Improving compliance & efficiency in the financial industry

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SWIFT

Agenda

1. Brief introduction
   - SWIFT
   - Compliance Services in SWIFT's 2020 Strategy

2. Two solutions implemented by CSDs & securities market participants
   - KYC Registry
   - Sanctions Testing



SWIFT is the global provider of secure financial messaging services

212

10k+

5*9



Messaging

Critical Service Provider

6 billion FIN messages per year

21 mio FIN messages per day

6 trillion USD per day

25 mio peak day messages

Oversight

























Governance

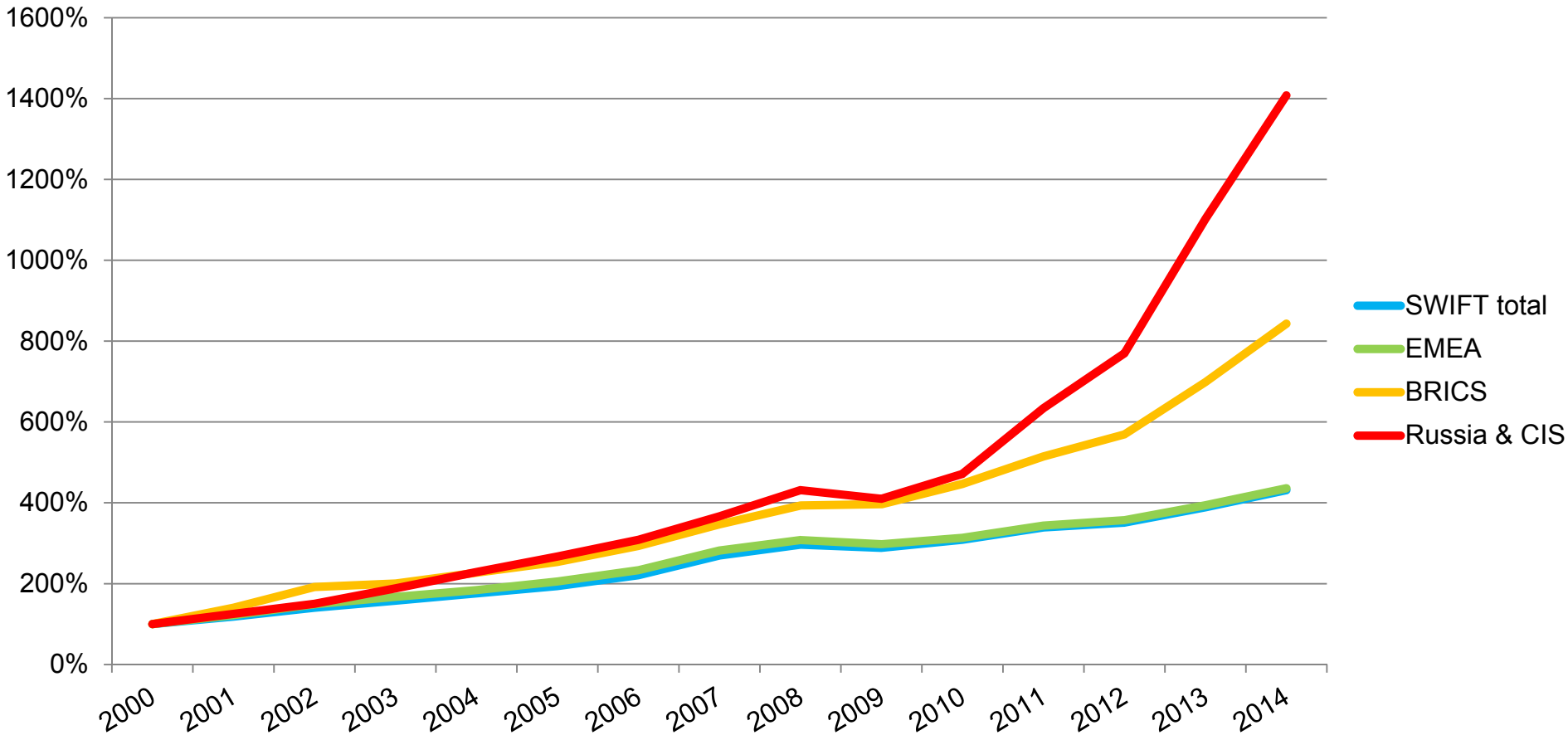
Board	Board committees	National Member Groups	National User Groups





