



## User and shareholder eligibility criteria

### 1. User Eligibility Criteria

#### **Supervised Financial Institution (SUPE)**

A Supervised Financial Institution is:

1. an entity that engages in payment, securities, banking, financial, insurance or investment services or activities, and that, for such purposes,
  - a) is (i) licensed by or (ii) authorised by or (iii) registered with a Financial Market Regulator, and
  - b) is subject to supervision by a Financial Market Regulator as per BRM 199, or
2. an international, supranational, intergovernmental or national governmental body or institution that as a main activity engages in payment, securities, banking, financial, insurance or investment services or activities (including central banks).

The Supervised Financial Institution will be entitled to use the services of SWIFT, as defined by the Board of Directors.

#### **Non-Supervised Entity active in the financial industry (NOSU)**

A Non-Supervised Entity active in the financial industry:

1. is an entity whose main activity is to
  - a) engage in payment, securities, banking, financial, insurance or investment services or activities to Supervised Financial Institutions and/or to third parties unrelated to the Non-Supervised Entity, or
  - b) engage in services to Supervised Financial Institutions and/or to third parties unrelated to the Non-Supervised Entity, which services support financial transaction processing by means of communicating and processing information and which services require the sending of messages in the Non-Supervised Entity's own name; and
2. is not subject, for such purposes, to supervision by a Financial Market Regulator; and
3. is an entity which:
  - a) is a duly incorporated, validly existing and duly organised legal entity, and
  - b) is in good standing financially and with respect to compliance with applicable laws and regulations, and
  - c) is subject to regular audits in accordance with internationally recognised accounting standards by an independent audit firm, and
4. is an entity which:
  - a) is majority-owned by a(n) entity(ies) in the user category of Supervised Financial Institution, or
  - b) is recommended by three entities in the category of Supervised Financial Institution unrelated to the Non-Supervised Entity applicant. Recommendation means the Supervised Financial Institution knows the applicant and confirms its willingness to conduct, directly or indirectly, business with the entity over SWIFTNet.

The Non-Supervised Entity active in the financial industry will be entitled to use the services of SWIFT, as defined by the Board of Directors.



## **Closed User Groups and Corporate entities**

For the following SWIFT User categories, except for Treasury Counterparty, the SWIFT users are only able to use SWIFT messaging services in a Closed User Group. For each Closed User Group, an administrator defines the rules, the services and the admission criteria.

### **1. Corporate (BRM 196 & Resolution 207) (CORP)**

To be eligible in the category of 'Corporate' the corporate should:

1. be listed on a regulated stock exchange of a country that is a member of the Financial Action Task Force (FATF), or
2. be majority-owned by an entity which is eligible as per the criteria 1) above, provided it submits to SWIFT a Declaration of Ownership from the eligible parent entity.  
In addition, the entity must be:
  - (a) duly incorporated, validly existing and duly organised legal entity,
  - (b) in good standing financially and with respect to compliance with applicable laws and regulations, and
  - (c) subject to regular audit according to internationally recognised accounting standards by an independent audit firm, or
3. be recommended by a SCORE Financial Institution (FI)\* which is located in a FATF member country and which participates in the SCORE closed user group. Recommendation means confirming its willingness to exchange traffic with that Corporate over SWIFTNet.

\*A SCORE Financial Institution (FI) is a SWIFT user in the SWIFT user category of 'Supervised Financial Institution' that subscribed to the SCORE model.

### **2. Financial Market Regulator (Resolution 199) (REGU)**

A Financial Market Regulator is an entity, agency, association or organisation which:

1. a) is owned or controlled by federal, state, regional or local governments, or  
b) is established or operates pursuant to international, federal, state, regional or local treaties, laws, or regulations, and
2. regulates or supervises institutions engaged in securities, banking, financial, investment or insurance business, including financial markets with a view to protect the integrity and stability of the financial markets.

The Financial Market Regulator is entitled to use the services of SWIFT as defined by the Board of Directors.

