



Service

Partners

# SWIFTReady Payments

## Label Criteria 2012

This document explains the business criteria needed to obtain the SWIFTReady Payments label 2012 for payments applications.

27 January 2012

# Table of Contents

<b>Table of Contents .....</b>	<b>2</b>
<b>Preface.....</b>	<b>3</b>
<b>1 SWIFT in Payments and Cash Management.....</b>	<b>4</b>
<b>2 SWIFTReady Payments Label .....</b>	<b>5</b>
<b>3 SWIFTReady Payments Criteria 2012.....</b>	<b>6</b>
3.1 Changes compared to 2011 .....	6
3.2 Installed Customer Base .....	6
3.3 Messaging .....	6
3.4 Connectivity.....	7
3.4.1 Option 1: Direct Connectivity .....	7
3.4.2 Option 2: Indirect Connectivity.....	7
3.5 Standards .....	8
3.6 Message Reconciliation .....	8
3.7 Message Validation .....	8
3.8 Business Workflow .....	8
3.9 User Interface.....	9
3.9.1 Message Entry.....	9
3.9.2 Message Repair .....	9
3.9.3 User Profile Management.....	10
3.10 Reference Data .....	10
3.10.1 BIC Directory .....	10
3.10.2 BICPlusIBAN Directory.....	10
3.10.3 SWIFTRef suite .....	11
3.11 Marketing and Sales .....	11
<b>Appendix A List of FIN Messages Required for SWIFTReady Payments 2012 Label .....</b>	<b>12</b>
<b>Appendix B List of ISO 20022 Messages Optional for SWIFTReady Payments 2012 Label.....</b>	<b>14</b>
<b>Legal Notices .....</b>	<b>15</b>

# Preface

## Purpose of this document

This document explains the criteria needed to obtain the SWIFTReady Payments label 2012 for payments applications.

## Intended audience

This document is for the following audience:

- Product Managers
- Development Managers/Developers

## Related documentation

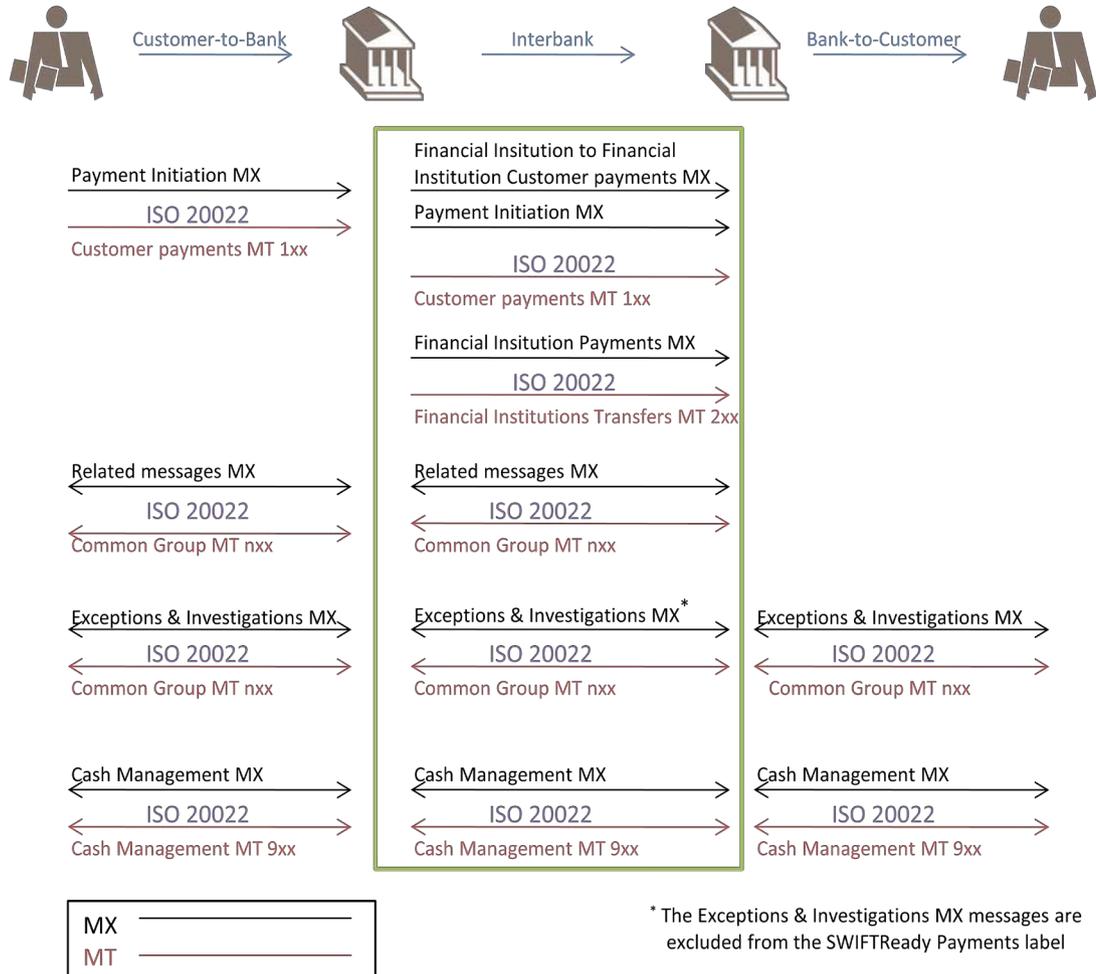
The first two references can be found at [http://www.swift.com/partners/certify\\_your\\_application](http://www.swift.com/partners/certify_your_application)

