



**BANKING
CIRCLE**

SWIFT BIC GUIDE

Prerequisite for Banking Circle's
Payments On Behalf Of (POBO) solutions

Contents

Banking Circle’s Payment On Behalf Of (POBO) solution	2
How do I get started?.....	2
What is a SWIFT BIC code?	2
What is the format of a SWIFT BIC code?	3
Why do I need a SWIFT BIC?	3
How do I get a SWIFT BIC?	4
Step 1: Obtain a Legal Entity Identification (LEI) number	4
Step 2: Register your business with SWIFT	5
Step 3: Register a non-connected BIC with SWIFT.....	6

Banking Circle's Payment On Behalf Of (POBO) solution

Banking Circle offers a Payment on Behalf of (POBO) solution across 25 payment currencies, enabling clients and their underlying customers to use a Virtual IBAN to pay out, in the name of the customer.

How do I get started?

Contact your Banking Circle Relationship Manager to start your solution approval process.

Once you are approved for the POBO solution, Banking Circle will request your customers' details as well as your SWIFT BIC code. If you have existing Virtual IBANs with Banking Circle, we will ask you to advise the linked Virtual IBAN for each customer.

For new clients, we will allocate a Virtual IBAN to each of your customers and we will share these Virtual IBANs with you.

Banking Circle will then allocate a further batch of Virtual IBANs, which you can allocate to your customers as you onboard them. Once a Virtual IBAN has been allocated, you will need to confirm the allocated customer details for us to update the Virtual IBAN record within our system.

Please note that while credits can be received before customer details have been updated, payments out will not be possible from the Virtual IBAN. A set process will be agreed with Client Services regarding when new customer details are to be shared, i.e. time of day.

What is a SWIFT BIC code?

A SWIFT code — sometimes also called a SWIFT number — is a standard format for Business Identifier Codes (BIC). It is used to identify banks and financial institutions globally, providing information on who the bank or financial institution is and where it is located.

These codes are used when transferring money between banks, for international wire transfers, or SEPA payments. Banks also use these codes to exchange messages between each other.

What is the format of a SWIFT BIC code?

Example of a SWIFT code:

AAAA	BB	CC	123
Financial Institution	Country code	Location code	Branch code

A SWIFT BIC is an 8-11 character code that identifies your country, city, financial institution (you), and branch (the last 3 digits are optional).

Financial Institution code A-Z	4 letters representing the bank. It usually looks like a shortened version of your regulated entity name.
Country code A-Z	2 letters representing the country you are regulated in.
Location code 0-9 A-Z	2 characters made up of letters or numbers. A non-connected code usually ends with 1.
Branch code 0-9 A-Z	3 digits specifying a particular branch. 'XXX' represents the financial institution's head office - this is usually only applicable if your financial institution has more than one SWIFT BIC.

ISO 9362 - Business Identifier Code (BIC) specifies the elements of the business identifier code. Copies of ISO 9362 can be obtained from www.iso.org.

Why do I need a SWIFT BIC?

SWIFT BICs are the most commonly used and easiest way for all banks in the payment chain to identify the ordering party and to screen payment details. A BIC can be thought of as a type of postcode, which allows banks to easily screen and recognise the source of the payment.

Banking Circle chose to proceed with a BIC solution following various payment corridor tests with Client name vs. BIC as the instructing party. By using a BIC as part of the POBO solution, Banking Circle is able to ensure there are no delays in the beneficiary receiving payments, a significant reduction in banks requesting more information and no repair fees taken from the payment by processing banks.

Therefore, as part of Banking Circle's Payment on Behalf of solution, we will be putting your BIC (non-connected or connected) into the payment instructions, allowing full transparency for the receiving bank and complying with Wire Transfer Regulations. Your BIC must be set as type 'Financial Institution'.

A non-connected BIC is free and is utilised as an identifier on payments. A connected BIC, which enables the owner to initiate SWIFTs themselves, can be used, however this is not required for this solution.

By using the BIC, the payment instruction will show your customer's details and that you are the ordering institution who has the relationship with the customer.

Inputting a BIC rather than a company name ensures that your payments are processed via Straight Through Processing (STP) when being sent via our various payment corridors. If a company name is quoted, payments sent via SWIFT will go into repair with the banks along the payment chain, causing delays and potentially incurring fees.

How do I get a SWIFT BIC?

SWIFT's website provides an [overview](#) of the process for obtaining a BIC.

Step 1: Obtain a Legal Entity Identification (LEI) number

In order to obtain a SWIFT BIC, your business will need a LEI number. Below is some information about the LEI. If you do not have one, a quick internet search will enable you to find agents in your area who will be able to set one up for you for a small fee.

- LEI number - Legal Entity Identification number
- A unique identification code for entities that trade in financial markets
- Used for regulators to oversee financial markets
- LEI connects financial markets, companies and regulators
- The issuing of an LEI code is conducted under GLEIF accredited agents, i.e. Bloomberg
- GLEIF - Global Legal Entity Identifier Foundation

Step 2: Register your business with SWIFT

Registering your business is required for ordering BICs. You can find a summary of the process on [this link](#).

You can register your entity via this [link](#), and SWIFT will guide you through the journey with helpful tips. Please ensure your entity is set as type 'Financial Institution', see a screenshot of the registration form below:

Step 1
enter
information

Step 2
verify and
accept

Step 3
view
confirmation

[Print](#) | [How e-ordering works](#)

Register a new organisation

Enter the requested information.

The orange arrow icon ▶ indicates mandatory fields

This form allows you to register an organisation you represent. As a result the organisation will be registered at Swift and the contact person(s) will get access to the protected area on swift.com. In the protected area the registered users will be able to request BIC registrations, join SWIFT as a customer or order specific SWIFT products. Only organisations not yet registered at SWIFT can be registered with this form. If your organisation already exists and you wish to request an additional user, please request "additional user"

Organisation information			
Organisation name	(?) ▶	<input type="text"/>	1.01
		<input type="text"/>	1.02
		<input type="text"/>	1.03
Building name	(?)	<input type="text"/>	1.04
Building information	(?)	<input type="text"/>	1.05
Building floor	(?)	<input type="text"/>	1.06
Street name	(?) ▶	<input type="text"/>	1.07
		<input type="text"/>	1.08
Street Number	(?)	<input type="text"/>	1.09
Postal/Zip code		<input type="text"/>	1.10
Country	(?) ▶	please select ▼	1.11
State / Region / Province		▶ Please select a country first ▼	1.12
City	(?) ▶	▶ Please select a country first ▼	1.14
VAT		▶ please select ▼	1.16
Institution type	(?) ▶	▶ please select ▼	1.20
Legal form	(?) ▶	▶ please select Financial Institution Non Financial Institution	1.21
Legal Entity Identifier	(?) ▶	<input type="text"/>	1.22
Business register name	(?)	Select Country First ▼	1.23
Business register identifier	(?)	<input type="text"/>	1.24
Official organisation website	(?)	<input type="text"/>	1.25

Step 3: Register a non-connected BIC with SWIFT

A non-connected BIC is free and quick to set up. To obtain a non-connected BIC, you can either use the SWIFT registration link provided above or use this direct [link](#). You will be asked to log in or create an account. There is also a User Guide available on the page for you to refer to.

Remember, a non-connected BIC is free!

Once you have received your non-connected BIC and have been approved for the POBO solution, you will be setup to submit your customer data through a secure channel to Banking Circle, who will assign the data to the VIBANs issued to you.