FIN yearly traffic evolution

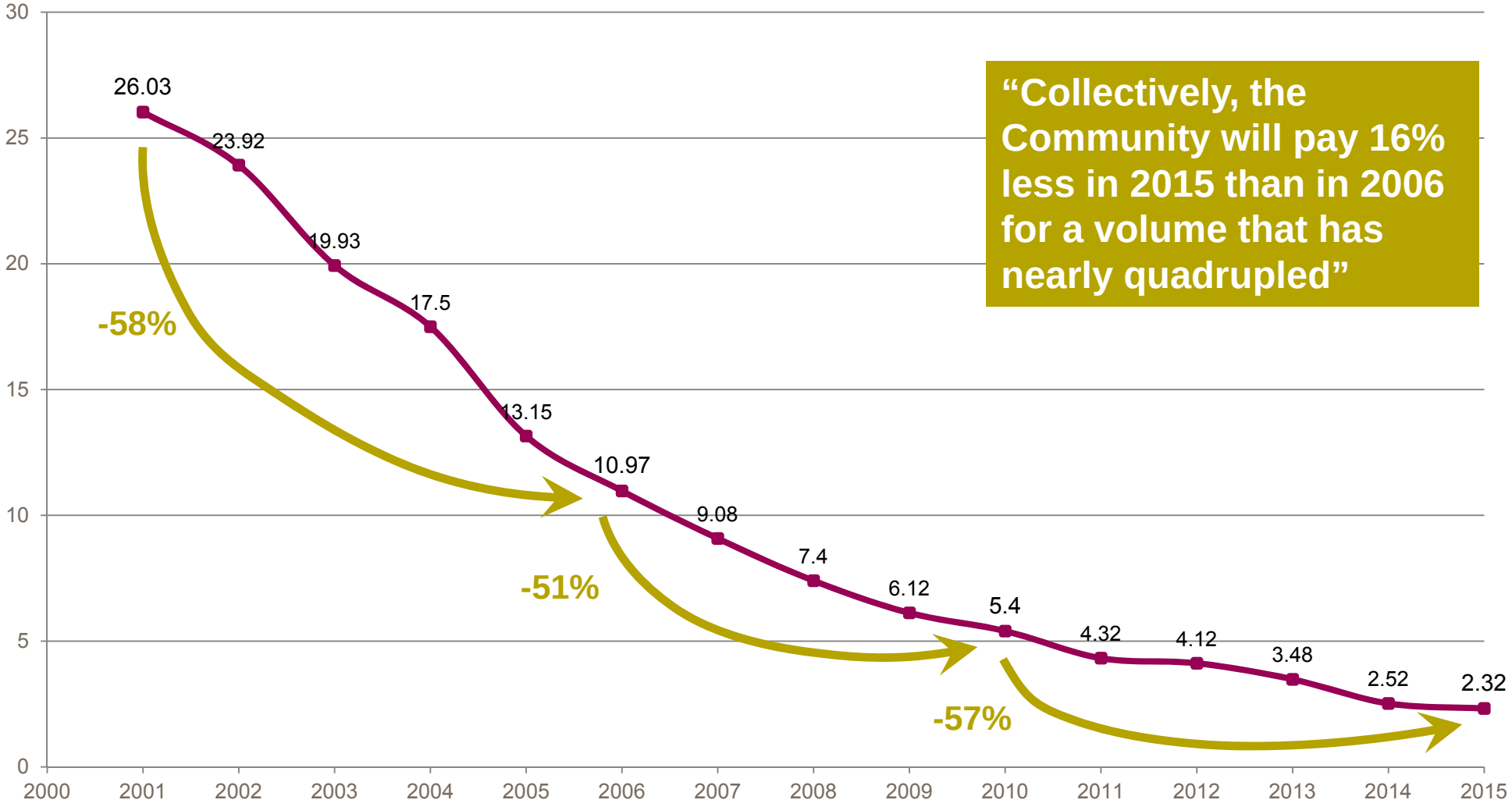
With an average yearly growth rate of 21% over the last 15 years, Russia & CIS outperform SWIFT total (11% average growth), EMEA region (11%) and BRICS (16%).



