

# E-invoice Presentment and Payment

## 2019 EIPP MSG report

EIPP MSG 026-19 / Version 1.0 / Date issued: 4 November 2019



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### 1 Executive summary

This report sets out the conclusions and findings of the current work on the way to implementing the ERPB vision of a pan-European eco-system for E-invoicing Presentment and Payment (EIPP). The preceding report of the EIPP Multi-stakeholder Group, released in November 2018, included

1. a description of the Request for standardisation of an ISO 20022 message-set to support Request-to-Pay for EIPP that was submitted to the International Standards Organisation (ISO)
2. a functional description of an additional set of messages, called ‘servicing messages’.

The 2018 report also included recommendations for next steps, to be followed once the requested standardisation-related tasks are fully achieved.

Turning to this Report, Section 2 provides a detailed reminder of the background to the foregoing work items and highlights the relationship between this EIPP initiative and the related initiative



to analyse the conception of 'Request-to-Pay' from a broader perspective and launched this year by the EPC, at the invitation of the ERPB.

Section 3 sets out the logic behind the decision to standardise the required servicing messages and continues with a detailed description of each of them: the Enrolment message and the Activation message. The message data structures are presented, along with a number of essential data elements and related rules. These rules will need to be presented and detailed in the EIPP rulebook and associated implementation guidelines, once it is resolved to develop an EIPP scheme. A sub-section of this Section includes the observation that currently a suitable ISO 20022 message-set does not exist as the basis for the servicing messages so that the task of the EIPP MSG was to elaborate the necessary supporting documentation for submission of the Request for ISO 20022 message creation to ISO.

In the course of the analysis for the design of the servicing messages, the MSG became aware that in certain communities there is a need to extend their functionality to cover complementary business needs. This extension requirement is discussed in Section 3.5 together with an assessment by the EIPP MSG that could be stated to lie outside its strict mandate and will need further analysis. Section 4 explains that a public consultation was undertaken as part of the analysis methodology and presents its conclusions.

The final section of the Report presents the status of submission to ISO of the Request for message creation as well as the commitment of the EPC as the submitting organisation, to support post-submission tasks, as required.

## 2 Background

In November 2018, the EIPP MSG delivered its report on the adoption of a set of technical ISO 20022-based messages (pain.013 for Request-to-Pay and pain.014 for status reports) for EIPP and the harmonisation of EIPP servicing messages in order to form a 'common language' for communication between EIPP providers<sup>1</sup>.

The ISO 20022 messages for RTP were considered suitable and two Change Requests were submitted to ensure the required support of ISO 20022 RTP messages for EIPP functionalities. The Change Requests were produced by the EIPP MSG and approved by the EPC Board for submission, as EPC was the submitting organisation. They were evaluated and approved by the ISO 20022 Payments Standards Evaluation Group ("Payments SEG"), and published in February 2019.

The 2018 report also included functional specifications for the *servicing messages* and proposed to carry out design and the submission of the Request for the creation of an ISO 20022 set of corresponding messages.

The EPC was invited to organise this follow-up work in a multi-stakeholder format and therefore a second EIPP MSG was created for 2019 and tasked according to its Terms of Reference<sup>2</sup> to produce the required documentation for the design of this message-set and to submit the Request for message creation to ISO.

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<sup>1</sup> [2018 Report from the EPC Multi-Stakeholder Group on EIPP](#)

<sup>2</sup> [Terms of Reference EIPP Multi-Stakeholder Group](#)



The creation of ISO 20022 messages for EIPP servicing is part of an extended and long-lasting step-by-step approach, proposed by successive working groups and agreed by the ERPB on the way to achieving an interoperable pan-European EIPP eco-system.

This approach was initiated in 2016 when the first ERPB Working Group provided a report that reviewed the barriers to the take-up and integration of EIPP solutions in Europe and proposed ways to overcome them. In 2017 the focus was on developing minimum payment-related requirements for business rules and technical standards for EIPP services which could support integration of these services at a pan-European level.

The 2018 report was the result of the work coordinated by the EPC in a multi-stakeholder format, and delivered by the EIPP MSG. It comprehensively set out the elements to be addressed within the step-by-step approach:

- Governance entity, model and processes for the EIPP eco-system.
- Roles and responsibilities of EIPP Providers, rules for entity identifiers, requirements for registries/directories, and a networking model.
- Business rules and agreements for using the EIPP ISO 20022 messages.
- Technical and operational aspects such as identification, registries/directories, security/trust requirements, and change management/maintenance of the message sets.
- Interoperability between EIPP solution providers.