- *SWIFTReady Application Programme Overview*  
The document provides an overview of the SWIFTReady programme and its benefits to application vendors. Explains the SWIFTReady validation process, including technical, functional and customer validations.
- *SWIFTReady Technical Validation Guide*  
The document explains in a detailed manner how the validation is applied to an application going through the labelling process.
- The SWIFT User Handbook Online – accessible through the Documentation site on [www.swift.com](http://www.swift.com).

# 1 SWIFT in Payments and Cash Management

In payments, more than 60 clearing systems, carrying from 500 to over 300.000 payments a day, rely on SWIFT for the secure messaging connectivity and common message standards essential to their smooth operation.

SWIFT offers a range of standards to initiate, and to clear and settle customer payments between the different players in the end-to-end payments chain. A related set of standards is also available to handle status reporting and deal with Exceptions and Investigations, as well as standards that provide account-related information exchanged between an account owner and an account service.



FIN enables the exchange of messages formatted with the traditional SWIFT MT standards. FIN works in store-and-forward mode and offers extensive value-added functionality, such as message copy (for example, FINCopy and FINInform), broadcasts, and online retrieval of previously exchanged messages.

The traditional FIN messages have been more recently complemented by ISO 20022 messages for payment initiation and mandates (pain), payment clearing and settlement (pacs), cash management and Exceptions and Investigations (camt). The MX messages for Exceptions and Investigations are out of scope of this label as they are covered by a separate label (*SWIFTReady Exceptions and Investigations*).

