

Joined up markets

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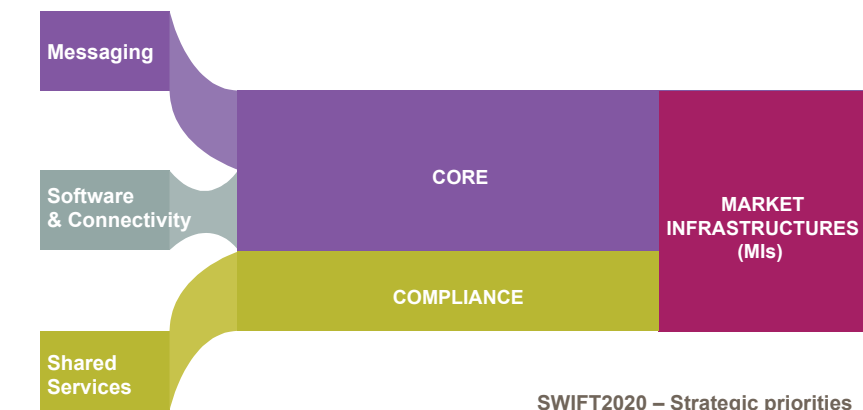
SWIFT2020: from planning to execution

SWIFT’s recently published strategy, “Grow the core, build the future” sets out an ambitious agenda for the next five years.

At the highest level SWIFT2020 is about “continuity of operational excellence and strengthening of our core, combined with significant new areas of innovation,” says Javier Pérez-Tasso, chief executive of the Americas, UK, Ireland and Nordics, who recently moved from his previous role as chief marketing officer, where he led the global development of the strategy together with the SWIFT community. This balancing act of continuity and change may appear contradictory, but Pérez-Tasso believes that both are fundamental prerequisites to assure and accelerate growth.

Primary focus on the core

SWIFT2020 therefore sees SWIFT continuing to focus on operational excellence in its core financial messaging services in order to deliver on the highest expectations of customers, while also addressing new cyber-security and geopolitical challenges. The relentless focus on the core will also be accompanied by efforts to continue reducing costs for customers. “Over the last three strategic cycles, SWIFT has significantly decreased the average costs of its messaging services, notes Pérez-Tasso, “and in line with our cooperative approach, we will continue to pass on the benefits of



economies of scale to our customers.”

With rapid change and disruption occurring in both payments and securities landscapes, ramping up innovation in SWIFT’s core business is very much on the agenda. “The digital revolution is in full force in the financial sector, and our customers are influenced by new technologies, regulation and evolving expectations,” comments Pérez-Tasso. “At the same time, new entrants are challenging and potentially disrupting the traditional business models of transaction banks.” There is clearly no room for complacency, and Pérez-Tasso reinforces that SWIFT is also part of the change. “We see ourselves as innovative incumbents; we are proactively coming up with new technologies and platform innovation – particularly

in the area of real-time payments and compliance – and we are working together with banks to consider ways of rejuvenating the correspondent banking model.”

In addition to serving core correspondent banking and securities settlement and reconciliation clients, SWIFT also intends to focus on deepening engagement with lower volume SWIFT users such as corporates, (particularly in the mid-sized segment) and investment managers. “Developing comprehensive solutions for investment managers is an important dimension to our growth strategy, which will bring additional benefits to our core community,” notes Pérez-Tasso.

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We see ourselves as innovative incumbents; we are proactively coming up with new technologies and platform innovation.

Javier Pérez-Tasso, SWIFT

Market infrastructure expansion

Innovation will also be a clear focus in the market infrastructure (MI) segment, a second major pillar in the strategy. The focus is on deepening the support provided to communities, growing services, both international and domestic, and addressing the needs of RTGS systems and CSDs. In addition, SWIFT will launch new offerings to enable ISO 20022, and focus on an expansion of resiliency services. And one of the biggest growth accelerators identified in the strategy will be SWIFT's entry into domestic real-time payments, with a first project in Australia now underway.

Financial crime compliance

The third major area of expansion and innovation is in the area of financial crime compliance. SWIFT first launched its Sanctions Screening and Sanctions Testing products back in 2012, and added The KYC Registry and Compliance Analytics in 2014. There are now plans to build on these services and move to the next level. "Under the SWIFT2020 strategy, we are proposing a five-year vision to move towards a single financial crime compliance utility which over time will serve as a 'one-stop' solution" says Pérez-Tasso. "We are co-creating products together with the community, because that way we know they are solving the real operational challenges our customers face."

Listening to the voice of the community



has been an integral part of the strategy development process, and has directly opened some new directions. One such example is the extension of financial crime compliance services to securities, where the community indicated an appetite for SWIFT to play a role. "The securities industry is also grappling with major challenges around regulation and compliance. Our KYC Registry is now open to fund distribution players and we are also considering ways in which our portfolio of screening solutions could support adherence to regulatory principles."

Hitting the ground running

As the strategy now moves into its implementation phase, Christian Sarafidis, newly appointed chief marketing officer and previously deputy chief executive, EMEA, now takes the helm.