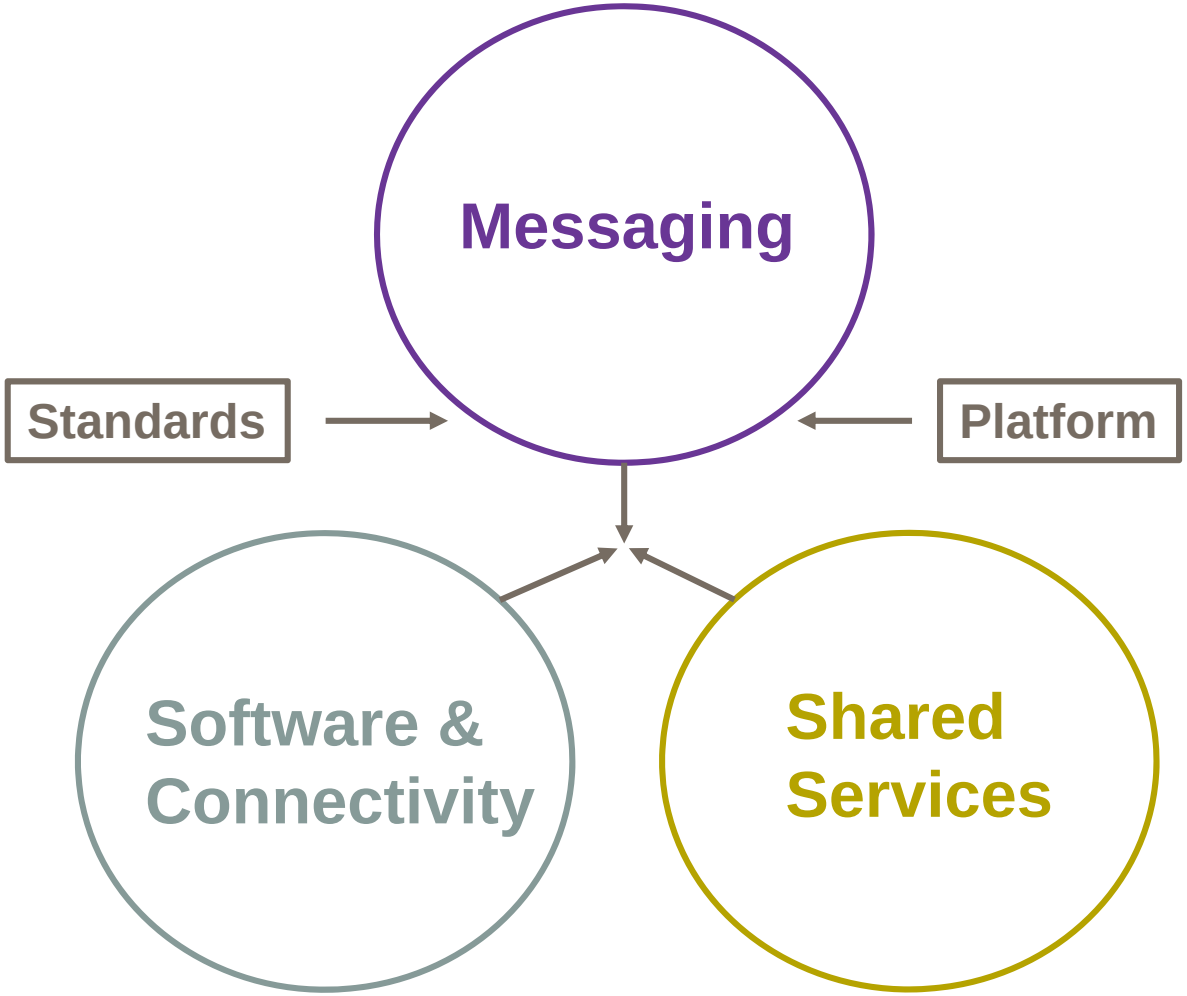
Figures are based on average daily traffic

Pricing – Committed to decrease messaging unit cost

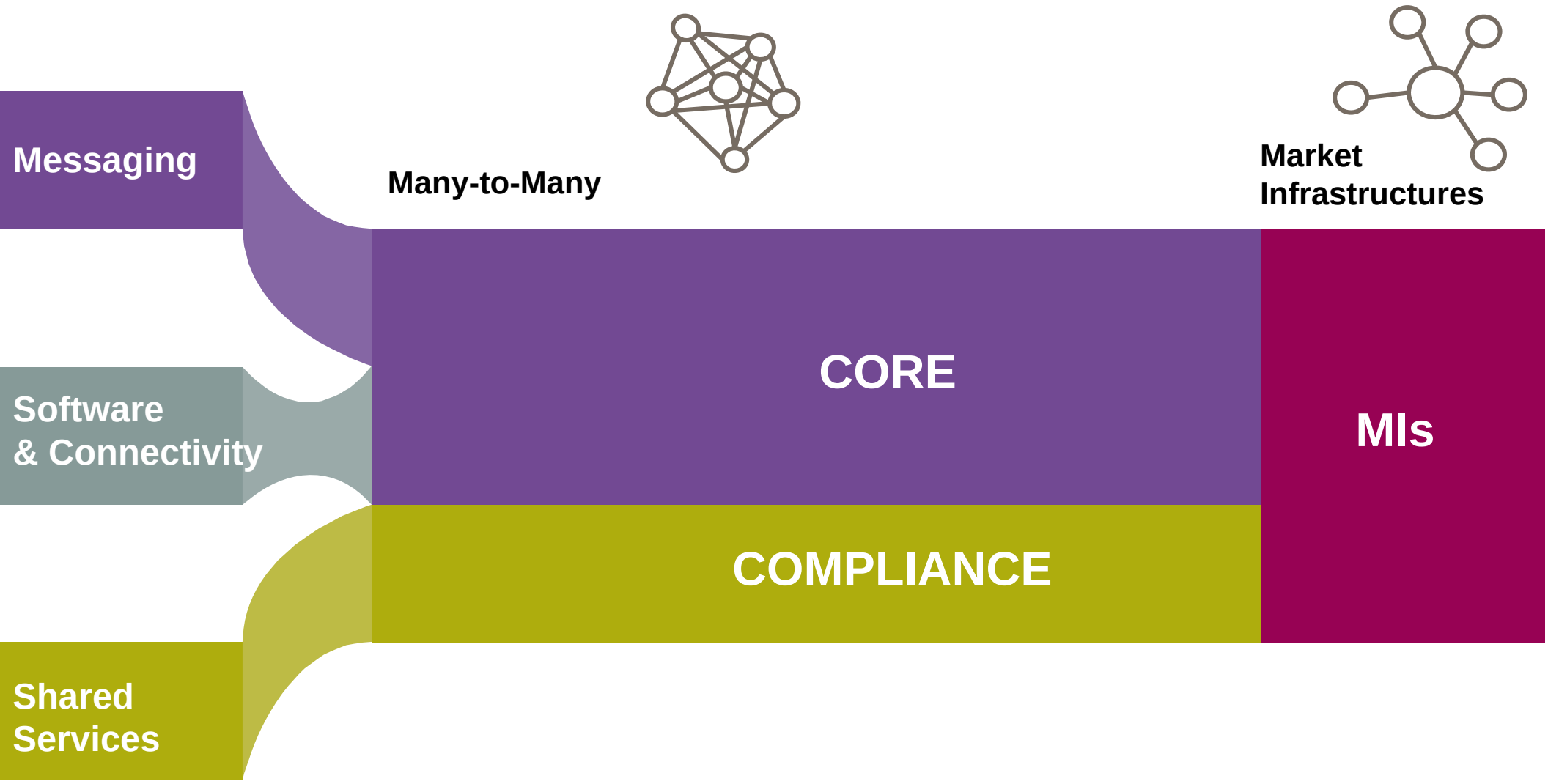
Average Message Price Evolution (EUR cents per kChar)



