



Service

Partners

SWIFTReady Funds

Label Criteria 2012

This document explains the criteria needed to obtain the SWIFTReady Funds 2012 label for your business application.

27 January 2012

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Preface

Purpose of this document

This document explains the criteria needed to obtain the SWIFTReady Funds 2012 label for your business application.

Intended audience

The document is for the following audience:

- Application Product Managers
- Developers
- SWIFT customers seeking to understand the SWIFTReady programme or being involved in the selection of third-party applications

Related documentation

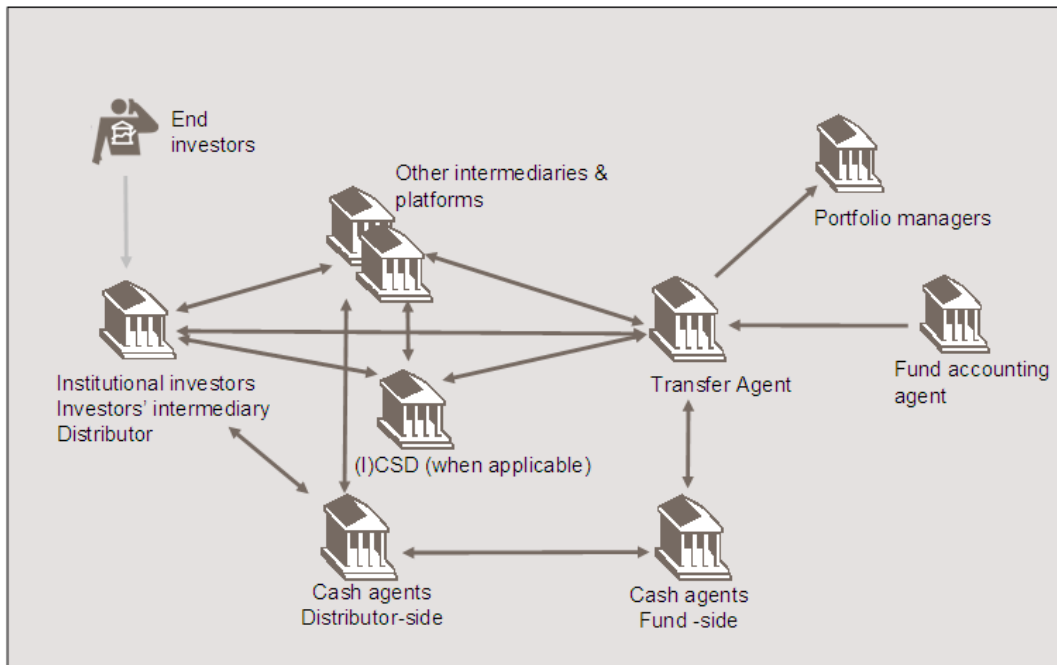
The first two references can be found at http://www.swift.com/partners/certify_your_application

- *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 Guides for Funds*
The document explains the "How" in a detailed manner on how your application will be validated to become SWIFTReady Funds.
- *Funds Integration Guide*
- *Funds Service Description*
- Standards MX Samples with Alliance Access Headers
- Standards MX Samples with InterAct Headers
- [Funds Standards MX](#)
- Funds pages on www.swift.com
- [Simulation Testing and Qualification Service \(STaQS\) for Funds](#)
- *Funds MT- Funds MX translation rules guidelines*
- Business Interoperable Elements matrix: table illustrating the mapping between MT FIN Fund Template elements and their corresponding ISO 20022 elements

1 The Funds Solution: Supporting Automation of Investment Funds Distribution – High-Level Introduction

Open architecture is progressively expanding in Europe and Asia-Pacific. The growth of this distribution model requires that the market shares a comprehensive set of open market message standards, and a scalable, highly secure and standardised platform for communication.

The Funds solution allows distributors, investment managers, and their service providers to leverage their investment made in SWIFT and to deliver the same operational efficiencies in investment funds as other asset classes. SWIFT has deployed a comprehensive set of new open market global message standards (developed using ISO 20022 specifications) which allow for the majority of communication flows to be automated between all parties in the transaction chain for both cross-border and domestic business. These standards include account opening/maintenance, orders, confirmations, statements, price reporting, cash forecast reporting, commission reporting, and static data.



