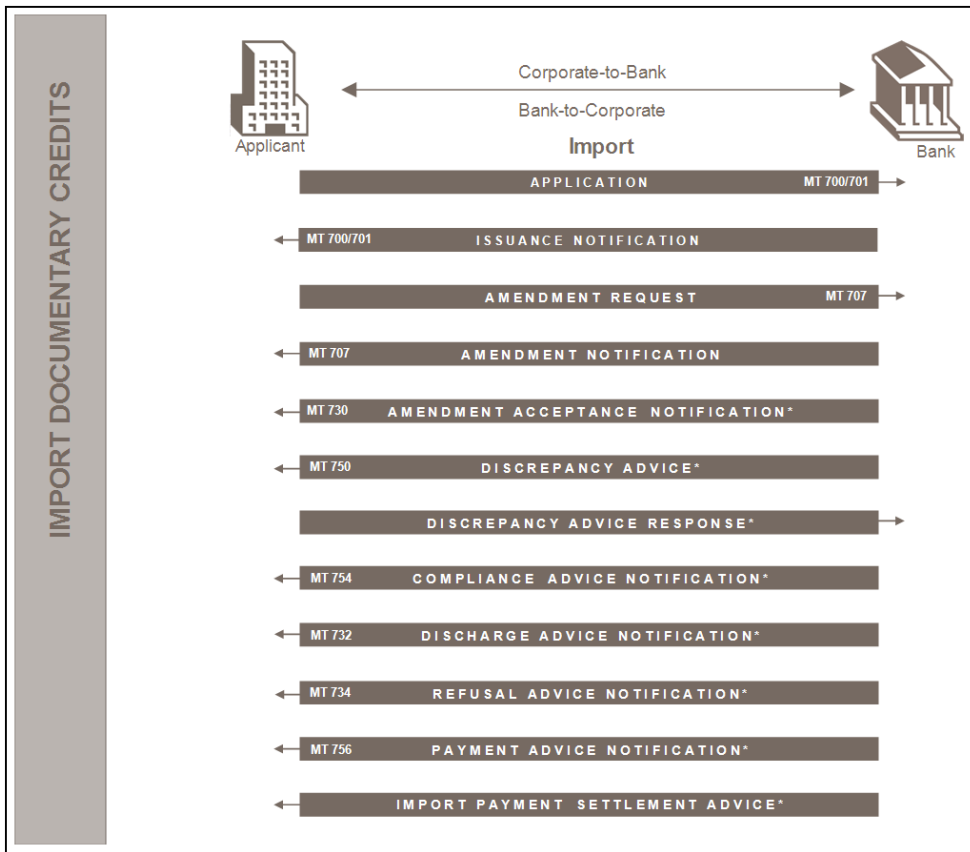
3.7 Message Validation (Syntax/Semantic – Rulebook compliance)

