The Road to 2015

SWIFT Presentation to the Road Ahead
The Road to 2015 (SWIFT2015 Strategy)

18 Initiatives in 4 Key Areas

Deepening the Core
- Custody & Asset Servicing
- RTGS
- Corporates
- Correspondent Banking
- Clearing & Settlement

Expanding the Core
- Reference Data
- Sanctions
- Matching

Enabling Interoperability and TCO Reduction
- Services
- Interface Hosting
- High-End Interfaces
- Low-End Connectivity
- Go Local

Enabling Transformation
- Platform
- Brand
- Innovation
- People
- CSR
Compliance
Sharing our way forward
The Compliance Roadmap

- Standards
- Data repositories
- Traffic analysis
- Quality Assurance
- Processing services

- Sanctions list Mngt service
- KYC registry

- Compliance Analytics
- FATF 16 Information quality
- Sanctions Testing & tuning (transaction & client systems)
- Client/Name screening
- Sanctions Screening
- Traffic restriction (RMA)

- Live
- Development
- Qualification
- Exploration

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Sanctions screening – Scope

Sanctions Screening over SWIFT is a Transaction screening service:
- FIN MT messages (CAT 1, 2, 4 and 7 at launch)
- Real time
Sanctions screening service overview

- A combination of best of breed:
  - Filter application
  - Sanctions List update service
- Centrally hosted and operated by SWIFT
- Real-time filtering service of FIN messages
- No local software installation & integration project
Service overview - as sender

1. Sender sends message to FINInform Y-Copy
2. FINInform Y-Copy checks for a true hit and sends an instruction to deliver or abort
3. Managed by SWIFT: Sanctions portal and screening engine
4. Service user receives case management of alerts
5. Copy sent to receiver
6a. Delivery (no hit or false positive)
6c. Abort true hit
Service overview - as receiver
How does it work?

Configuration

Use
Message type selection

- Incoming & outgoing flows selected by default, you can decide if you only want incoming or outgoing as well.
- All MT within a business area selected by default, possibility to unselect MTs
User & workflow management

• Users authenticated via Secure Tokens

• Roles available:
  – Administrator
  – Compliance
  – Level 1 user
  – Level 2 user

• Choice of workflow
  – Standard
  – 4 eyes
List management

Sanctions Screening

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Sanctions Screening Configuration

Use SWIFT Citibank Workshop - June 4 2014
Public lists supported

- AU - Australia Department of Foreign Affairs and Trade
- AU - DFAT Iran Specified Entities Lists
- AU - DFAT Countries Embargoes
- CA - FAIT Countries Embargoes
- CA - Canada Office of the Superintendent of Financial Institutions
- CA - Department of Foreign Affairs and Trade
- CA - OSFI - United Nations Act Sanctions
- EU - European Commission Official Journal
- EU - Europe Countries Embargoes
- FR - France Journal Officiel Français
- HK - Hong Kong Monetary Authority
- HK - HKMA Countries Embargoes
- JP - Japan Ministry of Finance
- NZ - New Zealand Police
- NL - Frozen Assets List - Dutch Government
- SG - Singapore Monetary Authority of Singapore
- CH - Switzerland Secrétariat d'Etat à l'Economie
- CH - SECO Countries Embargoes
- GB - United Kingdom Her Majesty Treasury
- GB - HMT Investment Ban list
- GB - HMT Countries Embargoes
- UN - United Nations
- UN - UN Countries Embargoes
- US - Office of Foreign Assets Control
- US - Specially Designated Nationals
- US - FinCEN
- US - Palestinian Legislative council
- US - US Countries Embargoes
How does it work?

Configuration

Use
Your institution

L1 user

notification

The Level 1 user logs-in to the Sanctions portal to review the alerts

Your correspondents
The Level 1 user selects one of the pending alerts to view the details.
Your institution

Your correspondents

Message content

Sanctions list record detail

Escalate to Level 2

Hits generated by the message & sanctions list identifier

L2 user

Release the message

Live Messages History Messages Reports

Pass

Pending

Last Comment: Suspect(s) detected by OF...

