



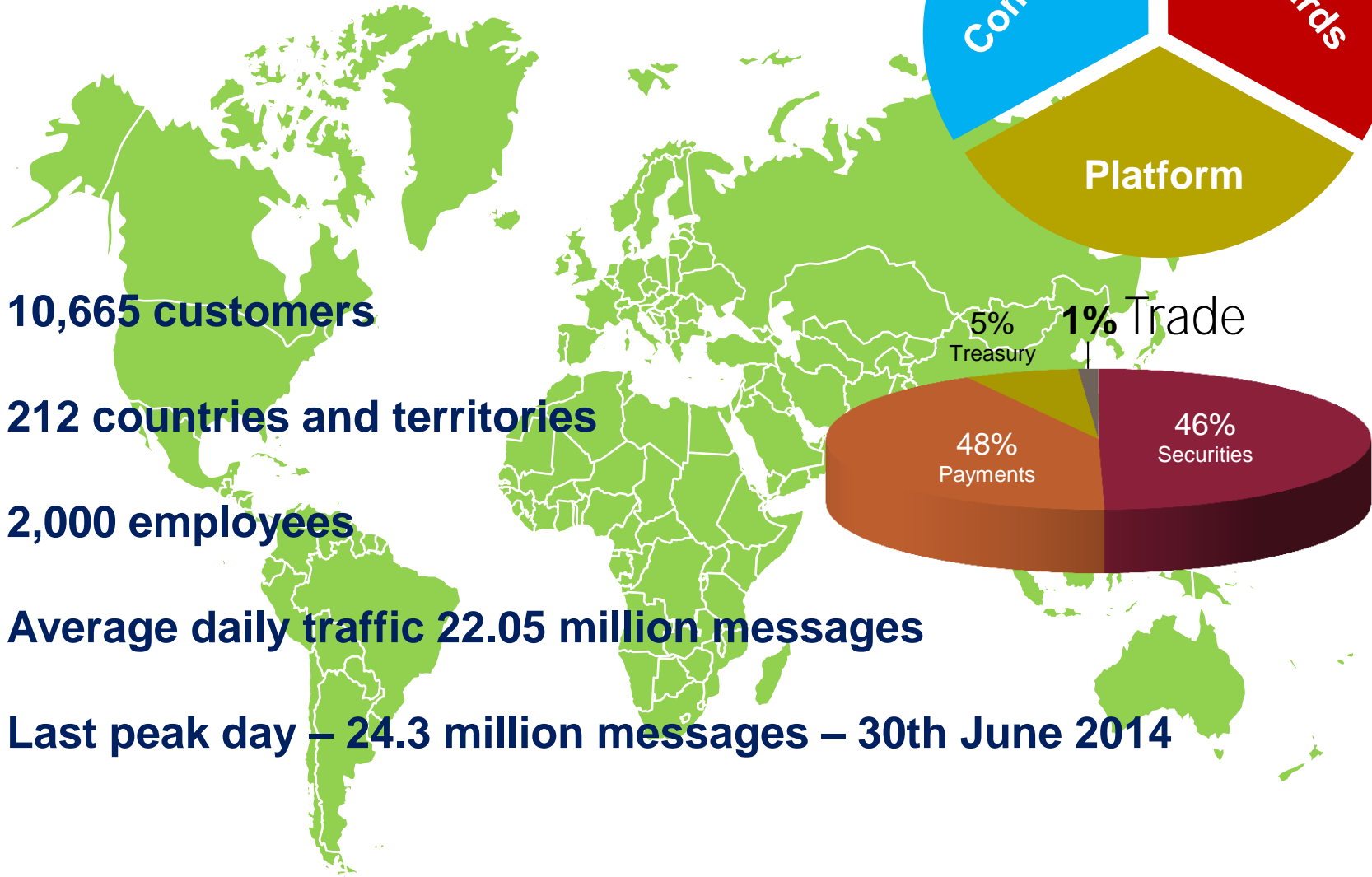
SWIFT Update

IIBLP – 2014 Annual Forum/Survey

David Dobbing – SWIFT Standards

What is SWIFT?

SWIFT in figures (May 2014)

