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These are Service Materials for SWIFT Services, and form part of the Master Client Agreement for Business Clients between Royal Bank and the Customer.

1. Definitions and Interpretation

1.1 Definitions and Interpretation All capitalized terms not defined have the meanings given in the Legal Terms and Conditions of the Master Client Agreement for Business Clients, and the rules of interpretation prescribed by the Legal Terms and Condition also apply.

For purposes of SWIFT Services, the terms defined below will be used:

BIC	A Business Identifier Code, a unique code which identifies the Person involved in the transaction.
SWIFT Member / Concentrator	A SWIFT User who is registered with SWIFT as a Member/Concentrator to provide SWIFT Network access to other SWIFT Users.
SWIFT Message	An electronic communication, message, file, or other Document sent, or appearing to be sent, using the SWIFT Network.
SWIFT User	A Person who is a registered user of the SWIFT Network, with its own BIC or other SWIFT address or identifier.

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2. SWIFT General

2.1 Status

If the Customer is a SWIFT User, the Customer represents, warrants, covenants, and agrees it is a SWIFT User in good standing and in compliance with applicable SWIFT Documentation.

2.2 Security

The Customer has assessed the security arrangements relating to its access to, and use of, the SWIFT Network, including, if applicable, via SCORE or MA-CUG, and confirms they are adequate to protect the interests of the Customer and its affiliates.

The Customer will immediately notify Royal Bank, verbally and in writing, if there is any actual or suspected breach or compromise of security relating to any SWIFT Service or the SWIFT Network, including any loss or disclosure of the means to send a SWIFT Message or if any unauthorized Person seeks to obtain or obtains the means to send SWIFT Messages or sends a SWIFT Message.

The Customer shall promptly and fully co-operate with Royal Bank to investigate and rectify any actual or suspected breach or compromise of security, including by providing such further information or other Document as Royal Bank may request.

2.3 Authenticity of Messages

The Customer is responsible for the authenticity of each SWIFT Message, and the Customer acknowledges that Royal Bank will treat each SWIFT Message as duly authorized and binding on the Customer.

Royal Bank will not regard any step, information, or other Document in a SWIFT Message which goes beyond what is mandated in applicable SWIFT Documentation, and Royal Bank is not required to make any subjective judgement as to the appropriateness of any such Documents, SWIFT Message, or any accompanying signature, certificate or otherwise.

2.4 SWIFT Messages

Royal Bank has the discretion to determine each type of SWIFT Message that may be accessed, sent, received, accepted, or processed using any Service.

Each time any such Service is used, the Customer implicitly represents, warrants, covenants, and agrees that the Customer, each SWIFT message, and each Document in a SWIFT Message is in compliance with this Agreement, including applicable Service Materials, and the SWIFT Documentation.

Royal Bank will not be required to process a SWIFT Message unless:

- the SWIFT Message is correctly formatted for processing
- the SWIFT Message is sent prior to any warning message
- there are no internal or external legal or other orders, processes, or restraints which may affect the processing of the SWIFT Message
- there has been no breach of Applicable Law or this Agreement, including that the Customer has paid all fees and charges applicable to the Service, including any SWIFT User fees, which are due and payable
- in the case of payment instructions to debit an Account, there are sufficient funds, credit facilities, or other limits with Royal Bank to cover the amount of the payment
- in the case of payment instruction to debit an account at another financial institution, Royal Bank has approved the financial institution and:

- where the Customer is not a SWIFT User, Royal Bank has exchanged the appropriate authentication keys with the other financial institutions and has entered any necessary agreement with the other financial institution, **or**

- where the Customer is a SWIFT User, the financial institution and corresponding BIC is on the applicable Schedule, and the Customer has exchanged the appropriate authentication keys with the other financial institutions and has entered any necessary agreements with the other financial institution.

2.5 Cut-off Times

The Customer will determine the processing and cut-off times for acting on Documents in a SWIFT Message, as prescribed by Royal Bank or other applicable Persons, and ensure the SWIFT Message is sent for processing in accordance with this Agreement and taking into consideration all such processing and cut-off times.