Hit ID Match

- SEC0000861 59 95
- MA000726 59 95
- UNT0000066 59 95
- OSFI000129 59 95
- NZPOL00462 59 95
- BOE007296 59 95

Synonyms

Name

More information

- 
- AKHTAR MOHAMMAD MAZ-HARI

City/State

Country

Search codes

Passport

National ID

BIC codes

MAZHARI, ABDUL QUDDUS
KUSHAL KHAN MENA, DISTRICT KABUL
AFGHANISTAN

SE012820

Abdul Mazari
Kushe Mena Dist n5
71A:OUR

{S:CHK:E7D0B24F4000}{ING:}
{MRF:12092507339120925ZYSBE0BAXX0063000757}
Abort or Flag the message
Release the message
When the user confirms a true hit on an **outgoing** message:

- The original message is aborted
- An abort notification (MT019) is sent to the user
When the user confirms a true hit on an **incoming** message:

- The original message is flagged…
- …then delivered to the recipient that routes it to a special queue for appropriate processing
Reporting & Auditing

• Service provides:
  – Monthly reporting of screening activity
  – Audit trail of all message ID, decisions
  – Audit trail of screening parameters

• SWIFT performs:
  – Periodical independent reviews to ensure effectiveness of the filter
KYC

Know Your Customer Registry
Background for the KYC Registry

“There is no proprietary value in doing KYC. We should look at creating a KYC utility”

Samir Assad CEO, global banking and markets, HSBC at Sibos opening plenary in Dubai 17 December 2013

- Data needed is often scattered, incomplete and/or outdated requiring all banks to repetitively engage in a heavy follow-up process with the same counterparties
- Some vendors collect banks’ data and offer solutions but banks have little incentive to proactively keep this data up-to-date, resulting in poor-quality or outdated information
- The lack of standards, complexity and inconsistency of the processes (e.g. data formats, definitions, local requirements) amplify the issue.
KYC Registry – What is it?

SWIFT proposes to help improve efficiency, effectiveness and standardisation of the bank-to-bank KYC process by creating a global platform to centrally collect and distribute up-to-date, standardised KYC information.

- Focus on banks KYC (reach to more than 7000 banks)
- Leverage SWIFT membership process to collect ‘basic’ set of data
- Provide enrichment based on SWIFT traffic data (SWIFT Profile)
- Operated and secured according to SWIFT standards

Banks remain owner of their information and responsible for their KYC process, criteria and results.
Our Solution

A platform to centrally collect and distribute your KYC information

- Reduce complexity through a default set of data and documents and enhanced reporting capabilities
- Create more transparency through guaranteed data quality and value-added information
- Create synergies, provide the information once and collect information from a single source

Our Solution

A platform to centrally collect and distribute your KYC information

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SWIFT KYC Registry
Your single source of correspondent banking KYC information

- **Industry-owned**
  Well established, neutral partner renowned for driving industry-wide solutions

- **Global**
  Reach more than 7,000 banks active in correspondent banking, representing more than 1,000,000 relationships

- **Unique value-add**
  SWIFT Profile increases transparency through unique, factual traffic activity report

- **Complete & up-to-date**
  SWIFT continuously verifies and validates the quality of the data

- **Collaborative**
  Banks submit, maintain and selectively exchange data through the platform

SWIFT KYC Registry
TSU / BPO Bank Payment Obligation
The Bank Payment Obligation (BPO)
A new alternative instrument for trade settlement

A BPO is an irrevocable undertaking given by one bank to another bank that payment will be made on a specified date after a successful electronic matching of data according to an industry-wide set of rules.

New ICC Uniform Rules for BPO
Target adoption: April 2013
Contracts

Purchase order:
BPO is one option of payment conditions

BPO-based services terms and conditions

Buyer

BPO-based services terms and conditions

Seller

See SWIFT’s TSU Service Description for C2B contractual guidelines

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**Art 5.5:**
If the parties have agreed on payment against the security of a BPO, then, unless otherwise agreed, the Buyer must arrange for the Seller to receive an assurance of payment in accordance with the agreed payment terms in the form of a BPO to be issued by a bank in favour of the Seller’s Bank, subject to the UR BPO published by the International Chamber of Commerce, and to be notified at least 30 days before the agreed date of shipment or at least 30 days before the earliest date within the agreed shipment period. Unless otherwise agreed, the BPO shall be payable at sight and allow transhipments but no partial deliveries.

