

Three-way JASDEC deal boosts SWIFTNet securities take up in Japan

Citi, HSBC and Bank of Tokyo Mitsubishi UFJ (BTMU) sign for new service

Citi, HSBC and Bank of Tokyo Mitsubishi UFJ (BTMU) will use SWIFTNet to connect to JASDEC's pre-settlement matching system (PSMS) and book-entry transfer system (BETS) infrastructure. The three institutions, which signed separate memoranda of understanding (MOU) with SWIFT during the Sibos week, collectively represent a major potential source of flow for the new service.



Ian Johnston, chief executive, Asia Pacific, SWIFT. Michael Reuben, managing director, corporate banking division, Citibank Japan Ltd.

European financial institutions are likely to utilise ISO 20022 over SWIFTNet in 2013 on a large scale when T2S is rolled out. We foresee this movement in the EU will influence Japan.

Takehiko Nemoto, managing director, Bank of Tokyo Mitsubishi UFJ (BTMU).

BTMU managing director Takehiko Nemoto said that, as one of the major users of JASDEC, the bank would access PSMS and BETS via a CPU-CPU direct connection. The bank represents Japan on the SWIFT Securities Market Practice Group, which aims at global standardisation in the securities arena and is playing a leading role in modernising the Japanese securities settlement environment. With JASDEC, BTMU is also a member of the Standards Evaluation Group.

"As one of the leading sub-custodians in Japan, HSBC is delighted to lend its support and experience to JASDEC's planned use of SWIFTNet for communicating with participants in the exchange of settlement and pre-matching instructions and information," said Colin Brooks, global head of sub-custody and



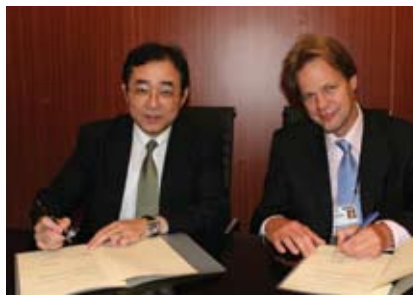
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Colin Brooks, global head of sub-custody and clearing, HSBC.



Takehiki Nemoto, managing director, Bank of Tokyo Mitsubishi UFJ (BTMU). Gottfried Liebbrandt, head of markets, SWIFT.



Ian Johnston, chief executive, Asia Pacific, SWIFT. Colin Brooks, global head of sub-custody & clearing, HSBC Securities Services.

clearing at HSBC. "We look forward to working with JASDEC and SWIFT on this important initiative."

Nemoto commented that JASDEC's plans to offer MX messages over SWIFTNet from 2014 would likely draw inspiration from the European experience. "European financial

institutions are likely to utilise ISO 20022 over SWIFTNet in 2013 on a large scale when T2S is rolled out," said Nemoto.

"We foresee this movement in the EU will influence Japan."

BTMU plans to launch a detailed feasibility study with SWIFT and JASDEC to connect

PSMS and BETS "from the perspective of benefits and the impact on investment – such as availability and flexibility".

The MoU signed this week comes on the back of JASDEC initiatives to promote STP, DVP and dematerialisation across the Japanese securities market.

Implementing standards: focus on the business case

A lively panel debate on Thursday addressed some key issues around implementing messaging standards. While there was general agreement on the advantages of migrating to XML and ISO 20022, the speakers felt that selling the costs of implementation to their senior management remained a challenge.

"The industry needs help – ideally from SWIFT," said Ted Rothschild, executive director, treasury & securities services, J.P. Morgan "In budget sessions with senior management we need strong cost-benefit arguments – especially in tough times."

Toni Friedrich, executive IT architect, payment systems at IBM observed that, "The problem always comes when you have to add something. You can only reduce upfront costs when you are taking something away."

Paul Shetler, senior director, FSI technical and capital Markets, Oracle, also felt SWIFT should adopt a pragmatic role in the industry. "In terms of what standards to implement, let the market decide," he said. "SWIFT's responsibility should be to prepare the case for migration to ISO 20022 as they've already done so effectively in the corporate-to-bank space with SCORE and MA-CUGs."



Irene Mermigidis, senior vice president, product management, core products, Clearstream

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"SWIFT has been making a concerted move from simply defining standards to delivering the business and technology tools needed to implement them, and this is a move that will be good for everyone in the industry," commented Andrew Owens, managing director, global payments, AvantGard Trax, SunGard.