In parallel with completing the underlying standardisation message-set for EIPP, the EPC has been working since the release of the ERPB conclusions in November 2018 on analysing and preparing recommendations for the exploitation of the Request-to-Pay functionality in a broader perspective. To this end the RTP MSG was established and has worked on the basis of its own Terms of Reference<sup>3</sup>. The deliverable of the RTP MSG is a document containing “*specifications for an RTP standardisation framework*”, aiming to provide a foundation for an RTP scheme/framework.

The forthcoming *RTP standardisation framework* is linked to the EIPP initiative as both are based on the cornerstone RTP ISO 20022 message set: pain.013/pain.014. However the RTP framework is foreseen as providing general payment-related support at Points-of-Interaction including retail outlets, e-commerce platforms and in P2P (person-to-person) frameworks. In EIPP the RTP was designed rather to support e-invoicing (with the invoice presented in attachment) together with support for the payments function. The general RTP framework does not include specific enrolment and activation functions, which are essential to EIPP.

### 3 EIPP servicing messages

In addition to the RTP as EIPP enabler at transactional level for presentment and payment, the need for EIPP additional messages has been long identified. First, in 2017 the ERPB Working Group on EIPP observed that EIPP-related messages supporting enrolment, service activation, unenrolment, deactivation and corresponding reporting messages are essential for an efficient and trusted EIPP solution. In existing EIPP solutions these messages, where existing, are proprietary, and thus not interoperable. It was pointed out that they should be harmonised as a pre-requisite for interoperability, regardless of how market stakeholders decide to organise the eco-system for EIPP delivery and processing. Furthermore, in 2018 the EIPP MSG elaborated on

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<sup>3</sup> [Terms of Reference RTP Multi-Stakeholder Group](#)



the functional specifications and defined the need for two such messages, to be named ‘servicing messages’:

- *Enrolment* message, to inform the EIPP eco-system about the registration of a Creditor/Payee.
- *Activation* message for sending to the Creditor the consent of a given Payer to receive EIPP ISO RTPs from this specific Creditor.

The processing flows of servicing messages had been designed and included in the 2018 EIPP report and can be found in the Annex 1 of this document.

### 3.1 Enrolment message

As mentioned in the 2018 EIPP MSG report, enrolment messages are sent to EIPP Directory Providers acting as specialised actors in the EIPP eco-system. . These providers will provide Directories of the registration details of Payees ready to receive Activation message requests from Payers and allowed to send RTPs to the Payers. These enrolment messages and EIPP Directories managed by EIPP Directory Providers will ensure reachability of Payees by the Payers in an interoperable eco-system.

EIPP Directory Providers are responsible for the message routing, for storing Payees’ data and making them available to potential Payers for initiating EIPP related flows.

The sources of data to be inserted in EIPP Directories are the EIPP Service Providers of Payees and data is sent via the *Enrolment* message so that, by making use of Directory Providers, they can inform the EIPP eco-system about the enrolment of a Creditor/Payee.

The 2018 EIPP MSG report provides detailed functional specifications of Enrolment message including what requirements should be fulfilled in the implementation of the standardised messages.

After initial analysis built upon the already delivered functional design, it was proposed that the Enrolment message should be composed of the following main components:

- A **Header**, composed of technical information about the message itself such as identifier, creation time, initiating and receiving parties.
- A **Creditor Enrolment** part, providing information about the Payee/Creditor subject to Enrolment, mainly its identifiers, names, addresses, and specific elements allowing functions such as: enrolment start and end time, the visibility of the Payee, what type of Activation the Payee allows.
- A section containing indications for **Activation Data**, including what types of information the Payee expects from the Payers within the Activation messages.
- A section for **Supplementary Data**, a placeholder for any additional data that might be necessary during the exchange of enrolment message.

Several EIPP related data elements have been identified. Usage rules for all data elements should be defined in the development of an EIPP scheme and implementation guidelines. The Activation in the following paragraphs refers to the dedicated ISO message exchanged through the scheme i.e. Activation request message and Activation status report message, even if the consent between Payer and Payee could be exchanged outside of the EIPP scheme i.e. “external bilateral consent”.

These data elements are:



1. **Start Date and Time and End Date and Time:** to be used when a Payee limits the time period in which it can receive service activations requests and send RTP accordingly. If not used, the Payee can receive activation requests and send RTPs as of the time when its data are inserted into the EIPP Directories.
2. **Limited Visibility:** if set to FALSE or absent, the Payee is fully visible, i.e. its data can be retrieved by the Payers via available tools offered by Payers' EIPP Service providers by querying EIPP Directories. The specification of these queries is currently out of scope of this MSG. If Limited Visibility is set to TRUE, the Payee data stored in EIPP directories should not be accessible to Payers by making use of queries.
3. **Service Activation Allowed:** if set to FALSE, the Payee cannot receive EIPP activation messages from the EIPP eco-system, but only using different alternative activation methods.
4. **Creditor Service Activation Link:** to be used to indicate a reference to an alternative activation method provided directly by the Payee in case Service Activation Allowed is set to FALSE.