He views the plans in the market infrastructure segment as particularly significant, and identifies wider potential for the real-time infrastructure components which will be developed for the New Payments Platform (NPP) in Australia. "The underlying technology created for this project has the potential to be redeployed in other geographies and markets," says Sarafidis. "We intend to build on the Australia project experience to offer solutions across multiple geographies."

The securities market infrastructure landscape is particularly dynamic as a result of structural changes in post-trade, such as T2S, and significant momentum behind regional integration projects worldwide. "The securities segment



Our innovative approach to real time payments has strong potential in other geographies and markets.

Christian Sarafidis, SWIFT



forms an integral part of our MI strategy," notes Sarafidis. "As roles are redistributed in the value chain, we are ready to offer support. A key focus will be on industrialising the use of our second generation MI technology solutions so that all CSDs can benefit from solutions that are tailored to their business needs."

He is also keen to drive SWIFT's engagement with both the MI and banking communities to enable smoother transitions to ISO 20022. "Not only do we have a great set of tools and products to help individual institutions, we also have a vital community role to play. During Sibos we will be bringing together market infrastructures from around the world to promote cooperation on standards and to address future interoperability."

Serving MIs and geographical expansion go hand-in-hand. With new regional offices opened last year in Mexico City, Accra, and Nairobi, there will be a clear focus on addressing the changing needs of domestic and regional MI communities, across high growth geographies such as Asia Pacific, Latin America, Africa and the Middle East. In his previous role Sarafidis led growth in Africa, witnessing a 51% growth in payments traffic between 2011 and 2014. Pérez-Tasso now turns his attention to implementation of the strategy in Latin America, where growth potential is high, while chief executive of Asia Pacific and EMEA, Alain Raes, continues ramp-up in Asia Pacific, Africa and the Middle East.

And while Compliance services is one of the headline areas of the SWIFT2020 strategy, Sarafidis underlines that product innovation is not limited to compliance. Plans are underway to launch SWIFTScope, a new on-premises version of Business Intelligence to enrich transaction monitoring

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and intraday liquidity reporting, SWIFTRef expansion is ongoing to provide a global utility serving local communities' reference data needs, and further integration of MyStandards with SWIFT and non-SWIFT products continues.

As the ambitious plans for continuity and change converge, both Pérez-Tasso and Sarafidis stress the importance of feedback from the community throughout the execution phase. "We look forward to Sibos and the opportunity to engage with our customers both through the conference programme and informally," says Sarafidis. "We want to make certain that our new SWIFT2020 strategy is implemented as effectively as possible to meet the most pressing needs of the community." □

Image of the day



Opening Sibos on Monday, Gottfried Leibbrandt, CEO, SWIFT, noted that, "Asia is reclaiming its rightful position in global economics."

The KYC Registry explained

This afternoon, the SWIFT auditorium will host a session on The KYC Registry, a source of validated KYC information for correspondent banking and fund distributors.

"The KYC Registry was launched at the end of 2014 and has been very well received by the industry," says Bart Claeys, head of KYC compliance services at SWIFT. "Around 1,500 financial institutions in 175 countries have signed up to use it."

The KYC Registry is a managed service that allows financial institutions to exchange their KYC information with their counterparties. Correspondent banks and fund distributors provide their KYC information to SWIFT, which reviews and validates it before publishing it in the Registry. Banks can then share this information with their counterparties, and request their counterparties' information as well. "Before we signed up to The KYC Registry, the KYC process was expensive, time-consuming and complex," says Angel Gil, relationship manager for Asia at CaixaBank, a leading Spanish financial group. "In some regions of the world it might take two to four weeks to get KYC data from a bank. If the bank is on The KYC Registry, it's immediate."

The Registry helps standardise KYC processes and eliminates the need for multiple, redundant document exchanges. The increased efficiencies this generates allows banks to spend more time evaluating and assessing risks. Users are not charged for data contribution or validation, and sharing KYC information with another institution is also free. A usage-based fee

applies for accessing KYC information from other institutions.

Arfan Ali, deputy managing director, Bank Asia, points to the gains from cutting out a series of manual interventions. "The KYC Registry has made our process very much easier and faster," he says. "We do not have to check and recheck the data. That used to take up a lot of our time."

Given the sensitive but non-competitive nature of the compliance process, the fact that SWIFT is community-owned gives users of The KYC Registry added comfort.

Claeys stresses however that The KYC Registry is not a public database. "It is a secure environment in which banks retain full control of the information they provide to the Registry and share with other banks," he says. The industry has been quite clear on this principle, given the sensitive nature of some KYC data points and the applicable data privacy laws.

"This afternoon's auditorium session will be very interactive," says Claeys. "We will review the key challenges that the market faces today in terms of KYC compliance at both a micro and macro level. KYC Registry users will also discuss their experience with the Registry, and how it is helping them increase efficiency and mitigate cost and risk." Over the past few months, says Claeys, the Registry has made significant strides in adoption. "Last Sibos, the community confirmed the potential value of a utility to help with KYC compliance. This



The creation of the KYC Registry provided the impetus for enhancing our operational workflows.

Stephanie Wolf,
Bank of America Merrill Lynch

year, we will be able to talk practicalities and how banks are actually using it," he says.