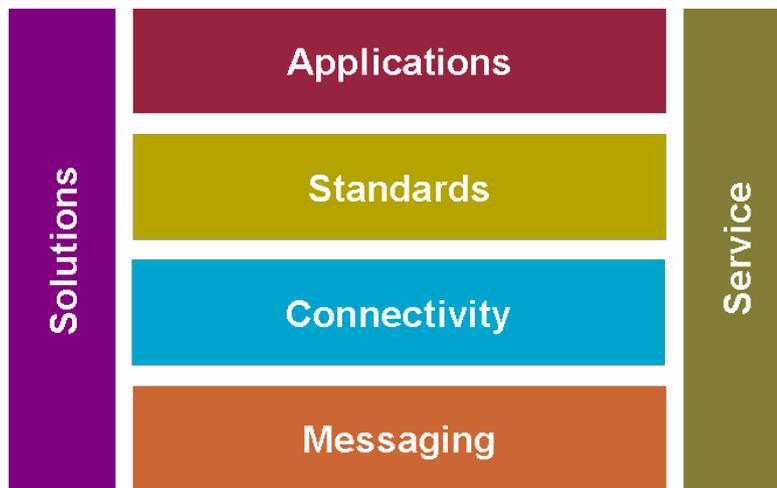
## 2 SWIFTReady Payments Label

The SWIFTReady Payments label focuses on the certification of core banking or payments applications that enable the initiation, generation, processing and settlement of inter-bank payments. This label is awarded to business applications that adhere to a specific set of criteria linked to the support of SWIFT FIN (MT) messages and (optionally) MX messages, SWIFT connectivity and SWIFT functionality.

The following applications are out of scope of the SWIFTReady Payments label:

- Clearing and settlement applications (Automated Clearing House (ACH) and/or Real-Time Gross Settlement (RTGS) applications) targeted at central institutions.
- Software solutions primarily reformatting business data into SWIFT-compliant messages that can be released over SWIFT (Middleware and Enterprise Application Integrations (EAI)).
- Cash management solutions that are targeted to Corporate treasurers. Partners offering these solutions must apply for the SWIFTReady for Corporates – Cash management label.
- Exceptions and Investigations case managers. These must apply for the Exceptions and Investigations label.

## 3 SWIFTRReady Payments Criteria 2012



### 3.1 Changes compared to 2011

New label

Vendors applying for the SWIFTRReady Payments label for the first time must comply to all criteria as defined in this document.

Existing label (renewal from previous year)

Vendors that have been granted the SWIFTRReady Payments label in 2011 are required to prove compliance to Standards Release (SR) 2012.

In case the vendor has upgraded its application, details of the new functionalities will be requested by SWIFT and demonstrated by the vendor (for example, New Functional validation required).

See section 3.5 Standards for the list of mandatory and optional messages to be supported in 2012.

### 3.2 Installed Customer Base

To be eligible for the 2012 label, the application must be implemented and used by at least 5 live customers.

By "customer" we mean a separate financial institution using the application to generate/receive payments messages carried over SWIFTNet.

SWIFT reserves the right to contact some relevant customers to validate the functionality of the application submitted for SWIFTRReady certification. A questionnaire will be sent as the basis for the customer validation which can be in the form of a telephone interview, an e-mail or a discussion at the customer site. The information provided by the customer will be treated as confidential and will not be disclosed, unless the customer explicitly states otherwise.

### 3.3 Messaging

The application must support the FIN protocol.

In particular, the application must be able to generate the correct FIN header, body and trailer blocks, and must be able to parse and act upon any incoming messages (as per list in section 3.5 Standards) as appropriate.

The support of FileAct and InterAct to transport MX payments and cash management messages is optional.

## 3.4 Connectivity

The partner must be able to connect its application to SWIFT: either directly through one of the available Alliance interface adapters or indirectly through a SWIFTReady Financial EAI solution.

A partner application that does not connect directly or indirectly to Alliance cannot be considered for a SWIFTReady label. The Alliance interface can be deployed at customer premises, or managed at a service bureau.

### 3.4.1 Option 1: Direct Connectivity

For direct connectivity, the vendor application must integrate with Alliance Access.

Alliance Access provides File, Simple Object Access Protocol (SOAP) and MQ-based adapters for FIN, InterAct, and for FileAct connectivity. The direct business application to Alliance Access connection can be achieved using one of the Alliance Access adapters: MQ Host Adapter (MQHA), Automated File Transfer (AFT) or SOAP Host Adapter.

The partner must develop and test SWIFT application integration using Alliance Access 7.0. Proper support of Alliance Access 7.0 is mandated for the 2012 label.