The panel felt that given all the migration complexities, living with multiple formats is inevitable in the medium term. "Co-existence is a fact of life," said Irene Mermigidis, senior vice president, product management, core products, Clearstream Banking, Luxembourg. "Even if someone has already implemented ISO 20022, they still have to maintain links with clients who are on legacy platforms. In the current economy, many of our customers are only doing small, tactical projects now and leaving the big ones until later."

Rothschild posed a final question to the panel: "Do you see XML as the undisputed standards platform by 2015?" Considering the community's investment to date, no one even wanted to even consider an alternative. According to Owens, "It will probably be replaced eventually but not in the next five years. XML is now sufficiently

commoditised in the market that it doesn't require a lot of retooling and investment."

For Friedrich, the question of standards needs to move beyond technology to how they are being applied. "We need to focus on how these standards are being injected into things like workflow management," he said. "I don't care about the technology," Mermigidis added. "As an end-user, I care about the process and the business applications."

Shetler had the last word: "XML is certainly not leaving anytime soon, there's simply too much benefit. And SWIFT owns the ecosystem which benefits the whole community as it continues to promote the development of solutions."

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Irene Mermigidis, senior vice president, product management, core products, Clearstream Banking

Orange launches Finance Connect

A new service featuring Orange's SWIFT's Service Bureau will reduce networking costs and improve service resilience for Orange customers.



Orange Business Services is launching Finance Connect, a new value-added service that includes Orange's SWIFT Service

Bureau and enables financial institutions and multinationals to focus on their core business while substantially reducing total cost of networking and infrastructure ownership and improving service resilience.

Finance Connect is tailored to customers' needs, which can vary from small-scale centralisation and outsourcing services to full-scale M&A integration. The service responds to increased interest in the market for managed services and Software as a Service and is an example of Orange Business Services' strategy to move into the services space.



Patrik Neutjens, partners management, SWIFT. Robin de Keyser, customer program director, Orange Business Services. Alexandre Convent, account general manager, Orange Business Services.

SWIFTNet connectivity is a technical answer to a business need: to have a multi-bank, multi-national generic e-banking platform.

Raffi Basmadjian, treasurer, France Telecom

Finance Connect offers the global financial community a secure and resilient global network that complements existing intranet and extranet; professional business integration services for data exchange and rapid deployment; enterprise application integration and application middleware for formatting, enrichment, message consolidation, prioritisation routing and workflow; and operations hosting with application centralisation of virtually any existing or planned mission-critical live or disaster recovery application in-house or at an Orange hosting centre.

An important element of Finance Connect is Orange's SWIFT Service Bureau. Orange Business Services is the only globally operating network partner that is registered by SWIFT as a Service Bureau. The Service Bureau manages all operations and access

of companies and banks to SWIFTNet via a secured platform allowing companies to focus on their core business.

Complementing its service bureau offering, Orange Business Services has partnered with SWIFT for more than 10 years and currently connects, directly via leased lines, more than 1,250 sites in the SWIFT community.

"After long experience with direct connectivity, we are very pleased that Orange Business Services is complementing this with a Service Bureau offering through Finance Connect," said Patrik Neutjens, partner management, SWIFT. This is another concrete example of how to

Finance Connect specifically addresses the prevalent need our customers have for finding a way to optimise costs and infrastructure.

Dr. Helmut Reisinger, senior vice president, Europe, Orange Business Services

achieve more efficient, cost-effective and faster deployment of SWIFT solutions for customers who do not want to run their own connectivity."

"SWIFTNet connectivity is a technical answer to a business need: to have a multi-bank, multi-national generic e-banking platform," said Raffi Basmadjian, France Telecom treasurer. "For the group treasury the outsourcing of the SWIFT stations in the form of a Service Bureau takes away the technical complexity and saves us time so we can concentrate on our core business: managing treasury instead of tools. In selecting Orange Business Services service bureau, we are choosing one of SWIFT's core network providers to manage the access to SWIFT. For us, this is a guarantee of quality."

Dr. Helmut Reisinger, senior vice president, Europe, Orange Business Services, added that, "Orange Business Services is continually looking for ways to enable our customers to succeed in today's challenging environment. Finance Connect specifically addresses the prevalent need our customers have for finding a way to optimise costs and infrastructure while having visibility and control over cash and focusing on their core business."

SWIFT to advise on Popolare payments plan

Banca Popolare di Sondrio has signed up for SWIFT Professional Services as part of a project to redesign its payments architecture.

Under the agreement, SWIFT will provide a detailed analysis of the bank's existing architecture, recommendations on the redesign, and a project plan proposal.

Banca Popolare di Sondrio will manage the project with Value Team, its preferred partner.