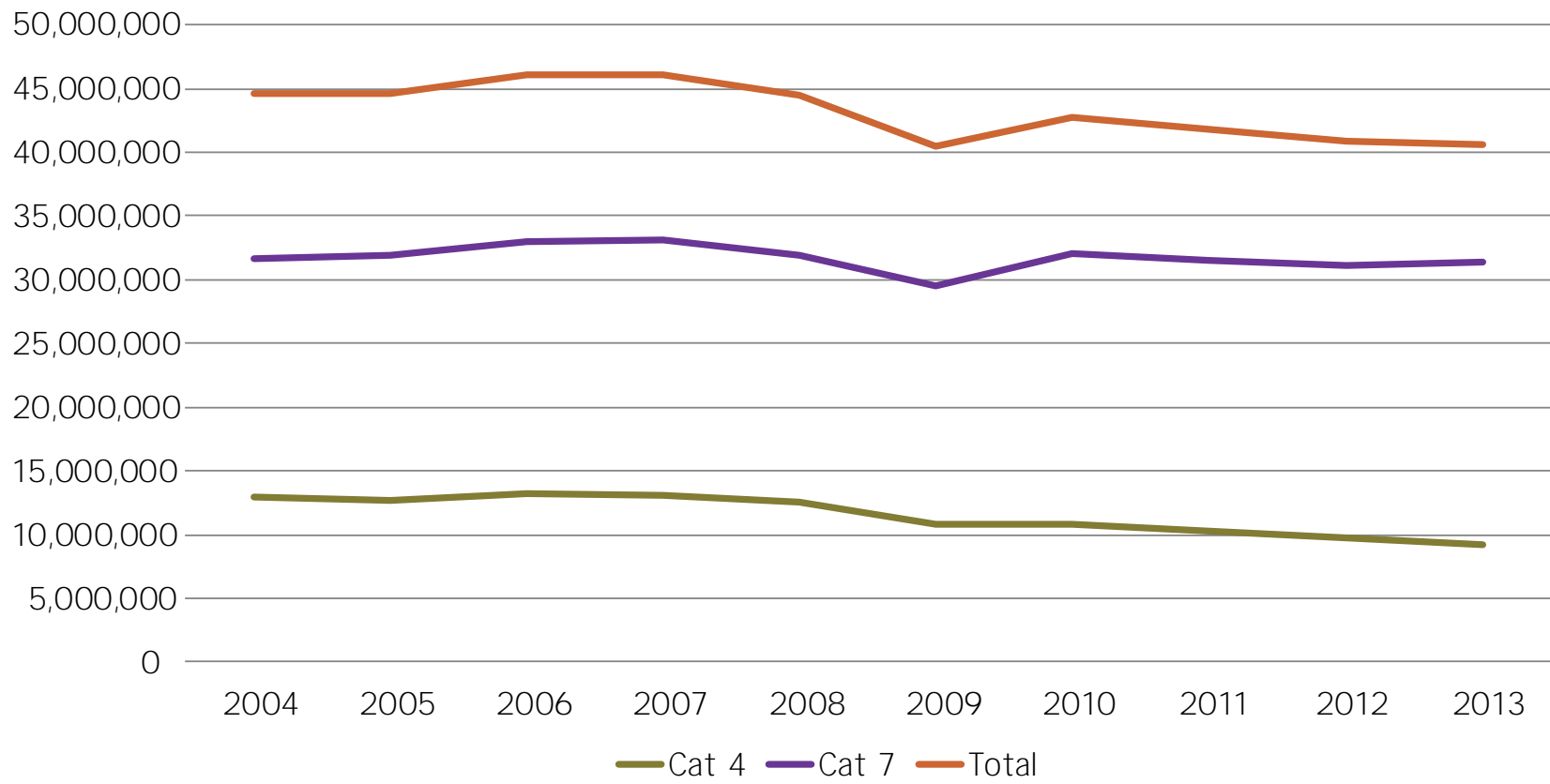


2013 - Highlights

- SWIFT trade volume shows a decrease of 0.65% (much less than last year decrease of 2.22%). This is due to a decrease of 5.80% in category 4, while the category 7 shows an increase of 0.97%.
- Asia-Pacific continues to register far greater volume of MT 700 with 68% (import) and 75% (export) of the world traffic in 2013. It is also the region that increased the most.
- Top countries in volume of MT 700 are China, Bangladesh, Hong Kong, Korea, India.
- The region that shows the highest annual decrease (MT 700) is North America.
- The average value of a Letter of Credit (MT 700 only, amount converted to USD) in 2012 was USD616,000. In 2013, it is USD653,000 (+6%).
- Renminbi (RMB) became 2nd most used currency in trade finance, overtaking the Euro



