

# SWIFT Codes for All Banks- Explained



## Introduction

The Society for Worldwide Interbank Financial Telecommunication (SWIFT) provides a network that helps financial institutions worldwide to send and receive information about financial transactions in a secure and reliable environment. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is a standard format of Business identifier codes approved by the International Organization for Standardization (ISO). SWIFT transports financial messages in a highly secure way and does not hold accounts for its members or perform any form of clearing or settlement. SWIFT does not help in funds transfer rather it sends payment orders which must be settled by correspondent accounts that the institutions have with each other.

## Major centers

The SWIFT secure messaging network is run from two redundant data centers one in the United States and one in the Netherland. These two centers share information in real-time basis. If any problem occurs in one then the other will handle the traffic of the complete network. SWIFT opened its third data center in Switzerland since then data from European SWIFT members are not sent to the U.S. data center. The distributed architecture partitions messaging into two messaging zones: European and Trans-Atlantic. European zone messages are stored in Netherland and part of the Switzerland operating center. Trans-Atlantic

zone messages are stored in the United States and in a part of the Switzerland operating center Countries outside Europe were allocated to the Trans-Atlantic zone by default but could choose to have their messages stored in the European zone.

## Services

It's a secure network for sending messages between financial institutions. Set of standards for financial messages are followed. A set of connection software and services allowing financial institutions to transmit messages over SWIFT network. There are four major SWIFT services. They are

- Securities
- Treasury & Derivatives
- Trade Services
- Payments & Cash Management

## SWIFT codes

Swift Code is a standard format of Bank Identifier Codes (BIC) and is a unique identification code for a particular bank. These codes are used when transferring money between banks particularly for international wire transfers. Banks also use the codes for exchanging other messages between them.

It is a unique identification code for both financial and non-financial institutions. When assigned to a non-financial institution the code will be as a Business Entity Identifier or BEI. The codes can sometimes be found on account statements. Business Identifier Codes (BIC) are also known as SWIFT codes.

The Swift code consists of 8 or 11 characters. When 8-digits code is given, it refers to the primary office

### **AAAA BB CC DDD**

- First 4 characters - bank code (only alphabets)
- Next 2 characters - ISO 3166-1 alpha-2 country code (only alphabets)
- Next 2 characters - location code (letters and digits)

- Last 3 characters - branch code, optional (letters and digits)
- The last three codes are 'XXX' for primary office.

Example: Ned bank is primarily a South African bank with its head office in Johannesburg. The SWIFT code for its primary office is NEDSZAJJ

- NEDS identifies Ned bank
- ZA is the country code for South Africa
- JJ is the code for Johannesburg
- Those transfer interfaces that require an 11 digit code would enter NEDSZAJJXXX

Example: Allahabad bank in India with its head office in new delhi. The SWIFT code for this is ALLAINBBRPN

- ALLA identifies Allahabad bank
- IN is the country code for India
- BB is the code for New Delhi
- RPN is the branch code of R.P.C., New Delhi

## Conclusion

To identify endpoints on its network SWIFT also uses 12-character codes that are derived from the BIC of the institution. This code consists of the BIC8, followed by 1-character code that identifies the Logical Terminal or local destination and the 3-character branch code. Business Identifier Codes or SWIFT codes are primarily used for identifying financial and non-financial institutions involving business transactions among one or more institutions in transaction life cycle. These are the major information about SWIFT codes.