The Funds solution combines the use of the following elements:

SWIFT Standards	3 ISO 15022 FIN Fund template messages (the funds codes in those messages will be removed from the SWIFT network in 2015). A major migration program to migrate MT fund messages to the equivalent MX messages has started in January 2009, and is well underway. 78 ISO 20022 MX Funds messages
SWIFTNet messaging service	InterAct in store-and-forward mode
The Rulebook	Sets out the rules and best-practice guidelines applicable to all Funds Users

The full list of ISO 20022 MX messages available for Mutual Funds, per category and with the indication of the market practices that have been defined:

Subscription Orders & Cancellations & Confirmations			Market Practices
1	Subscription Order V03	setr.010.001.03	AU, DE, FR, GB, IT, NO, AFAC, Findel, SMPG and ViaNova
2	Subscription Order Cancellation Request V03	setr.011.001.03	AU, DE, FR, GB, IT, NO, SMPG and ViaNova
3	Subscription Bulk Order V03	setr.007.001.03	AFAC and Almus
4	Subscription Bulk Order Cancellation RequestV03	setr.008.001.03	
5	Subscription Order ConfirmationV03	setr.012.001.03	AU, DE, FR, GB, IT, NO, AFAC, Findel, SMPG and ViaNova
6	Subscription Order Confirmation Cancellation InstructionV01	setr.047.001.01	Article I. AU, DE, FR, IT and SMPG
7	Subscription Order Confirmation Amendment V01	setr.048.001.01	
8	Subscription Bulk Order Confirmation V03	setr.009.001.03	AFAC and Almus
9	Subscription Bulk Order Confirmation Cancellation Instruction V01	setr.049.001.01	
10	Subscription Bulk Order Confirmation AmendmentV01	setr.050.001.01	

Redemption Orders & Cancellations & Confirmations			
11	Redemption OrderV03	setr.004.001.03	AU, DE, FR, GB, IT, NO, AFAC, Findel, SMPG and ViaNova
12	Redemption Order Cancellation Request V03	setr.005.001.03	AU, DE, FR, GB, IT, NO, SMPG and ViaNova
13	Redemption Bulk OrderV03	setr.001.001.03	AFAC
14	Redemption Bulk Order Cancellation RequestV03	setr.002.001.03	
15	Redemption Order ConfirmationV03	setr.006.001.03	AU, DE, FR, GB, IT, NO, AFAC, Findel, SMPG and ViaNova
16	Redemption Order Confirmation Cancellation InstructionV01	setr.051.001.01	AU, DE, FR, IT and SMPG
17	Redemption Order Confirmation Amendment V01	setr.052.001.01	
18	Redemption Bulk Order Confirmation V03	setr.003.001.03	AFAC
19	Redemption Bulk Order Confirmation Cancellation Instruction V01	setr.053.001.01	
20	Redemption Bulk Order Confirmation AmendmentV01	setr.054.001.01	

Switches			
21	Switch Order V03	setr.013.001.03	DE, GB, IT, NO, AFAC, Findel, SMPG and ViaNova
22	Switch Order Cancellation RequestV03	setr.014.001.03	DE, GB, IT, NO, SMPG and ViaNova
23	Switch Order ConfirmationV03	setr.015.001.03	DE, GB, IT, NO, AFAC, Findel, SMPG and ViaNova
24	Switch Order Confirmation Cancellation InstructionV01	setr.055.001.01	DE, IT and SMPG
25	Switch Order Confirmation Amendment V01	setr.056.001.01	

Order Status			
26	Request For Order Status ReportV03	setr.018.001.03	AU, DE, IT, NO and SMPG
27	Order Instruction Status Report V03	setr.016.001.03	AU, DE, FR, GB, IT, NO, Findel, SMPG and ViaNova
28	Order Cancellation Status Report V03	setr.017.001.03	AU, DE, FR, GB, IT, NO and SMPG
29	Request For Order Confirmation Status Report V01	setr.058.001.01	
30	Order Confirmation Status Report V01	setr.057.001.01	