Left to right: Kurt Ryelandt, EMEA, SWIFT. Mario Erba, VP, Banca Popolare di Sondrio. Isabelle Olivier, EMEA, SWIFT.

Brazilian FIs take up standards challenge

Anbid, the Brazilian Financial Institution Association, and SWIFT have committed to working closely to develop ISO 20022 standards for the Brazilian market.



Back row left to right: Pascal Roland, markets, SWIFT. Angus Fletcher, markets, SWIFT. Adam Moulson, standards, SWIFT. David Pryce, Americas, SWIFT. Front row left to right: Marcio Veronese Alves, director, securities & fund services, Banco Citibank SA. Liliane Dutra, ANBID. Pedro Luiz Guerr, MD global transaction services, Banco Citibank SA. Christina Hutchinson, EMEA, SWIFT.

Counterparty risk: who can you trust? *SWIFT to pilot new Accord-based capability for margin status.*

The potential domino effect of counterparty risk has left financial institutions wondering how they can achieve a real-time and transparent view of their exposure if a partner defaults, is downgraded or suddenly ceases to exist.

SWIFT has taken this challenge seriously. A first step is ensuring that communications among prime brokers, service providers and other counterparties run smoothly and addressing the visibility challenges in bilateral collateral management.

Accord is easy to onboard with APIs for integration.

Michael Keulemans, markets, SWIFT.

A major solution for managing counterparty risk was outlined in Thursday morning's auditorium session on risk management. Accord handles broker-to-broker matching for margin and dispute management, enabling all players to view in realtime their exposures and obligations from a central source on a standard electronic platform.

"At SWIFT we are like marriage-brokers making make sure everyone is talking the same language," said Michel Keulemans, SWIFT. "We don't view our job as simply



providing a network, but as orchestrating communications between counterparties to provide them with status updates on such things as margin calls for OTC, CDS, repo, triparty and other types of trades." Broker/dealers typically have 500 margin calls to make at end of day, usually by phone or fax. "SWIFT can do it simultaneously," said Keulemans. "Accord is easy to onboard with APIs for integration and can be accessed either through a SWIFT infrastructure or via a web browser." SWIFT plans to pilot the solution by the end of 2009.

Alliance Lite creates 'real regional community' for ECCB

Eastern Caribbean Central Bank (ECCB) has signed up to Alliance Lite in a move that will give non-bank participants, such as government entities, the opportunity to communicate directly with the ECCB and participating banks over SWIFT.

"Alliance Lite is a cost-effective service that will finally bring our entire community of participants onto SWIFT," said Wayne Myers, senior director, MIS, at ECCB. "This is a great opportunity for the ECCB to better service its non-bank participants and create a real community for regional payments."

ECCB is the monetary authority for a group of eight Caribbean island economies.

Left to right: David Pryce, Americas, SWIFT. Wayne Myers, senior director, ECCB. Dirk Van Achter, products, SWIFT.



Microsoft messaging solution to reduce cost of innovation

SWIFT partnership also supports SWIFTNet connectivity via internet.



Microsoft Corporation aims to simplify mission-critical financial messaging for banks and other financial institutions with the release of Financial Messaging

Service Bus (FMBS), a componentised integration solution built on the Microsoft BizTalk Server 2009.

FMBS can be used for SWIFT payments, but it is extensible across all financial messaging systems as an integration framework that allows new solutions to be built and then co-exist with legacy applications as part of technology renewal programs. It also supports Microsoft BizTalk Accelerator for SWIFT, which has been awarded the SWIFTReady Financial EAI 2009 label, its sixth consecutive year of SWIFT certification.



Colin Kerr, Industry manager, payments & core banking, Worldwide Financial Services, Microsoft.

We have tried to create a bridge across the transaction processing silo.

Colin Kerr, payments industry strategist, Microsoft

The Financial Messaging Service Bus is designed to cut development costs and implementation lead times by providing reusable service-oriented architecture components to simplify financial messaging integration. Microsoft expects FMBS to save financial services industry clients and technology solutions partners time and money in building and implementing payments and capital markets solutions.

"Financial messaging and integration are becoming commoditised – and should be," according to Andy Schmidt, research director for global payments at TowerGroup. "Banks need a simpler, more cost-effective way to re-engineer payments processes, but should be ensuring that they don't reinforce silos. There is a real need to use out-of-the-box components that reduce the complexity of integration, and that both build on and with existing technology, to avoid building costly technology islands."

The Financial Messaging Service Bus utilises the Microsoft BizTalk Server Enterprise Service Bus Toolkit for data transformation and

transaction workflow management. Recently, Microsoft introduced BizTalk Server support for Alliance Lite, thereby enabling SWIFTNet connectivity across the Internet.