The SWIFTReady Payments label requires support for either Automated File Transfer (AFT) or an interactive link with MQHA or SOAP.

In summary:

Messaging service	Interface	Mandatory Access adapters
FIN	Access	AFT or MQHA or SOAP

### 3.4.2 Option 2: Indirect Connectivity

Alternatively, you can prove your application compliance with the connectivity criteria by providing SWIFT with evidence of an indirect connectivity solution consisting of your business application and a middleware (EAI) solution. For indirect connectivity, a selection must be made from the list of **2011 SWIFTReady Financial EAI** suites, which are listed on [swift.com http://www.swift.com/partners/locator](http://www.swift.com/partners/locator). Please note that there will not be a 2012 SWIFTReady Financial EAI label.

Financial EAI provides generic adapters that capture business data for various file systems, documents and business application databases, and map them to the requested MT or MX formats, prior to routing and dispatching them to the appropriate Alliance interface. It deals with the messaging and network complexities and eases the integration with SWIFT. The EAI adapters must be customised and configured to map to the partner application, which must also provide the appropriate message reconciliation mechanisms.

When the Partner selects the indirect connectivity option for label qualification, the combined solution (partner application and SWIFTReady Financial EAI) must be tested end-to-end over the SWIFT Integration Test Bed (ITB).

In the latter case, Partner Management reserves the right to contact the relevant financial institution for further information.

## 3.5 Standards

The application must support the messages belonging to the categories 1, 2 and 9, incoming and/or outgoing, as described in Appendix A, and according to Standards Release 2011. The application must be able to support all fields and all code words, mandatory and optional.

The application must be able to:

- generate all outgoing messages types in categories 1, 2 and 9, validate them against the related syntax and semantic rules, then route them to the SWIFT Interface
- receive and parse any incoming message in these categories, and properly act upon them, according to the business transaction rules.

Optionally the application must support the ISO 20022 messages listed in Appendix B.

## 3.6 Message Reconciliation

SWIFT validates messages at different levels and provides notifications related to the validation and transmission results of the messages sent. The application must capture these notifications and ensure technical reconciliation, error handling, repair and retransmission where appropriate.

## 3.7 Message Validation

FIN central services validate every FIN message against syntax and semantic rules. Messages that do not pass validation are rejected by the central system, incurring substantial cost for SWIFT users. To avoid this, partner applications must provide the same level of validation on the generated messages as the FIN central services do.

The partner application must build and validate all messages according to the message format and field specifications specified in the **Standards Release 2012** for Category 1, 2 and 9 messages. In addition, the application must ensure that outgoing messages comply with the rules and guidelines described in the *Standards MT Message Reference Guides*, that is:

- network validated rules
- usage rules, and
- Straight-Through Processing (STP) guidelines
- Standards Usage Guidelines

Typical rules that will be checked during certification for the MT 103 include:

- Field 33B Instructed Currency and Amount: used when the currency and amount are different from those specified in field 32B.
- Field 36 Exchange Rate: must be present when a currency conversion or an exchange has been performed on the Sender's side.
- Field 77T Extended remittance Information: can only be used if both Sender and Receiver of the message have subscribed to the Extended Remittance Information Message User Group (MUG). If the field is used, the Sender must set the validation flag to REMIT in field 119 of the user header of the message. If field 77T is not present, the code of the validation flag must not be REMIT.

