Frequently Asked Questions

Registering Your Institution’s SWIFT Bank Identifier Code (BIC) Address(es) in the TARGET2 Directory (adapted from the ECB Target2 Directory) www.jpmorgan.com/visit/clearinginformation

Background information on the TARGET2 directory

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Why have a TARGET2 directory?
To support the routing of payment instructions in TARGET2, a TARGET2 directory is made available to Direct Participants of the system. It uses SWIFT-related information in combination with TARGET2-specific information provided by the TARGET users during Single Shared Platform (SSP) registration. The TARGET2 directory is a Eurosystem product.

What information is included in the directory?
The TARGET2 directory contains information on each institution that can be addressed in TARGET2. Apart from the participant’s BIC (bank identifier code), it also contains the addressee BIC (i.e. the BIC to be used to receive and send payments), account holder (i.e. the BIC of the RTGS account), institution name, city heading and national sorting code (if available). The following is an example of an entry for a direct participant in the TARGET2 directory:

<table>
<thead>
<tr>
<th>BIC</th>
<th>BANKBEBBXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addressee</td>
<td>BANKBEBBXXX</td>
</tr>
<tr>
<td>Account holder</td>
<td>BANKBEBBXXX</td>
</tr>
<tr>
<td>Institution name</td>
<td>Bank S.A. Brussels</td>
</tr>
<tr>
<td>City Heading</td>
<td>Brussels</td>
</tr>
<tr>
<td>National Sorting Code</td>
<td></td>
</tr>
<tr>
<td>Main BIC Flag</td>
<td>Yes</td>
</tr>
<tr>
<td>Type of Change</td>
<td>A</td>
</tr>
<tr>
<td>Valid from</td>
<td>20080218</td>
</tr>
<tr>
<td>Valid till</td>
<td>99991231</td>
</tr>
<tr>
<td>Type of participation</td>
<td>01 - direct</td>
</tr>
</tbody>
</table>

What types of participants are registered in the TARGET2 directory?
The TARGET2 directory provides information on direct and indirect participants as well as on “addressable BICs” (participants that do not fall under the previous two categories but may be addressed via TARGET through an intermediary. For instance, in correspondent banking relationships) and “multi-addressee access” (branches of direct participants and credit institutions, both located in the EEA countries and belonging to the same group are allowed to channel payments through the RTGS account of the direct participant using a different BIC-8). The different types of participants are shown in the TARGET2 directory in the field “type of participation”:

<table>
<thead>
<tr>
<th>Type of participation</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Direct</td>
</tr>
<tr>
<td>02</td>
<td>Indirect</td>
</tr>
<tr>
<td>03</td>
<td>Multi-addressee – Credit Institution</td>
</tr>
<tr>
<td>04</td>
<td>Multi-addressee – Branch of direct participant</td>
</tr>
<tr>
<td>05</td>
<td>Addressable BIC – Correspondent</td>
</tr>
<tr>
<td>06</td>
<td>Addressable BIC – Branch of direct participant</td>
</tr>
<tr>
<td>07</td>
<td>Addressable BIC – Branch of indirect participant</td>
</tr>
<tr>
<td>08</td>
<td>Non-migrated Direct TARGET1 participant</td>
</tr>
<tr>
<td>09</td>
<td>Non-migrated Indirect TARGET1 participant</td>
</tr>
</tbody>
</table>
How many routing instructions may be listed for a given BIC?
In the TARGET2 directory, a participant BIC may only be listed with one relationship, which represents the default routing instruction in TARGET2. However, the publication of this default routing instruction in the TARGET2 directory does not prevent payments from being routed to another TARGET2 direct participant when a different routing (e.g. Standard Settlement Instructions) is known.

How is the Main BIC flag used?
The Main BIC flag can be viewed as a default routing instruction. The participant BIC flagged as the Main BIC for the credit institution has to be used when no other routing instruction is known.

How is the TARGET2 directory compiled?
The TARGET2 directory is compiled from the static data of the SSP, in addition to information provided by SWIFT from BIC DataBase Plus (e.g. for the national sorting codes, for wildcard rules). Beginning in November 2008, the BICplusIBAN will be used instead of the BIC Database Plus.

What are the guidelines for registering participants in the TARGET2 directory?
The direct participant is responsible for registering its indirect participants, multi-addresssee access or addressable BICs and is liable for any mistakes or misuse during this process.