Stephanie Wolf, head of global financial institutions and Canada sales for Global Transaction Services at Bank of America Merrill Lynch confirms the benefits from a user perspective. "The creation of The KYC Registry provided the impetus for enhancing our operational workflows and further centralising Bank of America entity information," she says. "This will ultimately improve overall efficiency and benefit the client experience."

The KYC Registry is clearly focused on helping banks to drive down cost and risk in establishing correspondent banking relationships. "Recognising that KYC is just one step in the process, SWIFT is also investing in areas which will do exactly that across the whole lifecycle of relationship management," explains Stephen Gilderdale, head of new business development, SWIFT. "In particular, by building links and consistency between SWIFTRef's Bankers World Online and The KYC Registry, SWIFT has a seamless offer from correspondent prospecting, through KYC, all the way to the eventual processing of payments." □

Joined up markets

SWIFT steps up its longstanding engagement with financial market infrastructures.

“Market infrastructures (MIs) are not new customers for SWIFT; in fact, we have been working with them for 40 years”, says Juliette Kennel, head of market infrastructures, SWIFT.

Currently SWIFT serves over 230 MIs around the world: 79 high value payments systems, 29 low value payments infrastructures, 48 central counterparties (CCPs) and 82 central securities depositories (CSDs). In addition, for treasuries, SWIFT provides the messaging infrastructure for CLS. “As critical service providers, they are the backbone of the financial community and the first thing they want from SWIFT is that we keep the network up and running at all times,” says Kennel.

Market Infrastructure requirements

Three years ago, Kennel, then in charge of Standards, was asked to set up a new team focused entirely on market infrastructures. “MIs are increasingly important customers for SWIFT and are one of the key pillars of our SWIFT2020 strategy,” she says. “At the core, we must deliver secure, reliable, efficient and cost effective messaging to allow the MIs to process transactions, mitigate risk, and increase their operational efficiency. But we also have to respond to new requirements.

“As we connect more market infrastructures to SWIFT, we are seeing the increased adoption of ISO 20022”, Kennel continues. “When MIs undertake new projects, they also take the opportunity to look at their legacy systems and reassess network options, including how best to connect their communities. SWIFT can certainly help MIs alleviate some of

“As we connect more market infrastructures to SWIFT, we are seeing the increased adoption of ISO 20022.

Juliette Kennel, SWIFT

the burden with specialist connectors, standards tools and consulting services.”

Another major focus for MIs is their unwavering need to comply with the highest levels of resilience. Even large, mature RTGS systems with their own proprietary networks can benefit from new innovative products such as MIRS, a



“When MIs undertake new projects, they also take the opportunity to look at their legacy systems and reassess network options, including how best to connect their communities.

Juliette Kennel, SWIFT

TARGET2-Securities

The TARGET2-Securities (T2S) initiative, coordinated by the European Central Bank (ECB), establishes a single platform for the settlement of securities. The system went live in June this year and participant markets are joining in four migration waves. T2S aims to improve efficiency and safety of securities settlement by providing harmonised Delivery-versus-Payment (DvP) settlement in central bank money.

SWIFT was awarded one of the two licences to provide connectivity services to T2S, allowing for the secure exchange of information in ISO 20022 formats between T2S participants and the T2S platform. “So far everything has gone smoothly since live launch in June, but we’re keeping a close watch to ensure that customers in successive migration waves enjoy a stress-free experience,” says Isabelle Olivier, head of clearing and settlement, EMEA, at SWIFT. “We are not only supporting our users with impact analysis, testing and implementation support, but also with the next challenges ahead for securities players: improving their asset servicing experience and ensuring efficient usage of collateral.”

At the same time, T2S is also providing useful experience for SWIFT in how best to manage community migration. “We’re already replicating some of the things we have learned from T2S in specific domestic markets undergoing migration to international standards,” says Olivier. □



Chairpersons from across SWIFT’s global community gather to discuss priorities ahead

The SWIFT Chairpersons Meeting on Sunday provided a valuable opportunity for the community to consult face-to-face on key issues. Read the full report in the SWIFT at Sibos Wrap Up edition, available at the end of October.

SWIFT traffic highlights

On Friday 9 October 2015, FIN traffic reported close to 22.2 million messages.

On average, 24 million FIN messages per day have been recorded in 2015 – a positive growth of 9.5% compared to 2014. The last peak day for FIN messages occurred on Thursday, 30 April 2015, with 27.5 million messages recorded. This is 2.7% above the previous peak day on Tuesday, 31 March 2015.

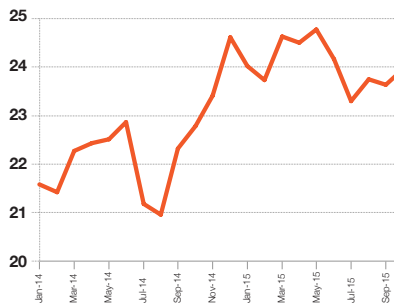
The Payments market has already achieved three peak days this year. The last peak day was on Tuesday, 30 June, with 13.9 million messages (1.4% above the previous peak day on Thursday, 30 April 2015). For the Securities market, seven peak days have already occurred this year, the last peak being on Tuesday, 25 August 2015, with 12.9 million messages.