SWIFT trade traffic worldwide in number of messages, 2004 - 2013



2013 growth compared to 2012

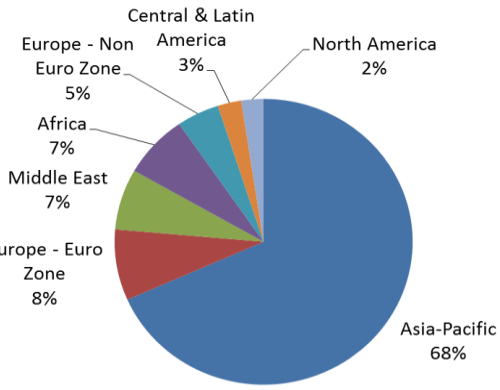
Total growth -0.65%

Cat 7 growth 0.97%

Cat 4 growth -5.80%



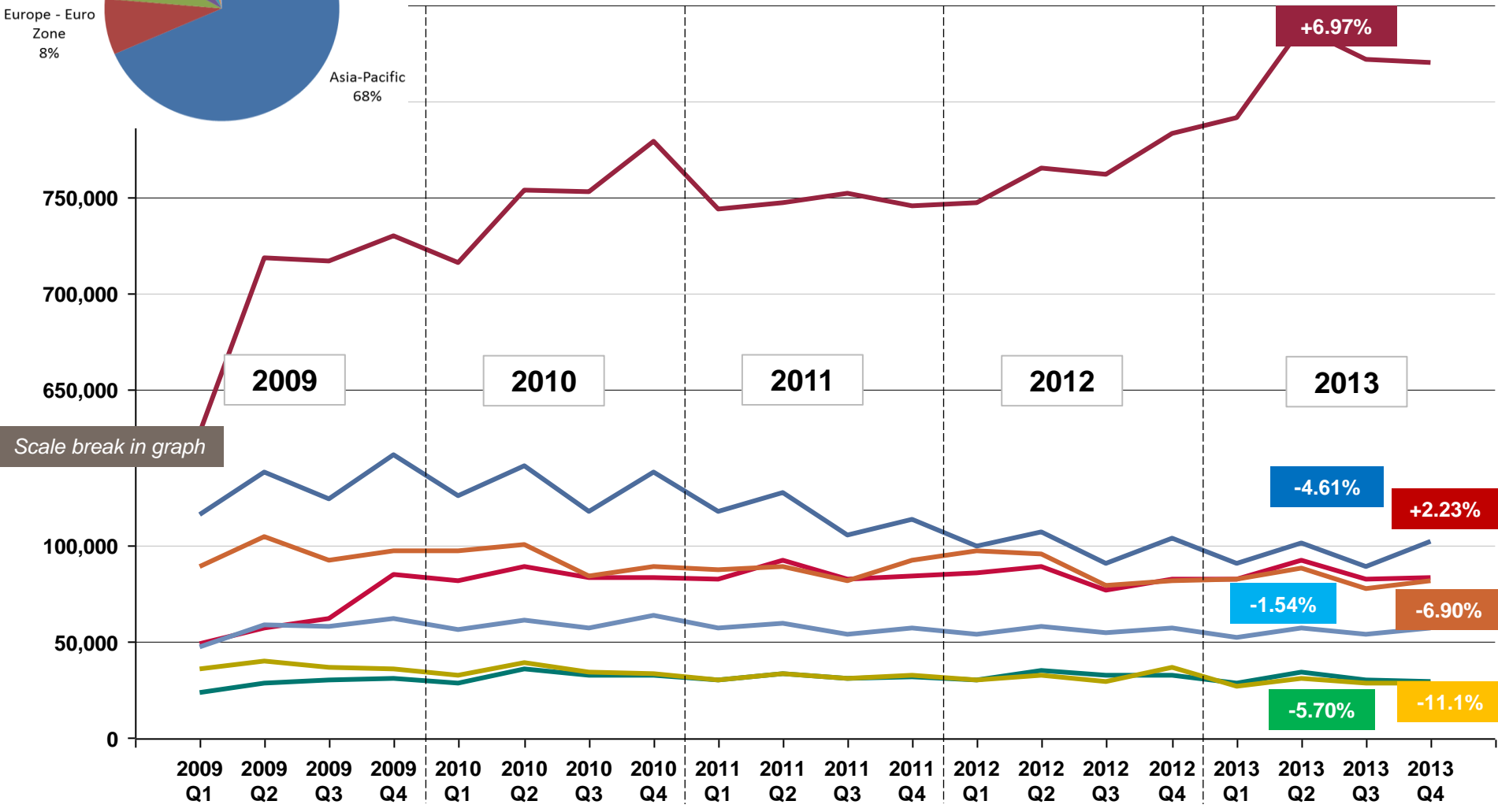
Import traffic



MT 700: Issue of a documentary credit

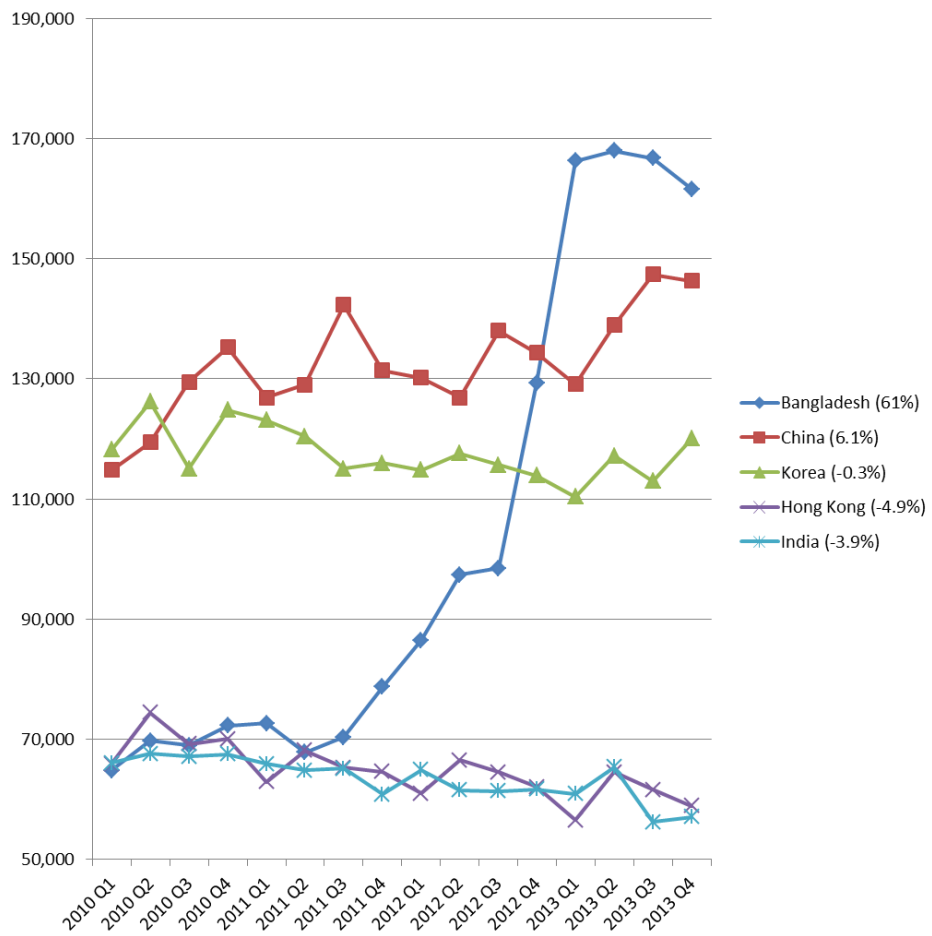
- Africa
- Asia-Pacific
- Central & Latin America
- Europe - Euro Zone
- Europe - Non Euro Zone
- Middle East
- North America