2.6 SWIFT Message Delay or Refusal

Royal Bank may at any time, in its discretion, for any reason, delay or refuse to process any SWIFT Message, or otherwise delay, reject, delete, freeze, or take any other action with respect to the processing of any SWIFT Message or any related transaction, and Royal Bank is not responsible for any Loss caused by taking, or not taking, any such action.

2.7 Withdrawal

Royal Bank may at any time, in its discretion, for any reason, remove from any SWIFT Service any Account or Person, as the case may be.

2.8 Termination

Royal Bank may suspend or terminate any affected Service, in whole or in part, immediately, without prior notice, if:

- the Customer ceases to be a SWIFT User, if applicable; **or**
- SWIFT ceases to provide the SWIFT Network or access to the SWIFT Network necessary for the Service.

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3. RBC Express SWIFT Payments and Statements

3.1 Enrolment The Customer may be enrolled in this Service as follows:

- if it is not a SWIFT User, it will require the use of Royal Bank's BIC, *or*
- it is a SWIFT User, it can use Royal Bank's BIC for purposes agreed by Royal Bank or Royal Bank can be its SWIFT Member/Concentrator.

3.2 Conditions Precedent If the Customer wants Royal Bank to be its SWIFT Member/Concentrator, the Customer's use of the Service is conditional on:

- the Customer advising SWIFT it intends to use Royal Bank as its SWIFT Member/Concentrator, and SWIFT receiving confirmation of same from Royal Bank, *and*
- Royal Bank receiving written confirmation from SWIFT that the Customer has:
 - applied to SWIFT and has been accepted by SWIFT as a SWIFT User
 - executed all necessary agreements with SWIFT, *and*
 - received its own BIC.

3.3 SWIFT Member / Concentrator If Royal Bank is the Customer's SWIFT Member/Concentrator, the Customer agrees:

- Royal Bank will provide SWIFT Network access to the Customer, subject to its availability from SWIFT
- all SWIFT Messages shall be sent in the name of the Customer
- the Customer shall be solely responsible for all SWIFT Messages sent or received through Royal Bank, as SWIFT Member/Concentrator, as if such messages were sent through the Customer's own connection
- if required by SWIFT, the Customer shall appoint Royal Bank as its SWIFT Network security officer solely for the purpose of receiving any authentication keys from SWIFT and exchanging such authentication keys with other SWIFT Users so as to access the SWIFT Network on behalf of the Customer, *and*
- the Customer authorizes and directs Royal Bank to exchange authentication keys with the applicable SWIFT Users, including those named in any applicable Schedule, provided that the Customer agrees that the exchange of such keys is in Royal Bank's sole and absolute discretion and Royal Bank is not be responsible for any SWIFT Message which is not processed as a result of Royal Bank's decision not to exchange authentication keys with one or more of the SWIFT Users.

Royal Bank will also assist the Customer with the SWIFT administration functions relating to the Service in accordance with the terms and conditions of SWIFT's Member/Concentrator program.

This may include assistance with the Customer's SWIFT membership application, ordering SWIFT services and products, arranging for receipt of invoices and payment of fees related to the application and services, advising other SWIFT Users of acts, orders, and subscriptions performed for them or on their behalf and

applicable terms and conditions.

For greater certainty, the responsibility of Royal Bank as SWIFT Member/Concentrator does not extend to matters directly related to the Customer's SWIFT membership, or to the appointment of the Customer's own SWIFT Network security officers, except to the extent required by SWIFT.

3.4 Accounts at Other Financial Institutions

Subject to the Section above, where a SWIFT Message contains payment instructions to debit an account at another financial institution, Royal Bank will deliver the instructions to the other financial institution (with Royal Bank not acting as financial intermediary) via SWIFT using the SWIFT authentication keys.

3.5 Termination

If Royal Bank is acting as the Customer's SWIFT Member/Concentrator and this Service is terminated for any reason, the Customer will immediately notify SWIFT that Royal Bank will no longer be acting as SWIFT Member/Concentrator for the Customer.