Price Reports			
31	Price Report V03	reda.001.001.03	AU, DE &NO
32	Price Report CancellationV03	reda.002.001.03	AU, DE &NO
33	Price Report CorrectionV03	reda.003.001.03	AU, DE &NO

Fund Cash Forecasts			
34	Fund Estimated Cash Forecast ReportV03	camt.040.001.03	
35	Fund Confirmed Cash Forecast ReportV03	camt.041.001.03	
36	Fund Confirmed Cash Forecast Report Cancellation V02	camt.044.001.02	
37	Fund Detailed Estimated Cash Forecast Report V03	camt.042.001.03	
38	Fund Detailed Confirmed Cash Forecast Report V03	camt.043.001.03	
39	Fund Detailed Confirmed Cash Forecast Report CancellationV02	camt.045.001.02	

Transfers			
40	Transfer Out Instruction V03	sese.001.001.03	Findel and GB
41	Transfer Out Cancellation Request V03	sese.002.001.03	
42	Transfer Out Confirmation V03	sese.003.001.03	Findel and GB
43	Reversal Of Transfer Out Confirmation V03	sese.004.001.03	
44	Transfer In Instruction V03	sese.005.001.03	Findel and GB
45	Transfer In Cancellation RequestV03	sese.006.001.03	
46	Transfer In ConfirmationV03	sese.007.001.03	Findel and GB
47	Reversal Of Transfer In ConfirmationV03	sese.008.001.03	

Transfer Status			
48	Request for Transfer Status Report V03	sese.009.001.03	
49	Transfer Cancellation Status ReportV03	sese.010.001.03	
50	Transfer Instruction Status Report V03	sese.011.001.03	GB

Portfolio Transfer			
51	AccountHoldingInformationRequest V02	sese.19.001.02	Findel and GB
52	AccountHoldingInformation V02	sese.18.001.02	Findel and GB
53	Portfolio Transfer Instruction V03	sese.012.001.03	Findel and GB
54	Portfolio Transfer Cancellation Request V03	sese.014.001.03	
55	Portfolio Transfer Confirmation V03	sese.013.001.03	Findel and GB

Statements			
56	Custody Statement Of Holdings V02	semt.002.001.02	GB, IT, NO, AFAC, Findel, SMPG and ViaNova
57	Custody Statement Of Holdings Cancellation V02	semt.004.001.02	SMPG
58	Accounting Statement Of Holdings V02	semt.003.001.02	
59	Accounting Statement Of Holdings Cancellation V02	semt.005.001.02	
60	Statement Of Investment Fund Transactions V02	semt.006.001.02	AU, NO and SMPG
61	Cancellation V02	semt.007.001.02	

Account Management			
62	Account Opening Instruction V02	acmt.001.001.02	GB, IT and SMPG
63	Account Details Confirmation V02	acmt.002.001.02	GB, IT and SMPG
64	Account Modification InstructionV02	acmt.003.001.02	IT and SMPG
65	Get Account DetailsV02	acmt.004.001.02	
66	Request For Account Management Status Report V02	acmt.005.001.02	
67	Account Management Status Report V02	acmt.006.001.02	GB, IT and SMPG

Generic			
68	SecuritiesMessageRejectionV02		semt.001.001.02.

Fund Processing Passport			
69	Fund Processing Passport ReportV02	reda.004.001.02	
70	Investment Fund Report RequestV02	reda.005.001.02	

Alternative Investment			
71	Alternative Funds Accounting Statement Of HoldingsV01	semt.012.001.01	SHARP
72	Alternative Funds Subscription OrderV01	setr.059.001.01	SHARP
73	Alternative Funds Redemption OrderV01	setr.060.001.01	SHARP
74	Alternative Funds Subscription Order ConfirmationV01	setr.061.001.01	SHARP
75	Alternative Funds Redemption Order ConfirmationV01	setr.062.001.01	SHARP
76	Alternative Funds Order Instruction Status ReportV01	setr.064.001.01	SHARP
77	Investment Fund Order Cancellation RequestV01	setr.065.001.01	SHARP
78	Investment Fund Cancellation AdviceV01	setr.066.001.01	SHARP