MT 700 sent by region, 2009-2013

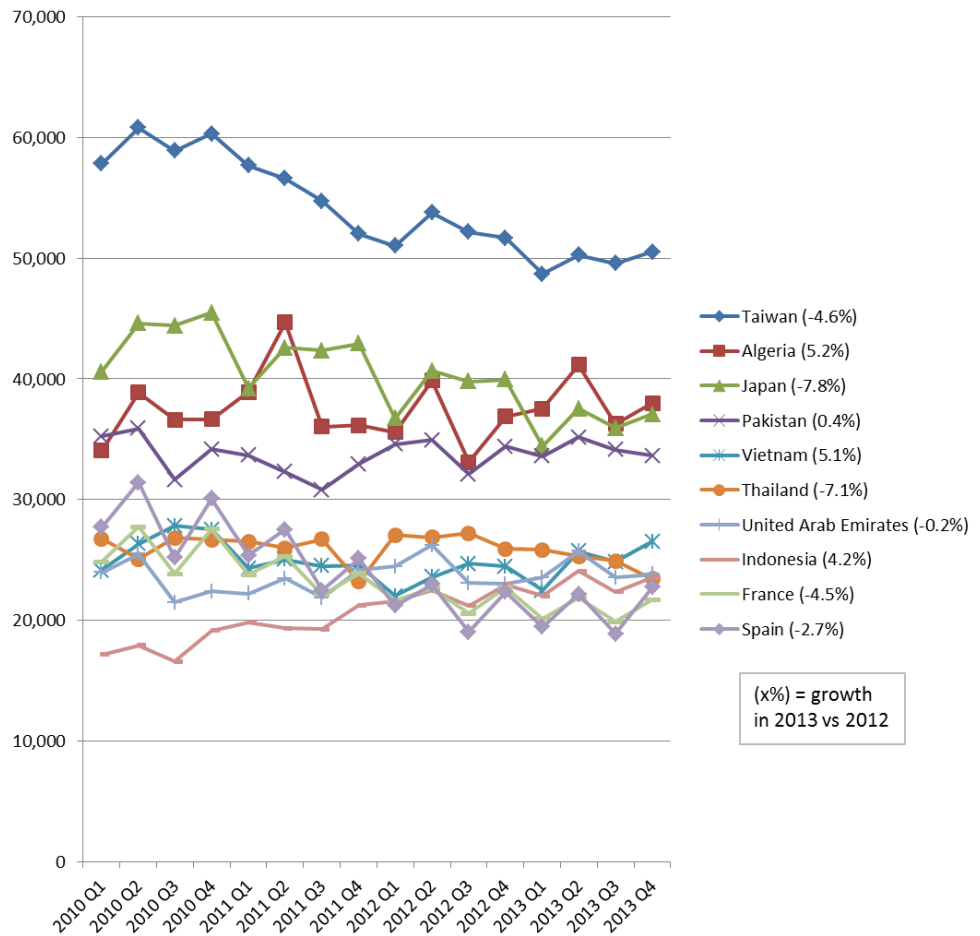


Import

Top 5 countries in volume of MT700 sent



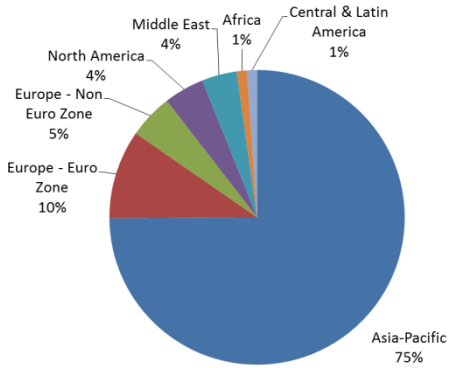
Countries: Top 6 to 15 in volume of MT700 sent



(x%) = growth in 2013 vs 2012



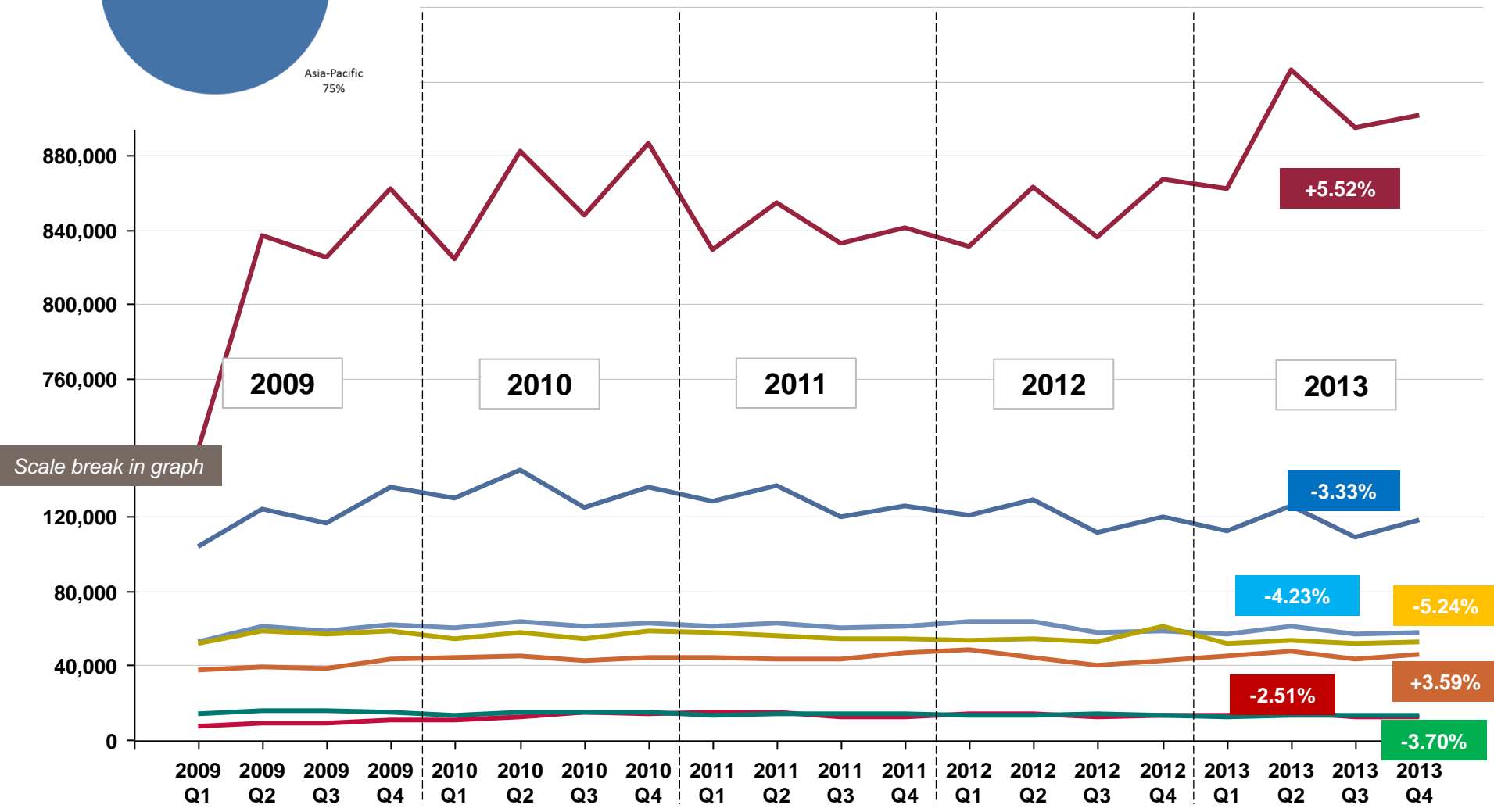
Export traffic



MT 700: Issue of a documentary credit

- Africa
- Asia-Pacific
- Central & Latin America
- Europe - Euro Zone
- Europe - Non Euro Zone
- Middle East
- North America

