
2006-06-26

PRESS RELEASE

Oversight of SWIFT

A number of media reports, and SWIFT's own statement, have referred to the role of central banks in the oversight of SWIFT. The National Bank of Belgium (NBB), as lead overseer of SWIFT, wishes to make the following clarification.

- 1 One of the core objectives of central banks is the maintenance of financial stability. In pursuing that objective, they are concerned with the safe and reliable functioning of market infrastructure. SWIFT, as a key provider of messaging services for many categories of financial business, is part of that infrastructure.
- 2 Given the international character of SWIFT's activities, the G10 central banks¹ concluded that their shared financial stability interests would best be served by establishing a joint Oversight Group for SWIFT under the leadership of the NBB (as explained in the NBB's 2005 Financial Stability Review²). That Group monitors SWIFT's activities only insofar as they are relevant to the maintenance of financial stability. In particular, the Oversight Group monitors and assesses the extent to which SWIFT maintains appropriate governance arrangements, structures, processes, risk management procedures and controls to effectively address the problems it may pose to financial stability.
- 3 The monitoring of SWIFT's activities that do not affect financial stability is not a matter for the Oversight Group and therefore the US Treasury subpoenas of SWIFT were outside the purview of central bank oversight. Moreover, the Oversight Group does not have the authority either to approve or prohibit SWIFT's compliance.

¹ The G10 central banks are the central banks from Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom, United States of America and the European Central Bank.

² Available on internet : nbb.be