Are BICs used in the SSP published in the TARGET2 directory?
In principle, BICs used in the SSP are published in the TARGET2 directory. However, there are some exceptions. First, some BICs used by the SSP for technical or internal purposes are not to be published in TARGET2 directory, e.g. BICs attached to technical accounts used by ancillary systems. Second, participants may wish to hide BICs associated with specific accounts so that payments are not accidentally routed to them. Accordingly, they may ask for the BIC not to be published in the TARGET2 directory. This is an optional feature, which is priced separately. This could be the case for PM accounts specifically opened to fulfill reserve requirements and for cash transactions or ancillary system settlement. Third, BICs associated with HAM accounts are not published in the TARGET2 directory (except for central bank customers managed in the HAM).

How is the TARGET2 directory distributed?
The TARGET2 directory is distributed only to direct participants. Distribution is via SWIFTNet FileAct using the built-in file transfer function of the SSP (pull mode only for the full directory; pull mode or push mode for updates). Direct participants are not allowed to forward the TARGET2 directories to any third parties via any other means.

What about the synchronisation of the TARGET2 directory with the BIC directory?
The BIC directory is updated on the first Saturday of each month. In order to avoid discrepancies between the two directories, it is recommended that participants submit their changes to the TARGET2 directory in the first week of every month, when both directories are synchronized. Changes may also be submitted in advance, indicating the first week of the month as the validity date.

Some changes may still be accepted for intermediate updates of the TARGET2 directory, as long as they do not introduce major discrepancies.

Is there a new service code for TARGET2?
A new service code was registered with SWIFT for TARGET2 (TGT/TG+). In line with international business practices, this service code will be used to designate all TARGET2 participants and addressable institutions. This new TARGET2 service code will replace the “old”
TARGET service codes once the migration to TARGET2 is completed. Current plans foresee to delete all “old” TARGET1 service codes and to introduce the new code in June 2008.

As for the “old” TARGET1 service codes, the new codes TGT/TG+ will be visible in the BIC Directory, the BICPlusIBAN Directory and the BIC Database Plus of SWIFT, which are release every month.

**How do I register the new service code for TARGET2?**

Participants do not have to register for the new TARGET2 service codes (neither at SWIFT nor at their Central Bank). Updates are made automatically in the SWIFT BIC Directories based on information available in the TARGET2 Directory.

**How will the new service code TGT/TG+ be updated?**

The monthly release of BICPlusIBAN, BIC Database Plus and BIC directories of SWIFT become active on the first Saturday of each month. As part of this regular update, SWIFT will use the TARGET2 Directory available on the second Friday of the previous month for updating the TGT/TG+ service codes. Click here for an example pdf, 36 kB.

The rules for assigning TGT/TG+ service codes will be based on the type of participation as shown in the TARGET2 Directory:

- Participation types 01 (Direct participant), 03 (Multi addressee-Credit institutions) and 04 (Multi addressee-Branch of Direct participant) will receive the service code TGT.
- Participation types 02 (Indirect participant), 05 (Addressable BIC-Correspondent bank), 06 (Addressable BIC-Branch of Direct participant) and 07 (Addressable BIC-Branch of Indirect participant) will receive the service code TG+.

BICs, which are not published in the TARGET2 directory, are not affected by this update and will never receive TGT / TG+ codes. Banks are invited to take the timing of this process into account whenever they make changes to their TARGET2 participation structure, to avoid introducing undue discrepancies between the TARGET2 Directory and the SWIFT Directories.

It is recommended that changes to TARGET2 directory are submitted at least one month in advance to the relevant Central Banks, indicating as validity date the release date of the concomitant SWIFT Directories. Some changes may still be accepted for intermediate updates of the TARGET2 directory, as long as they do not introduce major discrepancies.

**How can I register my institution’s information in the TARGET2 directory?**

Beginning in July 2008, JPMorgan will register clients in the directory (where possible) automatically when you set up an account with JPMorgan. If you are an existing client you may have already received a letter from JPMorgan confirming our intention to register your organization in the directory with an option to opt out if you prefer not to be registered. We will send a SWIFT message confirming registration to any institution we register in the directory.

**How do I remove my SWIFT BIC from the directory once registered?**

If you wish to be removed for any reason from the Target2 directory, please contact your relationship manager at JPMorgan.

Disclaimer

This information is to be used solely for purposes relating to the Target2 Directory and is not to be forwarded to any external party. The information was extracted from the EBA website on 23rd May 2008. We have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from the EBA website. Neither JPMorgan Chase & Co., nor any of it directors, officers, employees or agents, shall incur any responsibility or liability whatsoever in respect of the contents of this list or the use or misuse of this information.