MT 700 received by region, 2009-2013

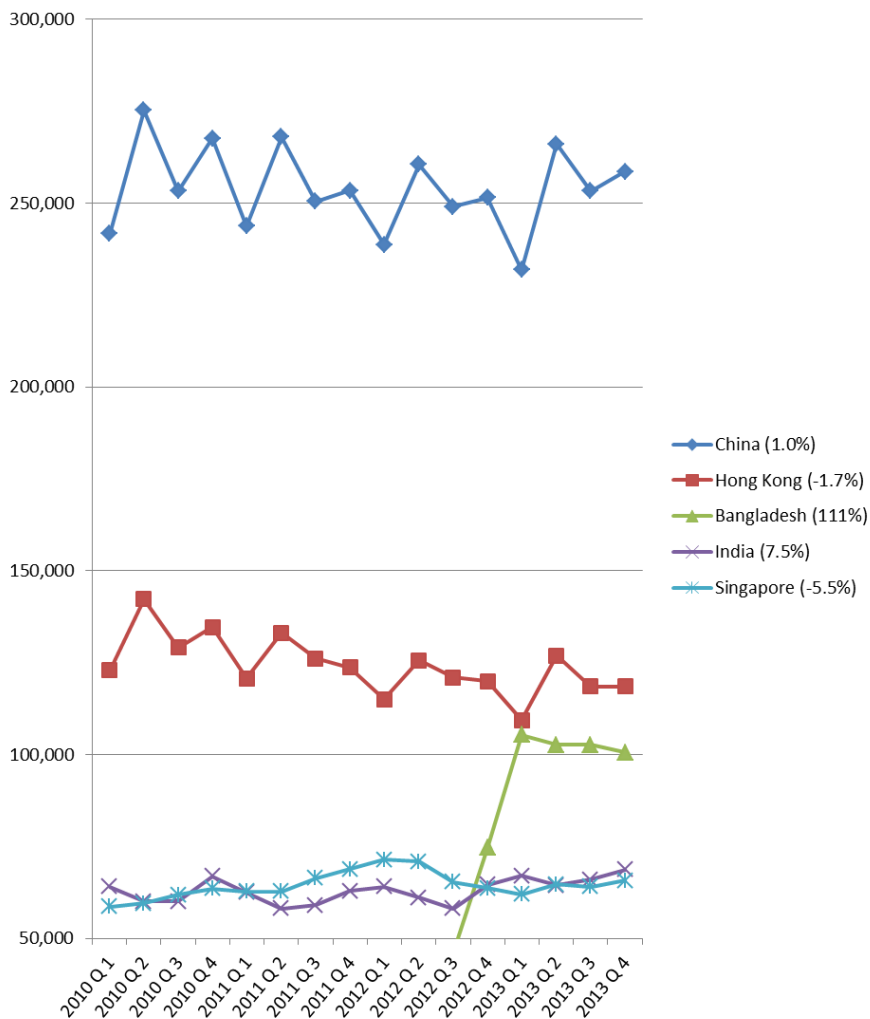


Scale break in graph

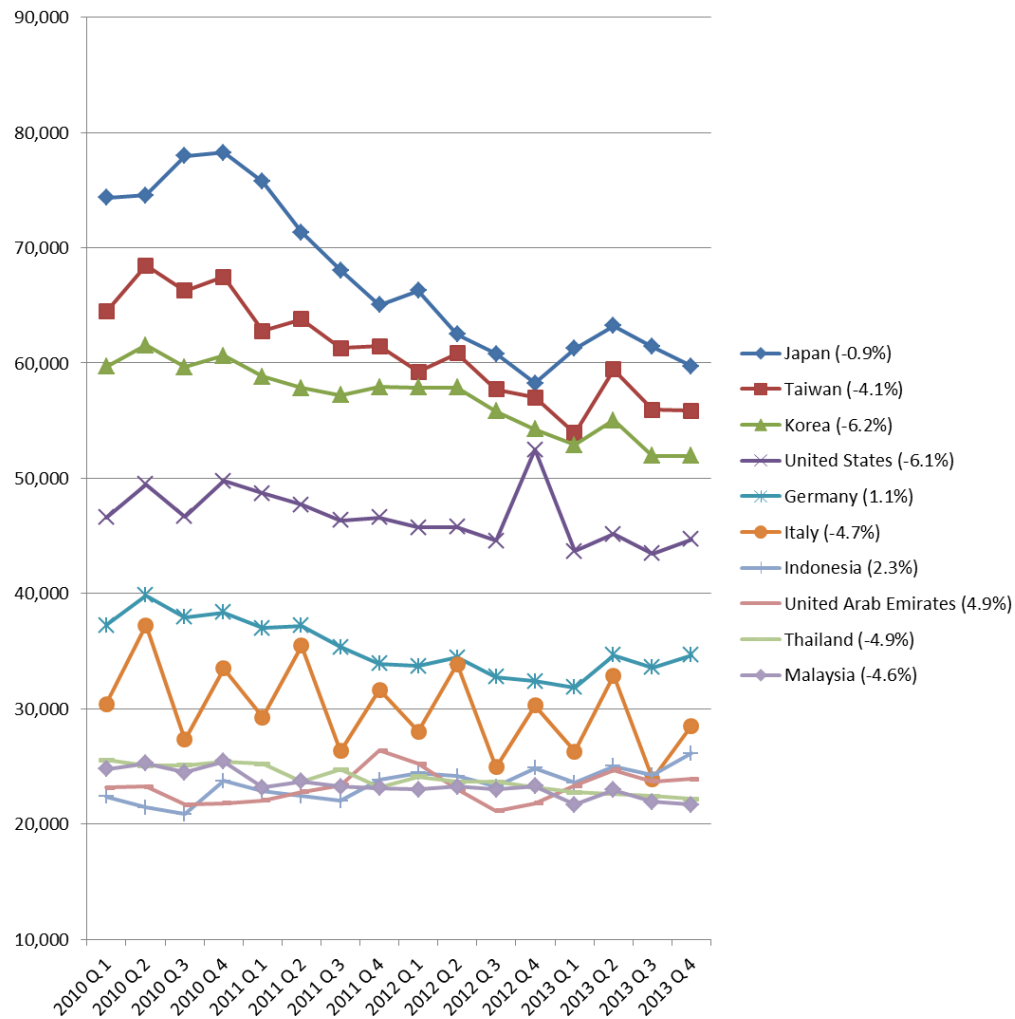


Export

Top 5 countries in volume of MT700 received

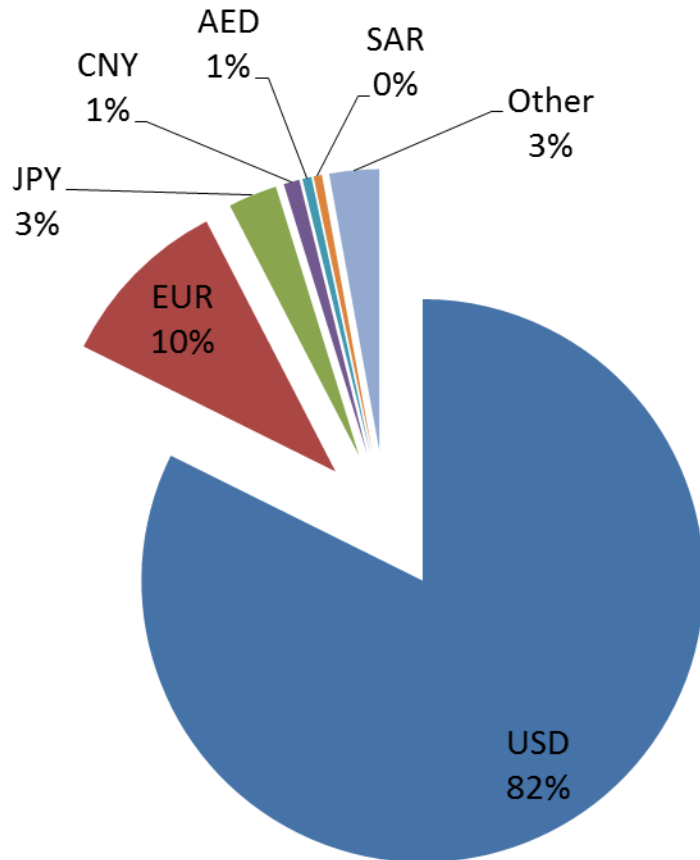


