

Inter-Bank messages that do not require settlement at all

No.	Transaction
1.	Return & Statements (All kinds of Return & Statements to RBI, Lead Bank etc., can be sent in machine readable format using Proprietary IFN messages)
2.	Opinion Reports and Requests for opinion
3.	All types of letters to RBI, IBA, other Banks etc., can be relayed in strict confidence duly authenticated by the legally enforceable Digital Signature of the sender

Inter-Bank messages that do not require prior settlement

No.	Transaction	Message Type
1.	Message relating to Collection Bills	IFN 400, 410, 412, 420, 422 & 430
2.	Documentary Credit related messages	IFN 700, 701, 705, 707, 710, 711, 720, 721, 730, 740, 742, 747, 750, 752, 754 & 756
3.	Messages relating to Bank Guarantees	IFN 760, 769
4.	Currency Chest report to RBI	IFN 298 C Series
5.	Govt. Account Transactions reports to RBI	IFN 298 G Series
6.	G-Sec related messages which do not involve immediate settlement	IFN 598 S Series

Inter-Bank messages involving Net or Gross Settlement

No.	Transaction	Message Type
1.	Customer TTs	IFN 100, 102
2.	DD related messages	IFN 110, 111 & 112
3.	Transfer of funds to another bank	IFN 202, 203
4.	Information regarding Funds expected from another Bank	IFN 210

International Messages

As SFMS messages strictly conform to SWIFT standards, it is possible to generate SWIFT messages at remote branches using the SFMS and relay the same to the SWIFT Gateway (CBT) of the Bank for onward transmission through the SWIFT network. This has three major advantages for user banks:

- ◆ Considerable savings in investment and revenue out go for SWIFT message preparation software at remote branches.

- ◆ Proper legally enforceable authentication of messages between remote branches and CBT.
- ◆ Reduction in SWIFT training costs for operatives at remote branches.

On the Anvil

- ◆ Forex Module with interface to CCIL
- ◆ Messages for Online Tax Assessment System
- ◆ SFMS on Internet
- ◆ Common Gateway for Smaller Banks

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STRUCTURED FINANCIAL MESSAGING SYSTEM



**INSTITUTE FOR DEVELOPMENT AND
RESEARCH IN BANKING TECHNOLOGY**

(Established by Reserve Bank of India)

What's SFMS ?

The need for a secure and common messaging system that would serve as the basic platform for intra-bank and inter-bank applications, and would fulfil the requirements of domestic financial messaging, gave birth to the Structured Financial Messaging System (SFMS).

The SFMS is built on the lines of SWIFT but has many more utilities to offer. The major advantage of the SFMS is that it can be used practically for all purposes of secure communication within the bank and between banks. The intra-bank part of the SFMS can be used by the banks to take full advantage of the secure messaging facility provided by it. The inter-bank messaging part is useful for applications like National Electronic Funds Transfer (NEFT), Real Time Gross Settlement System (RTGS), Delivery versus Payments (DvP), Centralised Funds Management System (CFMS), Forex Confirmation and Settlement, etc.

The SFMS provides easy to use Application Programme Interfaces (APIs), which can be used to integrate all existing and future applications with the SFMS. Banks can develop comprehensive and efficient tools and applications and integrate them easily with the SFMS for use on the Corporate Intranet. Banks can link all their important, high volume branches, irrespective of their category to the SFMS through appropriate connectivity like PSTN/ISDN or Leased Lines. Moreover, use of the SFMS is not restricted only to computerised or partially computerised branches.

SFMS Advantage

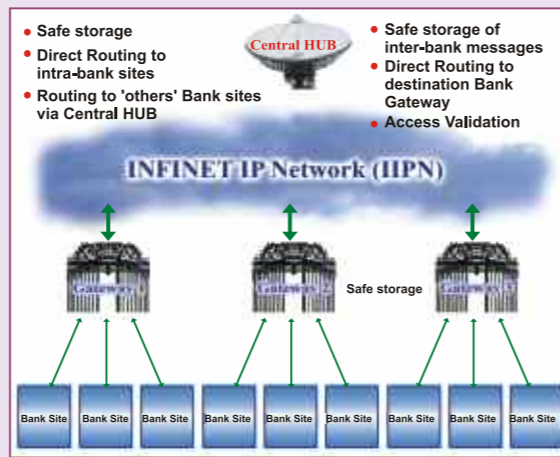
- ◆ Template Builder to support flexible definition of messages similar to SWIFT like user-to-user messages
- ◆ Directory services for maintenance of IFSC directory, network configuration
- ◆ Secured messaging and routing based on store and forward principle

- ◆ Messages can be clubbed and exchanged as batch files
- ◆ Smart card based user access.
- ◆ Messages secured via standard encryption and authentication services conforming to ISO/SWIFT standards
- ◆ Complete auditing, time-stamping and warehousing of messages
- ◆ Gateway available on Windows 2000, Sun Solaris, IBM AIX
- ◆ Branch Server available on Windows 2000, Sun Solaris
- ◆ Secure File Transfer Facility
- ◆ Hindi Language Support for message creation

SFMS Security

The Public Key Infrastructure (PKI) system is a part of the SFMS with features like Authentication through Digital Signature constructed from public key/private key pair, digital certificate stored on smart card, encryption for confidentiality, message authentication code for data integrity, non-repudiation with digital signature, etc.

The SFMS is based on a three-tier architecture with the HUB connected to the Bank Gateways, which are in turn connected to the Bank Branches.



SFMS Architecture

SFMS Message Usage

SFMS messages can be used for relaying **any type of message** from one bank branch to another. Irrespective of whether the message has financial implication or not and whether the information contained therein is confidential or not, every message is relayed in strict confidence and authenticated with the digital signature of the authorising official.

This signature is stored along with the message in the receiving system's database in such a manner that the signature is verified whenever the message is printed or processed. As SFMS messages cover every conceivable method of information interchange between any two bank branches, its usage in day-to-day banking would be limited only by the limits of the user's imagination. Here is an indicative list of SFMS message usages.

Intra-Bank Applications

No.	Transaction	Message Type
1.	Customer TTs	IFN 100, 102,103
2.	DD related messages	IFN 110, 111 & 112
3.	Transfer of Funds to another Bank (On account of TT discounted with the local branch of the Beneficiary Bank)	IFN 202, 203
4.	Information regarding Funds expected from another Bank (Being funds expected on account of TT discounted by their local branch)	IFN 210
5.	Messages relating to Collection Bills	IFN 400, 410, 412, 420, 422 & 430
6.	Documentary Credit related messages	IFN 700, 701, 705, 707, 710, 711,720, 721, 730, 740, 742, 747, 750, 752, 754 & 756
7.	Messages relating to Bank Guarantees	IFN 760, 769
8.	Debit/Credit Advices	IFN 900 & 910
9.	Currency Chest related transactions	IFN 298 C Series
10.	Govt. Account Transactions	IFN 298 G Series
11.	RTGS Transactions	IFN 298 R series
12.	G-Sec Transactions	IFN 598 S Series
13.	National EFT Messages	IFN 298 N series
14.	Returns & Statements (All kinds of Returns & Statements can be sent in machine readable format using proprietary IFN messages)	n98 (Proprietary)
15.	All types of letters like sanction endorsements, Proposals, Transfer Orders, Circulars, just to name a few, can be relayed in strict confidence duly authenticated by the legally enforceable Digital Signature of the sender	n99 (Free Format)