At a regional level, Asia Pacific is currently showing the best performance, with a year-to-date growth of 16.3%. This is supported by the four peak days already observed in this region this year.

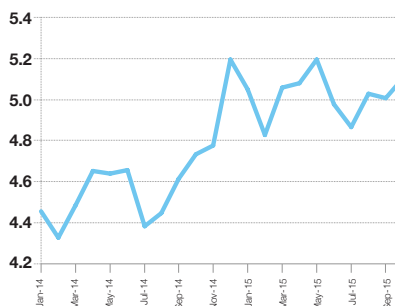
On Wednesday, 30 September 2015, Asia Pacific hit a new record in Payments with a volume of 2.1 million messages (+4.3% above the previous peak day on Friday, 28 November, 2014). The Securities market is also performing well in Asia Pacific, with nine peak days recorded to date. The last peak was observed on Thursday, 27 August, with 1.8 million messages. □

SWIFT FIN Traffic year to date

Total SWIFT	Messages	growth
All markets	24,043,322	+10%
Payments	11,485,930	+8%
Securities	11,174,648	+12%
Treasury	1,168,453	+10%
Trade	155,956	-4%



Americas region	Messages	growth
All markets	5,012,051	+11%
Payments	2,600,960	+10%
Securities	2,155,950	+12%
Treasury	223,557	+9%
Trade	22,972	-3%



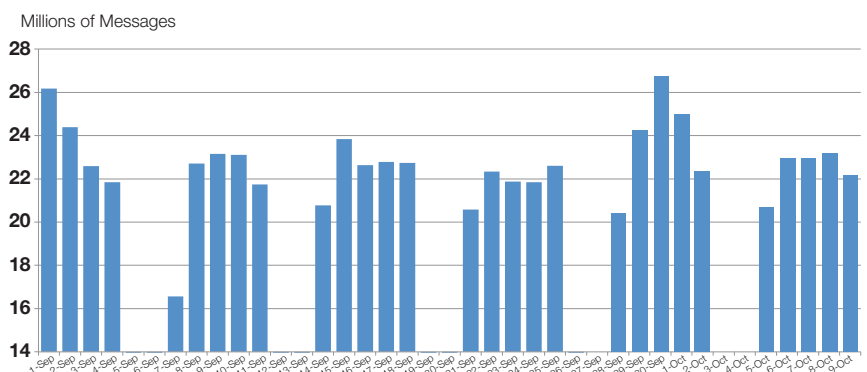
EMEA region	Messages	growth
All markets	15,804,715	+8%
Payments	7,265,892	+6%
Securities	7,690,416	+10%
Treasury	745,809	+8%
Trade	63,494	-5%



Asia Pacific Region	Messages	growth
All markets	3,226,555	+16%
Payments	1,619,078	+11%
Securities	1,328,282	+24%
Treasury	199,086	+22%
Trade	69,491	-3%



SWIFT FIN daily traffic evolution





BNY Mellon subscribes to The KYC Registry

BNY Mellon has made the utilisation of SWIFT's Know Your Customer (KYC) Registry an integral part of its client onboarding process.

Left to right: Anthony Brady, BNY Mellon; Tom Casteleyn, BNY Mellon; Felina Solomon, SWIFT; Bart Claeys, SWIFT; David Lefferts, SWIFT



Santander adopts MyStandards and Readiness Portal for corporates

Santander is streamlining its customer onboarding by rolling out MyStandards and the Readiness Portal for its corporate customers globally. They will provide customer documentation, testing and readiness services on a global basis through this platform.

Left to right: Rafael Vadillo, Banco Santander; Gema Montoya, SWIFT; Carlos da Costa, Banco Santander; Marc Delbaere, SWIFT



RBS group signs strategic SWIFT Alliance Messaging Hub contract

RBS signs SWIFT AMH payments gateway. This is one of the primary building blocks for the wholesale transformation of RBS payments business. The multi-year programme is already underway.

Left to right: Javier Pérez-Tasso, SWIFT; John Ellington, The Royal Bank of Scotland plc; John Lyons, RBS; Arun Aggarwal, SWIFT; Leo Punt, SWIFT



Santander Group joins The KYC Registry

Banco Santander, the largest banking group in Spain and Latin America, will start using The KYC Registry to help enhance its KYC operations.

Left to right: Stéphanie Rodriguez Anierte, Santander; Gema Montoya, SWIFT; Julia Garcia Romano, Santander



China Merchants Bank conducts live BPO transaction over SWIFT and continues to support Chinese corporate clients jointly with SWIFT

Left to right: Jian Gao, China Merchants Bank H.O.; Daphne Huang, SWIFT; Jianzhong Chu, China Merchants Bank H.O.; Andre Casterman, SWIFT; Stella Lim, SWIFT; Eric Yang, SWIFT



Investment Managers receive MT 515 bond trade confirmations from South African Brokers

The JSE Limited has been engaging with the Investment management community to automate the bond confirmation process, implementing the dissemination of MT 515 messages over SWIFT on behalf of the respective bond brokers.

