

ISO 20022 Newsletter

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FOR MORE INFORMATION on ISO 20022, consult the ISO 20022 website at www.iso20022.org and get access to:

- Two scripted Powerpoint presentations on the [home page](#) to understand the ISO 20022 value proposition, the role of the various registration bodies, and what has been developed so far
- How to become an ISO 20022 'submitting organization' and develop [new ISO 20022 messages](#) or how to submit [updates to existing messages](#).
- Who is representing your country or organization in each of the ISO 20022 registration bodies: the [Registration Management Group](#) (RMG), the five [Standards Evaluation Groups](#) (SEGs) and the [Technical Support Group](#) (TSG)
- Which are the current [development projects](#) and their status
- The [catalogue of ISO 20022 messages](#) including the latest version of ISO 20022 messages and the archive of previous versions.

If you have questions, please send them to the ISO 20022 Registration Authority at iso20022ra@iso20022.org.

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Chairman's Letter

Dear RMG Members:

I was pleased to see and welcome all the delegates to the RMG 20022/ISO TC68 spring meeting last week in Amsterdam. And, judging from the comments received, most of the visitors to Amsterdam enjoyed the good will generated at the week-long series of meetings.



Included with the hectic weeklong series of meetings, on the final day of the sessions an ISO workshop was held bringing together senior managers from the financial services industry and regulators and legislators from the EU and other countries. This forum met to discuss standardizations' current and future needs in the financial industry. This ISO organized financial
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PAYMENTS – CONNECTING BUSINESSES

Defining STP for Payment Processors and Payment End Users

By Thomas Egner

Most economic processes lead to a payment between business partners. With payment systems and schemes, banks connect business partners of different industries. All these industries have different requirements concerning the data content and data structure a payment message - as an add-on to the pure functionality of moving funds - should contain. Of course, this data needs to be transported through payment systems and banks to their business partners in order to provide them with additional information on a specific credit or debit entry.

For banks and other payment processors, STP (straight through processing) requires accurate identification of payment routing information. End users, remitters and beneficiaries have additional requirements for STP to facilitate communication between remitter and beneficiary as to the purpose of the
(continued on page 2)

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payment, providing the beneficiary the information need to properly account for funds received.

This additional, customer and business specific information is not needed by banks for their business, i.e. moving funds between accounts. Banks and settlement systems frequently treat this additional information, very important to the remitter and beneficiary, in a limited, generic manner. In most national and cross-border payments message standards, this requirement for additional remittance information is addressed by at best an unstructured free text information field, constrained as to size, which is transported through the payment process chain. It is up to the business partners to come to an agreed structure of the remittance data provided. These structures are generally agreed between individual payers and payees, or communities of payers and payees (countries, industries, etc), are unique to the parties agreeing to use them and are not generally reusable, either in other national communities or in cross border payment message standards.

Although often discussed between banks and their business partners this problem persists. Neither EDIFACT nor the current ISO pain payment messages provide a convincing solution for this problem.

When the ISO 20022 Payment messages were developed, the respective working groups aimed to provide basic functionality on remittance information to be carried in a payment message. These capabilities are sufficient to accommodate the majority of current use cases.

As the use of ISO 20022 evolves and grows – e.g. SEPA – more and more businesses are driven to consider the ISO payment formats as a replacement to their legacy formats. Payment messages need to satisfy their end users requirements for information in the context of payment, supporting the delivery of industry specific remittance data in a manner that is associated with the payment.

The conundrum: Accommodating innumerable remittance information structures as defined by industries, countries and others within the payment messages poses risks of over frequent changes and maintenance requirements to those messages, substantially increasing the cost and complexity of using these new standards.

There is a trade-off between protecting the investments of the parties already having invested in these messages and the interest of others willing to implement but need additional information in the messages. Such would lead to unacceptable consequences for all parties – banks and corporates – having implemented XML payment messages due to the need of continuous and costly changes – even if a new functionality is not needed by a party.

In a nutshell: How to protect the pure payment functionality from adding end user needs for additional content varying by industry and community? How to isolate the basic payment schema from the volume of change inherent in remittance information, while enabling industries and communities of users to address requirements for remittance information formatting and content?

