SWIFT for Corporates - Frequently Asked Questions
Greater visibility into global cash, less cost to manage transactions and improved security and reliability

1. Why should I care about SWIFT for Corporates? What can it do for me?
SWIFT is highly secure and resilient. Compared to proprietary banking solutions, SWIFT for Corporates enables you to speak a "single language" to all your banks and leverage benefits associated with being bank-agnostic.

2. Will SWIFT for Corporates cure my headache or add to it?
This depends on the source of your headache. Treasury (and other parts of your business) can often achieve greater consistency, more rapid access to information and more standardized access across your banking relationships by using SWIFT. If your headache is derived from variations between banks related to connectivity and how you operate cash management across your banks, it is likely that using SWIFT for Corporates will aid your business significantly.

3. Where do I start? What do I have to know?
Start at http://www.swift.com/corporates and talk to your bank relationship managers early in the process to make sure that you understand their SWIFT capabilities. Many corporates are joining SWIFT today and are seeing benefits; you should seek out other corporates who are willing to share their knowledge and experiences. You can ask your banks for references, or contact SWIFT’s Corporate Relationship Manager in your region.

4. What is this business about FIN vs FileAct channels. Which should I use?
FIN is the core SWIFT product. It allows you to send messages, which are validated for format and content when they are sent over the SWIFT network. A FIN message is commonly used by a corporate, for example, to initiate a wire (urgent) transfer at your bank. If you’ve heard of MT messages, these are FIN messages.
FileAct allows you to send files. File contents are not validated on the network and can be any content agreed by the sender and the receiver. FileAct is commonly used by corporates to send bulk low-value (ACH) payments or direct debits to their banks. Not all SWIFT banks offer this service.

5. FIN vs FileAct: Which should I use first?
This will depend on your business objectives and the benefits you aim to achieve using your current or future infrastructure. There is no specific sequence to follow.

6. How do I connect? Direct Connectivity vs. Service Bureau vs. Alliance Lite?
These are alternative ways to connect to SWIFT and you must choose one. How you connect to SWIFT is invisible to your counterparties, but there are financial and operational considerations affiliated with each to factor into your choice.
SWIFT has published http://www.swift.com/corporates/how_to_connect.htm as a resource.
- Direct connectivity is generally the most expensive and suitable only for those with relatively large volumes.
- Outsourcing connectivity to a service bureau is the most popular option for corporates (70% of connected corporates use a service bureau as of Aug 2011 per SWIFT). Most bureaus offer value-add services like format translation.
- Alliance Lite is aimed at low volume users, offering a fixed price and no up-front investment.

7. What is SCORE vs. MA-CUG? What’s the difference?
These are different SWIFT membership options, and they are not mutually exclusive. They affect which message types you can exchange and with whom you can exchange them. Either SWIFT or your bank representative can advise further on which is right for you.
SCORE is a group of SWIFT users that have agreed to send and receive SWIFT messages relevant to corporates. Corporates that join this group can send/receive with any of banks that have joined it. SCORE is generally the default option for corporates joining SWIFT.
MA-CUG is a group of corporates that can exchange messages with the bank that “administers” (or controls) that group. Any corporate belonging to the MA-CUG of Bank X can exchange messages with Bank X. Corporates can join multiple MA-CUGs, and also be in SCORE.

8. What is SCORE Sponsorship?
Any privately or publicly held corporate can join SCORE. If you are not a listed company, a SCORE bank can sponsor you into SCORE by recommendation / sponsorship.

For more information, please contact your J.P. Morgan Treasury Services representative or visit jpmorgan.com/ts.

Global uptake on SWIFT by corporates is shared every quarter on http://www.swift.com/corporates/resource.htm, which includes geographical information.

10. What drives corporates to move to using SWIFT?

The most common drivers are a re-engineering exercise with ERP or TMS platform investment, the build of a shared service center, or the need to simplify and rationalize current banking infrastructure. The typical client profile of a Corporate on SWIFT is multi-country service requirements, multiple banking relationships, and medium/large transaction volumes.