Left to right: Hugo Smit, SWIFT; Brett Kotze, Johannesburg Stock Exchange; Ian Bessarabia, SWIFT



CMB partners with SWIFT to offer corporate connectivity and The KYC Registry

CMB and SWIFT have strengthened their partnership by jointly offering CBS-TT plus SWIFT connectivity to Chinese corporates. CMB has also subscribed to The KYC Registry. *Left to right: Vincent Yang, SWIFT; Jianzhong Chu, China Merchants Bank H.O.; Stella Lim, SWIFT; Eddie Haddad, SWIFT; Zhihong Tang, China Merchants Bank H.O.; Daphne Huang, SWIFT; Jinqing Xia, China Merchants Bank H.O.; Jian Gao, China Merchants Bank H.O.*



SWIFT delivers customised training for senior managers at Gazprombank

SWIFT delivers customised training for a group of senior Gazprombank managers, allowing them to bring back valuable expertise to their day-to-day jobs. *Left to right: Tatyana Kirillova, Gazprombank, Matthieu de Heering, SWIFT*



RBI approves SWIFT India for domestic transactions

Left to right: Anand Bindumadhavan, SWIFT; Ganesh Kumar, Reserve Bank of India; Eddie Haddad, SWIFT



Bank of Tokyo-Mitsubishi first bank in Japan to sign up for Compliance Analytics

Bank of Tokyo-Mitsubishi UFJ has selected SWIFT Compliance Analytics to better control its overall group exposure and counterparty risk.

Left to right: Tohru Yoshimi, SWIFT; Kosuke Nishi, The Bank of Toyko-Mitsubishi; Yuji Takei, SWIFT; Takanori Sazaki, The Bank of Toyko-Mitsubishi; Andrew Burlison, SWIFT



3SKey fully integrated in Societe Generale's channel strategy

Societe Generale rolled out 3SKey for its user authentication and signing processes in 2011 when 3SKey was first launched. Sogecash Web users are present in more than 100 countries today, with growing use of 3SKey in Asia.

Left to right: Robert Schneider, SWIFT; Christian Behaghel, Societe Generale; Saskia Devolder, SWIFT; Benoit Desserre, Societe Generale; Emmanuelle Fischer, Societe Generale; Philippe Marquetty, Societe Generale; Arnaud Delehaye, SWIFT



Signing of a new framework agreement for consultancy with Deutsche Bundesbank

Left to right: Juergen Marstatt, SWIFT; Christian Kothe, SWIFT; Leo Punt, SWIFT; Jochen Metzger, Deutsche Bundesbank; Siegfried Vonderau, Deutsche Bundesbank; Kurt Ryelandt, SWIFT; Alain Raes, SWIFT

SWIFT India takes flight

In March, 2015, The Reserve Bank of India (RBI) gave formal approval to SWIFT India Domestic Services Pvt Ltd (“SWIFT India”) to provide messaging services to India’s domestic financial markets.

SWIFT India is the first of its kind: a joint venture between SWIFT and the main public and private sector banks in an individual market, targeted at messaging requirements for domestic market participants. Mr M V Nair, Chairman of the Board, SWIFT India, described RBI approval as a significant milestone for the community. “Our aim is to enable SWIFT India’s messaging platform across instruments and market segments, such that the financial community can enjoy economies of scale and end-to-end automation,” he says. “This will further drive standardisation and efficiency, supporting inclusive and sustainable growth.”

To achieve the formal go-ahead, the joint venture was established as a local entity with nine Indian banks as equity partners. In addition, explains Saqib Sheikh, COO, SWIFT India, “We needed to establish infrastructure on the ground with local operating centres to ensure that all domestic traffic stays in country. All of that has been done and we are now ready to onboard traffic.”

The focus is now on helping local banks to prepare to use the channel for domestic messaging. “Indian banks have been using the SWIFT international network for decades and it is their only platform for cross-border transactions,” says Mohan V Tanksale, Chief Executive, Indian Banks Association, “but domestically, not only are there a number of systems, but some activities, notably in trade finance, are still handled manually.” Now that SWIFT has official permission from the RBI to begin domestic operations, Mr. Tanksale believes local banks will be attracted by three of the key attributes of SWIFT: efficiency in delivery, timeliness, and security.

Partnership

With the onboarding of traffic on the new network imminent, SWIFT India is preparing to connect two large market infrastructures: RBI itself for the Next Generation RTGS and the National Payments Corporation of India (NPCI).

The NPCI was established by the Indian Banks’ Association to consolidate and



integrate multiple retail payment systems and processes. It began operations in 2009 and runs several different services. One, IMPS (Immediate Payment Service), offers an instant, 24/7, interbank electronic fund transfer service through mobile phones, the internet and ATMs, using the existing National Financial Switch (NFS). In India, retail payments traffic in general has been growing exponentially, explains Sheikh, reflecting the efforts of the central bank to promote a less cash-dependent society. “India is one of the first countries in the world to provide a 24/7/365 real time payments service with the IMPS,” says Mr Bhavesh Zaveri, Country Head - Operations, HDFC Bank. “Not only is it one of the first of its kind, but the scale at which it operates is significant. With financial inclusion programs, new payments bank licenses being issued and healthy year-on-year growth in the banking sector we at NPCI are clearing and settling up to 20 million transactions a day. Anticipating continued demand we have taken steps to increase our capacity to 100 million transactions a day.”

