



SWIFT for Exceptions and Investigations in a nutshell

Market Context

Today, on average, only 2 to 5% of payments result in an enquiry. The enquiries processing however, still very labour-intensive, represents an undeniable pain-point in costs and risk for the whole industry.

Issues

- Use of a variety of communication channels (phone, fax, emails), most of which are not secure or do not allow for automated processing.
- Lack of standardisation: SWIFT free-format messages (MT 999) widely used for enquiries
- Lack of agreed industry practice

In figures

- Approximately 95% of investigations are not fully automated and therefore require manual input.
- The enquiries-processing costs 50 times more than the payments processing
- Estimated yearly salary cost for SWIFT payment enquiries, at an industry-level, amounts to EUR 140 Million

SWIFT for exceptions and investigations is a SWIFT solution supporting end-to-end automation of all your payment-related enquiries, whether you are a financial institution, a corporate or an automated clearing house.

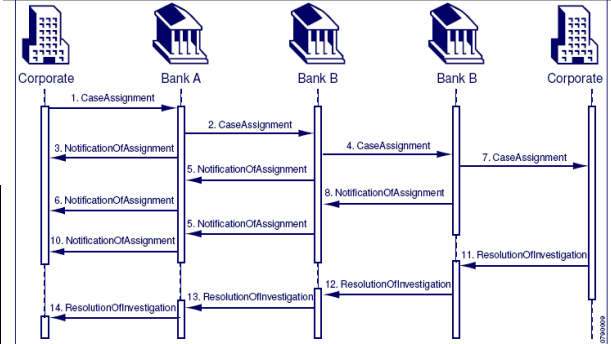
Scope

- Beneficiary claims non-receipt
- Request for cancellation
- Request for modification
- Unable to process or to reconcile

Components

- Closed User Group for registered users only
- XML messages
- Rulebook to endorse market practice/best usage
- Strict business and communication protocol clearly defining the actors, their role, messages and flows
- SWIFT Partner programme to help you select third party E&I application or implementation/integration service provider

Communication Flows



Adoption plan

Pending the successful completion of two interim milestones (2010 and 2011), the SWIFT Board has approved the **removal of the MT 192, 195, 196, 292, 295, 296** from the SWIFT network by **end 2012**

For more information, contact your regional SWIFT account manager or send an email to Exceptions.and.Investigations@swift.com

Business impact

Before E&I adoption

- Use of multiple non-automatable communication channels
- High volumes of free-format SWIFT messages (MT n99)
- Multiple processing-mistakes/misinterpretations
- Loads of chasers
- Lack of view on enquiry status
- Lack of control on total cost per enquiry
- Long enquiry turn around time
- Growing number of industry regulations, increasing the enquiry volumes



- High staff costs
- High communication costs (fax, phone)
- High correspondent invoicing charges
- Operational risk
- Customer dissatisfaction
- Reputation at risk
- Permanent new staff recruitment/ training to guarantee SLA and cope with growing volumes

After E&I adoption

- Straight-through processable enquiry messages
- XML-standards, restricted to formatted information only
- Strict rulebook
- Fully transparent view on ongoing investigations, thanks to workflow approach
- Usable with any type of payment (SWIFT, SEPA, domestic,..)
- Use of specific AML-codes, enabling full automation of AML-related enquiries



- **Important cost savings on:**
 - ✓ staff-and communication costs
 - ✓ correspondent invoicing
- **Enhanced customer service**
 - ✓ Shortened turnaround time
 - ✓ Less customer involvement, leading to efficiency and cost gains
 - ✓ Potential offering of online services
- **Improved operational risk management**
 - ✓ Operational efficiency gains
 - ✓ Faster recovery after outages/disasters
 - ✓ Smooth regulation compliance (FATF SR VII, Basel II)