Other information regarding the use of Enrolment messages or of its data elements can be found in the detailed Message Definition Report (MDR), document required for submission to ISO 20022 of the message creation request.

### 3.2 Activation message

It was accepted that the RTPs containing e-invoices can be sent by Payees only if they have previously received the consent from Payers. This consent could be delivered with the *Activation* message that has two purposes: to communicate the consent of the Payer to receive RTPs from this specific Creditor/Payee and to communicate to the Payees the identity of the Payer along with its "EIPP address" i.e. the identifiers of the Payer's EIPP provider and of Payer itself accordingly.

To send an Activation request to a Payee, the Payer needs to know the Payee identity and the Payee "EIPP address". Such information can be obtained by querying EIPP Directory Providers or could be received directly from the Payee.

The 2018 EIPP MSG report provided detailed functional specifications of Activation messages including the requirements that implementations of the message in a standardised framework should fulfil [ref needed]. The following main components should be included in the *Activation* messages:

- A **Header**, composed of technical information about the message itself such as identifier, creation time, initiating and receiving parties.
- A **Debtor Activation** part, providing information about the Payer/Debtor and the corresponding Payee/Creditor related to the EIPP service Activation, mainly their identifiers, names, addresses, and specific elements allowing functions such as: activation start and end time, information needed by the Payee to correctly perform the activation in its systems such as a contract reference or a dedicated activation code.
- An **E-invoice Data** part containing indications that the Payer can communicate to Payee in relation to E-invoices included in RTPs.
- A section for **Supplementary Data**, a placeholder for any additional data that might be necessary during the exchange of activation message.

Further development of an EIPP scheme and specifications for implementation should take into account the following requirements:



1. Activation messages requests can be sent only to Enrolled Payees.
2. If the Payee limited visibility indicator is set to FALSE in the Payee Enrolment data, the Payer's EIPP provider can retrieve the Payee data required for activation by querying the EIPP Directory Providers.
3. If the Payee limited visibility indicator is set to TRUE, the Payer may use the data element Dedicated Activation Code in the Activation message request. This code, specific to each Payer and to each Activation, should be communicated by the Payee to the Payer prior to Activation. The mechanism for the creation and communication of this code would be outside of the EIPP rules.
4. If the data elements Start Date and End Date are used, the Payee receiving the Activation request message should record the activation as active only within the time period indicated by these elements so that RTPs cannot be sent outside this period.

Other information regarding the use of Activation request messages or of its data elements can be found in the detailed Message Definition Report (MDR), which is the document required for submission to ISO 20022 of the message creation request.

### 3.3 ISO 20022 for servicing messages

ISO 20022 has been identified as the suitable standardisation framework for the Enrolment and Activation messages (request and status report), due to the close relation with existing ISO 20022 RTP message and in general with messages from the SEPA Payment schemes which rely on ISO 20022 Payments domain messages.

After analysis of the existing ISO 20022 messages set, the MSG concluded that no existing message can fulfil the requirements for EIPP Enrolment. Therefore, it was decided to submit the Request for the creation of a new set of ISO 20022 messages. The high-level structure of messages should match with the sections described above and exiting data elements from other types of messages will be as much as possible reused.

Corresponding messages for unenrolment, amendment of an enrolment, deactivation and amendment of an activation are also proposed.

### 3.4 Extension of servicing messages functions

In the course of the work on designing the servicing messages dataset, some communities considered that there is a need in the market for extending the functions that Enrolment and Activation should support, as follows:

- In the current design, only Payees can be enrolled in EIPP Directories. The identified extension is that in the Business-to-Business context only, it would be useful that companies acting as Payers can be also enrolled in EIPP Directories, so that they can show or display within the EIPP eco-system their availability to receive RTPs/E-invoices from Payees.
- In the current design, through the EIPP eco-system, Activations are possible only from Payers. The identified extension is that Payees can also initiate Activations, provided that the Payers give their consent of receiving such requests through alternative ways.

The EIPP MSG recognised the market needs expressed in these possible extensions, but concluded that including them in the current design requires further analysis, which is beyond the EIPP MSG



mandate for 2019. The Group also agreed to ask for opinions on these extensions via the public consultation.

## 4 Public consultation

The Terms of Reference of the EIPP MSG were foreseen to include a public consultation on the design of servicing messages elaborated by the project which included representation SWIFT, which acts as the ISO 20022 Registration Authority. Consequently, the EIPP MSG decided to submit the draft documentation to an 8 week public consultation starting at the beginning of July 2019.

