

PAYMENTS METHOD GLOSSRY

SWIFT: SWIFT is the Society for Worldwide Interbank Financial Telecommunication and is an industry owned cooperative supplying secure, reliable and standardised electronic messaging services to 7,800 financial institutions in more than 200 countries

ABA: Each country has its own payment system or systems. They usually require the use of a code to identify the bank to which payment is made. ABA Routing numbers are used for routing payments through the Federal Reserve System to US Banks. It does not replace SWIFT.

BSB: Banks are identified in payment instructions through the Bank/State/Branch code, known as the BSB code. It consists of 6 or 12 digits. This code is used in Australia and Canada. . It should be used along with SWIFT, and not replaced SWIFT, it is used in Australia.

CHIPS: The Clearing House Interbank Payments System, for settling payments between CHIPS participant banks and account holders of those banks. Payment messages in and around New York are routed through CHIPS. In all likelihood, money transfers originating outside the USA (originating from Dubai, for instance) will be routed through CHIPS because, typically, the banks outside the USA must be maintaining their USD account with a bank in New York. This is used in U.S, and should be used along with SWIFT.

BIC: Bank Identifier Code, when instructing payments to be made it is always useful if the bank or branch code can be quoted. *BIC* is used as *SWIFT* to identify each financial institution.

BIC and SWIFT are basically the same. BIC code or SWIFT code (also known as ISO 9362) is a standard format of Bank Identifier Codes approved by the ISO (International Organization for Standardization). It is the unique identification code of a particular bank. It is necessary for sending money across countries.

CHAPS: an interbank system for high-value wholesale payments in real time, and it is used in UK.

Sort: a code that is used to transfer money between banks within their respective countries (UK and Ireland). If money is being transferred across international borders, an international network is used.

BACS: a funds transfer system for high volume, low value payments including direct credits and direct debits, operating on a 3-day cycle, and it is used in UK.

Both *CHAPS* and *BACS* operate using a 6 digit code known as a sort code to identify each bank branch.

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IBANS: International Bank Account Numbers, have been introduced to standardise the identification of bank accounts in Europe. It is mostly used in European Union such as UK, Spain, Italy, France and German. It was originally adopted by the European Committee for Banking Standards, and was later adopted as an international standard under ISO 13616.

Intermediary Bank/Correspondent Bank: If your bank does not have a direct relationship with supplier's bank, your bank pays through correspondent (intermediary) banks. The correspondent banks make a charge for this service. If we indicate a Beneficiary's Correspondent Bank SWIFT code in the Payment Options at your Order, please instruct your bank to use the Beneficiary's Correspondent Bank SWIFT code (SWIFT field 54A). This will guarantee fast payment with minimum charges for you to pay.