"This new Microsoft financial messaging solution offering underscores the continuing strength of our global partnership," said Gottfried Leibbrandt, head of markets for SWIFT. "With this announcement, Microsoft demonstrates its continuing commitment to SWIFT clients and the global financial services community."

Support for CitiDirect BE

Meanwhile, Microsoft has also announced that it is supporting CitiDirect@ BE, Citi Global Transaction Services' recently launched e-banking platform for corporate, financial institution and public sector clients. The CitiDirect BE platform will help monetise Citi's best-in-class service offerings and broad geographic coverage, while taking full advantage of Microsoft's expertise in platform engineering, development of independent software vendor communities, and product life-cycle management. By leveraging Microsoft Office SharePoint Server 2007, CitiDirect BE will include sophisticated analytic capabilities, self-service modules such as Citi's Electronic Bank Account Management offering, and rich media to provide expert insights on current trends and economic news affecting clients' business.

Microsoft has also collaborated with Fundtech, the global transaction banking

solutions provider, on the introduction of the SEPA Integration Suite, a new suite of service-oriented architecture services that enables SEPA transaction processing to be added to a bank's existing payments infrastructure with minimal disruption and risk. The tools will help banks save time and money adding the transaction processing capabilities required to offer SEPA Credit Transfers and SEPA Direct Debits to corporate clients. The SEPA Integration Suite supports multi-country deployments and offers extensive mandate management functionality, while its middleware can format, organise and route transactions between legacy and SEPA formats using ISO 20022 XML messaging standards.

"We share the same views as Fundtech on the value of messaging and have tried to create a bridge across the transaction processing silo," said Colin Kerr, payments industry strategist, Microsoft. "The idea is to integrate the flow from a corporate right the way through to the clearing and settlement engine and connect to back-end processes across the way."

Banks need a simpler, more cost-effective way to re-engineer payments processes.

Colin Kerr, payments industry strategist, Microsoft

Stand and deliver

Being in charge of the SWIFT stand at Sibos is one way of ensuring that you stay on your toes.

Last year, Alex Hewetson, SWIFT stand manager, calculated that he must have walked between eight and ten miles a day.

"This year it was probably more," he says. "The other day, someone on the stand likened me to a circling shark." Hewetson does 'patrol', but only to be sure that he is on hand for any sudden requests; for example, ensuring demo space for a sudden influx of customers.

Wednesday and Thursday saw a surge in visitor numbers, says Hewetson. He was particularly pleased with the traffic through the SWIFT Showcase. "Although we don't get a constant full house in the open theatre area, the whole point is that people can walk by, sit down and move on if they can," says Hewetson. "We've trained the presenters to deal with that."

One innovation has been the dedicated demo pods, which were equipped with all

the requisite connectivity that customers and presenters might need. "If a customer has a USB key, he or she can take all the demos they've seen straight off the pod,"

said Hewetson. "We have virtually eliminated paper collateral and have taken the first steps down the road to environmental sustainability."



BNP Paribas signs new eTraining contract

New modules cover XML and corporate actions.

Having deployed four eTraining modules on basics, payments and securities in the last few months, BNP Paribas Securities Services is to sign for two new eTraining modules: the soon to be launched 'ISO 20022 and MX message standards - overview' and 'Corporate actions - ISO 15022 messages'. "The fact that SWIFT helped us to seamlessly integrate the modules in our Learning Management System and make it available from our company intranet makes SWIFT eTraining a perfect solution for bringing BNP Paribas Securities Services staff up to the same level of knowledge in addition to the regular on-site training programme for newcomers," explains Axelle Wurmser, head of SWIFT Coordination, BNP Paribas Securities Services. "We are looking forward to SWIFT Training launching even more topics through this learning channel."



David Decoux, training, SWIFT. Axelle Wurmser, support management, BNP Paribas Securities Services. Jean Sonnevill, EMEA, SWIFT.

STRATE brings Alliance Messenger to SA broking community

Strate Ltd, South Africa's central securities depository, has announced that it will be providing SWIFT Alliance Messenger services to the JSE, the South African stock exchange. Messenger replaces the JSE's current MERVA/ESA technology by providing SWIFT message capturing and processing facilities to the JSE and all the JSE and NSX Equities members.

Meanwhile STRATE and Standard Bank have successfully piloted the transmission of beneficial download information via FileAct paving the way for the greater community to use this secure and reliable delivery channel for reporting of information required on a regular basis by STRATE to provide to issuers.