A solution for this problem may be the use of the XML Schema Extension Mechanism. Message extensions enable the creation of new messages within a style sheet. The content and headers of the new messages can be defined within the extension definition. The Payment schema would need to be changed once to accommodate extensions. Once extensions were supported by these schema individual industries as (securities, cards, chemicals, telecommunications, etc.) could author and own their own remittance schema. In operation this would reduce the need to change payment schema and allow ownership of remittance information structures by the industries and communities which require them.

The modification of the actual payment messages in order to be able to handle industry specific structured and owned message content will lead to a higher acceptance and resulting use of XML payment messages both for banks and their customers. The decoupling mechanism between the pure payment functionality and the transport of additional business and industry relevant individual information will ease the implementation and handling. ●



CBI and ISO 20022 Activities

By Liliana Frantini Passi

Through its expertise gained from the analysis of domestic and international scenarios and from the constant participation in international assembly, over the last four years, CBI Consortium has been the first submitting Italian organisation to set standards for:

- Business Area Trade services, registering (in 2007) the Invoice Financing Request service;
- Business Area Payment service, registering (in 2010) the Creditor Payment Activation Request (CPAR) service.



CBI Consortium, as representative of the Italian banking community, is a member of:

- Registration Management Group (RMG), the group aimed at evaluating requests for registration into the ISO 20022 Repository for standards of financial messages;
- Payments and Trade Standards Evaluation Groups (SEG), committed to the technical evaluation of payments and trade standards to be included in the ISO 20022 Repository

CBI Consortium involvement in both Trade SEG, and RMG had the purpose of preserving the maximum integration between the financial invoice ISO 20022 and the new payments format, like the inclusion of the IBAN coordinates in the electronic invoice for the purposes of PSD application ("beneficiary unique identifier").

REGISTRATION OF THE INVOICE FINANCING REQUEST

Based on the structure of the e-invoice standard header and the expertise acquired during 2006 through the analysis of the stakeholders' business needs in the national and international scenario, CBI Consortium has submitted the Invoice Financing Request Business Justification to ISO 20022 Registration Authority (RA). The Business Justification evaluation phase has been successfully completed by the competent RA in May 2006. The message definitions have been approved by the Trade Services SEG as 20022 message definitions in October 2007, with the official registration status in the 20022 Data Dictionary and the publication on the new '20022 messages' in the Business Process Catalogue at www.iso20022.org.

The development of such a service is based on the assumption that in a market with increasing competition, it is vital for companies to access credit without having to renegotiate conditions. The invoice financing service allows enterprises (especially SMEs) to optimize the management of cash flow and account receivables, as well as internal business processes automation. In particular, the value added of this service consists in the simplification of the activities through which firms are used to switch the

invoice into working capital, facilitating payments and operational costs before the related invoice is cashed, accompanied or not by credit remission.

The invoice financing service includes the following messages:

1. InvoiceFinancingRequestV01: this message enables the Financing Requestor to initiate the invoice financing process by the First Agent;
2. InvoiceFinancingRequestStatusV01: this message enables the First Agent to notify the Financing Requestor of the status of an invoice financing request or the status of an invoice financing cancellation request previously sent by the Financial Requestor itself;
3. InvoiceFinancingCancellationRequestV01: this message enables the Financing Requestor to request the First Agent to cancel a previously sent invoice financing request.

For more information see

- http://www.iso20022.org/_trade_services_messages.page#TradeServicesInitiation
- <http://www.cbi-org.eu/Engine/RAServePG.php/P/287610010410>

REGISTRATION OF CREDITOR PAYMENT ACTIVATION REQUEST (CPAR) SERVICE

Some businesses are hampered by internal inefficiencies bound to payment processes management, which limits their capacity to control payments orders and receive funds by their service and product users within a limited period of time. In line with these needs, *(continued on next page)*



CBI Consortium has defined an innovative functionality which basically consists of a request for payment pre-filled by the beneficiary and sent to the debtor on the basis of the same ISO pain structure, thus enabling automatic settlement: the CBI CPAR (Creditor Payment Activation Request).

During 2008, CBI Consortium submitted the CPAR Business Justification to ISO 20022 RA and the message definitions were approved by the Payments SEG as 20022 message definitions in September 2010 followed by the official RA publication.

The CPAR service allows a bank's beneficiary customer (e.g.: a corporate acting as a seller) to submit to the originator (e.g.: a corporate or a citizen or a public administration acting as a buyer) a credit transfer request, including all the creditor side and the remittance information details.