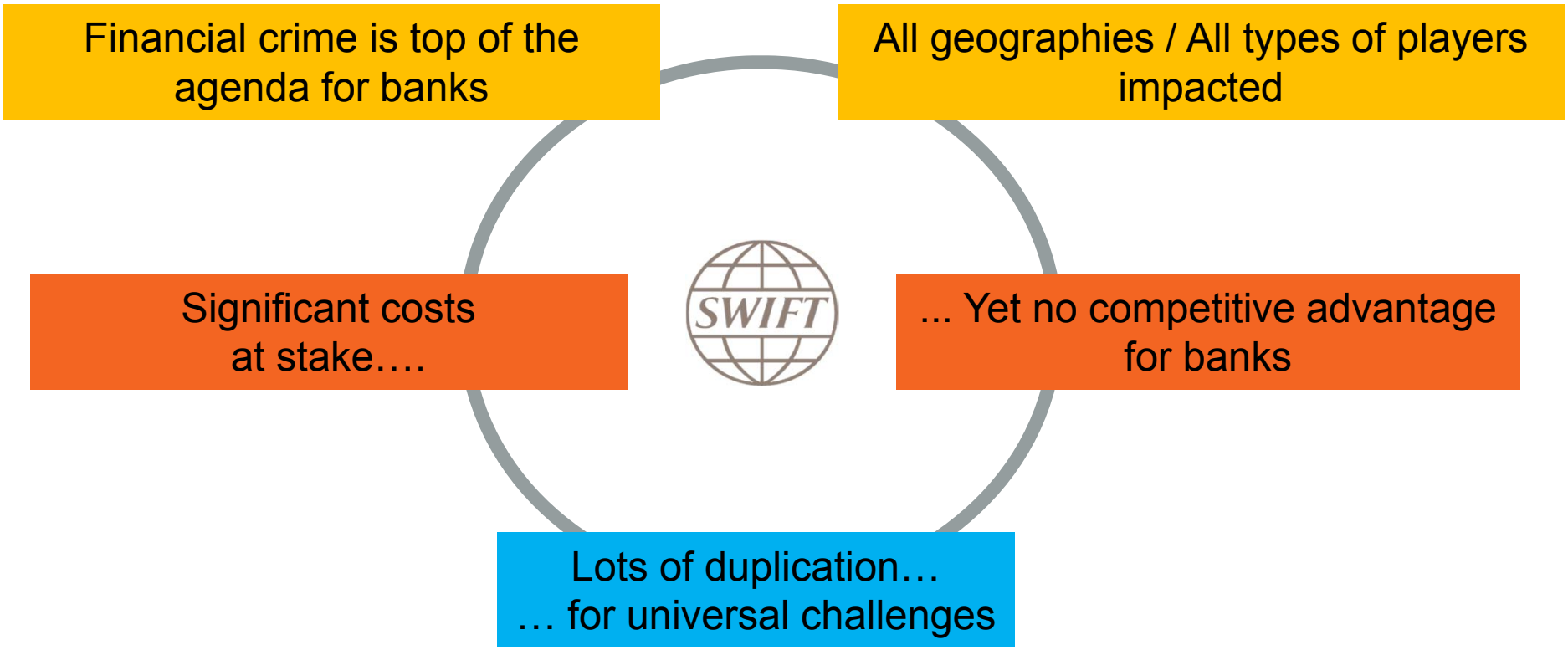
SWIFT’s 2020 Strategy builds on SWIFT’s existing business model



