

S.W.I.F.T. INTERNATIONAL BANKING SYSTEM

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This article discloses the role of the well-known providers of financial communications which is SWIFT international banking system. Indeed, the economies of a single country and the world economy namely depends on the SWIFT system.

The SWIFT system is a widespread computer networks that was created on the initiative of financial organizations. Its the abbreviation comes from the English company Society of Worldwide Interbank Financial Telecommunications.[2]

In the 1970s payments were made using the out of date telegraph technology Telex. But, day by day, turnover increased, so in 1973, 239 banks from 15 countries have merged and created financial organization. It's SWIFT whose headquarter are located in Belgium.[1]

Nowadays, powerful organization SWIFT merged more that 11,000 banks, financial institutions and corporations worldwide. So, it can be called a monopolist in the provision of financial services. Moreover, this organization bypasses its competitors,as Western Union, MoneyGram, Ria in volume and provision of financial services.[1]

The main purpose and focus of the organization is to provide rapid, reliable, confidential and protect from unauthorized access to telecommunications services for banks and to standardize the forms and methods of exchange of financial information. Annually SWIFT handles \$ 6 trillion transactions, including cash transfers, securities, travelers cheques, and interbank transactions. The SWIFT payment system is profitable in use, for instance, when someone sending large sums of money. In other cases, It would be better to use the system payments as Western Union. Money can be sent through the Swift system in any currency, but the commission will be decided upon during currency conversion.[3]

With SWIFT, banks can't just send currency around the world, but also can exchange information with confidence in its security because all data is transmitted through extremely secure channels. In addition, each member of this powerful system has its own unique Swift code or ID. This number used to identify the credit organization.[2]

SWIFT reports to the central banks of G-10 (The Group of Ten) countries as the international provider of financial communications for global

financial industry. These are the banks of Belgium, Canada, France, Germany, Italy, the United States, Great Britain, Switzerland, Sweden, and the Central Bank. Member of SWIFT can be countries and their banking institutions which authorized to perform international banking operations.[3]

SWIFT does not have the discretion to impose sanctions on States. Such restrictions are implemented only for the decisions of the European Union and the United Nations.

References:

1. SWIFT: как это работает [Электронный ресурс] – Режим доступа: https://money.inguru.ru/navigator/stat_chno_takoe_swift

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3. Глобальная межбанковская система SWIFT [Электронный ресурс] – Режим доступа: <https://journal.open-broker.ru/economy/globalnayamezhbankovskaya-sistema-swift/>