CPAR can be used to request payment for both electronic and paper-based documents (e.g. electronic/paper invoices) and can also support reconciliation activities on existing document standards (e.g. EDI/EDIFACT invoice standards).

In this way, the CPAR service ensures the integrity of remittance information and enables automatic reconciliation and interoperability, overcoming issues that characterise traditional manual reconciliation processes in terms of possible mistakes and mismatches between commercial and financial documents, avoiding long processing times and high processing costs.

This set includes the following message definitions:

1. **CreditorPaymentActivationRequestV01**: this message is sent by the Creditor sending party to the Debtor receiving party, directly or through agents. It is used to initiate a CPAR
2. **CreditorPaymentActivationRequestStatusReportV01**: this message is sent by a party to the next party in the creditor payment activation request chain. It is used to inform the latter about the positive or negative status of a CPAR request.

For more information see

- http://www.iso20022.orgpayments_messages.page#CPAR
- <http://www.cbi-org.eu/Engine/RAServePG.php/P/287610010410>

NEXT STEPS

CBI's contribution to ISO standard setting activity is in line with its mission and supports the Italian financial community in developing services towards markets (public administration, companies and retail) that are compliant with international developments related to payment systems and document management area.

Along with its mission, CBI Consortium will continue its constant monitoring of international standards in order to candidate again, in the future, as active part in the analysis and implementation of new models and financial message standards. ●

CBI (Customer to Business Interaction) Consortium represents an Italian best practice in the field of innovation and standardisation of corporate banking services, addressed to business targets (corporate and public administration).

Today, CBI Consortium involves 663 adherent financial institutions (more than 90 per cent of the Italian banking community including Poste Italiane as banking service provider) and there are more than 850,000 connected companies, above all small and medium-sized enterprises, which use the CBI services offered by their financial institutions.

The CBI provides a wide range of financial services based on cooperation between financial institutions, without limiting competition. It defines technical and regulative standards and rules of the CBI cooperative service, at national and international levels

and manages the CBI network, a modern technological infrastructure able to support the exchange of financial and non financial flows between the different parties of the CBI's community.

Basically, CBI users can access via the CBI network all their account servicers (Executing Banks) by a unique entry point, offered by one of their financial institutions (Access Bank) at their choice. In Italy, they actually have an average number of five different account servicing institutions.

These goals enable adherent financial institutions to provide their customers with innovative services, either in the reporting or core collection and payment area (SEPA-compliant), or more recently in the innovative area of document management (e.g. e-invoicing), according to main national and international standards in line with ISO 20022.

T2S: Forging a New Generation of ISO Standards

By Mark Bayle

In last summer's edition of this Newsletter, we updated you on the quest of T2S regarding the ISO 20022 Standard. As you will see from the following article, much was achieved in the T2S project since the last report.

Negotiations have been going on in 2010 with CSDs, in order to sign the framework agreement in the course of the autumn. CSDs are now taking concrete steps towards migration and some have already committed to be part of the first migration wave: on 19 January 2011 Monte Titoli (the Italian CSD), part of the London Stock Exchange Group, and Depozitarul Central S.A. (the Romanian CSD), part of the Bucharest Stock Exchange Group, announced that they will join T2S in its first migration wave, i.e. in September 2014. They join BOGS, the CSD for Greek government securities, which had already committed itself in May 2010.

The Eurosystem has also analysed the settlement and message volume expected for T2S. Based on figures provided by CSDs and other market participants in the T2S Advisory Group, the Eurosystem expects more than 200 million transactions to be settled annually in T2S year once it goes live in 2014. Very recently, a dedicated task force of the T2S Advisory Group concluded that these transactions could be associated with about one billion ISO 20022 messages per year to be exchanged between T2S and CSDs or other directly connected T2S actors.

During the last months, all CSDs have shown great dedication in reviewing the interim versions of the User Detailed Functional Specifications (UDFS), showing appreciation for the transparent approach fostered by the Eurosystem. The UDFS is a critical technical document that is essential for CSDs, NCBs and other parties directly connected to T2S to design the interface between their information systems and T2S. On 25 March 2011, an official market con-



sultation on Version 1.0 of the UDFS will be launched.