Countries: top 6 to 15 in volume of MT700 received

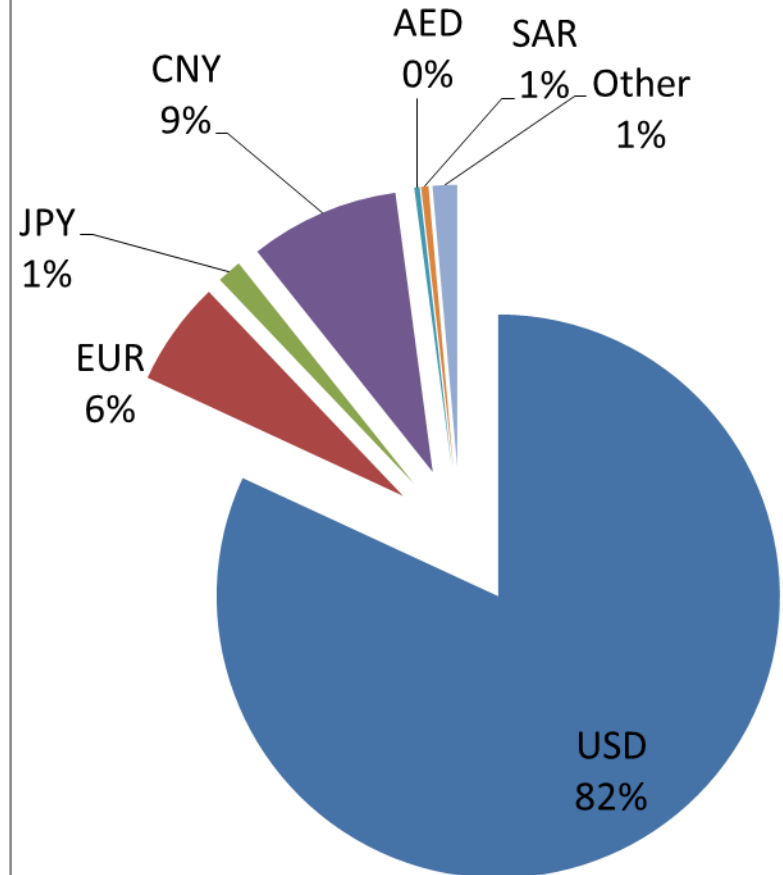


Average amount of an L/C is 653 KUSD

Volume of L/C (MT 700)



Amount of the L/Cs (MT 700) (converted to USD)