The drive for automation also has implications for other areas of the payments system. “We are in discussions with NPCI, which runs a number of services in addition to IMPS, including the National Automated Clearing House (NACH), for a strategic partnership,” says Sheikh. “In many ways, being a bank-owned utility, we see NPCI as a natural partner.”

“When we talk about SWIFT India, we explain that it spans different categories of institutions,” says Sheikh. “We hope it will eventually become a single platform through which entities can do all of their financial messaging with their requisite counterparties. Reuse of the SWIFT single window will bring multiple benefits not only to the individual customers, but to the Indian financial industry as a whole.” □

NACH launches SWIFT pilot

The National Automated Clearing House (NACH) is a centralised system, launched to consolidate multiple electronic clearing systems running across the country and provide a framework for the harmonisation of standards and practices.

“In 2012, we were directed by the Reserve Bank of India that the ACH system should be upgraded,” explains Mr A.P. Hota, Managing Director and CEO, NPCI. “They wanted NPCI to build a future-ready ACH system. After consultation with the local community, the system opted for ISO 20022 as the messaging format, since it can incorporate much richer business information than is possible in a flat file format”.

While banks prepare themselves for ISO 20022, NPCI is offering a ‘middleware’ facility that will translate between the existing proprietary format and ISO 20022. “Our regulators have given a mandate to banks to be ready for ISO 20022 by year-end,” says Mr Hota.

At the same time, the organisation is engaged in a pilot to allow ACH transactions in a domestic environment to use SWIFT India connectivity. “At the moment we have a proprietary network and most large banks have host-to-host connectivity with our infrastructure, while smaller banks use secure web connectivity,” he explains. “The pilot is to see whether the banks can use the SWIFT India infrastructure to pipe their transactions to NPCI. We have completed the first round of testing, which went smoothly. It’s an option we think is likely to appeal to many of our commercial banks”. □

For more information on NACH, see today’s Sibos Issues.

Platform as a service

Communities can now harness the SWIFTRef platform to their own specific needs.

Beyond SWIFTRef's own products and services, the platform on which it runs is itself proving of value to communities, says Hervé Valentin, head of reference data, SWIFT. "Using the SWIFTRef platform can help customers manage their own market's reference data with far less effort," he says.

SEPA Payments

The latest market to leverage this capability is the UK, specifically for the management of the SEPA IBAN only data. In the absence of a current central UK data source for SEPA-specific routing requirements and with the removal of the reliance on customers to provide their bank BIC, the then Payments Council, (which has since been succeeded by Payments UK) was looking to provide an automated central

infrastructure platform for collection and maintenance of UK-specific SEPA routing data. The infrastructure will build on the SWIFTRef platform, which is currently used by over 5,500 financial institutions globally. The new infrastructure will enable the accurate derivation of BICs from IBANs and financial institutions in the UK will be able to publish and maintain SEPA routing data specific to their organisation.

Platform reuse

"Efficient and cost-effective SEPA compliance is a key priority for all players in the SEPA zone and, at the same time, an operational challenge for UK financial institutions," said Maurice Cleaves, chief executive, Payments UK, announcing the selection of SWIFT. "We believe the new platform enabled by SWIFT will

deliver significant benefits by easing data management and ensuring accurate euro-payments routing to our community."

"We see this as the first of many such opportunities and are talking to other communities globally about taking advantage of the platform we have," says Valentin. "Relying on an existing platform is far more cost-efficient and less risky than building one from scratch." While constructing and maintaining a reference database may appear comparatively straightforward, Valentin adds that, "An efficient platform with sophisticated enquiry tools can significantly enhance the benefit that users are able to derive." □



We believe the new platform enabled by SWIFT will deliver significant benefits by easing data management and ensuring accurate euro-payments routing to our community.

Maurice Cleaves, Payments UK



Alliance Lite2 for treasury streamlining

Saudi Chevron Philips Company (SCP) was the first corporate in the Middle East to use Alliance Lite2 to achieve SWIFT connectivity with multiple banks through a single channel.

Saudi Chevron Philips Company (SCP) operates a shared service centre to manage the cash, treasury and risk management requirements on behalf of the five Chevron Philips' joint venture companies in Saudi Arabia and the United Arab Emirates (UAE). Each of these companies operates independently and therefore has different treasury policies, liquidity requirements and banking relationships.

"In the past, we used a variety of banking platforms to communicate with each entity's cash management banks," says Alawi Al-Shurafa, treasurer, SCP. "As each company appoints its own partner banks, this presented considerable operational and integration challenges due to the number of

banking partners and proprietary systems involved. SCP's SWIFT solution, comprising Alliance Lite2 and SWIFT Integration Layer, allows treasury to add or change banking relationships, add new business entities or make changes to formats quickly, cost-effectively and without disruption."

SCP already has much of the functionality found in third party treasury

management systems within its existing ERPs (SAP and Microsoft Dynamics). The company therefore opted for SWIFT Integration Layer to bridge the gaps. "Alliance Lite2, meanwhile, addressed the bank communication challenges we were facing in a cost-effective way, without the need to reconfigure our cash, treasury and payments processes," says Al-Shurafa. □



Alliance Lite2 addressed the bank communication challenges we were facing in a cost-effective way, without the need to reconfigure our cash, treasury and payments processes.