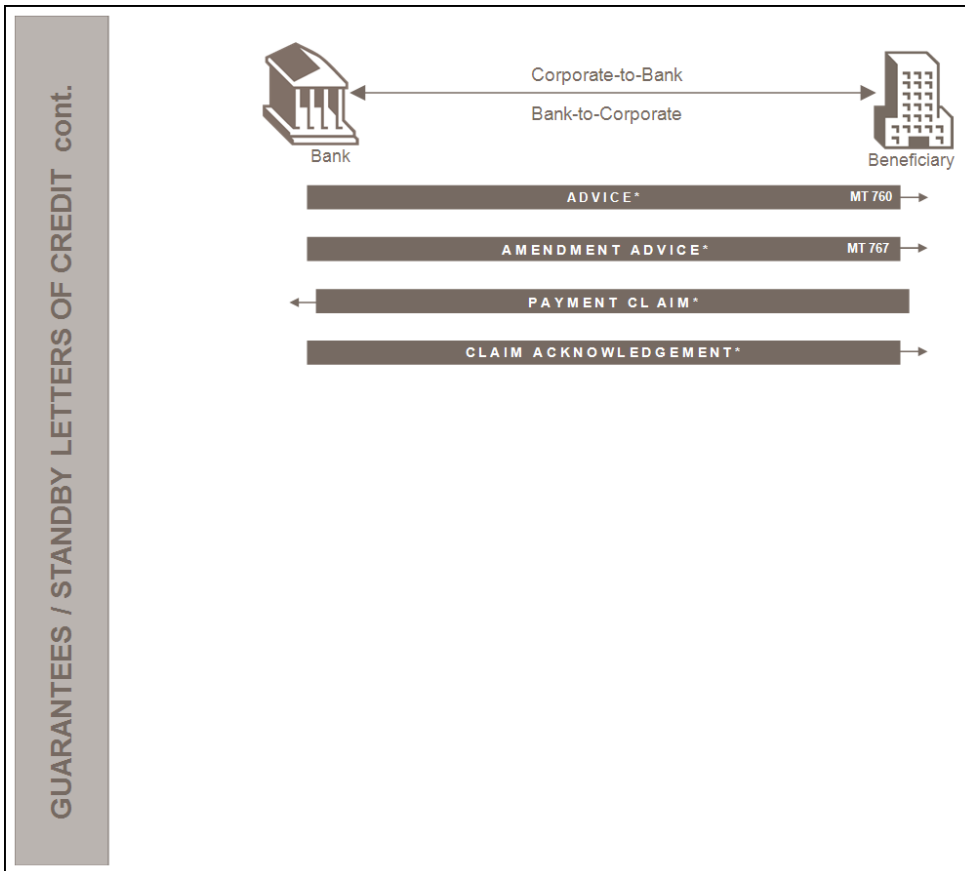
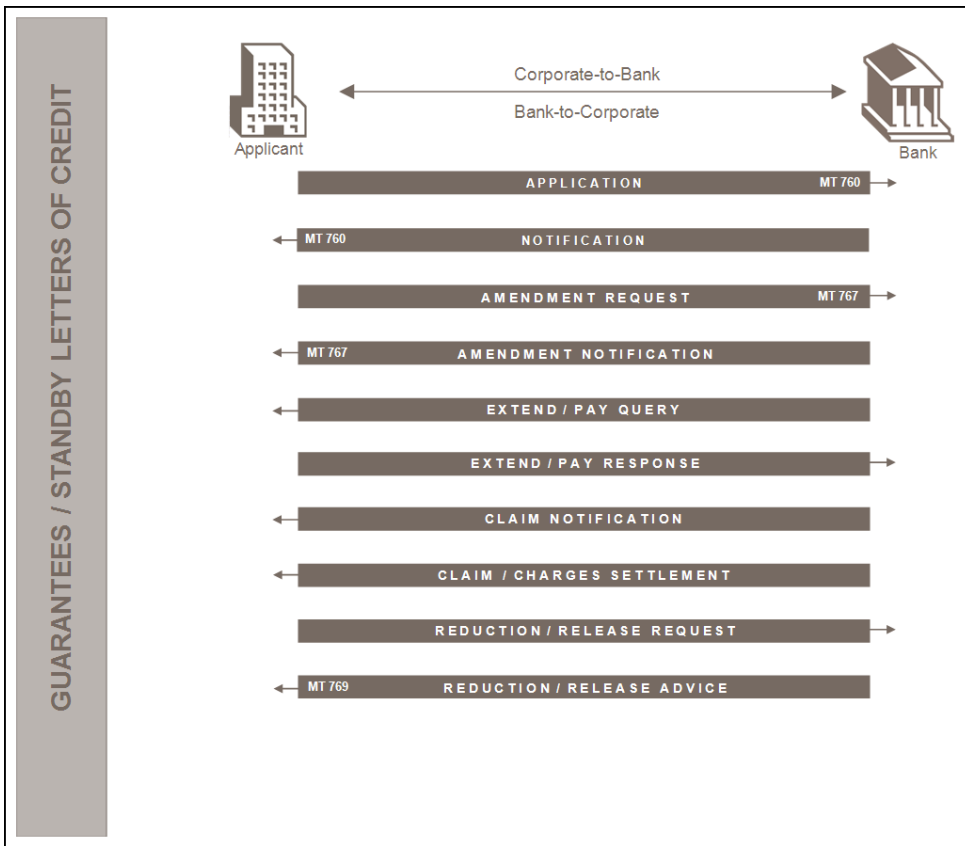
The application must comply with message syntax/semantic and rules described in the most recent version of *SWIFT for Corporates – Standards MT Implementation Guide - volume 2 (Aug 2010)* and optionally *SWIFT for Corporates – FileAct Implementation Guide*.