Left to right: John Falk, SWIFT. Brett Kotze, general manager clearing & settlement, JSE. Manoj Puri, head custody & settlement, STRATE. Iann Seymour-Smith, head custody & settlement, STRATE, Edward Leach, Africa south EMEA, SWIFT

Treasury Strategies is SWIFTReady

SWIFT congratulates Treasury Strategies on their new SWIFTReady Consultancy accreditation. "A SWIFTReady Consultancy demonstrates a proven expertise in corporate treasury," says Cathy Gregg, partner, Treasury Strategies. "It signifies a solid understanding of treasury goals and challenges and of how SWIFT for corporates can help address their needs."



Left to right: David Pryce, Americas, SWIFT. Cathryn Gregg, partner, Treasury Strategies. Bernard Degroove, SWIFT. Elie Lasker, SWIFT. Dave Robertson, partner, Treasury Strategies. Anthony Carfang, partner, Treasury Strategies. Monie Lindsay, MD, Treasury Strategies, Philippe Leconte, Americas SWIFT

BANKSERV to offer Alliance Lite

SA clearing house looks to link corporates to SWIFT

Payment clearance house BANKSERV, operating out of Johannesburg South Africa, has signed an Alliance Lite wholesale partnership agreement to connect 53 corporates over the next three years throughout Africa and have chosen to certify their wholly owned subsidiary FIN-X, acquired during the course of 2008, with SWIFT's Best Practice Assurance label for service bureaus.

"The decision to enter into the Alliance Lite wholesale agreements was taken after careful consideration of the unfolding African market and Bankserv's need to be able to position a one-stop shop package, which contains everything you need to connect to SWIFT," explains Brad Gillis, head, business division at BANKSERV.

This decision will...allow us to provide customers with options better suited to their specific needs.

Brad Gillis, head, business division, BANKSERV

The simplicity of Alliance Lite was the perfect solution for BANKSERV's main requirement which was the need to be able to provide corporates with access to SWIFT, without having to install any SWIFT-specific software at the customer's premises.

Denis Kruger, EMEA, SWIFT, says enjoying the convenience of the Internet, with the security and reach of SWIFTNet, makes Alliance Lite an ideal alternative connectivity option for connecting to SWIFT via BANKSERV's Fin-X service bureau.

In parallel, BANKSERV has also chosen to focus on gaining best practice assurance to reflect their ambitions to provide indirect connectivity to customers that meet the best practice assurance criteria as defined by SWIFT.

Gillis reiterates this process will verify BANKSERV's compliance with best practice assurance criteria and will be audited as part of the mandatory on-site inspection. "This decision will position BANKSERV within the service bureau space in South Africa and elsewhere in Africa, allowing us to provide customers with options better suited to their specific needs."

The close working relationship with the local SWIFT office has helped BANKSERV develop its value proposition in South Africa and Africa. In 2008 BANKSERV processed 2.5 transactions to the value of ZAR 8 trillion.



Left to right: Denis Kruger, EMEA, SWIFT. Gail Clarke, Bankserv. Brad Gillis, head business division, Bankserve.

Charity begins at Sibos

CSR sessions focus on education, science and society



Simply cutting out the paper we use in business has massive repercussions.

*Thierry Touchais, executive director,
International Polar Foundation*

Thierry Touchais, executive director of the International Polar Foundation, which hopes to bridge the gap between science and society, believes that the audience at Sibos is naturally receptive to the issues raised by the organisation. "Nicholas Stern's calculation of the risks we take by not tackling climate change attracted attention here because people at Sibos are so familiar with numbers and risk management," he said.

Touchais said that increased levels of e-commerce are already making an impact on the environment. "Simply cutting out the paper we use in business has massive repercussions," he commented.



Two of SWIFT's partners have been networking unashamedly this week at Sibos. Both the International Polar Foundation (IPF) and One Laptop Per Child (OLPC) have been raising awareness and initiating action for their causes, both on their dedicated exhibition stands and in conference presentations on corporate social responsibility (CSR).

This is OLPC's second year at Sibos, following an initial introduction to the initiative by its founder Nicholas Negroponte at Sibos in Boston two years ago. IPF is new to Sibos, though it has undertaken with SWIFT to work with it on addressing the environmental impact of future events.

The initial challenge is capturing peoples' interest and encouraging them to support such a project over the long term, given that the goals of OLPC will take years of ongoing effort to achieve. Walter De Brouwer, president and CEO, OLPC Europe, points out, however, that there are tax benefits for financial institutions that choose to donate to charitable foundations and that these work to sustain institutional support.



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