### Payment Conditions (Art. 5)

**Payment on open account (art. 5.1)**
- Time for payment (if different from art. 5.1) ___ days from date of invoice. Other: ___
- Open account backed by demand guarantee or standby letter of credit (art. 5.6)

**Payment in advance (art. 5.2)**
- Date (if different from art. 5.2): ________
  - Total price
  - ___ % of the price; remaining amount ___ % to be paid at ________
  - Payment in advance backed by advance payment bond

**Documentary Collection (art. 5.4)**
- D/P Documents against payment
- D/A Documents against acceptance

**Irrevocable documentary credit (art. 5.3)**
- Confirmed
- Unconfirmed
- Place of issue (if applicable): ________
- Place of confirmation (if applicable): ________
- Credit available:
  - at sight
  - By deferred payment at: ___ days
  - By acceptance of drafts at: ___ days
  - By negotiation

  - Partial shipments: ___ Allowed ___ Not allowed
  - Transhipment: ___ Allowed ___ Not allowed

  - Date on which the documentary credit must be notified to seller (if different from art. 5.3)
    - ___ _______ days before date of shipment
    - ___ other: __________

**Irrevocable Bank Payment Obligation (art. 5.5)**
- Settlement by Payment
- Settlement by Deferred Payment Undertaking and payment at maturity. Deferred payment terms ___ days after sight or after date of __________

  - Date on which the Bank Payment Obligation must be notified to seller (if different from art. 5.3)
    - ___ _______ days before date of shipment
    - ___ other: __________

**Other: __________**
(e.g. cheque, bank draft, electronic funds transfer to designated bank account of seller)

**Seller’s Bank Details**
- IBAN/IBAN number __________
- BIC/Swift code[2] __________
Industry Standards for BPO

1. Any channel / any format / any solution
   - Bank portal
   - SWIFT's SCORE
   - Paper

2. Trade Matching Application
   - SWIFT's Trade Services Utility (TSU)

3. Any channel / any format / any solution
   - Bank portal
   - SWIFT's SCORE
   - Paper

1. UR Bank Payment Obligation

Commercial solutions

Industry standards

Buyer

Seller
SWIFT’s industry standards support E2E flows …

Streamline the L/C, Guarantees and open account trade transactions
Automate workflow of the trade life cycle to reduce cost
Accelerate handling of discrepancies and settlement
Move to paperless transaction processing
Enhance visibility on credit lines
… and enable competitive solutions to interoperate

Business process-level interoperability between various software solutions
Increased choice of vendor solutions in competitive space
No need for banks to join multiple corporate portals
Reduced technical, operational and legal costs
Use of any channel (SWIFT, Internet)
Use of ISO 20022 standards is only mandated between banks

There is collaboration between buyer & seller in the selection of the BPO as the agreed payment terms.

There is competition between banks in terms of the level of service they can offer to the corporate in respect of risk mitigation, financing, payment assurance, process efficiency, price etc. In this competitive space, there are no rules or mandatory standards. Banks & corporates are free to negotiate their own terms by way of bilateral forms of agreement.

There is collaboration between banks in terms of the establishment of a BPO subject to the matching of specified data elements. In this collaborative space, the adoption of the rules (UR BPO) and ISO 20022 TSMT messaging standards is mandatory.
The BPO builds upon electronic data matching

**Matching of contract data**

**BPO is established:**
- **Payment assurance, pre-shipment finance**

**Matching of data**

**BPO is due:**
- **Post-shipment finance**

**Transfer of funds**

**Trade is settled:**
- **Payment processing**

PO = Purchase Order; SO = Sales Order

1) Sign contract (PO)
2) PO data
3) SO data
4) Match PO/SO data & confirm
5) Datasets
6) Match requested datasets & confirm
7) Debit buyer
8) Transfer funds
9) Pay seller