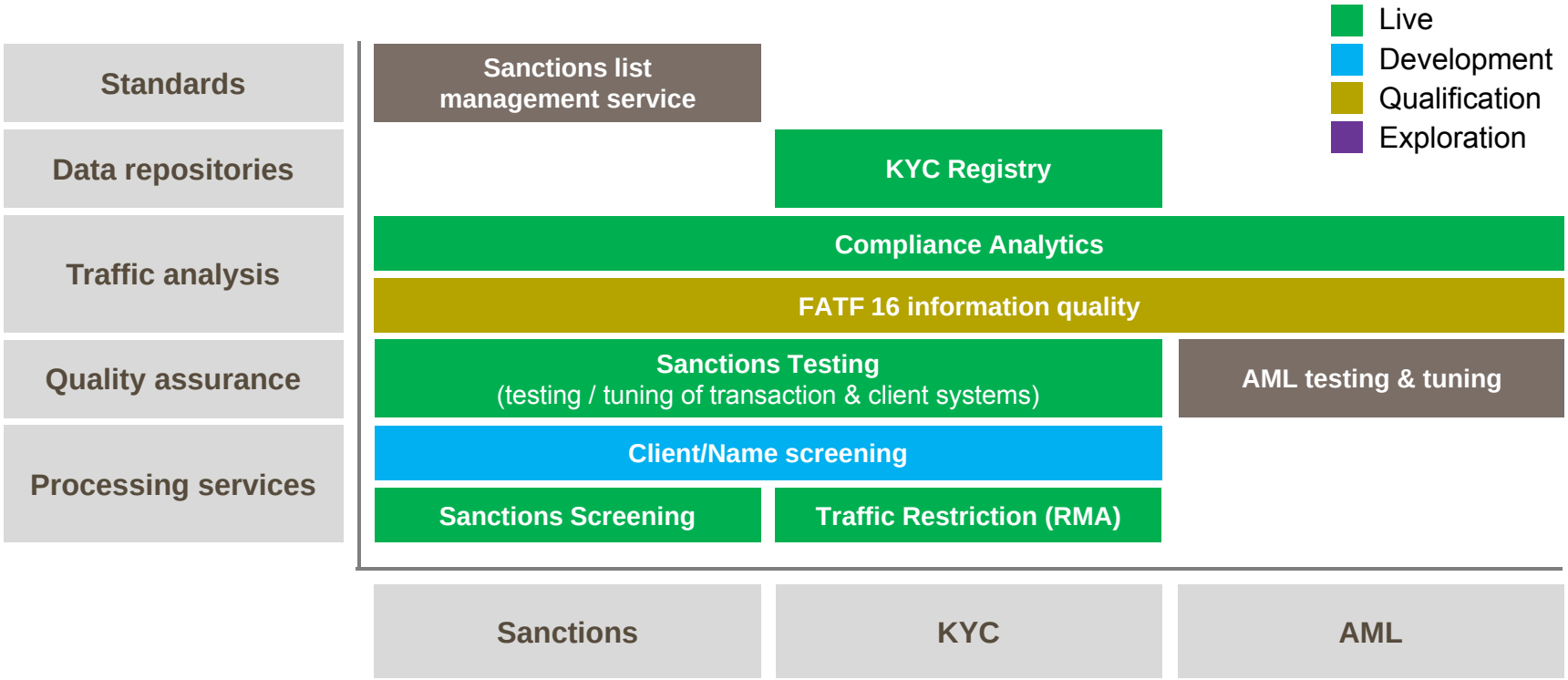
SWIFT 2020 – Strategic priorities



A community issue calling for a community solution …



Financial Crime Compliance Roadmap



The 5 founding principles to the KYC Registry

- Standardised KYC data set: 5 categories of information:
  1. *ID of customer,*
  2. *Ownership and management structure,*
  3. *Type of business and client base,*
  4. *Compliance information,*
  5. *Tax Information*
- Feature-rich platform
  1. *User-controlled access,*
  2. *Portfolio & task Management,*
  3. *Export, report and audit*
- Data validation
  - *Transparency and validation*
- Unique value-added content
  - *Know your customer's customers*
- Community-led engagement