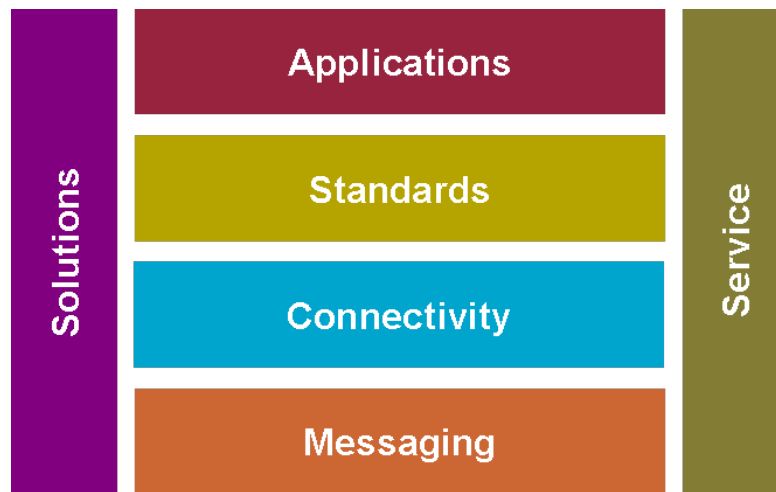
2 The SWIFTRReady Funds Label

The SWIFTRReady Funds label aims primarily at third-party **business applications** that are involved in the distribution of investment funds, not only for the SWIFT message creation/understanding but also for the creation and/or processing of information. Targeted application types, although not restricted, are funds distribution, funds accounting, funds administration and portfolio management systems.

Middleware products, whose primary objective is to reformat business data into SWIFT Funds-compliant messages to be released over SWIFT, can also apply for the SWIFTRReady Funds label at certain conditions detailed under section 3 SWIFTRReady Funds Criteria .

The SWIFTRReady label is granted to business applications or middleware that adhere to a specific set of criteria linked to the support of SWIFT MX messages, SWIFT connectivity, and SWIFT functionality.

3 SWIFTReady Funds Criteria 2012



3.1 Changes compared to 2011

New label

Vendors applying for the SWIFTReady Funds 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 Funds label in 2011 are required to prove compliance to Standards Release (SR) 2012.

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

The application must be used by minimum one live customer.

By "customer" we mean separate financial institutions using the product to generate/receive messages transported by SWIFTNet.

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 application must be able to support InterAct store-and-forward and its associated features.

3.4 Connectivity

The partner 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 Funds 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
InterAct SF	MX	Access	AFT or MQHA or SOAP

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

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 SWIFTReady 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 should also provide the appropriate message reconciliation mechanisms.

When the Partner selects the indirect connectivity option for label qualification, the combined solution (partner application and SWIFTReady 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.

3.4.3 ISO 15022 Standards

The support of ISO 15022 MT Funds templates messages (MT 502, MT 509, MT 515) is not a criteria anymore for the SWIFTReady Funds label. These messages can be supported, as an option.

SWIFT publishes *Funds MT- Funds MX translation rules guidelines*, available from the User Handbook Online on www.swift.com. Since SWIFT does not require ISO 15022 messages implementation, SWIFT does not mandate the implementation of these translations rules to get

the 2012 SWIFTReady Funds label. In the context of the migration, however, MT to MX and MX to MT conversion facility/service is strongly recommended.

3.4.4 ISO 20022 Standards

The third-party software products applying for the SWIFTReady Funds label must support a certain number of ISO 20022 MX messages for Funds, depending on whether the software product is a "back-office system" or a "middleware product".

The full list of MX messages for Mutual Funds can be found in section 1 The Funds Solution: Supporting Automation of Investment Funds Distribution – High-Level Introduction.

For business application products:

Depending on the information flows covered by the application, the relevant ISO 20022 MX messages incoming or outgoing, must be supported within the following message categories:

- Subscription orders/cancellations/confirmation
- Order status
- Redemption orders /cancellations/confirmation
- Price reports
- Statements
- Switches

An application generating mutual funds order flows is expected to support at least some messages from the first two categories. When incoming flows are processed, all data elements of the ISO 20022 message need to be technically accepted even if not processed by the application.