Alawi Al-Shurafa, Saudi Chevron Philips Company

Making the most of SWIFT

What does it mean to be SWIFT Smart? SWIFT Services experts will be on hand at Sibos to explain.



Covering operational services, consulting and training, SWIFT Services looks for ways to help individual customers to optimise their SWIFT investment. “We are not selling a product as such; you tell us what your challenges are and we work alongside you to find the solution,” says Dana Brants, head of services marketing, SWIFT. “We can build on established SWIFT product and service portfolios and offer flexible services based on each customer’s specific business and operational needs.”

SWIFT Training

Training is another area where requirements differ from customer to customer. “We can help communities to achieve their specific goals, especially when it comes to large infrastructure initiatives,” says Brants. An example of this is SWIFT’s courses for Gazprombank. “SWIFT’s Moscow office and training department have shown great flexibility in adapting the contents of the training and presentations to our



SWIFT’s Moscow office and training department have shown great flexibility in adapting the contents of the training and presentations to our needs, with much of the content delivered in Russian.

Tatiana Iakounina, Gazprombank



Our enduring goal is to continually develop excellence right across the industry.

Dana Brants, SWIFT

needs, with much of the content delivered in Russian,” says Tatiana Iakounina, first vice-president, Gazprombank. “This is why we have sent managers from our operations and IT departments two years in a row” Such training can be arranged at the customer’s preferred location.

The role of SWIFT Services is to go beyond the customer service levels that would normally be expected to accompany any product sale. “When it comes to operational services, we notice a trend where institutions are increasingly starting to look towards managed services rather than more tailored and value added support services,” says Brants. “At the same time, we are member-owned and need to be conscious of the cost implications of our activities for the community as a whole. What we offer is really a combination of standardisation where possible and attention to individual customer needs.”

“To be SWIFT Smart is to draw on the expertise available from across SWIFT,” says Brants. “Our enduring goal is to continually develop excellence right across the industry.”

Brants encourages Sibos participants to drop by the SWIFT Services meeting room on the SWIFT stand (A50). “We will be demonstrating how SWIFT Services can help enhance customer engagement with existing products for Business Intelligence, Sanctions Screening and MyStandards, to name a few,” says Brants. “We will also have a number of customer testimonials in related auditorium sessions, where our customers will help us demonstrate how we can help others.” □

Managed services

“SWIFT’s Managed Services offering is a result of several years’ feedback and learning from the industry, trying to understand why exactly financial institutions want someone else to manage their SWIFT infrastructure without fully-fledged outsourcing. It has been an iterative process,” says Dana Brants, head of services marketing, SWIFT.

SWIFT’s first managed services offering is Alliance Managed Operations (AMO), which enables customers to transfer day-to-day operations and management of their Alliance interfaces and related security devices to SWIFT experts, allowing them to focus time and effort on their core business activities. “Customers are welcome to drop by the SWIFT stand for more information or to book time for in-depth discussions with one of our experts,” says Brants.

To get a copy of SWIFT’s Managed Services report, visit the SWIFT Stand or download your copy from swift.com/services. □



Engaging Academics

The TED talk format of intelligent talk and audience engagement is the model for the SWIFT Institute's Sibos programme.

The SWIFT Institute Lecture Series at Sibos this year will take place on the SWIFT stand in a specially-built theatre space. "The goal of the SWIFT Institute is to bridge the gap between academia and the financial industry. By bringing leading academics to Sibos they can both educate and learn from what is going on throughout the week," says Peter Ware, director, the SWIFT Institute.

"The lectures will follow a TED-talk format with Q&A so there will be audience interaction," Ware explains. "Many of the academics concerned have carried out research projects on behalf of the SWIFT Institute and they are all teachers as well so they have the experience of encouraging discussion," says Ware.

All of the 30-minute lectures will complement themes covered in the main Sibos conference sessions. Topics include

infrastructure across different economies, risk management in an age of disruption, ASEAN securities markets, renminbi compliance issues and the cost implications of transparency in securities transactions.

The SWIFT Institute quiz

For those wishing to test their knowledge in an informal environment, the SWIFT Institute will also be hosting a novel event this afternoon. "The SWIFT Auditorium will be the venue for what I think is the first ever Sibos quiz show," says Ware. The quiz, titled 'A Question of Finance', will pit two mixed teams of academics and bankers against each other, hosted by Fintech consultant and comedian Julia Streets. The contestants are all senior academics and professionals (See page 8).

The questions, prepared in consul-



The goal of the SWIFT Institute is to bridge the gap between academia and the financial industry.

Peter Ware, SWIFT

tation with SWIFT's Business Intelligence (BI) team, will for the most part be about the financial industry, says Ware, "but we have also tailored some to the interests of the contestants, with a few general knowledge questions. After all, if you type SWIFT into Google, the first results are about Taylor Swift!"