11. May I employ SWIFT in my current treasury set up? Or do I need to rework my entire department?

It is likely that you can employ SWIFT in your current treasury model, but it often serves as a catalyst for change. Some corporates see greater benefit when they re-work their treasury department, since SWIFT creates opportunity for centralisation and efficiency where none existed previously. Many corporates employ SWIFT as part of a treasury or ERP technology refresh project, and all are willing to make a near term investment to achieve appreciable process efficiencies.

12. How does this change my relationship with my bank?

Your individual banking relationships don’t have to change when you interact with them using SWIFT, but with more efficient processes you can expect less service-oriented communication. For example, minimizing interaction due to a higher straight-through-processing rate on payments you send, or inquiries due to the certainty of real-time SWIFT messages generated upon posting of debits and credits to your account.

Your general relationships with banks may change as some aspects of treasury become more bank-agnostic.

13. How do I know if my bank is ready for SWIFT for Corporates?

In January 2011, SWIFT launched the Bank Readiness Certification program, allowing banks to give insight to corporates on their SWIFT capabilities. Banks publish their global SWIFT capabilities on http://swift.com/corporates/banks_certification.htm.

If any of your banks are not listed, contact your relationship manager.

14. Does J.P. Morgan recommend one Service Bureau over another?

No, however J.P. Morgan sees strong value in implementation with an experienced partner. SWIFT has listed several partners with a proven track record of assisting corporates do business with their banks using SWIFT worldwide: http://www.swift.com/corporates/partners.htm.

15. How much will this cost?

There are SWIFT costs (registration, connectivity, and messaging) and non-SWIFT costs (project management, operations, application integration, and bank fees) associated with any SWIFT for Corporates project. Making your business case to join SWIFT involves determining the most pressing needs and treasury challenges that could be addressed using SWIFT, and some benefits are operational as well as financial. J.P. Morgan has produced a SWIFT for Corporates Pricing Guide to explain this in further detail.

16. How will this affect my banking costs? Will my banking fees change?

J.P. Morgan does not currently charge for SWIFT services. Banks (including J.P. Morgan) will typically charge transaction fees for executing transactions (e.g., payments) as a result of instructions received via SWIFT, as well as fees for statements, advices and other reporting provided via SWIFT.

17. Do I really need to pick only one, FIN or FileAct?

Not necessarily. Each channel offers different capabilities and addresses your company’s needs in different ways. For instance, FIN is appropriate for high-value real-time funds transfers and for money market transactions and confirmations. On the other hand, FileAct is appropriate for bulk transactions for both high and low value payments, lockbox information, but not money market data. Both services can be used in parallel.

18. Can I use SWIFT messages even though I am not yet connected to SWIFTNet?

Yes, as long as your bank’s application is able to accept SWIFT messages from you for payment instructions and/or to generate SWIFT messages for statements. For example, an MT940 can be retrieved from a web platform or proprietary host-to-host connection, even though you are not connected to SWIFT.

19. Can I use SWIFT FileAct to transmit both SWIFT file format and also local file formats to local banks?

Yes, FileAct supports any format. The exact capability is dependent on the local bank’s format capability.

20. Should my company use SWIFT for all cross-currency transactions?

Not necessarily. It is common in Latin America, where regulation may be strict concerning cross-currency transactions. Some countries demand very specific documentation and information for any cross-currency transaction, making SWIFT FIN confirmations attractive.

21. What are MT and MX standards?

SWIFT MT and MX are an industry-standard set of formats for initiation, reporting, and inquiries. Unlike MT standards, MX standards (also known as ISO 20022) are relatively new. The number of revisions to MX standards has been significantly reduced and should be stable for the next 18 months.

SWIFTNet FIN uses MT standards to transmit financial messages. SWIFTNet FileAct uses MX standards (but also others) to transmit messages.

When using SWIFT as a single means of communication with your banks, MT and MX standards can further leverage this channel to minimize the resources (time or otherwise) you spend on formatting.