Making speed count for Citi's custody clients

Citi providing client-readiness efficiency tools via SWIFT's MyStandards and Readiness Portal

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Robin Leary
Director, Global Market Practice, Standards & SWIFT Product Management for Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

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Unique selling propositions

– Standards information made available to Citi's clients sooner through MyStandards', increasing the implementation window

– Easy and seamless migration of 2500+ guidelines for Standards updates

– Self-services testing for clients via the Readiness Portal to ensure compatibility of formats

– Faster entry to new markets drawing on existing community guidelines for market-specific requirements

Business challenges

Keeping business flows and back office applications running smoothly can be a difficult and complicated process. The number of specifications and resulting documentation for either the SWIFT-related annual update of messaging standards, or industry-wide overhauls such as TARGET2-Securities (T2S), can be far-reaching, costing time and resource. Custodians now also face increased demands from their customers to make standards information available sooner and easy to test against; so as to ensure operations run smoothly from all sides.

Citi realised immediately the benefits of working with SWIFT's MyStandards - a collaborative web platform to simplify standards management, onboarding, and testing processes. They became a pilot customer in 2011, using the tool for its securities services business. Citi now uses MyStandards for settlement and reconciliation as well as corporate actions messages, to document client-facing specifications pertaining to various business areas, and to define technology requirements on an internal basis. Pleased with the success of the application so far, Citi hopes to continue to expand and benefit from the time-saving capabilities to clients it provides in terms of publishing guidelines and self-service testing, along with being able to centralise and document messaging formats and standards from an internal point of view.

Citi uses MyStandards and the associated Readiness Portal tool for a wide-range of uses, in particular for the annual SWIFT standards release, client testing against market-wide initiatives, and internal projects when entering new markets.

The Benefits

Expedited Standards Release

Maintaining the Standards Release (the annual update of SWIFT's messaging standards) tends to cost securities market participants in terms of both time and effort. Institutions need to plan and budget well in advance to ensure a seamless transition, ensuring that customers receive updated specifications in due time to allow for sufficient implementation before the cutover date. Testing is crucial in order to avoid last-minute correction of errors, or even having to repair and reject messages after the go-live date.

"One of the main challenges we had previously with the Standards Release was the length of time it took to get information out to our clients," explained Robin Leary, Director, Global Market Practice, Standards & SWIFT Product Management for Citi. "Traditionally, after the user handbooks were published, we would have to assess, categorise and document the changes, transfer them to spreadsheets, and write up business requirement documents. This meant that the month of May was the first time that we could actually get information out to our clients, essentially not giving them a lot of time to implement changes."

By using MyStandards, Citi can now easily and seamlessly migrate Standards updates to their own set of guidelines, meaning they can then be shared with clients much sooner. Clients can, in turn, immediately test against the new guidelines through the My Standards Readiness Portal without having to wait for the Test & Training System of the SWIFT network to be able to test.

"Citi can now send service watches out to clients a full two months earlier, (from the beginning of March), and we are looking to improve upon those timelines," Leary said. "With MyStandards we can very quickly update, migrate about 2,500 guidelines related to the Standards Release and publish them out to clients so much sooner."

Ease of Client Testing

The biggest initiative within the European securities landscape in recent years has certainly been T2S, impacting both Citi and their clients. Because Citi is the single largest directly connected participant, the T2S project was extremely extensive, covering many different markets, and messages, with a lot of time and resources taken up by internal connectivity testing.

Citi enrolled the use of MyStandards and Readiness Portal for both internal and client testing. For internal operations, Citi's technology teams were able to ensure that ISO 20022 messaging was T2S-compliant, prior to the full connectivity test with T2S. From a client perspective, the guidelines were provided via the MyStandards tool with clients having the ability to test against these using the Readiness Portal, as well as documenting the necessary information for both internal and external use.

"Our biggest use of the Readiness Portal over the past 3-4 years continues to be T2S portals," described Leary. "Clients wanting to execute settlements and reconciliation in a particular market for example, use the Readiness Portal and MyStandards to test those markets in order to ensure compatibility of formats."

Efficiency in market entry

Beyond the value MyStandards brings to customer-facing contexts, Citi has been able to leverage some of the platform's capabilities to drive internal projects, such as the development of a new Corporate Actions processing system.

Citi opened a Direct Custody and Clearing branch within a new jurisdiction in late 2016 in Denmark, bringing the total number of local markets covered by their footprint to 63. When entering new markets, there can at times be a waiting period to complete a full User Accepted Testing (UAT) with a central securities depository. Citi circumvented any potential delay by testing against guidelines published in a Citi internal Readiness Portal specifically set up for the new branch opening. This allowed Citi's Operations and Technology teams to be completely independent when testing those guidelines.

Leary commented, "The Readiness Portal allowed us to test internally to begin with, so the full UAT test went as seamlessly as possible. Being able to have those market-specific requirements in specific guidelines, which can then be tested against, was extremely useful indeed."

The Result

Through Citi's involvement with the SWIFT MyStandards User Group from its conception, Citi realised that MyStandards would be a very useful tool to store and share information, both internally as well as externally. Today, Citi can more easily share specific information with clients, providing the ability to drill down to market-specific information in a very short amount of time, as well as benefitting internally from having documentation stored centrally.

Next steps

"MyStandards was very easy to implement as well as roll-out and SWIFT was great to work with, ready to answer any questions we had. Citi looks forward to the good work continuing, and we plan to continue to expand the amount of information we publish to our clients through MyStandards, as well as increasing its usage internally. MyStandards represents a very collaborative, industry-led development that we hope will continue to evolve over time." concluded Leary.

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For more information, please contact your SWIFT account manager or visit www.swift.com/mystandards