Both contestants and members of the audience will be served Singapore Slings on arrival (an alcohol-free option will be available). The quiz will be followed by a cocktail reception hosted jointly by the SWIFT Institute and SWIFT Business Intelligence, which is celebrating its 10th anniversary this year. □

From unorganised data to actionable insights

SWIFT's Business Intelligence (BI) product and service suite supports the industry's evolving requirements for timely and transparent market information.

Participants in this morning's auditorium session on SWIFT's Business Intelligence (BI) portfolio will learn how BI has evolved to provide cutting-edge business insights for improved strategic decision-making. The session will also explore what is in store in the year ahead.

Launched in 2005, SWIFT's BI portfolio encompasses an entire suite of intuitive tools, including analytics, insights, consulting services and economic indicators based on SWIFT message flows.

"We developed the first SWIFT BI products 10 years ago, driven by the request from our community to unlock insight from our unique, market level data," says Stephen Gilderdale, head of new business development, SWIFT. "Over the last decade, we have gained significant expertise in deep business analysis and associated market practices. Whilst our initial focus was on operations, we have continued to add richer information and now provide tailored insights that business teams can immediately act upon."

This year at Sibos, a new BI Watch module called Watch Banking Analytics

Premium will be unveiled. "It provides global transaction banks with new and unique perspectives on their payments and trade finance business" says Astrid Thorsen, head of business intelligence, SWIFT. Customers can view additional payload fields of FIN message types (MTs) from a business angle, as well as value buckets with related activity share information and various rankings against a market aggregate. "What financial institutions really value is the ability both to manage operations and explore potential strategic opportunities thanks to a consolidated view" says Thorsen.

Citi was a participant in the early adopter phase of the new product. "It enabled us to produce specialised reports on confirmed LC activity, the value and tenor and destination of these credits, and Citi's market share," says John Ladany, managing director and senior market manager, trade services, Citi. "Previously we had to contract with SWIFT BI for this data. I'm looking forward to the addition of even more message fields to Premium."

Ladany will be discussing Citi's experience on a panel during the session



John Ladany, Citi

alongside Madhavan Ramaswamy, managing director and correspondent banking head, Standard Chartered Bank and Ingrid Weisskopf, head, cash services advisory and product management, Commerzbank.

This evening, participants are welcome to join a special cocktail to celebrate the tenth anniversary of SWIFT BI, hosted jointly with the SWIFT Institute. The cocktail will be preceded by a quiz (See above). □

today in the SWIFT Auditorium

9:30 - 10:15	Business Intelligence that gives you the edge: Discover SWIFT's expanding offering for banks
10:30 - 11:15	SWIFTRef: Going beyond payments to meet the challenge of regulatory requirements for entity data
13:30 - 14:15	Standardise Know Your Customer compliance with SWIFT's new KYC registry
14:30 - 15:15	Developing your transaction business with China

today from the SWIFT Institute

Lectures will take place in the amphitheatre on the SWIFT stand (A50)

14:00 - 14:30	When will we ever get the incentives for faster payments right? Analytics to pave the road toward future money Robert Kauffman, Professor of IS, Associate Dean (Faculty), Singapore Management University
14:30 - 15:00	Cross-border stock market links in Asia: What makes one a success?
15:30 - 16:00	Currency war – A window for the rise of the Renminbi
16:30 - 17:15	A Question of Finance (SWIFT Auditorium) Enjoy the first ever Sibos quiz, hosted by the SWIFT Institute Host: Julia Streets. Team 1: Erik Jones, The Johns Hopkins University Paul Inglis, ANZ, Ruth Wandhöfer, Citi. Team 2: Robert Kauffman, Singapore Management University Marcus Treacher, HSBC, T.S. Shankar, Standard Chartered

today in the SWIFTLab

9:00-9:45	Case study: High Value Payment Converter for Participants
10:00 - 11:30	Lifecycle of a Corporate on SWIFT
13:30 - 14:30	Cross-product exercise
15:00 - 15:30	Lite2 Cash Reporting Dashboard for Corporates
15:30-16:15	Explore SWIFT's Business Intelligence latest offering for Banks
16:30-17:00	In conversation with Scarlett Sieber

today's highlights at Innotribe

Visit the Innotribe stand for the latest scheduling information.

12:45 - 13:45	Financial inclusion
Book signings on the Innotribe Stand	
11:30	Brett King: Augmented
17:30	Kosta Peric: The Castle and The Sandbox

don't miss today!

Get your copy of the MI Forum magazine at the Market Infrastructures Forum

On the Standards Forum:

10:15 - 11:15	Standardising the standard: the need for global ISO 20022 market practice
13:00 - 13:45	Lunch & Learn: Market Infrastructures update: ISO 20022 plans and visions
15:30 - 16:30	Driving the industry towards a truly global ISO 20022 standard [takes place in CR1]
16:45 - 18:00	ISO 20022 Harmonisation Charter ceremony, followed by celebratory drink

The full Standards Forum programme is available in *Sibos Issues*.

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Simply follow our SWIFT LinkedIn company page and @SWIFTcommunity Twitter handle for all our Sibos updates. On LinkedIn, you can have the daily news from SWIFT at Sibos delivered right into your news feed. Additionally, the SWIFT team will be tweeting from the Sibos conference and exhibition floor. We encourage everyone to follow or join the online conversation by using the #Sibos hashtag.

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