Watch Analytics

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

Watch Traffic Analyser

Your traffic volumes by market, message type and region

Watch Value Analyser

Your transaction value by currency

Watch Message Cost Analyser

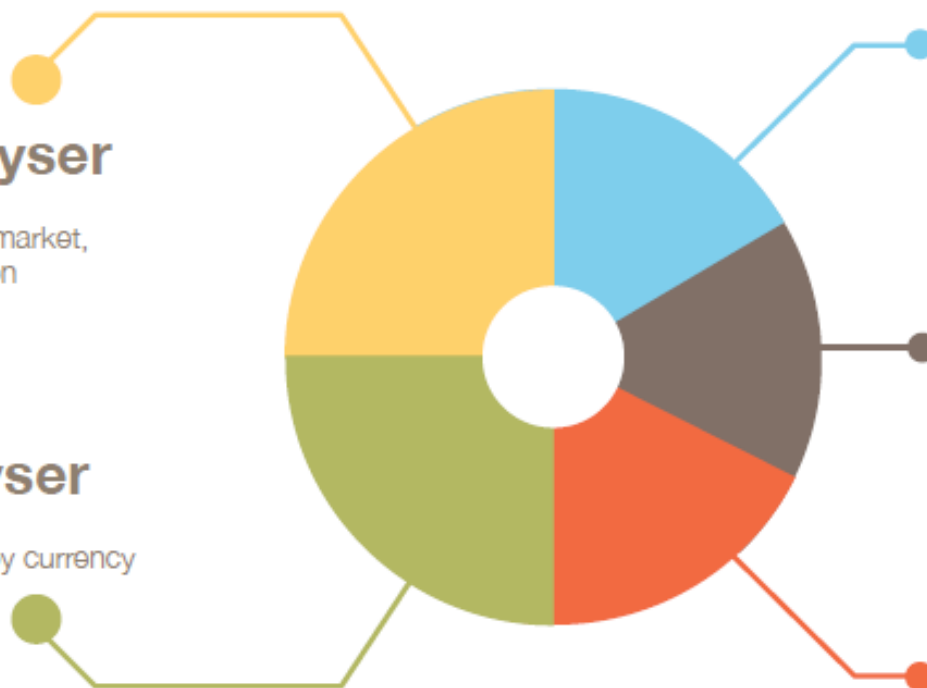
Your SWIFT messaging costs and charges

Watch Billing Analyser

Your SWIFT invoice in detail

Watch Market Analyser

Total share



http://www.swift.com/business_intelligence/our_solution



Watch Insights

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

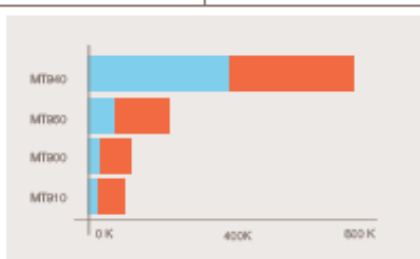
Pre-defined, yet dynamic.

Develop footprint and portfolio for Payments and Cash Management

Manage correspondent network for Payments and Trade finance

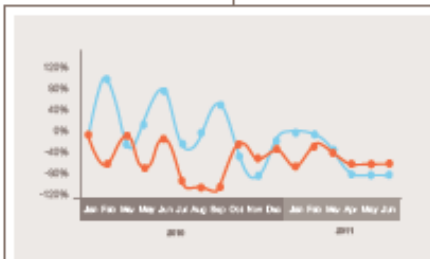
Develop footprint and portfolio for Trade finance

Improve operational efficiency & quality



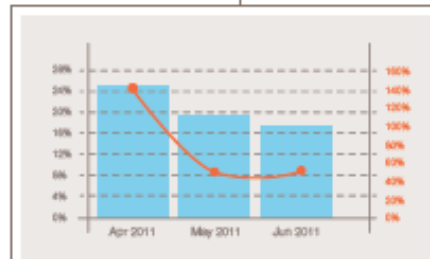
Top Message Types YTD
■ YTD Traffic sent
■ YTD Traffic received

Your top cash management messages sent and received YTD



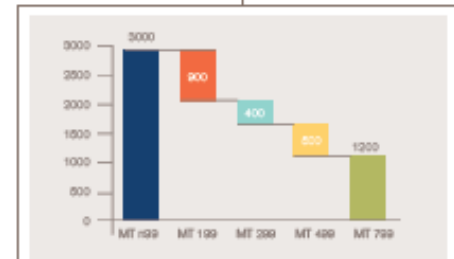
Counterparty and Country Evolution
■ Growth Country Count
■ Growth Cpty Count

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



Sent Message MKT Share vs. YTD Var % PYTD
■ Activity Share
■ Var % YTD Sent

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



Total volume of free text and its repartition per category

MT Category 7 Working Group

Purpose and Objectives

- Established under the auspices of the TFMWG (Trade Finance Maintenance Working Group)
- For Guarantees/Standbys, evaluate & reference ISO 20022 formats
- Formed in July-August 2013 to achieve the following objectives:
 - significantly enhance MTs of Category 7 that include interbank Documentary Credits and Guarantees / Standbys messages
 - enhance MT 798 guidelines for corporate-to-bank messages incorporating the Category 7 enhancements and earlier MT 798 deferred enhancements
 - prepare necessary Change Requests (CR) and submit them to SWIFT and TFMWG by 1st of June 2014



MT Category 7 Working Group

Members

- Corinne Babok (Société Générale)
- Patrick Boiteau (Crédit Agricole)
- Tommy Chong (Standard Chartered Bank)
- David Curling (Barclays)
- Francesco Cusenza (Associazione Bancaria Italiana)
- Ingrid De Trogoff (Crédit Agricole)
- Michael Fenyk (Deutsche Bank)
- Giovanni Forcati (Banca Popolare di Vicenza)
- Kate Han (HSBC)
- Roland Hasenaecker (Commerzbank)
- Egbert Jansen(ING)
- David Ondo (PNC Financial Services)
- Fiore Petrassi (JP Morgan Chase)
- Chakicherla Rao (State Bank of India)
- Guosheng Wang or Shen Ma (Bank of China)
- Janna Webskowski (U.S. Bank)
- Jim Byrne (IIBLP)
- Robert Marchal (SWIFT), Facilitator
- Angeline Tan (SWIFT)
- David Dobbing (SWIFT)