Bank A

Buyer

TSU

Bank B

Seller

Buyer

TSU

Bank A

Bank B

Buyer

Fin

Bank A

Bank B

Seller

Seller
Message structure

The Baseline gathers the matching conditions using data extracted from trade documents.
ISO 20022 tsmt messages

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BPO is a block in an XML message
The block <PmtOblgtn> can be repeated
The BPO transaction lifecycle

- **BPO establishment**
  - Initial Baseline Submissions - tsmt.019.001.03
  - Baseline Match report - tsmt.010.001.03

- **Data Set Matching**
  - Dataset submission and reports - tsmt.014.001.03
  - Baseline amendments - tsmt.009.001.03
  - Mismatch acceptance or rejection - tsmt.021.001.03 - tsmt.022.001.02

- **BPO irrevocable & conditional subject to matching of specified data**

- **Bank Payment Obligation due (at sight or deferred)**
  - Payment – MT 202
  - Cash reporting

ISO 20022 TSMT required to support BPO transactions

Outside scope of BPO Rules

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1. In this example, the Data Set submission from the Recipient Bank has resulted in zero mismatches.
2. The TMA sends a Data Set Match Report to the Buyer’s Bank and the Recipient Bank confirming zero mismatches.
A BPO is an optional component of a TSU Baseline

*It is made up of these elements*

- The bank that has to pay under the obligation
- The bank that will be paid under the obligation
- The maximum amount that will be paid under the obligation
- The maximum amount that will be paid under the obligation, expressed as a percentage of the PO
- Date at which the obligation will expire
- The amount of the charges taken by the obligor bank
- Amount of the charges expressed as a percentage of the amount paid by the obligor bank
- Country of which the law governs the BPO
- Payment processes required to transfer cash from the debtor to the creditor, including payment terms, amount before charges etc
- Instructions stipulating the cash transfer characteristics between the two parties
A BPO is an optional component of a TSU Baseline

It is made up of these elements

**BPO RULE: EXPIRY DATE (article 8)**

Any amount under a BPO for which conditions have not been met is no longer available after 23:59:59 UTC on the expiry date in the Established Baseline.

**BPO RULE: PAYMENT TERMS (article 9)**

If the BPO section of the Established Baseline does not contain the optional sub-section Payment Terms, then the mandatory Payment Terms section in the Established Baseline will apply to the BPO.
Reference Data SWIFTRef

Accurate and up to date information
Your needs..

- Is this IBAN valid?
- Who’s the USD-correspondent of Afriland Bank?
- Is this BIC still active?
- What is the ownership of Stuttgart Bank?
- Which BIC and ABA correspond to my suppliers’ local account?
- What is the national clearing code of Bank of Taiwan?
- Which BIC belongs to this IBAN?
- What is the BIC of Banco Real?
- How do I build a Bank Master in SAP?
SWIFTRef - purpose

Efficient messaging

= SWIFTRef for identification & routing

+ SWIFT/ISO standards for the format

+ SWIFTNet for connectivity
Your needs..

Compliance
- increasing regulation pressure and demand
- SEPA, FSA, LEI, …

Risk
- Quality data from guaranteed source
- Data is complete, linked and up-to-date

Cost
- Straight-through-processing, repair costs
- Data collection – multiple data sets = limited integration = high cost
Authorised/official data sources

- Financial Institutions
- Central banks & banking associations
- National codes
- National codes
- National codes
- Web
- ComSys
- Files
- Bespoke updates to SWIFTRef
- Updates via FTP to SWIFTRef

**IBAN format**
- ISO 13616
- PAK
- SWIFTRef data collection team & Data Helpdesk

**BIC**
- ISO 9362
- PAK

**LEI**
- ISO 17442

**Bank financials & ratings**
- Moody’s – Reuters
- Dunn&Bradstreet

**Country economics**
- The Economist

**ISO 17442**
- LEI

**ISO 13616**
- IBAN format

**ISO 9362**
- BIC

**PAK**

Data updates via your PAK (online tool)

Direct updates as ISO registrar

**PAK**
Distribution channels

- **data feeds**
  - (daily updates)

- **web services**
  - (daily updates)

- **internet**

- **manual query tools**
  - (daily updates)

- **File download**
  - (monthly updates)