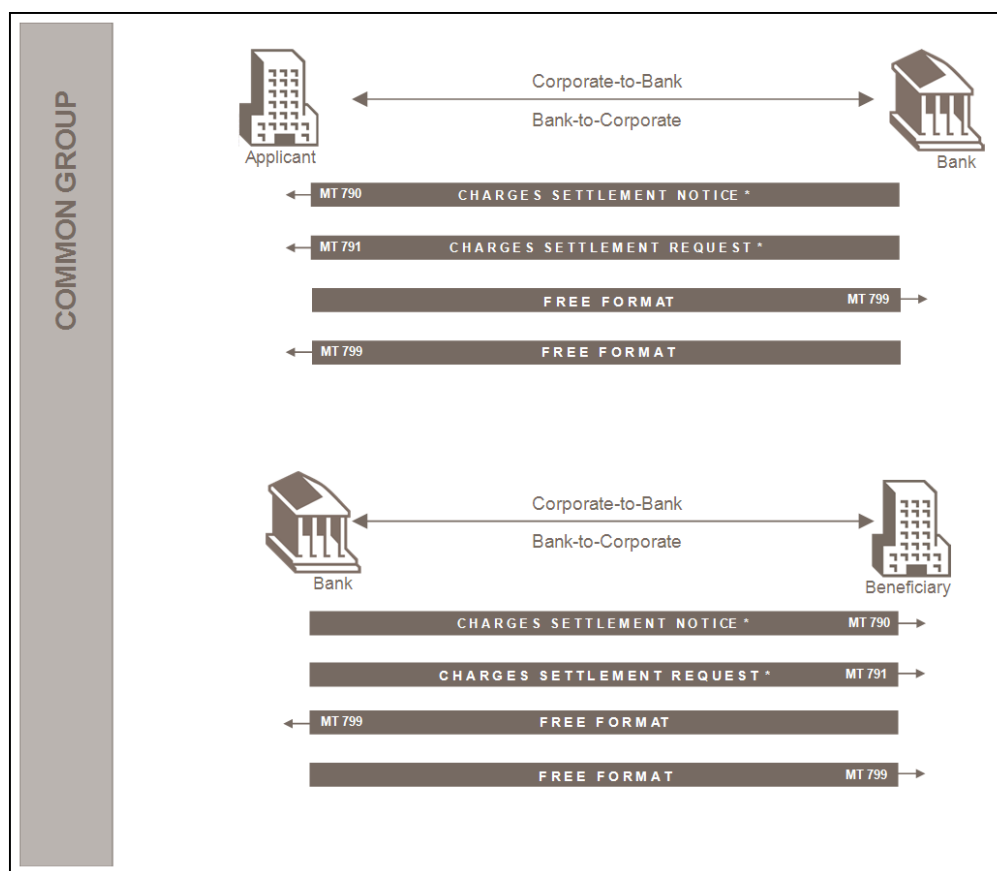
3.8 Business Workflow

The corporate application must support Straight-Through Processing (STP) and SWIFT usage guidelines as described in above mentioned rulebooks. For the MT 798, all related sub-messages and flows must be supported (on following screenshots, an asterisk indicates the flows that have become mandatory for the 2012 label – optional in 2011).

The corporate application must be able to send, receive and process the messages, as stated in paragraph 3.4.1 Option 1: Direct connectivity, with the appropriate banking counterparties.







3.9 User Profile Management

The application must ensure the security of the financial processes.

SWIFT expects this to include ensuring that only authorized users (whether people or applications) can perform a specific task. You must 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, BICPlusIBAN and/or SWIFTRef)

The BIC Directory is a database containing the exhaustive list of institutions connected on the SWIFT network.

The BICPlusIBAN Directory includes the full list of the ISO 9362 BIC cross-referenced with more than 400,000 national bank codes/sort codes from over 60 countries, including codes from the American Banking Association (ABA). It also provides the ISO 13616 IBAN structures of more than 50 countries, and all national bank codes used in IBANs, cross-referenced with the BICs used in SEPA. It also includes the directory of countries, currencies, and holidays.

BICPlusiban can no longer be purchased as of January 2012. It remains available for existing users until December 2013.

SWIFTRef, the global payments reference data utility, offers a suite of global payments reference data services, housed and maintained on a flexible relational database and accessible in a choice of formats and delivery channels matched to the business needs.

The Partner Application must provide access to these directories both for message validation and as look-up function in the message creation and message repair stations.

The BIC Directory is downloadable from www.swift.com in full or delta versions. It must either be copied into the application repository system, or stored in back-office for access by the partner application through a defined interface.

Directory integration

To fulfill the Directory Integration requirements, the vendor application must include either/both:

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 www.swift.com.

It is the responsibility of the subscriber at all times to make sure that it uses the latest update of the BIC. As such, we expect the application to provide the user with a comprehensive tool to enable 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.

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 side. SWIFT expects vendors to provide an integrated interface within their application to enable users to retrieve and input BICs into the proper fields, correctly formatted.

The user must 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 the user must be able to select the correspondent BIC and to copy it into the message (that is, 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.

3.10.2 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 Online.

The Partner Application must support validation of generated messages against the BICPlusIBAN directory. It must use the IBAN-BIC directory to validate the IBAN-BIC combinations, translate BIC into national bank/clearing codes, and to derive the BIC from the IBAN.

3.10.3 Integration of SWIFTRef suite

SWIFTRef, the global payments reference data utility, offers a suite of global payments reference data services, housed and maintained on a flexible relational database and accessible in a choice of formats and delivery channels matched to the business needs.

Via SWIFTRef, vendors will be able to access all the Standard Settlement Instructions, BICs, national bank codes, IBAN information, routing directories (SEPA and other payment systems) and more, secure in the knowledge that the data is up-to-date, comprehensive and consistent with all related payments reference data sets on the platform.

More information available on <http://www.swiftrefdata.com/>

The Partner Application must be able to support the use of the SWIFTRef services suite and lookup and validate the Standard Settlement Instructions, BICs, IBANs, national bank codes, routing directories and more. The Partner Application must also implement the necessary logic.

4 Marketing and Sales

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

- A list of all customers that actively use the partner application in a SWIFT context. A list of all customers active in the finance sector. The list must 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 2012 and 2013 containing the plans for further partner application development, support of SWIFT solutions and new releases.
- A complete set of partner application documentation, including features overview, SWIFT adapters, workflow engine capability, and user manuals.
- A dedicated web page on the partner web site describing the SWIFTReady application used in a SWIFT context. The page must be maintained with the same URL for a complete year that will be referenced to on www.swift.com.

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