

# TAKING SWIFT ACTION

THROUGH ITS MEMBER ADMINISTERED CLOSED USER GROUP (MACUG), MORE CUSTOMERS THAN EVER BEFORE CAN NOW ACCESS THE SERVICES PROVIDED BY SWIFT, SAYS **JULIUS PIETKOWICZ**.



**S**WIFT, the co-operative that supplies secure financial messaging services around the globe, has traditionally had limited involvement with non-financial institutions, although larger companies have long requested extensive access to SWIFT.

In June 2001, SWIFT members voted to open a door to businesses through the mechanism of a SWIFT Member Administered Closed User Group (MACUG). Corporate customers can now access a SWIFT MACUG, operated by a member bank or financial institution. Each corporate MACUG member acquires its own SWIFT interface, through which it can communicate with the SWIFT bank administering the closed user group. A company can join more than one MACUG, reusing the same SWIFT interface.

**THE RIGHT PLATFORM.** Typical services being offered through MACUGs include cash management and reporting and treasury, but almost all SWIFT services which the bank is equipped to handle can be made available to corporates. It is entirely the bank's decision. For example, MACUGs can also be used in the securities area for bond and money market settlement instructions and statement reporting, and in trade services for letters of credit and Collection messages.

SWIFTNet, the secure IP-based messaging platform, which is superseding SWIFT's legacy X.25 network, offers real-time, interactive, browsing and file transfer facilities within its current

portfolio. SWIFTNet offers many advantages to companies, not only because of the common platform which eases connectivity, but also because it is the world standard for financial messaging which increases straight-through processing (STP) with banks. Take-up of the IP and XML technologies permit SWIFT to go further in the end-to-end automation of the business chain to include the bank-customer segment, resulting in firms benefiting from the use of new online, interactive services and browsing facilities.

To join, if the company is already connected to SWIFT, a new service can be activated in less than a month. If connecting to SWIFT for the first time, a timeframe of three to four months is envisaged to allow for software provisioning, installation, training, testing and the like. However, once connected, accessing other services is fast.

There are many businesses which are committed to retaining multiple bank relationships. Until now, multi-banking cash management meant managing the complexity of different bank interfaces, message formats, security protocols and proprietary software. However, the availability of MACUGs make multi-banking international cash management much easier to manage.

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