- **File delivery**
  - (monthly updates)

- **internet**

- **SWIFTNet**

- **FileAct**

- SWIFTRef Repository
SWIFTRef – Value proposition

- **Bank data**
  - Build your Master Bank Database
  - Identify and validate
    - Financial Institutions
    - BIC
    - National code
  - Understand bank hierarchy
  - Research on bank holidays, currencies and countries
  - Reporting on status of the BIC at transaction (MiFID)

- **SEPA data**
  - Validate IBANs and BIC codes
  - Find BICs from IBANs
  - Construct IBANs from BBANs
  - Find the best routing path for a beneficiary bank
  - Find the intermediary banks
  - Identify adherence to SCT, SDD-B, SDD-C schemes

- **SSI data**
  - Find the correspondent bank and bank’s details
  - Identify the intermediary bank
  - Identify asset category: commercial payments, FX, MM

---

Process and validate payments from one source

- SWIFTRef payments data
## SWIFTRef products – flat files

<table>
<thead>
<tr>
<th>Products</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank data</strong></td>
<td></td>
</tr>
<tr>
<td>BIC Archive</td>
<td>Historical BIC data (mergers, acquisitions, re-names)</td>
</tr>
<tr>
<td>BIC Directory</td>
<td>BIC codes, institution details</td>
</tr>
<tr>
<td>CCH</td>
<td>ISO countries, currencies, banking holidays</td>
</tr>
</tbody>
</table>
| Bank Directory Plus | BIC codes  
|                | National bank codes (140+ countries)                                    |
|                | Bank entity hierarchies                                                |
| **SEPA data**  |                                                                         |
| IBAN Plus      | IBAN and BIC data for SEPA and other IBAN countries                    |
| SEPA Plus      | SCT, SDD adherence                                                      |
|                | ACH membership & reachability                                          |
| **SSI data**   |                                                                         |
| SSI Retail     | SSIs for commercial payments                                           |
| SSI Wholesale  | SSIs for treasury (FX, MM,...)                                         |
| SSI Plus       | SSI for commercial payments and treasury                               |
| **Payments data** | all data above integrated in one product                              |
| Payments Plus  |                                                                         |
# SWIFTRef products – online query tools

<table>
<thead>
<tr>
<th>Web query tools</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank data (BIC)</td>
<td></td>
</tr>
<tr>
<td>BIC Directory Online</td>
<td>BIC codes, institution details</td>
</tr>
<tr>
<td>BIC Archive Online</td>
<td>Historical BIC data (mergers, acquisitions, re-names)</td>
</tr>
<tr>
<td>Other (broadcasts)</td>
<td></td>
</tr>
<tr>
<td>MT094 Online</td>
<td>MT094 broadcast data base + email service</td>
</tr>
<tr>
<td>Payments Data</td>
<td></td>
</tr>
<tr>
<td>Bankers World Online</td>
<td>All Payments Plus data</td>
</tr>
<tr>
<td></td>
<td>Institutions’ web sites, contact details etc.</td>
</tr>
<tr>
<td></td>
<td>Fitch data</td>
</tr>
</tbody>
</table>
Business Intelligence
It all starts with data
Perspectives Swift data can bring you...
Watch Analytics

Dynamic search and analysis of business data only SWIFT can provide.

The Watch Analytics offering will be migrated to a new state-of-the-art Business Intelligence platform in Q4 2013, starting with Traffic and Value Analytics.

**Improvements:** Data available earlier in the month; Collaboration thanks to analyses storage in the cloud; Data visualizations & dashboards capabilities; Enhanced exportability and much more...

Watch Traffic Analytics
Your traffic volumes by market, message type and region

Watch Message Cost Analytics
Your SWIFT messaging costs and charges

Watch Value Analytics
Your transaction value by currency

Watch Billing Analytics
Your SWIFT invoice in detail

Watch Market Analytics
Your SWIFT activity share
Watch Insights

Visual and business-oriented dashboards on a subset of your customer's correspondent banking business. More market segments to follow.

Pre-defined, yet dynamic.