For middleware products:

A middleware product must support all ISO 20022 MX messages, both incoming and outgoing, from the following message categories:

- Subscription orders/cancellations/confirmation
- Order status
- Redemption orders /cancellations/confirmation
- Price reports
- Statements
- Switches

Support for transfer messages is strongly recommended due to regulatory and industry push towards more standardization in this area while support for other message categories, that is, cash forecasts, transfers, account management, and hedge funds is encouraged but not mandatory to get the SWIFTReady Funds label.

3.5 Message Validation (Syntax and Semantic)

Any outgoing message must be validated semantically and syntactically, as per the latest validation rules published in the latest version of the User Handbook Online.

3.5.1 Standards Release

All changes to existing and introduction of new message types must be supported by the application before live release date on the SWIFT Network. If new messages are introduced or a significant modification has been done on existing messages we expect the application provider to provide adequate testing time to its customers before these messages go live.

The Standards Release 2012 will become effective in November 2012, but will be available to vendors for testing on the ITB as of end April 2012 and will be available for customer testing as of end July 2012.

3.6 Funds Rulebook

By subscribing to Funds, each Funds user undertakes to abide by a set of minimum rules, as fully specified in the *Funds Rulebook* document which is made available within the *Funds Service Description*.

The *Funds Rulebook* provides rules and guidelines for a standardised use of Funds. It complements the messages description as provided by SWIFT Standards, and aims to achieve more harmonious business practice among Funds users. SWIFT publication of such rules and guidelines and users compliance to them is especially valuable in a many-to-many environment, in which the risk of divergent practices that is detrimental to straight-through processing and straight-through reporting, is higher.

The application must demonstrate support for the minimum rules section of the *Funds Rulebook*.

3.7 Information and Workflow Processing

The application/middleware is expected to demonstrate information processing capabilities, and also basic workflow management capabilities.

Back-office and middleware products must process incoming order status messages in such a way that the information received is used to update the status of the original transaction.

Middleware products sending funds order messages must be able to trigger an alert must the transaction remain pending beyond a certain period for a defined counterparty.

3.8 User Interface

Whenever relevant, SWIFT expects the application/middleware to offer a Graphical User Interface (GUI).

3.8.1 Message Viewer

The vendor application must be able to browse incoming and outgoing SWIFT messages in a formatted way. In particular, MX messages must be visualized using user-friendly GUI or web-browser offering business meaningful fields (or a reference to the meaning of an XML tag field code).

3.8.2 Message Entry

The Graphical User Interface (GUI) or a web-based browser, if present, must enable a user to manually input any relevant SWIFT message. The message entry tool must cater for some data input validation at message field level – any invalid entry must be flagged, and the user prompted to correct the input.

3.8.3 Message Repair

The Graphical User Interface (GUI) or the web-based browser, if present, must enable a user to manually modify any relevant SWIFT message.

3.9 Technical Message Reconciliation

SWIFT validates messages at different levels and provides notification about validation and transmission results. The application must capture these technical notifications and acknowledgement as well as ensure technical reconciliation, error handling, repair, and retransmission.

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 is a file containing the exhaustive list of institutions connected on the SWIFT network, and integration of its data must be supported.

Monthly update of the BIC Directory

SWIFT provides monthly updates of the BIC Directory to all [subscribers](#). It is the responsibility of the subscriber at all times to make sure 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.

BIC search/retrieval capability

The **B**usiness **I**dentifier **C**odes (BICs) contained in the BIC Directory can be used in various fields of the SWIFT messages. The absence of BICs 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 criterion returns 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 Solution Directory

The Solution Directory is a file containing the exhaustive list of institutions registered for a specific solution. These BICs might not be part of the BIC Directory that refers primarily to FIN.

3.11 Documenting practices

In the context of incoming order messages, documentation of the ISO 20022 practices is recommended in MyStandards. A specific funds-only MyStandards version is available to this purpose

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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