

## Market Practice Guidelines for the adoption of RMA Best Practice

(Version 1, January 2021)

### 1 Background

SWIFT Relationship Management Application (“RMA”) is a SWIFT-mandated filter that enables financial institutions to define which counterparties can send them specific FIN. The use of RMA or RMA Plus is mandatory for user-to-user messages that require an end-to-end electronic signature and covers most types of SWIFT FIN messages (excluding some messages in the MT3nn, MT6nn and MT9nn series). RMA can be used to identify the message types or message categories a correspondent can send. It can be unrestricted or limited to specific incoming message types.

The “*Wolfsberg Guidance on SWIFT Relationship Management Application (RMA) Due Diligence*” paper highlights the link between using RMA and conducting due diligence on counterparties. The paper notes that financial institutions “should incorporate RMA due diligence standards into their Financial Crime/AML/KYC programmes”, citing a number of principles which should be considered both for customer and non-customer RMA relationships.

This paper looks at how RMA is being managed by SWIFT members and makes several observations on current challenges and recommendations on how processes can be improved. Further updates to this paper will be published to cover developments such as SWIFT TMP, FINPlus and ISO20022.

### 2 Observations and Recommendations

	Observations	Recommendations
1	When an RMA request is initiated it may sit in a queue that may not be checked or is checked infrequently.	<p>1) The RMA request queue should be reviewed on a daily basis. In line with SWIFT documentation, an acknowledgement should be sent for any RMA request received within 48 hours.</p> <p>However, it should be recognised that KYC and due diligence requirements need to be met before an RMA can be fully accepted. It is the choice of the receiving entity as to what action to take and what to respond with.</p> <p>Example acknowledgement – <i>We have received your RMA request to exchange SWIFT messages with our organisation. Please note that this is request is subject to internal review and due diligence. Please monitor your queues for additional correspondence if required.</i></p> <p>More details on the SWIFT documentation can be found <a href="#">here</a>:</p>

2	Due diligence needs to be undertaken when an RMA request is received. This can be onerous and time-consuming.	<p>1) An organisation determines their own controls and due diligence procedures. Where possible existing industry tools and available information should be leveraged to support any due diligence. e.g. SWIFT KYC Registry tool, attestations to the SWIFT CSP, ...</p>
		<p>2) When an RMA request is initiated the receiving entity may follow up with due diligence questions that may include KYC and CSP. The organization requesting the RMA should be prepared for follow up messages and respond in a timely manner.</p>
3	Often the recipient does not know the reason for the RMA request or who to contact at the sending organisation. Finding contact details can be difficult.	<p>1) The requesting organisation should send an additional message to support the RMA request providing the reason for the request and if possible, a contact at the sender. This will aid in cases where additional information is required.</p> <p>Example –</p> <p><i>Please see our RMA request to exchange SWIFT messages between our organisations dated 22<sup>nd</sup> Feb 2020. This request is to support commercial payment activity for transfers due to your customers. Please contact <a href="mailto:Mary.Smith@exampleemail.com">Mary.Smith(at)exampleemail.com</a> for further details if required.</i></p>
		<p>2) Where appropriate, organisations may identify RMA owners for specific message types within their own internal controls and procedures. This ensures understanding of the business requirements for that particular type of request.</p>
		<p>3) At the time of publication, RMA requests for FINPlus messages should be limited to specific business reasons and where the recipient is aware of the requirement for the FINPlus RMA exchange. Blanket requests for FINPlus messages to mirror existing RMA exchanges should <b>not</b> be attempted at this time.</p> <p>Note: this best practice paper will be updated as the FINPlus service matures.</p>
4	Lack of RMA product awareness within organisations can mean that setting up and maintaining an RMA is problematic. This is particularly noticeable with the use of RMA+.	<p>1) Organisations internal processes and procedures should be based on <a href="#">SWIFT usage guides</a>.</p> <p>2) The RMA+ utility is free of charge and allows organisations greater control on their SWIFT messaging exchanges. Please note that both the sending and receiving organisations do not both need to use RMA+.</p>
5	An organisation’s procedures may revoke all RMAs for a group when this has not been requested	<p>1) An organisation’s revocation procedures should account for both the BIC 8 and BIC 4 level. A blanket removal of BICs within a group should not be performed unless there is the appropriate rationale.</p>

6	RMA Dormancy and relationship management procedures are inconsistent across the industry	<p>1) SWIFT members should make use of the guidance provided by SWIFT on maintaining RMA relationships and ensuring they are up to date -</p> <p><a href="https://www2.swift.com/go/book/bookext052450">https://www2.swift.com/go/book/bookext052450</a></p> <p>This guidance describes the link to the CSP but in particular section “2.11A RMA Business Controls” provides the advice SWIFT gives on existing relationship handling</p>
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### **Appendix 1 Information about the PMPG**

Note: Relevant regulations and any applicable legislation take precedence over the guidance notes issued by this body. These Guidelines represent an industry’s best effort to assist peers in the interpretation and implementation of the relevant topic(s). The PMPG - or any of its Members - cannot be held responsible for any error in these Guidelines or any consequence thereof.

The Payments Market Practice Group (PMPG) is an independent body of payments subject matter experts from Asia Pacific, Europe and North America. The mission of the PMPG is to:

- take stock of payments market practices across regions,
- discuss, explain, and document market practice issues, including possible commercial impact,
- recommend market practices, covering end-to-end transactions,
- propose best practice, business responsibilities and rules, message flows, consistent implementation of ISO messaging standards and exception definitions,
- ensure publication of recommended best practices,
- recommend payments market practices in response to changing compliance requirements

The PMPG provides a truly global forum to drive better market practices which, together with correct use of standards, will help in achieving full STP and improved customer service.