RTGS and CLM:
Information about CSLD validation approach for BICFI and AnyBIC

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I. Background and aim of the presentation

- RTGS and CLM, like the Common Components and T2S and TIPS before them, are NSP-agnostic; this introduces the need for certain network validations and SWIFT MVAL (Message VALidation) to be replaced by equivalent validations in the backend applications, should these validations be meaningful from a business point of view
- In addition to SWIFT FIN the ISO 20022 standard differentiates in pacs messages between BICFI and AnyBIC
  - BICFI is used to identify Agents

    C5 BICFI

    Valid BICs for financial institutions are registered and published by the ISO 9362 Registration Authority in the ISO directory of BICs, and consist of eight (8) or eleven (11) contiguous characters.

  - AnyBIC is used to identify Parties

    C4 AnyBIC

    Only a valid Business identifier code is allowed. Business identifier codes for financial or non-financial institutions are registered and published by the ISO 9362 Registration Authority in the ISO directory of BICs, and consists of eight (8) or eleven (11) contiguous characters.

- The validation regarding whether a BIC identifies a financial or non-financial institution is not required from a business standpoint in RTGS/CLM, nor for other TARGET services.

II. Details and Way forward (I)

Had the validation been required, the following analysis identifies the issues that would have arisen for the implementation:

- During the implementation, 4CB recognised that Bank Directory Plus does not provide needed information to distinguish non-financial and financial institutions
- Only BIC Plus File contains the needed information
- Nevertheless BIC Plus File cannot simply replace Bank Directory Plus because National Sorting Code (URD requirement) is only provided in Bank Directory Plus
- To sum it up, SWIFT provides 3 different sources for BICs, which provide besides BICs additional data:
  - Bank Directory Plus – contains National Sorting Code but no Institution Type
  - BIC Plus File – contains Institution Type but no National Sorting Code
  - BIC Directory – (provides neither National Sorting Code nor Institution Type

II. Details and Way forward (II)

- The current implementation does not foresee the use of an Institution Type attribute, therefore any possible validation will only check whether the BIC is valid – without checking whether the BIC indicates a financial or non-financial institution.

- TCCG is asked to confirm if the existing level of validation is sufficient.

- Once confirmed, in any case a CR is needed for CSLD, for the removal of business rules from UDFS CLM/RTGS

III. Delivery date

- **4CB is going to deliver the updated UGs with next UDFS version after UDFS v2.1.**

Thank you for your attention.