- ✓ CDD & EDD data
- ✓ FATCA
- ✓ MIFID
- ✓ 100+ data items
- ✓ 34+ Documents



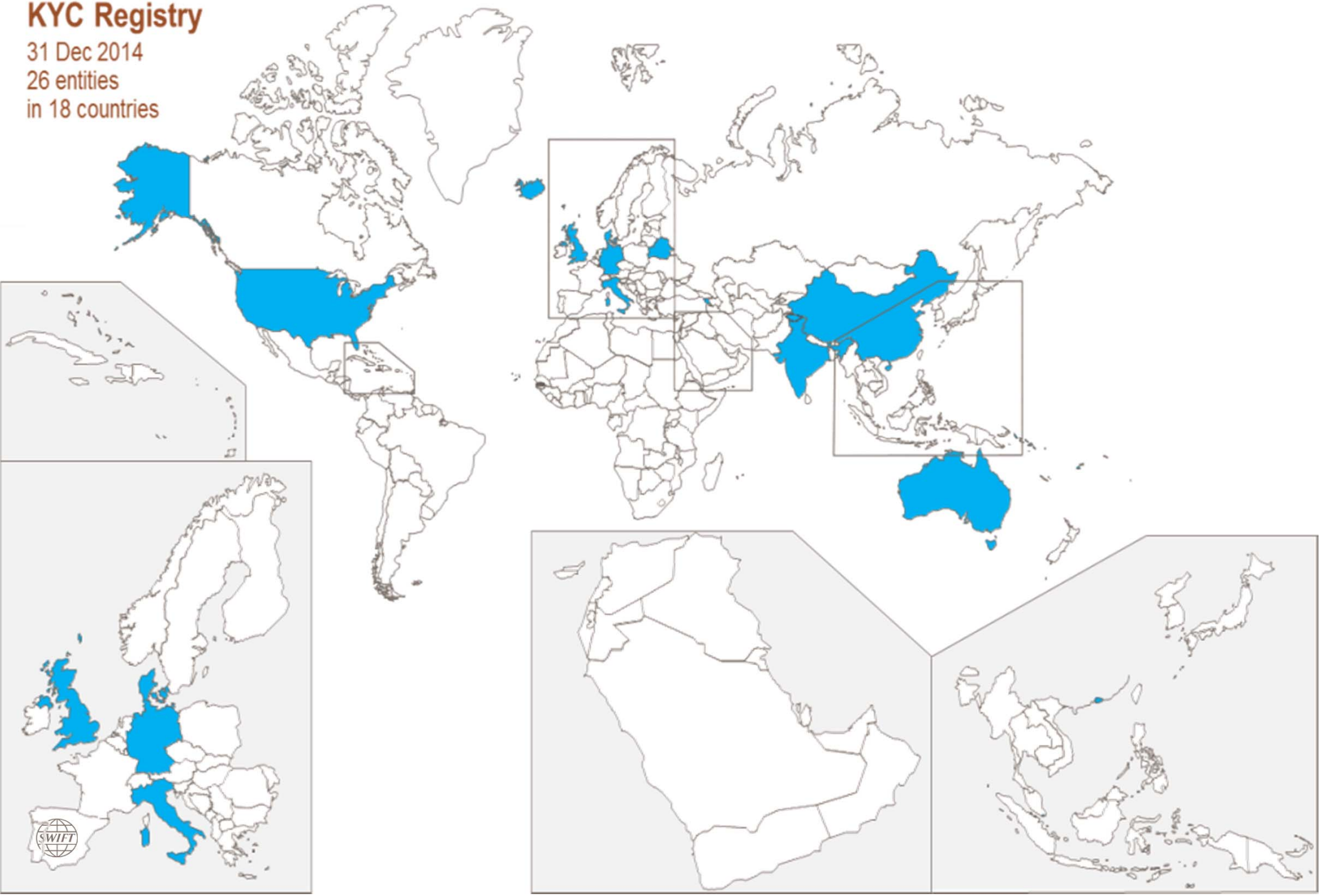


Compliance Services

Community-inspired financial crime compliance solutions

