



Direct connectivity made simple

Banca March streamlines its operational processes with SWIFT Alliance Lite2 and Sanctions Screening



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Adolfo Gutiérrez
Director, technology,
Banca March in Luxembourg

A family-owned Spanish bank and equity investment group, headquartered in Palma de Mallorca, Banca March was founded in 1926. Over the past few decades, it has expanded its operations across the Balearic and Canary Islands, as well as to the mainland. It now maintains over 230 offices across Spain as well as branches in Luxembourg and London. In July 2010, Banca March came top of the European Union banking stress test exercise in terms of its Tier 1 capital ratio.

Business background

Banca March specialises in wealth management, private banking and corporate banking, with a particular focus on entrepreneurs, family-owned businesses and high net worth individuals.

To connect to SWIFT, the bank's Luxembourg-based investment management operation has been making use of a SWIFT service bureau in Luxembourg. With the anticipated withdrawal of the service bureau's offering, Banca March began to look for alternative connectivity options, bearing in mind certain operational priorities. “Our SWIFT traffic tends to involve Message Types 1, 2, 3, 5 and 9, but as an investment manager, our securities message traffic is significant,” says Adolfo Gutiérrez, director, technology, Banca March in Luxembourg. “One of our objectives in the selection process was to facilitate integration via SWIFT with one of our large fund investment partners – a relationship that still relies on proprietary formats,” says Gutiérrez. At the same time, the bank was keen to explore how best to meet forthcoming regulatory requirements for sanctions screening capabilities.

Benefits of using SWIFT Alliance Lite2

- Highly secure and reliable
- Increased automation and straight-through processing of financial flows
- Light footprint – no infrastructure to maintain
- Minimal upfront investment, usage-based
- Monthly fee
- Worry free – SWIFT services to help at every step

Solution overview

Having conducted research on a range of providers, Banca March opted for direct connectivity to SWIFT through Alliance Lite2. “Not only does it bring us a cost saving,” says Gutiérrez, “but more direct connectivity also reduces the number of intermediaries, which helps streamline our operational processes.”

Banca March is well down the road to implementation, which aims to complete in Q2 2016. “We only began discussions with SWIFT in January,” says Gutiérrez, “From start to implementation will only have taken us half a year.” In the meantime, the service bureau is providing a service as normal. “We will have completed migration well ahead of the closing of the service bureau,” he adds.

Gutiérrez describes the architecture of the new solution as quite straightforward: “It will be more or less the same as if the data centre were in-house at the bank. It’s simply a matter of implementing the VPN connectivity between the infrastructure and SWIFT Alliance Lite2.”

While he does not expect a spike in volumes after implementation, Gutiérrez does see room for growth. “We currently handle around 2,000 SWIFT messages a day,” he says. “As we integrate with more providers on SWIFT and move away from proprietary formats, this will obviously increase.”

The first project post-implementation of Alliance Lite2 connectivity will be to add SWIFT’s sanctions screening solution. “Our regulators require us to implement such a capability this year,” says Gutiérrez. “We were therefore already searching for a solution when we realised we could combine our need to replace the service bureau connectivity with sanctions screening as a co-ordinated project.”

What lessons does Gutiérrez offer peers considering the same path? “Maintaining multiple formats increases costs and drains resources,” he says. “In retrospect, it might have been easier to go for direct connectivity to SWIFT from the start, but it was only with the cloud and SaaS solution provided by Alliance Lite2 that direct connectivity to SWIFT became practical for a firm of our size.”

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