- Develop footprint and portfolio for Payments and Cash Management
- Manage correspondent network for Payments and Trade finance
- Develop footprint and portfolio for Trade finance
- Improve operational efficiency & quality

- Top Message Types YTD
- YTD Traffic sent
- YTD Traffic receiv

Your top cash management messages sent and received YTD

- Country usage and Country Evolution
- Growth Over Last Year
- Growth YTD Gauging

The evolution of the number of counterparties and countries you have activities with

- Total Message MT700 Share vs. YTD Net % YTD
- Activity Share
- Net % YTD Tier

Your activity share in MT700 YTD and its variations compared to last year

Total volume of free text and its repartition per category
BI Consulting Services

Our consultants bring subject matter expertise and more granular data, serving your transaction business teams with tailor-made market and anonymous competitive information.

- Data-driven decision support
- Peer analysis
- Reporting implementation
- Sales collateral
- Strategic development
- Report development
- Network development

Bringing together data and subject matter expertise to the right people
Mexico overall traffic evolution sent and received

Evolution per market of traffic sent in Mexico

Evolution per market of traffic received in Mexico

Evolution of global traffic sent and received in Mexico

*Traffic of MT103 and 202 sent and received in 2012 and 2013, Live including domestic traffic*
LATAM securities traffic evolution

Traffic of category 5 sent and received in 2012 and 2013, Live

Securities traffic evolution in LATAM

Volumes in Thousands

Traffic sent
Traffic received

January 2012 to November 2013
**LATAM top payments senders and receivers**

*Top 10 chosen based on total volume sent or received (MT 103 and MT 202) in 2013, excluding domestic traffic, Live*

---

### Top 10 LATAM payments messages senders and their top counterparties (receivers)

<table>
<thead>
<tr>
<th>Senders</th>
<th>Volume sent from</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>4,736,084</td>
<td>31.52%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2,838,280</td>
<td>6.10%</td>
</tr>
<tr>
<td>Chile</td>
<td>1,179,096</td>
<td>5.91%</td>
</tr>
<tr>
<td>Panama</td>
<td>1,111,855</td>
<td>1.41%</td>
</tr>
<tr>
<td>Argentina</td>
<td>1,080,893</td>
<td>0.53%</td>
</tr>
<tr>
<td>Colombia</td>
<td>922,614</td>
<td>1.23%</td>
</tr>
<tr>
<td>Peru</td>
<td>771,080</td>
<td>1.34%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>696,102</td>
<td>1.09%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>467,193</td>
<td>0.35%</td>
</tr>
<tr>
<td>Bermuda</td>
<td>457,108</td>
<td>2.33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counterparties</th>
<th>Volume received by</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>15,881,151</td>
<td>91.93%</td>
</tr>
<tr>
<td>Germany</td>
<td>1,538,814</td>
<td>1.36%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>469,424</td>
<td>0.50%</td>
</tr>
<tr>
<td>Spain</td>
<td>352,818</td>
<td>0.30%</td>
</tr>
<tr>
<td>Belgium</td>
<td>238,217</td>
<td>0.44%</td>
</tr>
<tr>
<td>Canada</td>
<td>208,865</td>
<td>0.60%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>87,553</td>
<td>1.01%</td>
</tr>
<tr>
<td>Italy</td>
<td>73,101</td>
<td>0.01%</td>
</tr>
<tr>
<td>Japan</td>
<td>65,672</td>
<td>0.36%</td>
</tr>
<tr>
<td>France</td>
<td>65,579</td>
<td>0.09%</td>
</tr>
</tbody>
</table>