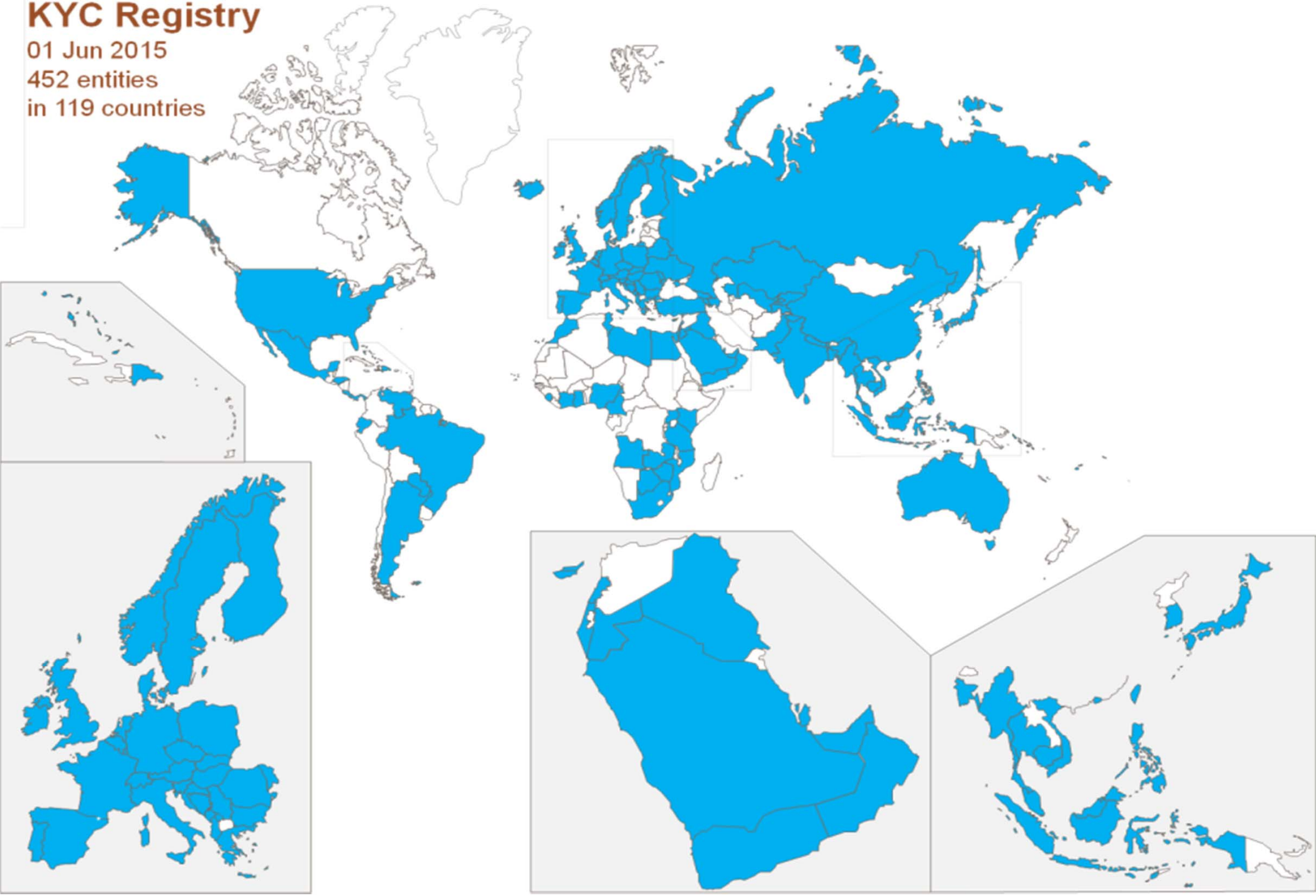
KYC Registry

31 Dec 2014
26 entities
in 18 countries



KYC Registry

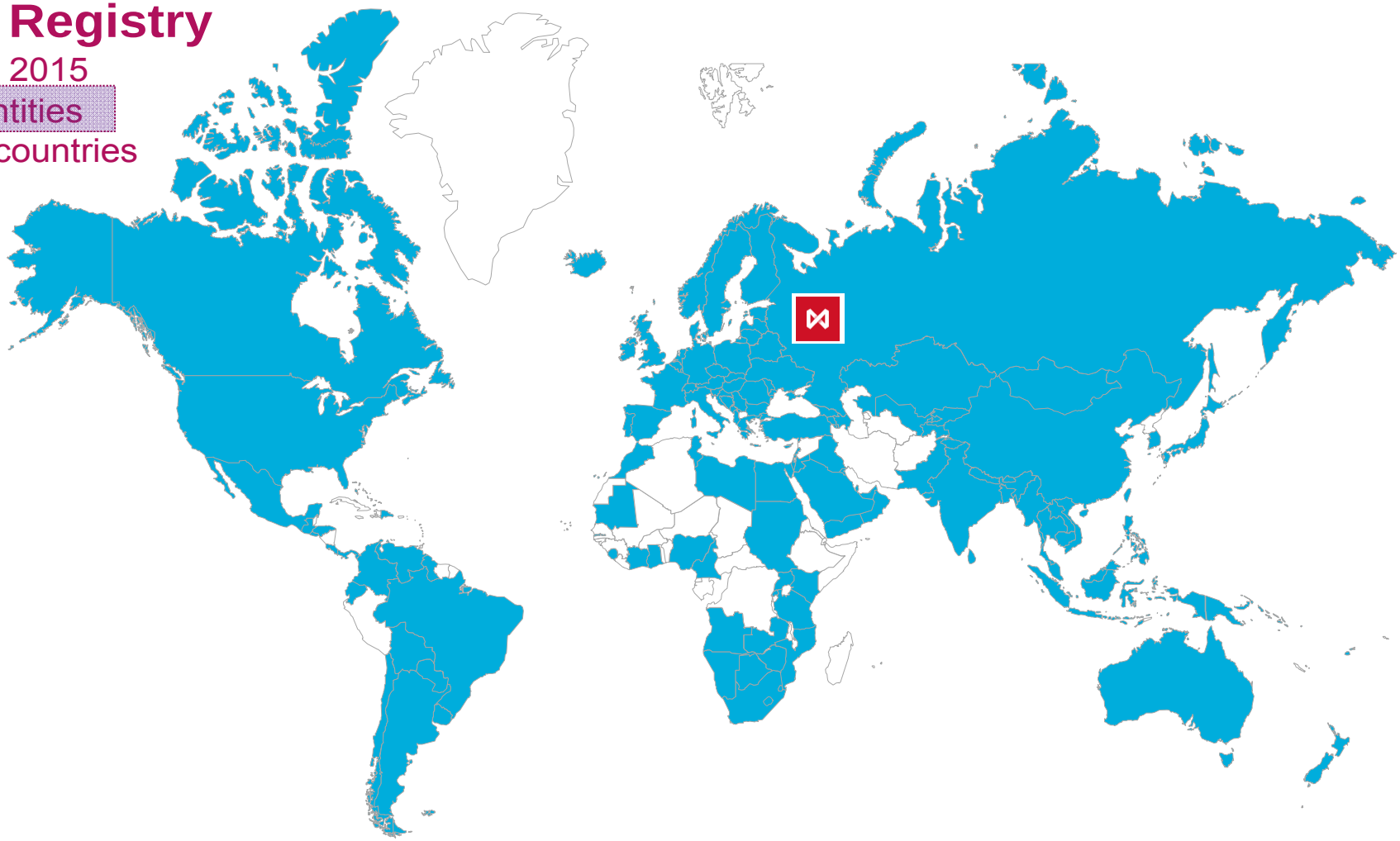
01 Jun 2015
452 entities
in 119 countries