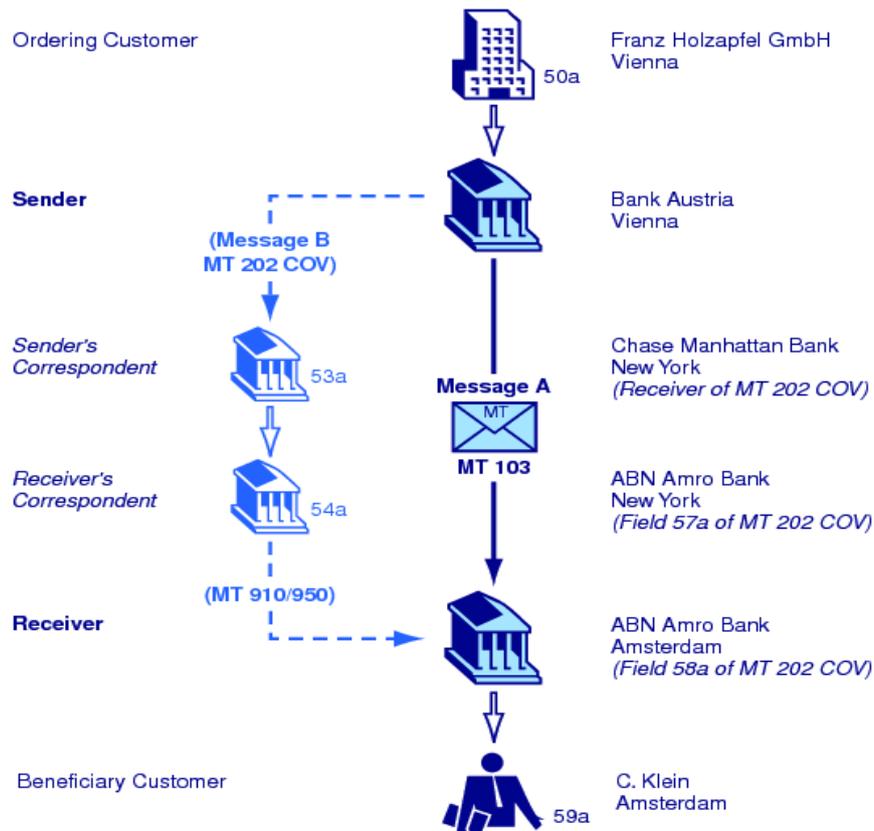
The 2012 Standards Release becomes effective in November 2012, but we expect the vendor to provide adequate testing time to its customers before these messages go live.

## 3.8 Business Workflow

The application must be able to automatically generate correct MTs when an event occurs or when a user manually enters an event.

Whenever possible, subsequent messages must be generated automatically. For example if an outgoing MT 103 contains field 53A (Sender's Correspondent), an MT 202/MT 205 COV must be

generated automatically mapping the necessary information, references, and fields into the cover payment message. This is illustrated in the information flow below.



SWIFT expects that the application receive incoming messages and process them according to predefined rules. The messages need to be passed on to the accounting system or to the next processing module/application in the chain if additional processing is needed.

The application must be able to, whenever possible, automatically populate and generate common group messages. For example, if a message received requires a query message to be sent, the user must have the possibility to ask the system to generate an MT n95 (Query). The application must be able to populate the query with the respective references of the original transaction and provide a mechanism to copy the original message, if required.

## 3.9 User Interface

The application must have a manual entry/display/repair capability for the MTs (and, optionally the MX) listed above.

### 3.9.1 Message Entry

The application must enable a user to manually input or modify the MT messages, by offering normalized fields for input (independent from the underlying syntax and business meaning).

### 3.9.2 Message Repair

The application must validate the user data input at field level and must flag any invalid entry, prompting the user to correct the input. This includes but is not limited to flagging mandatory fields.

### 3.9.3 User Profile Management

The application must provide a user profile management functionality to ensure that only authorized users can perform specific tasks. The partner must demonstrate how their application handles user profile creation, update and deletion and that access is denied or an operation is refused if a user is not entitled to perform this operation.

The partner must also demonstrate that the application supports the "four eyes principle" by showing that a specific operation (for example, payment initiation) requires a second person to validate it before execution.

## 3.10 Reference Data

The application must support the following directories:

### 3.10.1 BIC Directory

The BIC Directory lists the Business Identifier Codes (BICs) issued under ISO 9362 to the financial institutions and corporates that need to be identified in FIN payments traffic.