Application Vendors have
been consulted



MT Category 7 Working Group

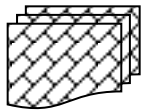
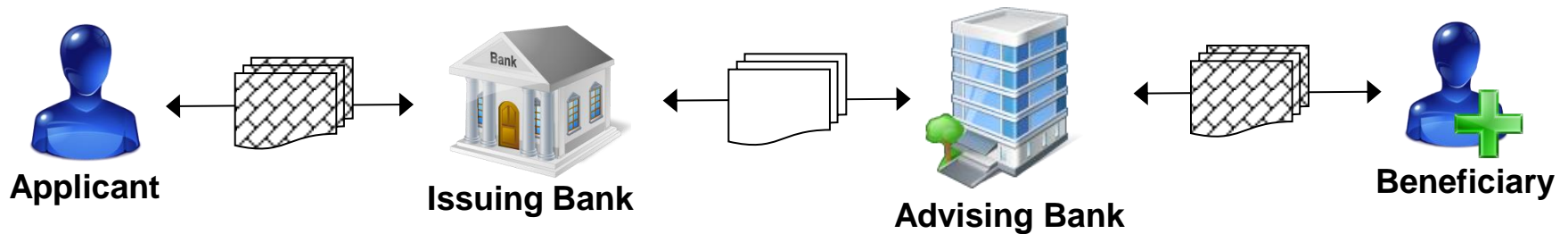
General – L/C and Guarantees/Standbys

- Creation of a message MT 759 (Multi-purpose Trade Structured Message) similar to MT 799 using a limited number of coded and structured fields
- Further structuring of party fields (like 50 and 59)
- Addition of a field to refer to a document sent by another channel (eg FileAct)
- Adoption of extended “Z” character set for long fields (eg 45A, 46A, 47A)

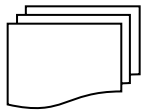
abcdefghijklmnopqrstuvwxyz ABCDEFGHIJKLMNOPQRSTUVWXYZ 0123456789 / - ? : () . , ' + { } CR LF Space	X
abcdefghijklmnopqrstuvwxyz ABCDEFGHIJKLMNOPQRSTUVWXYZ 0123456789 ., - () / = ' + : ? ! " % & * < > ; { @ # _ CrLf Space	Z

Documentary Credits

Status quo in electronic communication standards



- well structured C2B and B2C messages (SCORE MT 798)
- respective Bank-to-Bank MTs build the „backbone“ of the messages
 - additional fields for communication Customer-to-Bank and vice versa



- well structured B2B messages (MT 700, MT 710, MT 707, etc.)
- however, some messages are not structured enough (e.g. Amendment)

Documentary Credits

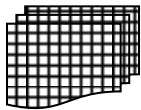
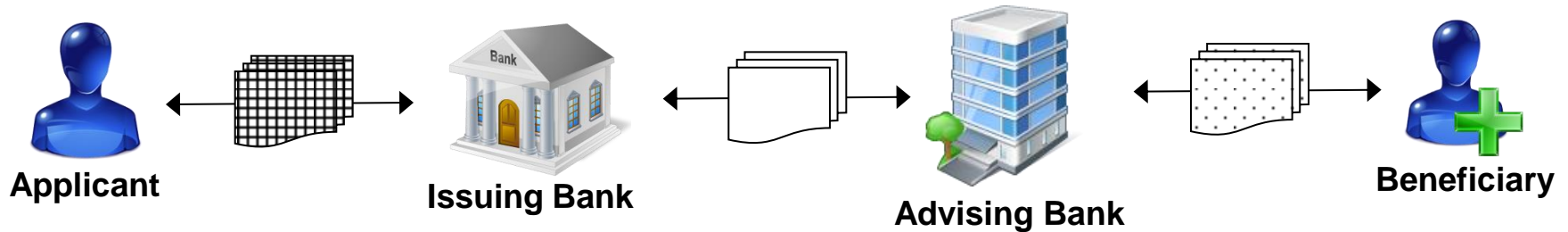
Overview of work items and topics

- Re-design of MT 707
 - Structured fields for any modification
 - Use of codes ADD, DELETE, REPLACE ALL for the long narrative fields
 - Specific tag for amendment charges
- Addition of 2 fields to indicate the Special Instructions for Payment (to be conveyed to the Beneficiary or for the Advising Bank only)
- Addition of the Bank that must add confirmation
- Trans-shipment and Partial shipment structured with codes
- NEW MSG: Continuation message for wording changes (MT 708)
 - 45B Description of Goods and/or Services
 - 46B Documents Required
 - 47B Additional Conditions
- NEW MSG: Advice of non-conforming claim (MT 744)

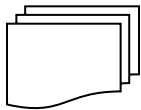
Message sent by the reimbursing bank to the bank claiming reimbursement as notification that the claim, on the face of it, is not considered as not to be in accordance with the instruction in the Reimbursement Authorisation for the reason(s) as stated in this message.

Guarantees and Standby Letters of Credit

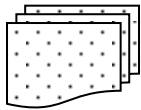
Status quo in electronic communication standards



well structured Customer-to-Bank messages (SCORE MT 798)



unstructured Bank-to-Bank messages (MT 760, MT 767, etc.)



less structured Bank-to-Customer messages (SCORE MT 798)

Guarantees and Standby Letters of Credit

Overview of work items and topics

- Enforcement of use of MT 760 (and MT 767) for Demand Guarantees / Standby Letters of Credit
- Significant re-design of MT 760 + continuation message (MT 761)
- Significant re-design of MT 767 + continuation message (MT 775)
- NEW MT: Guarantee/SBLC Guarantee Demand (incorporating Extend or Pay) (MT 765)
- NEW MT: Guarantee/SBLC Demand Refusal (MT 786)
- NEW MT: Guarantee/SBLC Undertaking Amendment Response (MT 787)
- NEW MT: Guarantee/SBLC Non-extension Notification (MT 785)



MT Category 7 Working Group Plan

- Some 25 Change Requests (CRs) approved July 2014 by TFMWG (Trade Finance Maintenance Working Group) to go forward for Country Vote (Sept – Oct)
- Logically considered as a single CR
- Standards Release timetable vote :
 - Standards Release 2016 for L/C and 2017 for Guarantees/SBLC
OR
 - Standards Release 2017 for L/C and 2018 for Guarantees/SBLC
- Implementation of a new MT requires two years minimum
- TFMWG Members:
 - David Curling (GB)c
 - Ingrid de Trogoff (FR)
 - Giovanni Forcati (IT)
 - Wang Guosheng (CN)
 - Kate Han (HK)
 - Roland Hasenaecker (GE)
 - Egbert Janssens (NL)
 - David Ondo (US)
 - Chakicherla Rao (IN)