### Top 10 LATAM payments messages receivers and their top counterparties (senders)

<table>
<thead>
<tr>
<th>Receivers</th>
<th>Volume received by</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>4,681,985</td>
<td>68.36%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2,263,096</td>
<td>4.52%</td>
</tr>
<tr>
<td>Panama</td>
<td>1,107,779</td>
<td>2.20%</td>
</tr>
<tr>
<td>Peru</td>
<td>896,401</td>
<td>0.99%</td>
</tr>
<tr>
<td>Colombia</td>
<td>861,347</td>
<td>3.13%</td>
</tr>
<tr>
<td>Chile</td>
<td>669,765</td>
<td>1.64%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>591,209</td>
<td>0.93%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>567,727</td>
<td>0.96%</td>
</tr>
<tr>
<td>Argentina</td>
<td>476,704</td>
<td>0.77%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>453,740</td>
<td>0.27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counterparties</th>
<th>Volume sent from</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>12,727,043</td>
<td>45.24%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,112,624</td>
<td>27.11%</td>
</tr>
<tr>
<td>Germany</td>
<td>971,074</td>
<td>2.12%</td>
</tr>
<tr>
<td>Spain</td>
<td>843,656</td>
<td>2.44%</td>
</tr>
<tr>
<td>Japan</td>
<td>268,854</td>
<td>0.47%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>263,224</td>
<td>2.90%</td>
</tr>
<tr>
<td>France</td>
<td>258,403</td>
<td>3.61%</td>
</tr>
<tr>
<td>Canada</td>
<td>216,471</td>
<td>0.51%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>175,344</td>
<td>3.53%</td>
</tr>
<tr>
<td>Belgium</td>
<td>141,792</td>
<td>4.79%</td>
</tr>
</tbody>
</table>
MT103 and 202 Payments sent from Mexico

Mexico (BIC8 country) sent payments to **TOP 3 counterparty BIC8 countries and TOP2 end beneficiary countries from counterparty US** (source: 2013)

- **United States (CPC)**: 4206 Kmsgs
- **United Kingdom (CPC)**: 159 Kmsgs
- **Germany (CPC)**: 215 Kmsgs
- **Mexico (EBC)**: 300 Kmsgs
- **Stays in United States (EBC)**: 257 Kmsgs
MT103 and 202 Payments sent from Brazil

Brazil (BIC8 country) sent payments to TOP 3 counterparty BIC8 countries and TOP2 end beneficiary countries from counterparty US (source: 2013)
MT103 and 202 Payments sent from Chile

Chile (BIC8 country) sent payments to TOP 3 counterparty BIC8 countries and TOP2 end beneficiary countries from counterparty US (source: 2013)
LATAM payment flows showing routes

### Key highlights
- Europe, APAC and LATAM are important end destinations of commercial payments but many of these payments are being intermediated by banks in North America.
- The dominance of USD as currency for international trade places banks in the United States in a unique position to intermediate flows with clearing services.

### Where are commercial payments from LATAM going to?

<table>
<thead>
<tr>
<th>End beneficiary country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>82.7%</td>
</tr>
<tr>
<td>Middle East</td>
<td>0.0%</td>
</tr>
<tr>
<td>IMI &amp; Related Copies</td>
<td>0.0%</td>
</tr>
<tr>
<td>Europe - Non Euro Zone</td>
<td>2.7%</td>
</tr>
<tr>
<td>Europe - Euro Zone</td>
<td>12.7%</td>
</tr>
<tr>
<td>Central &amp; Latin America</td>
<td>1.2%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>0.6%</td>
</tr>
<tr>
<td>Africa</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### Currency distribution for outgoing commercial payments from LATAM

- **USD**: 84%
- **EUR**: 12%
- **Other**: 4%

### Source:
- SWIFT (number of cross-border MT103 sent from LATAM to counterparty country/region, 2013)
- SWIFT (number of cross-border MT103 sent from LATAM to end-beneficiary country/region, 2013)
LATAM top trade senders and receivers

*Top 10 chosen based on total volume sent or received (MT 700) in 2013, excluding domestic traffic, Live*