The BIC Directory is downloadable from [www.swift.com](http://www.swift.com) in full or delta versions. It must either be copied into the application repository system, or stored in back-office for access by the partner application through a defined interface.

The Partner Application must provide access to the BIC directory both for message validation and as look-up function in the message creation and message repair stations.

It is the responsibility of subscribers at all times to make sure they use the latest version of the BIC directory. As such, we expect the application to support this monthly update in an efficient manner without disrupting the customer operations.

### 3.10.2 BICPlusIBAN Directory

The BICPlusIBAN Directory includes the full list of the ISO 9362 BICs cross-referenced with more than 400,000 national bank codes/sort codes from over 60 countries, including codes from the American Banking Association (ABA).

It also provides the ISO 13616 International Bank Account Number (IBAN) structures of more than 50 countries, and all national bank codes used in IBANs, cross-referenced with the BICs used in the Single Euro Payments Area (SEPA).

The BICPlusIBAN Directory is available as a downloadable, electronic file suited for integration, or for manual look-up.

The Partner Application must be able to validate the following fields of MT 102 and MT 103 against the BICPlusIBAN:

1. MT 102 (STP or not) field tags 52A and 57A (plus 52C and 57C for MT 102\_not\_STP)
2. MT 103 (STP or not) field tags 52A, 56A, 57A (plus 52D, 56D, 56C, 57C and 57D for MT 103\_not\_STP).

It is the responsibility of the subscribers at all times to make sure they use the latest update of the BICPlusIBAN. As such, we expect the application to support this monthly update in an efficient manner without disrupting the customer operations.

Customers can order the BICPlusIBAN Directory until 31 December and will be available to existing customers until December 2013. Starting Jan 2012 new customers can order the Bank Directory Plus or IBAN Plus instead. The Bank Directory Plus will contain the BICs and the national bank/sort codes for up to 150 countries. IBAN Plus will contain the IBAN formats, IBAN bank codes and the corresponding BICs for most countries using the IBAN, including all SEPA countries. An SAP upload utility will be available for the Bank Directory Plus.

### 3.10.3 SWIFTRef suite

SWIFTRef, the global payments reference data utility, offers a suite of global payments reference data services, housed and maintained on a flexible relational database and accessible in a choice of formats and delivery channels matched to the business needs.

Via SWIFTRef, vendors will be able to access all the Standard Settlement Instructions, BICs, national bank codes, IBAN information, routing directories (SEPA and other payment systems) and more, secure in the knowledge that the data is up-to-date, comprehensive and consistent with all related payments reference data sets on the platform.

More information available on <http://www.swiftrefdata.com/>

## 3.11 Marketing and Sales

In order to leverage the business value of the label, a business collaboration between SWIFT and the partner is expected. More specifically, the partner must provide SWIFT, under non-disclosure agreement, with the following information:

- A list of at least five customers actively using the application in a SWIFT context. The list must provide the institution name, location, and an overview of the integration scope (domain, features, and sites) for the present and previous year.
- A list of all their customers active in the financial sector.
- A product roadmap for 2012 and 2013 containing the plans for further developments, SWIFT support and new releases.
- A complete set of documentation, including features overview, SWIFT adapters, workflow engine capability and user manuals.

In addition, the partner must dedicate a webpage of their website to describe the SWIFTReady application used in a SWIFT context.

