



Information concerning wire transfers using the SWIFT network

On wire transfers to foreign accounts and specially authorized express wire transfers, the data contained in the wire transfer order is transmitted to the beneficiary's credit institution via the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which is headquartered in Belgium. For purposes of ensuring system security, SWIFT temporarily stores the transaction data in its computer centers in the Netherlands and the United States.

Since there is simply no other company currently offering such services on a worldwide basis, the Austrian credit institutions usually have no other alternative but to settle international payments using the services of SWIFT. Without a co-operation with SWIFT, an Austrian credit institution would be unable to offer its clients worldwide payment services. The SWIFT network used by the Austrian credit institutions meets the highest technical security requirements.

Consequently, there is a risk that the data stored by SWIFT in the United States may be disclosed to US government authorities for purposes of fighting international terrorism.

SWIFT temporarily stores the transaction data in two computer centers (Operating Centers), one which it operates in Europe and one which it operates in the United States. The databases, which are saved on the servers in the Operating Centers, are always identical because the data is always backed-up and synchronized. This backup and synchronization is carried out for security reasons in order to allow one of the Operating Centers to continue executing international payments in the event that the other Operating Center fails. A physically segregated substitute infrastructure for securing such continued operation complies with international standards and regulatory requirements.

After September 11, 2001, the US Treasury Department has demanded, pursuant to administrative subpoenas, transaction data from SWIFT's US Operating Centers and has analyzed such data for purposes of fighting terrorism. According to information provided by SWIFT and the US Treasury Department, an agreement was reached in an effort to reduce as much as possible the volume of data collected under the subpoenas and to guarantee that the analysis thereof would be carried out exclusively for fighting terrorism purposes. It is assumed that the seizure of the payment transfer data in the United States is permissible under US law. It should be noted that government authorities in Europe may also seize data based on similar legal grounds.

Authorities in Austria and Europe have since raised concerns about backing up payment transmission data in SWIFT's US Operating Center and about the seizure thereof by US government agencies. The banking industry supports an international solution for resolving the data protection issues related hereto. The reason behind this disclosure is an order from the Austrian data protection authorities to explain the legal situation.