

SWIFT MT – All-in-One Payments Ops Training Guide

This document replaces the need to read full SWIFT MT category volumes. It contains only the material required to understand how payments are instructed, settled, reconciled, and investigated in real-world operations.

How to Use This Guide

- Read end-to-end once for context.
- Revisit sections during ops simulations or live incidents.
- You should not need any other SWIFT MT documentation for day-to-day payments ops literacy.

Category 1 – Customer Payments (MT103)

Purpose

MT103 is the standard SWIFT message used to instruct a single customer credit transfer. It represents the customer's intent to move money across borders.

What MT103 Does

- Instructs a payment from an ordering customer to a beneficiary.
- Identifies amount, currency, value date, parties, and charges.
- Creates an obligation but does not itself move settlement funds.

Key Fields You Must Recognize (Conceptual)

- Ordering Customer – who is paying.
- Beneficiary Customer – who receives funds.
- Amount & Currency – what value is being transferred.
- Charges Indicator – OUR, SHA, or BEN.

Operational Notes

- An MT103 can exist even if settlement has not occurred.
- Formatting or compliance issues can cause rejection or repair.
- Most client-facing payment issues originate here.

Category 2 – Financial Institution Transfers (MT202 / MT202 COV)

Purpose

Category 2 messages are used by banks to move money between themselves in order to settle obligations created by customer payments or proprietary transactions.

MT202 vs MT202 COV

- MT202 – interbank transfer without explicit customer details.
- MT202 COV – interbank transfer linked to an underlying customer payment.

Why MT202 COV Exists

- Introduced to improve AML transparency in correspondent banking.
- Allows beneficiary banks to screen underlying customers.
- Mandatory when settling an MT103 using the cover method.

Operational Notes

- If MT202/202 COV fails, settlement does not occur.
- Customer may see MT103 sent even though funds are not delivered.

Category 9 – Cash Management & Reconciliation

Purpose

Category 9 messages provide confirmations and statements that allow banks and customers to reconcile balances and confirm that settlement has occurred.

Key Messages

- MT900 – confirmation of debit.
- MT910 – confirmation of credit.
- MT940 – end-of-day account statement.
- MT942 – intraday account statement.

Operational Notes

- These messages confirm settlement; they do not initiate payments.
- Used to resolve disputes and balance mismatches.

Category n – Investigations & Exceptions

Purpose

Category n messages are used when payments do not proceed as expected and human investigation and clarification is required.

Common Use Cases

- Payment delayed or missing.
- Incorrect beneficiary information.
- Requesting clarification or cancellation.

Operational Reality

- These messages coordinate resolution; they do not themselves fix issues.
- Most ops work involves category n communication.

Core Principles to Internalize

- Messages are instructions and confirmations; settlement occurs on settlement ledgers.
- Strict formatting and validation rules mean errors cause rejection.
- Most failures occur between systems, not within a single system.

If you understand the material in this guide, you have sufficient literacy to operate, investigate, and communicate about SWIFT-based cross-border payments without consulting the full MT category manuals.