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4. RBC Express SWIFT Payments and Statements – Rules of Operation

4.1 Keep Pass Phrases Secret

Royal Bank allows each user to select his or her own pass phrase based on pre-defined rules (e.g., minimum 10 characters, at least one uppercase character, at least one number, etc.).

Pass phrases must **always** be kept private and must **not** be shared with anyone.

If there is any suspicion a pass phrase may have become known by others, the pass phrase must be changed immediately and the situation reported to the Customer's RBC Express Service Administrator or Identity Manager who, in turn, is to advise Royal Bank.

4.2 Keep RSA SecurID Tokens Secure

The physical security of the RSA SecurID tokens used with RBC Express is essential to the security of Services.

The Customer will ensure the RSA SecurID tokens are kept in the possession of the assigned users at all times.

4.3 Ensure Tampering Does Not Occur

All applications must be closed by each user before leaving their workstations, to prevent unauthorized access or tampering in their absence.

4.4 Assign Approval Permissions Prudently

This Service allows the Service Administrator complete flexibility in assigning multiple levels of authorization to transactions.

When establishing approval rules and entitlements, the Customer will ensure they are in accordance with its authorization/cheque signing policy.

4.5 Large

Large payments are defined as payments equal to or greater than \$1 billion due

Payments

on a business day in Canada.

Where large payments are to be sent to another financial institution through LVTS, it is recommended the payment is split into smaller payments (i.e., multiples of \$500 million).

The payment must have passed all risk controls relating to daily limits and be available to transmit through the LVTS by 12:00 EST on the value date.

Where there is a request to transmit a payment equal to or greater than \$1 billion intact (i.e., not split into smaller multiples) through LVTS, the request must be received no later than 15:00 EST, at least one business day in advance of the value date.

Royal Bank will make every effort to accommodate the request, but reserves the right to split the payment up into smaller payments, if necessary, to facilitate timely delivery and improve liquidity management within LVTS.

In the event that the payment is transmitted intact, a liquidity fee may apply.

It is the Customer's responsibility to notify Royal Bank via its Relationship/Service Manager one business day prior to the value date of any large payments.

If it is necessary to split a large payment into multiple smaller payments, Royal Bank will notify the Customer of such actions on the business day such action was taken, but only after the action has already been completed.

Large payments received intact, without prior notification, will be processed in whole on a best effort basis.

However, Royal Bank reserves the right to split large payments into smaller payments, if necessary, to facilitate liquidity management within LVTS.

These large payments without notification are **not** considered to be time sensitive and will be processed through LVTS by no later than 18:00 EST.

4.6 Time Sensitive Payments (TSPs)

All time sensitive payments require pre-notification.

For individual wire payments \$100 million and under, this notification would take the form of a payment instruction sent to Royal Bank via the SWIFT Network at least one hour prior to the value time indicated in the sender to receiver field 72.

For individual wire payments \$100 million and over, this notification would take the form of a payment instruction sent to Royal Bank via SWIFT by 15:00 EST one business day prior to the value date.

It is the Customer's responsibility to notify Royal Bank via its Relationship/Service Manager one business day prior to value date of any time sensitive payments (i.e., payments in Canadian dollars that must be made by a specific time on a specific value date that is a business day in Canada).

In addition, the code word /TSPTIME/ must be entered in field 72 of the SWIFT payment message type, where "TIME" equals the time the payment must be made by (e.g., if payment must be made by 1:30 PM on the value date; enter 13:30).

**4.7
"Completed"
Means Fully
Processed**

This Service provides a unique Bank Reference Number for each payment successfully submitted for processing.

The transaction is considered to be fully processed by Royal Bank when the status of the transaction is "Completed".

Use the SWIFT Activity Report to view the status of payment instructions.

Future-dated payments will have a status of "Pending at Bank", and will not be processed or debited from the applicable account until the value date.

Any payments with a status of "Rejected", "Cancelled", "Deleted", or "Stale Dated" have not been successfully processed, and will need to be re-submitted.

**4.8 Cancelling
a Transaction**

In most cases, wire payments are processed electronically at Royal Bank.

Very little opportunity exists to stop the electronic process once a payment is submitted.

