RMA Plus for Alliance

Reduce the risks on your business relationships

SWIFT

Create granular authorisation from your BICs to specific correspondents

Benefits

- Reduce operational risk
- Fine-tune correspondent banking
- Expand business opportunities
- Combat money laundering
- Control clearing

The Relationship Management Application (RMA) Plus is an option available in Alliance Access, Alliance Entry and Alliance RMA. It enables you to issue granular RMA authorisations. Granular authorisations contain a list of message types or message categories that identify what a correspondent can send you.

The Relationship Management Application (RMA) gives you a level of control that previously did not exist with Bilateral Key Exchange (BKE). With RMA, you can control who can send you authenticated FIN traffic. RMA blocks unwanted traffic at the sender level, and thus shields you from the potential negative consequences of such unwanted traffic.

RMA Plus goes one step further, and also allows you to control what a correspondent can send you. With RMA Plus, you can specify exactly which authenticated FIN message types a correspondent is allowed to send you. Unwanted messages will be blocked at the sender level, even if your correspondent does not have the RMA Plus option.

Without RMA Plus, when you want to exchange, for example, letters of credit with a correspondent, you also have to accept to receive all other types of FIN traffic from that correspondent, such as payments or securities. RMA Plus enables you to limit what you receive from that correspondent to messages related to letters of credit.

This opens new business opportunities. RMA Plus allows new correspondent relationships to be established, which previously might have been avoided because of their associated risk and regulatory control burden. You will be able to fully control the traffic that such correspondents can send you, leaving you much less exposed to the burden of dealing with unwanted traffic from such correspondents.

RMA Plus gives you the power of one-way relationship management. The type of traffic that you allow your correspondent to send you can be different from the type of traffic that your correspondent allows you to send to him. You are no longer obliged to reciprocate a full relationship when it is not necessary.

Benefits

The most important benefits will differ from institution to institution, depending on your regulatory environment. Operational risk managers, payment and clearing managers, AML departments and correspondent bankers will all benefit in one way or another from RMA Plus.

Reduce operational risk
Today, risk managers have implemented various procedures, systems, hardware, and routing to handle unwanted or unexpected messages. The need to be prepared with contingency plans to handle them when they occur generates cost and risk. These measures are designed to either get these transactions to the correct party or to reject the transaction. Most of these processes are manual.

Mistakes in treating unwanted traffic can have severe financial consequences, such as fines from regulatory authorities, or even negative public exposure and reputational damage, leading to loss of business.

If you block unwanted messages through RMA Plus filtering at the sender level, you reduce your exposure to such operational risk to receive – and consequently to handle – those unwanted messages. As a receiver, you are shielded from unwanted traffic and its potentially harmful or inconvenient consequences, including workload, human errors, investigations, auditing, and regulatory reporting.

With RMA Plus, the risk of making such mistakes is drastically reduced, since both the volume of unwanted traffic and the probability of receiving such unwanted traffic can be significantly reduced.

Fine-tune correspondent banking
Under the pressure of increasing audit and compliance controls, the majority of correspondent bankers have already done an account-by-account review that has identified the institutions that would be appropriate for a restricted relationship. RMA Plus enables the exact implementation of the level of authorisation granted to a specific correspondent.

This is a significant and attractive opportunity for you to align your technical systems with your affected business relationships, especially with occasional correspondents, smaller institutions, or high-risk countries.

Expand business opportunities
For international banking business lines such as international payments, trade finance or cash management, RMA Plus is a means of expanding or maintaining the business relationships with financial institutions that would otherwise be too risky to work with under the current acceptance criteria and regime.

At present you may be cutting off entire countries or entire banks on a global basis, when this may not be necessary.

Combat money laundering
The Financial Action Task Force (FATF) recommends that financial institutions should conduct ongoing due diligence on their business relationships and scrutinise transactions undertaken throughout the course of that relationship, to ensure that the transactions being conducted are consistent with the institution's knowledge of the correspondent, its business and its risk profile.

Close to 100 countries from all continents have applied those FATF recommendations into their national regulations.

With RMA Plus, you will be able to control the category of business that your correspondents are allowed to send you. There will be fewer messages to scrutinise manually, reducing the burden on your compliance department and reducing the generation of Suspicious Activity Reports.

Control clearing
Clearing institutions may decide to limit the type of incoming messages from specific customers or from specific countries. With RMA Plus, you can, for example, decide to accept direct payments in the form of MT 103 messages, and refuse bank-to-bank payments in the form of MT 202 messages.

RMA Plus is easy to use

Add to your existing Alliance license
RMA Plus is an extension of your Alliance license. It does not require any additional software. Alliance Access, Alliance Entry, and Alliance RMA include the necessary software as an optional feature. Once you indicate to SWIFT for which BICs you want the RMA Plus option, SWIFT will send you a new license sheet which can be used to unlock the RMA Plus functionality for those BICs on your Alliance system. All your existing authorisations remain valid when implementing RMA Plus.

How to begin
Reviewing your relationships to introduce the desired granularity is a one-time effort.

SWIFT will provide Watch RMA Granularity reports which show the volume of traffic sent or received for each correspondent and for each type of business, in the form of categories of message types. This will help you to prioritise the work once and for all.

To facilitate the one-time effort, RMA Plus allows you to create in one go a granular authorisation from all your own BICs to a specific correspondent.

Profiling flexibility
RMA Plus benefits from the same profiling flexibility as any other Alliance product. You may decide to delegate the power to create authorisations to local operational teams, or to submit the approval of such authorisations to a central relationship manager, with multiple levels of approval.

Compare authorisations in one window
With RMA Plus for Alliance, you can compare in one window the authorisation in place and the one that you would like to create, and see immediately the differences in category or message type.

One screen to sort relationships by granularity
The RMA overview screen of your Alliance interface shows the summarised list of your relationships (authorisations to receive and to send). A specific column indicates which authorisations are granular so that you can sort them in one click.

What if my correspondent does not have RMA Plus?
Your correspondent does not need to have RMA Plus. Alliance Access and Entry, Alliance RMA, and all other qualified RMA interfaces from different vendors, can receive and process incoming granular RMA messages. All qualified FIN interfaces can filter outgoing messages based on granular authorisa-tions. Your correspondent will not be able to send you the unauthorised traffic.

How to order
You can order your RMA Plus license today as an option from www.swift.com.

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