An important part of the UDFS document is the chapter dedicated to ISO messages that will be used by T2S. Version 1.0 of the document will contain 103 messages, out of the 123 messages that are currently expected to compose the T2S message catalogue. The 20 remaining are expected for version 1.2. Out of the 123 messages, 81 have been or will be created for the purpose of T2S, raising interest among a growing community of users

interested in joining the initiative (JASDEC and BSB TWIST). To give an order of comparison, the list of ISO 20022 messages currently available on the organisation's website contains 288 messages.

These messages were developed by the four National Central Banks involved in the project, with the support of SWIFT Standards and in close cooperation with the market participants meeting under the auspices of the T2S Sub-Group on Message Standardisation. The involvement of market experts from early on (already at the business justification stage) has ensured that not only messages fulfil the T2S requirements, but also that they comply with state of the art ISO 20022 standards.

The development of messages was sustained by the dual philosophy to recycle as much as possible from the existing standard and to try and have the same functional approach across business areas, in particular in the domain of reference data, from securities to parties (the so-called "lean T2S"). Whilst, after consultation with the various parties, full harmonization was not always possible, nor desirable, in the long run it is expected that the T2S community will act as a harmonization catalyst. Still with harmonization in mind, T2S also chose to follow the recommendation made by the RMG in 2010 and decided to adopt the Business (continued on next page)



Application Header for all of its messages. A new ISO standard acting like an envelope, the business application header will provide a header for multiple business application messages which can span multiple message instances, and multiple message types. With messages spanning across several business areas, T2S naturally welcomes such initiative.

During the ISO message maintenance exercise of 2010, only essential maintenance requests to the project were submitted to ISO: all requests submitted on behalf of T2S were approved, rewarding the diligent preparation work of the T2S Sub-Group on Message Standardisation.

These are major achievements, and the Eurosystem knows how much it owes to the market. The work ahead is equally challenging.

In the coming weeks, market participants will review UDFS 1.0. The publication of this document represents a major milestone of the T2S Programme Plan. It reflects the input and dedication of a very large panel of market representatives. The UDFS meet users' expectations and increase the acquaintance of the market with the T2S external specifications, in view of their later implementation.

It is in the interest of the users to take advantage of the consultation to make it as fruitful as possible in the perspective of the finalization of UDFS V1.2, also allowing the project to build on a stable version of the messages in order to prepare for their testing.

As far as the submission of the T2S messages to the various SEGs for registration is concerned, it will start already in 2011 for those messages to be used by a broad community of users. The rest will be submitted for registration after the testing period in order to fully reap the benefits of the test, whilst still on time for the project launch date. ●

TARGET2-Securities (T2S) is a large infrastructure project launched by the Eurosystem. It will bring substantial benefits to the European post-trading industry by providing a single pan-European platform for securities settlement in central bank money. It will settle securities transactions in euro and is open for settlements in other currencies as well. T2S will therefore be a major step forward in creating a single market in securities, removing many of the barriers to efficient cross-border clearing and settlement, as well as acting as a catalyst for further harmonisation in post-trading services. With T2S, cross-border settlement will be identical to domestic settlement in terms of cost, risk and technical processing. By providing a single IT platform T2S will accommodate market participants' dedicated central bank cash accounts and securities accounts in the same settlement facility. It is thus able to aggregate European settlement volumes in one platform. This will allow achieving enormous economies of scale and significant liquidity savings. Furthermore, the single T2S process will facilitate the streamlining of back offices procedures and foster further harmonisation of post-trade activities. The use of central bank money will eliminate risk on the settlement agent and thus contribute to financial stability.

T2S will be owned and operated by the Eurosystem on a full cost-recovery basis and designed for the benefit of its users. The T2S migration phase will be composed of three migration waves and one contingency wave. The first migration wave is scheduled for September 2014 when T2S will begin operations.

For More information, visit: <http://www.ecb.europa.eu/paym/t2s/html/index.en.html>

Letter from Gerard Hartsink

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services workshop was open to all ISO member bodies.

In addition to the RMG 20022 meeting, all TC68 subcommittees and ISO TC68 gathered to discuss the important business aspects of standards under consideration within each group. On Wednesday evening, May 11th, the Netherlands hosted a "meet the market" event that provided a good opportunity for our local financial services community to learn more about the work of the various sector areas in the RMG 20022 and TC68 community.