### **3. Payment System Participant (BRM146) (PSPA)**

1. For the purpose of this category a Payment System is defined as:
  - a) a funds transfer system processing third party payments
  - b) supervised by a Central Bank or an appropriate Regulatory Authority
  - c) for which SWIFT provides network or other services with the approval of the Board of Directors
  - d) pursuant to a resolution from the Board of Directors acknowledging the access criteria of the system.
2. A Payment System Participant is an institution which:
  - a) the Central Bank, the Regulatory Authority or the Administrator of the Payment System or
  - b) an institution authorised by the Central Bank, the Regulatory Authority or the Administrator to become a user of the Payment System according to the access criteria of the Payment System.

When the Payment System is a domestic system, the Board shall approve SWIFT's role in the system upon recommendation of the National Member Group, as appropriate.



#### 4. Securities Market Data Provider (BRM187) (SMDP)

A Securities Market Data Provider:

1. is an entity whose principal activity is to:
  - a) collect Financial Information (as defined below) required by financial institutions, from a number of direct and indirect sources, such as Exchanges, other financial institutions, issuers, internet, newspapers and other printed media, and
  - b) distribute that same Financial Information, or any additional or derived information, as part of their service or product, to financial institutions.

For the purpose of this definition, Financial Information is defined as follows:

- *Corporate Action announcements* – an action undertaken by a company which distributes cash, stock or a combination to shareholders or stock holders, or which changes the nature or description of a company's stock, and
  - *Reference data* – static information describing assets and issuers.
  - *Securities Pricing information* – information identifying the opening, closing and intraday prices of traded securities.
  - *New Issue and Prospectus documents* – documents that describe a new issue or corporate event in detail.
  - *Shareholders Meeting information* – details of the meeting, the resolutions, meeting reports and voting results.
  - *Trade Volume information* – the number of shares traded, the Exchange, average size per trade, largest trade.
  - *Index Data* – price information on market and foreign exchange indices.
2. does not qualify for SWIFT membership under any of the existing categories, and
  3. is in good standing financially and with respect to compliance with applicable laws and regulations, and
  4. is audited according to international accounting standards e.g. International Accounting Standards (IAS), USGAAP standards by a recognised audit firm on a regular basis.

#### 5. Securities Market Infrastructure System Participant (BRM161) (SSPA)

1. For the purpose of this category, a Securities Market Infrastructure System is defined as:
  - a) a system processing securities related messages or data
  - b) administered by a Central Institution or an appropriate Regulatory Authority
  - c) for which SWIFT provides network or other services with the approval of the Board of Directors.
  - d) pursuant to a resolution from the Board of Directors acknowledging the access criteria of the system.
2. A Securities Market Infrastructure System Participant is an institution which is:
  - a) the Regulatory Authority or the Administrator of the Securities Market Infrastructure System, or
  - b) an institution authorised by the Regulatory Authority or the Administrator to become a user of the Securities Market Infrastructure System according to the access criteria of the Securities Market Infrastructure System.

When the Securities Market Infrastructure System is a domestic system, the Board shall approve SWIFT's role in the system upon recommendation of the National Member Group, as appropriate.



## **6. Service Participant within Member Administered Closed User Groups (BRM166) (MCCO)(MCFI)**

A Member Administered Closed User Group is defined as a group of users selected by a Member to participate in the closed user group as Service Participant and allowed to use SWIFT products and services to communicate with a Service Administrator, where:

1. the Service Administrator is a Member or its designated Sub-Member and is responsible for:
  - a) ensuring that users participating in the closed user group meet the admission criteria thereto;
  - b) administering the admission process to the closed user group, including in particular certifying the identity of users participating in the closed user group;
  - c) restricting the usage of SWIFT products and services to support other services supplied by the Service Administrator;
  - d) monitoring and taking reasonable measures to ensure compliance by the users participating in the closed user group with the admission criteria, and with applicable laws and regulations, including, but not limited to, money laundering regulations.
2. the admission criteria defined by the Service Administrator are objective and proportional to its legitimate needs and objectives and require, at a minimum that any user admitted in the closed user group, as Service Participant:
  - a) be a duly incorporated, validly existing and duly organised legal entity,
  - b) be in good standing financially and with respect to compliance with applicable laws and regulations, and
  - c) be subject to regular audit in accordance with internationally recognised accounting standards by an independent audit firm.
3. the users participating in the closed user group are allowed to use the SWIFT products and services to communicate exclusively with the Service Administrator.
4. A “Service Participant” is an institution which:
  - a) is a customer of the Service Administrator
  - b) is sufficiently known by the Service Administrator of the relevant Member Administered Closed User Group to ensure the Service Administrator can meet its obligations outlined above; and
  - c) has been admitted by the Service Administrator to the relevant Member Administered Closed User Group in accordance with the relevant admission criteria (as per 2. above).

## **7. Treasury Counterparty (BRM155) (TRCO)**

A Treasury Counterparty is an entity duly incorporated within its own jurisdiction which:

1. undertakes a large volume of treasury activities incidental to its core business with multiple bank counterparties, and
2. does not qualify as a S.W.I.F.T. member, sub-member or other category of participants, and
3. is in good standing, financially, and with respect to compliance with applicable laws and regulations, and
4. is audited according to international accounting standards by a recognised audit firm on a regular basis.



## 2. Shareholder Eligibility Criteria

According to article 9 of the By-laws, any organisation which is involved in the same type of business as the Members and involved in international financial message transmission is eligible for SWIFT shareholding. In line with BP 804 "Membership for Securities Brokers/Dealers and IMIs" (March 2000, and reiterated at the General Meeting in June 2000), the Board confirmed that **Banks**, **Brokers/Dealers in Securities** and **Investment Management Institutions** are in the same type of business and hence can become shareholder (**MEMB**).

### 1. Brokers/Dealers in Securities

1. A Broker/Dealer in Securities is an entity which as main activity is engaged in the underwriting and/or dealing in securities and related instruments, including the
  - a) trading for the account of unrelated third-party customers in transferable securities; or
  - b) underwriting or participating in securities issues for customers and providing of services related to such issues; or
  - c) managing portfolio for unrelated third-party customers and providing related advice, and/or
  - d) being authorised to trade on a Recognised Exchange, and
2. the entity is adequately regulated and effectively supervised by appropriate governmental or quasi-governmental bodies to minimise systemic risk (which includes regulation of capital adequacy) and other risks that could affect the viability of SWIFT or the integrity or security of the SWIFT network or the stability of financial markets.

### 2. Investment Management Institutions

1. An Investment Management Institution is an entity which as main activity is engaged in the management of asset portfolios, including the
  - a) trading for the account of unrelated third-party customers in transferable securities; or
  - b) underwriting or participating in securities issues for customers and providing of services related to such issues; or
  - c) managing portfolio for unrelated third-party customers and providing related advice, and
2. the entity is adequately regulated and effectively supervised by appropriate governmental or quasi-governmental bodies to minimise systemic risk (which includes regulation of capital adequacy) and other risks that could affect the viability of SWIFT or the integrity or security of the SWIFT network or the stability of financial markets.

#### Eligible for shareholding

##### Non-Shareholding Member (MEWS)

An organisation that complies with the eligibility criteria of a shareholder (here above) may decide at application time not to purchase one share and become a shareholder.

The General Meeting of shareholders in 1996 decided that in case the network based services invoiced to such an organisations gives an entitlement to five or more SWIFT shares at the next share re-allocation, it must become a shareholder and purchase the allocated shares (BRM 133 – 1996).

If the organisation is prevented from becoming a shareholder by law or by charter, this needs to be specified and documented at the time of application.

##### Sub-member (SUBM)

A Sub-member is an organisation more than 50 percent directly or 100 percent indirectly owned by a shareholder and which meets the criteria set forth for shareholder (By-laws, Articles of Association, Article 11).. A Sub-member must be under full management control of the shareholder.