### Top 10 LATAM trade messages senders and their top counterparties (receivers)

<table>
<thead>
<tr>
<th>Senders</th>
<th>Volume sent from</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>40,252</td>
<td>14.57%</td>
</tr>
<tr>
<td>Mexico</td>
<td>12,718</td>
<td>6.54%</td>
</tr>
<tr>
<td>Brazil</td>
<td>11,471</td>
<td>16.42%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>11,391</td>
<td>9.21%</td>
</tr>
<tr>
<td>Peru</td>
<td>11,193</td>
<td>5.83%</td>
</tr>
<tr>
<td>Cuba</td>
<td>8,789</td>
<td>8.55%</td>
</tr>
<tr>
<td>Colombia</td>
<td>7,675</td>
<td>4.51%</td>
</tr>
<tr>
<td>Argentina</td>
<td>7,255</td>
<td>7.29%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>5,097</td>
<td>1.96%</td>
</tr>
<tr>
<td>Panama</td>
<td>4,693</td>
<td>5.14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counterparties</th>
<th>Volume received by</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>32,889</td>
<td>11.19%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>25,242</td>
<td>6.85%</td>
</tr>
<tr>
<td>United States</td>
<td>12,459</td>
<td>15.63%</td>
</tr>
<tr>
<td>Brazil</td>
<td>7,119</td>
<td>5.61%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>5,277</td>
<td>1.45%</td>
</tr>
<tr>
<td>Spain</td>
<td>5,068</td>
<td>2.62%</td>
</tr>
<tr>
<td>Germany</td>
<td>4,536</td>
<td>12.52%</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>4,382</td>
<td>6.68%</td>
</tr>
<tr>
<td>India</td>
<td>4,374</td>
<td>1.79%</td>
</tr>
<tr>
<td>Italy</td>
<td>3,542</td>
<td>1.66%</td>
</tr>
</tbody>
</table>

### Top 10 LATAM trade messages receivers and their top counterparties (senders)

<table>
<thead>
<tr>
<th>Receivers</th>
<th>Volume received by</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>18,615</td>
<td>31.77%</td>
</tr>
<tr>
<td>Chile</td>
<td>10,200</td>
<td>24.50%</td>
</tr>
<tr>
<td>Peru</td>
<td>5,787</td>
<td>6.93%</td>
</tr>
<tr>
<td>Mexico</td>
<td>4,698</td>
<td>7.62%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>4,563</td>
<td>2.65%</td>
</tr>
<tr>
<td>Argentina</td>
<td>3,705</td>
<td>2.98%</td>
</tr>
<tr>
<td>Colombia</td>
<td>2,264</td>
<td>6.42%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1,716</td>
<td>3.12%</td>
</tr>
<tr>
<td>Panama</td>
<td>1,428</td>
<td>6.29%</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>697</td>
<td>0.39%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counterparties</th>
<th>Volume sent from</th>
<th>Share in value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezuela</td>
<td>8,427</td>
<td>8.31%</td>
</tr>
<tr>
<td>China</td>
<td>6,839</td>
<td>14.00%</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>5,423</td>
<td>5.89%</td>
</tr>
<tr>
<td>United States</td>
<td>3,776</td>
<td>11.45%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2,993</td>
<td>1.47%</td>
</tr>
<tr>
<td>Chile</td>
<td>2,841</td>
<td>1.37%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2,612</td>
<td>10.38%</td>
</tr>
<tr>
<td>Spain</td>
<td>1,983</td>
<td>3.29%</td>
</tr>
<tr>
<td>Cuba</td>
<td>1,420</td>
<td>1.39%</td>
</tr>
<tr>
<td>Colombia</td>
<td>1,146</td>
<td>0.96%</td>
</tr>
</tbody>
</table>
MyStandards

All standards-related information you need
MyStandards
All standards-related information you need in a unique and simple platform

**Base Standards:** MT/MX/ISO 20022

- Global market practices
- Local market practices
- Bilateral guidelines
- Internal specifications
MyStandards

Ramp up Clients Faster

Self Service Testing

Meet the experts

MyStandards Readiness Portal

Customer Service
MyStandards Overview

- MyStandards has two main parts
  1. MyStandards web platform
     - Manage and publish your client facing usage guidelines
     - Base standards content and comparison
     - Other publishers usage guidelines
  2. MyStandards editor
     - The editor is used off-line to define usage guidelines
     - The usage guidelines are then uploaded into the MyStandards web platform
3. MyStandards Readiness Portal builds upon, and is accessed from MyStandards

- Internal testing
- Client self-service testing
- Clients test against Citi specific usage guidelines
- Reduces support & hand-holding when bringing on new clients
MyStandards – Reaching Critical Mass

33 premium organisations
35 market practice groups
7500+ registered users
2000 + shared guidelines
Q&A