Previously, the Board of the EPC had approved the content and timing of this consultation.

### 4.1 Content of the consultation

The following documentation was submitted for public consultation<sup>4</sup>:

- Business Justification document: *EIPP MSG 009-19 Business justification - servicing messages v1.0.pdf*
- Message Definition Report (MDR): *EIPP MSG 021-19 Message Definition Report - servicing messages v1.0.pdf*

The interested parties were invited to send their responses using a questionnaire: *EIPP MSG 020-19 Questionnaire for public consultation on EIPP ISO 20022 servicing messages\_v1.0.docx*. It contained an invitation for the respondents additionally to give their opinion on the findings regarding the need for extending the functionality of the servicing messages, as described in the section 3.4 above.

The communication related to the consultation was published on the EPC website and related notifications were posted on EPC social media channels and to EPC Newsletter subscribers.

### 4.2 Results

There were 8 (eight) responses received to the public consultation. The respondents are corporate entities from sectors such as banks, processors of payment services, software vendors, and not-for-profit standardisation organisations. After analysing the received responses, the EIPP MSG considered that they reflected a real interest and deep understanding of EIPP topics. Therefore, the proposed design of servicing messages was reviewed to include relevant proposals and the final version of the documentation includes these updates.

The EIPP MSG also observed that a majority of respondents show a real interest in the extensions described in the section 3.4.

## 5 Submission to ISO 20022

At the time of releasing this report, the EPC Board has approved the submission of the request for creation of ISO 20022 servicing messages, and this request has been submitted.<sup>5</sup>

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<sup>4</sup> The documents for public consultation as well as the questionnaire used and a summary of responses are part of EIPP deliverables to ERPB and EPC Board in the context of its mandate and are available for further reading upon request.

<sup>5</sup> EPC Board meeting of 20 November 2019 and ERPB meeting of 28 November 2019





Currently the request is under the ISO 20022 development process. The details of this process can be found on the ISO 20022 website at this address:

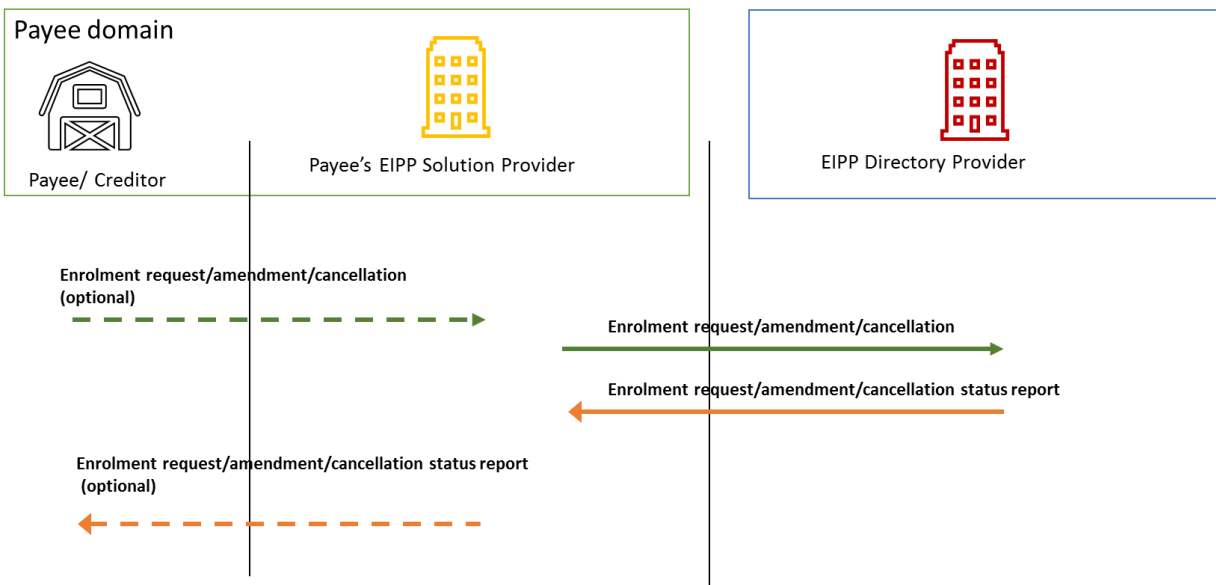
<https://www.iso20022.org/development.page>

According to the EIPP MSG Terms of Reference and expected confirmation by the EPC Board in its meeting of 20 November 2019, the EPC is likely to ensure the necessary support during the ISO 20022 post-submission stages.

## 6 Annexes

### 6.1 EIPP Servicing messages processing flows

#### Payee enrolment



#### Activation

