



*Ease the burden
of handling data from
multiple sources*

Benefits

- Achieve standardisation
- Increase straight-through processing
- Enhance operational efficiency and reduce costs
- Ensure secure, reliable delivery

Data Distribution

Standardising communications from data providers and market infrastructures

SWIFT's Data Distribution solution combines ISO 15022 securities messaging standards and SWIFT connectivity to enable you to standardise your communication flows from market data providers and market infrastructures.

Industry challenges

Financial institutions are grappling with multiple data sources as they seek to ensure accuracy and completeness of vital reference and corporate actions data. To create the elusive golden copy, firms must take in a range of data sources from data vendors and market infrastructures (MIs). If there are differences in format between the sources, a significant data cleansing exercise is required in order to create an accurate and complete record. This makes manipulating data from proprietary feeds into a standardised format and ensuring it is correct an expensive undertaking for firms - and the many connections required generate a large maintenance and system overhead.

Data distribution over SWIFT

SWIFT's Data Distribution solution addresses the problems associated with handling multiple data sources in disparate proprietary formats by enabling data providers and MIs to distribute market data via SWIFT to other SWIFT customers. Data providers can utilise SWIFT through a closed user group (CUG). MIs are typically already connected to SWIFT, and can also use the CUG.

Data providers and MIs distribute ISO 15022 corporate action messages in FileAct or FIN. Where there is not yet an ISO standard available, such as in the case of reference data, data providers and MIs can use other industry standards or proprietary formats, ensuring that customers can still benefit by extracting further value from their existing investment in SWIFT connectivity.

Types of information

Data providers can send the following types of information over SWIFT:

- Corporate action announcements in ISO 15022
- Reference data
- Securities pricing information
- New issue and prospectus documents
- Shareholders meeting information
- Trade volume information
- Index data

For recipients of data, the benefits of standardisation are clear: comparison between multiple data sources is easier, with the demands on comparison engines being reduced, making the whole data cleansing process simpler, quicker and cheaper.

Standardisation facilitates automation, which leads to lower processing costs, fewer errors and a reduction in operational risk. Improved operational efficiency benefits all participants in the trade and corporate actions lifecycles.

The benefits of using SWIFT for data distribution

Standards governance

Under the terms of the service, all users abide by a Service Description, which defines the roles and responsibilities of the participants, as well as file formats and standards. This ensures consistency across all providers. For corporate actions, this guarantees compliance to ISO 15022, Global Securities Market Practice and the Principles of the Market Data Provider User Group. Customers taking the information over FIN will also have the benefit of additional network validation on the data.

SWIFT's Data Distribution solution has prompted a significant uptake of ISO standards in this area, in which historically all data providers have utilised their own proprietary formats and have not collaborated on the principles of standardisation. The size of this achievement should not be underestimated. As Nat Sey at Interactive Data said at Sibos Boston in 2007: "If you'd told me five years ago that all the big data vendors would be sitting around the same table and agreeing on documentation for corporate actions, I would have said you were dreaming."

As ISO standards become available for reference data and pricing, these will be incorporated into SWIFT's Data Distribution solution. This will extend the benefits of using a single, international standard across data providers further still.

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Nat Sey, Interactive Data

Current situation

- Different data formats to be maintained
- Data providers with different release schedules for upgrades and changes
- Different communication means to be managed
- Potential compliance conflicts
- Operational staff to maintain systems and software, run FTP scripts and firewalls
- Data normalisation software to be maintained and upgraded
- Headcount required to resolve data discrepancies
- Manual checking of inconsistencies resulting in delays in client notifications
- Potential risk due to misinterpretation or miss-keying
- Late/inaccurate notifications impact client service, with potential financial penalties

Benefits of SWIFT's Data Distribution solution

- Feeds received in ISO 15022, enabling STP of corporate action events
- Central maintenance of data feeds via SWIFT Standards Releases
- Secure, reliable delivery, minimising risk and compliance concerns
- SWIFT Service Description defining mandatory roles and responsibilities
- Enabling flexibility in obtaining feeds from different providers
- Operations managed by existing dedicated SWIFT operational staff
- Manual data normalisation eliminated, creating a scalable processing model
- Faster and simpler resolution of any data issues

Increase straight-through processing

Harmonising multiple formats into ISO 15022 removes the need for your customers to match definitions across multiple data providers. They get faster access to accurate announcements, improving your service offering.

Enhance operational efficiency and decrease costs

SWIFT's Data Distribution solution reduces time to market for bringing on a new data source. The use of international standards and the reuse of existing communication links means new feeds can be implemented in a matter of weeks, rather than months.

In addition, ongoing maintenance costs and software upgrades are considerably lower, and change management can be reduced to a single SWIFT Standards Release. In research carried out with software vendors, we calculated that harmonising data feeds to ISO 15022 will save 40 percent of an organisation's integration and maintenance costs when implementing three feeds.

SWIFT offers reverse billing for its Data Distribution solution, which means messages contribute to aggregate SWIFT traffic, ultimately leading to lower SWIFT unit costs.

Secure, reliable delivery

Our systems include state-of-the-art security solutions. Unlike the internet and most VPNs, access through SWIFTNet does not compromise the security of your operational environment. SWIFTNet offers strong security features such as end-to-end authentication, message integrity, non-repudiation and data confidentiality.

SWIFT has been managing mission-critical systems through highly reliable and secure operations since 1977, and is now considered to be an industry reference.

Unlike the Internet, SWIFTNet provides secure end-to-end managed network services. Delivery and receipt of data via Data Distribution meets the strictest criteria for compliance purposes.

Due to the configuration of the SWIFTNet connection, files can be 'pushed' to institutions, so that SWIFT manages the delivery of the file directly into an institution. This removes the need for scripts and protocols for collecting files, and subsequently ensures their integrity.

For more information, please contact your SWIFT account manager or visit www.swift.com