In this issue of the 20022 News, several of our leading Registration Authority groups, or RAs, offer reports on work accomplished over the past half year.

Concerning 20022 News, it is important that all members keep up their responsibility to submit articles on a consistent basis. For our next issue we would like to feature how standards, accepted under the 20022 umbrella, are being implemented throughout the world. Within this topic we would like to receive articles on experiences from Asia/Pacific, North and South America and Europe. Please work to support us in this project.

Again, thanks for your input during the Amsterdam meetings, and I hope you enjoy this issue of 20022 News.

Gerard Hartsink, *Convener*
ISO RMG 20022

Here Comes the Crunch

By Kevin Wooldridge

I get the feeling that this past winter has been very much the calm before the storm, for the Securities SEG. We were in a period of relative peace, having completed the maintenance cycle, and with no new submissions to be evaluated. But we are about to dive back into the maelstrom of change: the healthy batch of change requests is anticipated for the 2011 maintenance process (for implementation in 2012), while at the same time we will be starting the evaluation of two submissions, requiring the energy and commitment of our volunteer Evaluation Teams, led by our dedicated (and often thankless) facilitators.

Before moving on to talk about what's coming up, I'd like to dwell a little on two items that crossed our path during the winter, both of which are the result of much hard work by the 20022 Registration Authority (RA), SWIFT.

At the RMG meeting in Rome in November, the Registration Authority presented a 'dashboard' showing relevant message sets per business activity, along with information about the submitter and the status of any submissions. The Dashboard was initially completed as a pilot for the securities domain, and the SEG was asked to comment on and validate the content. We passed our comments to the Registration Authority, and we are awaiting the finished article on the ISO20022.org website. We are hopeful that the dashboard will provide a useful overview of the messages in the business domain and bring a degree of additional clarity to implementers.

The Registration Authority has also been working to ensure the underlying ISO 20022 model is consistent and in line with the modelling rules of the ISO 20022 standard itself. While this is, of course, an ongoing task, a one-off exercise was required to correct some of the very early components, where the rules have changed over time, or were not applied consistently. This 'refactoring' exercise has led to some changes to message components. The SEG is preparing to go through the resultant changes with the Registration Authority, where they affect securities messages, to ensure that the busi-

ness users of the messages are in agreement and understand the need for the changes.

SO WHAT ABOUT THE COMING STORM?

We have just received the Message Definition Report and other supporting materials for the Total Portfolio Valuation Report. This message has been developed by SWIFT on behalf of ISITC (International Securities Association for Institutional Trade Communication). To say that this submission has been a long time coming is something of an understatement. This was in fact only the 11th Business Justification to be submitted, way back in November 2005, and was approved by the RMG in February 2006. However, we are glad to see it come of age as a submission, and we are busy forming our evaluation team to look at the message.

Another old favourite is the pre-Trade and Trade submission, which is currently on hold while a complete mapping exercised is, performed between FIX and ISO 20022 components. This submission predates even the TPV Report, being the 10th in the list.

What both of these submissions illustrate is that it is a far from certain path from initial Business Justification to final evaluation and approval. Higher priorities, changes to business case, technical issues and many other obstacles may be placed in the way, and it is difficult for the submitter to give an accurate prediction of when the submission will be complete. This leaves the SEG, of course, in the position of having to stand in a more-or-less permanent state of readiness, as submissions that have been pending for some time may arrive all at once. To this end, we rely on the RA to provide us with some indication of forthcoming activity. When a submission is reaching a stage where submission is imminent, the RA informs us that we need to get our Evaluation Team ready. This has just happened in the case of the Post Trade submission (a relative newcomer to the list at number 21, approved in December 2006). The SEG tries to hold itself in readiness, and an exercise was performed in *(continued on page 9)*

SECURITIES SEG
MANAGEMENT TEAM

Convenor: Kevin Wooldridge
Vice-convenor: Amod Dixit
Secretary: Stephanie Duverger

EPASOrg and Card Payments

By Alan Moss

Recent innovations in the development of card payment protocols resulted in ISO 20022 acceptance of the EPAS Acquirer Protocol in November last year.