KYC Registry

06 Sep 2015

1110 entities
in 152 countries



How to balance Sanctions concerns?

Testing:
Increased regulatory pressure means banks need to be more effective

with

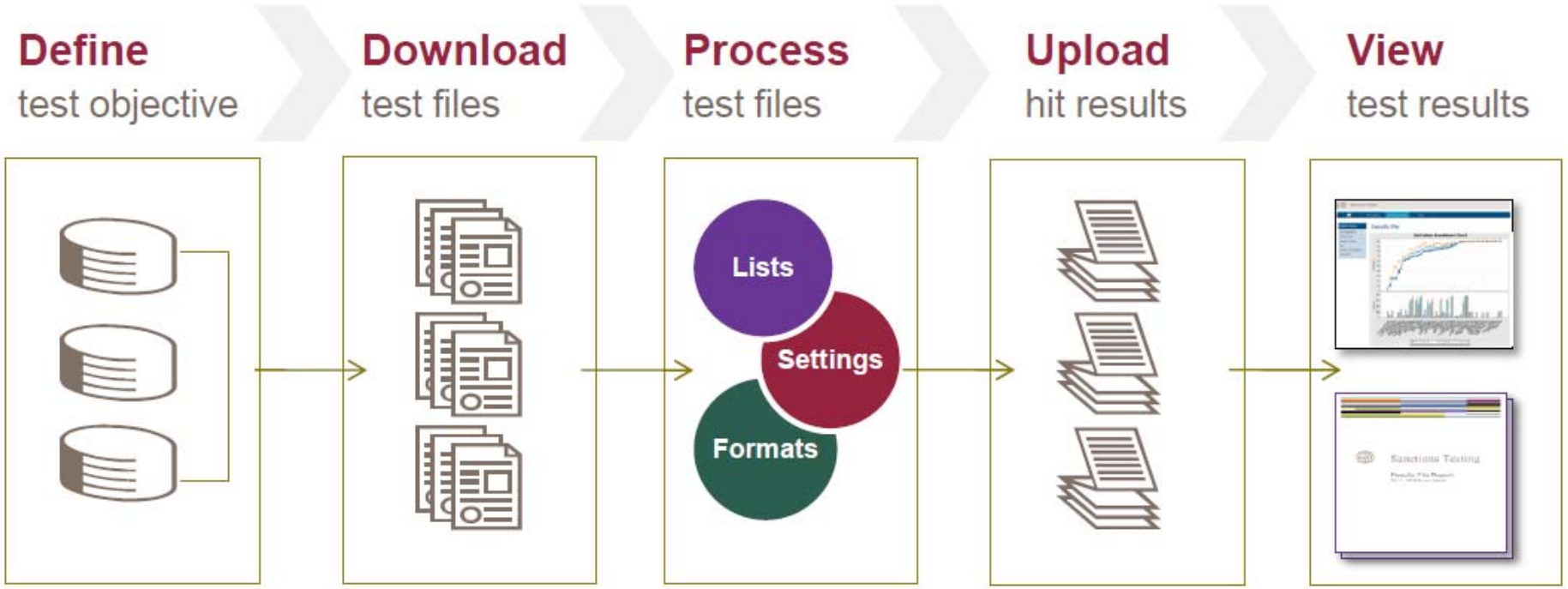
Tuning:
Cost concerns mean that banks need to be more efficient

- Getting Assurances that Systems Work
- Gage the performance of your Fuzzy Matching
- Assess coverage of sanctions lists
- Align System to your Risk Appetite



- Reduce False Positives through iterative tests
- Build optimisation tests into your processes
- Develop a test & tuning framework aligned to your needs
- Do it yourself

Sanctions Testing process



Is currently implemented by large securities players for MT Category 5 messages, whether sent over SWIFT or not

Спасибо

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