

IT consulting newsflash

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SWIFT announces blockchain trial



SWIFT - a standard format for business identifier codes (BICs) used to identify banks and financial institutions globally - has announced a trial integration with R3's Corda blockchain platform in the hopes of creating a transparent system that can be used to monitor payment flows and support application programming interfaces (APIs).

Initially, the trial will be limited to R3's trade ecosystem but - if successful - could be extended to support other distributed ledgers, non-distributed ledgers and e-commerce platforms. Companies using the R3 platform will authorise payments from their banks using global payments innovation (GPI) links. Payments will be settled and confirmations - once completed - reported back to trade platforms using those same links.

There are a number of critical features of blockchain that make this an attractive approach:

- **Peer-to-peer interaction** - P2P interaction means that the borrower and the seller in each transaction can directly interact with each other without waiting for third-party approval and validation, making transactions faster and easier
- **Decentralisation** - since data and information is spread across a network, it is almost impossible for a hacker to attack a system and delete all of the data, as nodes verify and validate information which is stored as separate, associated blocks
- **Transparency** - increased transparency reduces the possibility of discrepancies
- **Immutability** - Blockchain's base platform secures information making it difficult for anyone to change the data. Any change can be easily tracked, traced and corrected.

The growth of Blockchain-based solutions indicates that the technology is here to stay, becoming the basis for highly efficient, transparent systems.

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