If the Customer needs to have Royal Bank attempt to cancel a payment after submission, it will provide its designated Royal Bank support centre with properly authorized instructions to do so.

On a best effort basis, Royal Bank will attempt to cancel the payment.

There are additional fees payable when attempting to cancel a wire payment and these fees are collected whether or not the cancellation is successful.

The receiving financial institution may also charge fees for cancelling the wire payment.

With respect to a successful cancellation of a foreign currency wire payment, if the returned payment must be converted back to the original funding currency, the Customer is responsible for any loss/gain resulting from fluctuations in foreign exchange rates between the time the payment was originally dispatched and the date the payment was returned.

**4.9
Investigating /
Tracing a
Transaction**

If it becomes necessary to investigate/trace a wire payment, the Customer's designated Royal Bank support centre must be contacted.

Fees will be charged and payable by the Customer if it is determined that the payment has been processed as instructed.

**4.10 Cut-Off
Times**

Current information regarding all cut-off times for this Service can be found in the Resource Centre, and using the "view cut-off time schedule" link in RBC Express SWIFT Payments and Statements.

**4.11 Dual
Administration**

At the Customer's request, Royal Bank will enable a dual administration facility for the Customer that requires two Service Administrators to establish service access entitlements and authorization levels for users.

4.12 Pre-

Royal Bank must pre-authorize the use of all owned and non-owned accounts to

**Authorize
Debit Accounts**

be used in connection with this Service.

If the Customer is authorized to debit other Person' accounts, the Customer's Royal Bank representative must be contacted to arrange access to these accounts.

**4.13
Transactions
Exceeding
Daily Limits
and Overdraft
Limits**

Once the daily transaction limit (and possibly the overdraft limit) has been established for the Accounts, the Customer may send payment transactions to Royal Bank up to these limits.

Payment transactions exceeding these limits will remain pending until Royal Bank has reviewed and either approved or not approved them.

Payment transactions that are not approved will be cancelled and the status will be changed to "Cancelled".

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5. Request for Transfers – Rules of Operation

**5.1 Business
Day**

In this section, where capitalized "Business Day" means, with respect to actions to be taken by Royal Bank, a day, excluding Saturday, Sunday and any other day which shall be, in the City of Toronto, a legal holiday or a day on which banking institutions are closed, but including the Ontario Civic Holiday.

5.2 Currency

A Request for Transfer sent to Royal Bank must only request the debiting of an Account in Canadian or US dollars.

**5.3 Execution
Date**

If the specified execution date of a Request for Transfer is a Business Day subsequent to the day Royal Bank receives such Request for Transfer, the Request for Transfer shall be processed on such execution date or otherwise it will be processed on the next Business Day.

If the execution date of a Request for Transfer is the day on which the Request for Transfer is received by Royal Bank, the Request for Transfer is subject to the following conditions:

- a Request for Transfer received by Royal Bank before the cut-off times specified below on a day that is a Business Day, shall be processed before the end of that Business Day
- a Request for Transfer received by Royal Bank after the cut-off times specified below on a day that is a Business Day, shall be processed before the end of the next Business Day
- a Request for Transfer received by Royal Bank on a day other than a day that is a Business Day shall be processed before the end of the next Business Day.

Notwithstanding the foregoing, the processing of a Request for Transfer that does not meet Royal Bank's technical specifications may be rejected or delayed.

**5.4
Unprocessed**

If Royal Bank refuses to process a Request for Transfer, it send an advice of rejection in an MT 199 message format to the sending financial institution via the

SWIFT Network, and no later than by the end of the Business Day following the execution date of the Request for Transfer.

5.5 Cut-Off Times

Royal Bank's cut-off time for Request for Transfers is 4:00 p.m. (Toronto time) for the following types of payment:

- payments in Canadian and US dollars to financial institutions in Canada, with same day value
- payments to financial institutions in the US in Canadian or US dollars, with same day value
- payments to financial institutions outside Canada and the US, in Canadian or US dollars, with next business day value, *or*
- payments in a currency other than Canadian or US dollars to financial institutions outside Canada and the US, with a value date two (2) or more business days in the future.

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