## Appendix A List of FIN Messages Required for SWIFTReady Payments 2012 Label

Mandatory/ Optional	MT	MT Name	Incoming	Outgoing
O	101	Request For Transfer	ü	ü
M	102 102+	Multiple Customer Credit Transfer	ü	ü
M	103 103+	Single Customer Credit Transfer	ü	ü
O	103 REMIT	Single Customer Credit Transfer	ü	ü
O	104	Direct Debit and Request for Debit Transfer	ü	ü
O	105	EDIFACT Envelope	ü	ü
O	107	General Direct Debit	ü	ü
O	110	Advice of Cheque	ü	ü
O	111	Request for Stop Payment of a Cheque	ü	ü
O	112	Status of a Request for Stop Payment of a Cheque	ü	ü
M	200	Financial Institution Transfer for its Own Account	ü	ü
M	201	Multiple Financial Institution Transfer for its Own Account	ü	ü
M	202	General Financial Institution Transfer	ü	ü
M	202 COV	General Financial Institution Transfer	ü	ü
M	203	Multiple General Financial Institution Transfer	ü	ü
O	204	Financial Markets Direct Debit Message	ü	ü
M	205	Financial Institution Transfer Execution	ü	ü
M	205 COV	Financial Institution Transfer Execution	ü	ü
O	207	Request for Financial Institution Transfer	ü	ü
M	210	Notice to Receive	ü	ü
O	256	Advice of Non-Payment of Cheques	ü	ü
M	900	Confirmation of Debit	ü	ü
M	910	Confirmation of Credit	ü	ü
O	920	Request Message	ü	ü

O	935	Rate Change Advice	Ü	Ü
O	940	Customer Statement Message	Ü	Ü
O	941	Balance Report	Ü	Ü
O	942	Interim Transaction Report	Ü	Ü
O	950	Statement Message	Ü	Ü
O	970	Netting Statement	Ü	Ü
O	971	Netting Balance Report	Ü	Ü
O	972	Netting Interim Statement	Ü	Ü
O	973	Netting Request Message	Ü	Ü
O	985	Status Enquiry	Ü	Ü
O	986	Status Report	Ü	Ü
M	n90	Advice of Charges, Interest and Other Adjustments	Ü	Ü
M	n91	Request for Payment of Charges, Interest and Other Expenses	Ü	Ü
M	n92	Request for Cancellation	Ü	Ü
M	n95	Queries	Ü	Ü
M	n96	Answers	Ü	Ü
M	n98	Proprietary Message	Ü	Ü
M	n99	Free Format Message	Ü	Ü

## Appendix B List of ISO 2022 Messages Optional for SWIFTReady Payments 2012 Label

### Payments Clearing and Settlement (pacs)

Message Name	Message ID (XML Schema)
FIToFIPaymentStatusReportV03	pacs.002.001.03
FIToFICustomerDirectDebitV02	pacs.003.001.02
PaymentReturnV02	pacs.004.001.02
FIToFIPaymentReversalV02	pacs.007.001.02
FIToFICustomerCreditTransferV02	pacs.008.001.02
FinancialInstitutionCreditTransferV02	pacs.009.001.02

### Cash Management (camt)

Message Name	Message ID (XML Schema)
BankToCustomerAccountReportV02	camt.052.001.02
BankToCustomerStatementV02	camt.053.001.02
BankToCustomerDebitCreditNotificationV02	camt.054.001.02
CustomerPaymentCancellationRequestV01	camt.055.001.01
FIToFIPaymentCancellationRequestV01	camt.056.001.01
RequestToModifyPaymentV03	camt.007.002.03
ResolutionOfInvestigationV03	camt.029.001.03
NotificationToReceiveV02	camt.057.001.02
NotificationToReceiveCancellationAdviceV02	camt.058.001.02
NotificationToReceiveStatusReportV02	camt.059.001.02
AccountReportingRequestV02	camt.060.001.02

### Payment Initiation (pain)

Message Name	Message ID (XML Schema)
CustomerCreditTransferInitiationV03	pain.001.001.03
CustomerPaymentStatusReportV03	pain.002.001.03
CustomerPaymentReversalV02	pain.007.001.02
CustomerDirectDebitInitiationV02	pain.008.001.02

### Mandates

Message Name	Message ID (XML Schema)
MandateInitiationRequestV01	pain.009.001.01
MandateAmendmentRequestV01	pain.010.001.01
MandateCancellationRequestV01	pain.011.001.01
MandateAcceptanceReportV01	pain.012.001.01

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