Daily Validation Reports: strengthening your cyber security defences

Validate your SWIFT transaction activity and understand payment risks simply and effectively

Key benefits

Independent daily snapshot of transaction activity

Rapid identification of payment and new counterparty risks

Faster incident response to fraudulent transactions and cyber incidents

Out-of-band delivery via a secure SWIFT channel

Easy-to-use, with simple and customisable data views

Key features

- Activity and risk reporting of inbound and outbound messages
- Highlights new counterparty relationships and payment flows
- Risk review of large or unusual transaction values and volumes
- Currency, country and direct and indirect activity breakdowns
- Out-of-hours transactions
- Cloud-based service with no hardware or software to install or maintain

The continued rise in cyber threats means financial institutions need to reassess the security of their payment environments. The industry must address the combination of increasingly sophisticated attackers and the relentless advance of technology. Financial institutions need to protect themselves by analysing data and looking for trends to pre-empt potential attacks. They also need to mitigate the risk of cyber-attacks damaging or destroying transaction and database records and system files.

SWIFT's Customer Security Programme is helping its community to bolster cyber resilience capabilities. As part of this programme, SWIFT has expanded its financial crime compliance portfolio by adding transaction pattern detection tools to mitigate the risks associated with wire payment fraud. Daily Validation Reports help smaller institutions complement their existing fraud controls and reinforce their cyber resilience. They make it easy to validate payment transaction activity, highlight potential risks, and respond quickly if fraud incidents occur.

Daily Validation Reports provide an accurate, global summary of your inbound and outbound counterparty payment flows, based on SWIFT's secure record of your transaction activity. They support independent validation and easy reconciliation against your system records. If suspicious or fraudulent activity occurs, they provide the information you need to help you cancel messages and recover funds, protecting you, your customers and your counterparties.

"With cyber security and fraud prevention as top institutional priorities, Daily Validation Reports have quickly become an important part of our daily reconciliation process and controls. Transaction reporting provides an important layer of quality assurance by enabling us to reconcile our internal reports with SWIFT's global record of our outbound message traffic. Relationship reporting highlights new relationships, helping us to quickly identify and address potential direct and indirect counterparty risk so we can be sure that we only do business with institutions that we know and trust."

A European Central Bank

> "Fraud prevention and cyber security are top priorities for Raiffeisen Bank Aval. Daily Validation Reports enable us to analyse our payment flows on a daily basis and quickly spot questionable or suspicious transactions for immediate investigation. SWIFT developed its Daily Validation Reports service in cooperation with its customers, and we look forward to working with SWIFT on its future evolution, as part of our participation in SWIFT's Customer Security Programme."

Mykola Kuzmenko
Chief Expert in International Payment Systems
Raiffeisen Bank Aval

Validate	Assess	Review
Operations teams	Operations / Business teams	Business / Compliance teams
Volumes	New relationships	Compliance checks
Transactions	Out-of-hours transactions	Ad-hoc investigations
Values by currency	Uncharacteristic transactions	

Understand payment risks

Each day's Daily Validation Reports cover the previous day's payment activities. Transaction value and volume totals are compared to your institution's daily value and volume averages over the previous 24 months, helping you to identify and understand significant changes in activity.

Your payments and compliance teams can download reports through a secure SWIFT web portal. This provides an extra level of security if your own systems are compromised and/or if locally stored records are damaged or destroyed.

Split into activity and risk reporting, these reports help you validate, assess and review all your transactions.

Validate

Activity Reporting helps you to quickly validate inbound and outbound payment flows. Daily activity is aggregated by message type, currency, country and counterpart, enabling easy comparison with internal reports from your core banking systems and web platforms.

Daily volume aggregates for key SWIFT message types MT 103, MT 202, MT 202COV, MT 205 and MT 205COV are easily validated by transaction counts from your web platforms or internal system reports.

Daily value and transaction references help you match individual transactions for more detailed validation.

Aggregated currency totals help you validate total transaction values per currency, mitigating the risk of records being compromised.

Assess

Risk reporting highlights large or unusual message flows that may indicate fraud risks.

Review new or unfamiliar counterparties or party combinations in transactions including nested activity. This helps you quickly understand the values and volumes of the transactions involved.

View transactions sent or received outside your defined business hours for quick and easy identification of potentially fraudulent transactions.

Compare with previous average daily value and volume totals to assess any significant changes in activity.

Review

Daily Validation Reports also help you manage internal compliance investigations quickly and efficiently. They facilitate risk reviews and ad-hoc investigation requests from correspondents. Filters enable you to select, review and sort by message type, currency, country or correspondent.

Easy to set up and use

A secure, web-based service, there is no hardware, software, data transformation or systems integration required. Simply sign up and start downloading the reports from SWIFT's secure, encrypted web portal.

Easy to use with minimal setup and training required, you can start protecting your business right away. Tailor the reports to your needs and risk strategy and export them into Excel for deeper analysis.

Customer-driven compliance solutions

Daily Validation Reports are a new anti-fraud module within the Compliance Analytics product suite, built on a secure, user-friendly data analysis platform.

For more information, or to subscribe to this service, contact your SWIFT account manager or email us at DVR@swift.com