In 2005, a group of firms in the European card payments industry organized to define a new series of protocols to determine the interaction of electronic payment terminals with other systems in the card transaction system. Then, most of the acquiring banks or transaction processors were using a wide variety of different legacy protocols which had been defined and implemented at the local or national level.

With the SEPA (Single Euro Payments Area) initiative, which was first launched in 2002, it became obvious that the card payments industry would need to migrate to common standards if Europe was to become a genuinely unified market for electronic payments.

Today, it is almost impossible to offer multi-national retailers a single card payment solution which can be used in the 32 European countries which make up the SEPA zone. The main reason for this is the prevalence of local protocols, not only used between payment terminals and acquirer host systems, but also defining the interface between those same terminals (or card payment software) and the cash register systems used by retailers at the point of sale.

With the coordination of the French card payment scheme GIE Groupement des Cartes Bancaires "CB", the group of card associations, acquirers, retailers and technology suppliers began defining three main protocols to be used by the POI (Point of Interaction). Sharing the common project name of EPAS, which stands for Electronic Protocol Application Software, these three protocols were focused on the following areas:

- Acquirer Protocol, or the interface between a card payment terminal (or payment software) and the acquirer's host system
- Retailer Protocol, or the interface between the card payment solution and the cash register or sales system
- TMS Protocol, or the interface between a card payment terminal and the system used to remotely manage it following deployment

By 2005, a consortium agreement had been endorsed by the various organizations working in the EPAS project, and in October of that same year, the consortium submitted a proposal for funding under the ITEA (Information Technology for

European Advancement) program. Over the next three years, work continued on the definition of the EPAS protocols, with an iterative revision process which enable state-of-the art technology and security requirements to be incorporated in the specifications.

To ensure compatibility with the latest technological standards, it was decided that the EPAS protocols should be based on the ISO 20022 methodology for developing standard messages. Additionally, the protocols departed from the traditional "Bit-map" approach and the unstructured way of defining data fields, to implement more appropriate techniques based on the use of data modeling and the separation of data from the writing of code itself. The result, are state-of-the-art protocols, which address the real-world challenges of the card payments' industry and allow for the further implementation of new technologies and market requirements. Furthermore, the new standard allows for the smooth convergence of card specifications with ISO 20022 standards which have become the *de facto* reference of the financial industry.

Following the key definition and specification phases, demonstrator systems incorporating the three EPAS protocols were first to shown to the public at the Cartes & IDentification exhibition in Paris in 2008. To enable the further publication and implementation of the EPAS protocols, a legal entity was needed to promote and safeguard the new specifications, as well as ensure their further evolution. A majority of the members of the EPAS consortium agreed to proceed with the foundation of an international non-profit organization dedicated to this role. In 2009, EPASOrg was ultimately born in Brussels, with 9 founding and Principal Members: Atos Worldline, Groupement des Cartes Bancaires, Equens, Hypercom, Ingenico, The Logic Group, PAN Nordic Card Association, Quercia Software, and Wincor Nixdorf. In addition, a further 11 organizations became Associate Members of the newly founded association.

Having set up the association, work began on ensuring the finalization of the EPAS protocol specifications, and their publication and dissemination. The EPAS Retailer Protocol was released for public consultation in February 2010, and, at the same time, preparations started for presentation of the Acquirer Protocol for ISO 20022 (continued on next page)



Here Comes the Crunch

(continued from page 7)

2007 to form loose Evaluation Teams for all domains, so that a ready supply of experts would be available to form the core of an Evaluation Team when required. We plan to repeat this exercise in the coming months, and will report back in the next newsletter.

And finally, we head into our next maintenance cycle in the summer. We are expecting a number of change requests from two very significant pieces of work in the securities industry. First, as last year, we can expect a few change requests out of the work by the European Central Bank on Target 2 Securities. Secondly, we know that there will be a number of corporate action change requests coming out of the work that DTCC have been doing on converting corporate action announcements into ISO 20022. This year we are hoping for a smoother process, after the RMG considered our observations from last year. In particular, we are hoping that change requests affecting both ISO 15022 and ISO 20022 messages can be dealt with in one pass, by one set of experts, evaluating the merits of the business case.

I'd like to finish by thanking Chad Spitler for his hard work as SEG Secretary over the last few years, and in welcoming Stephanie Duverger of the ECB as our new Secretary. ●

approval. Following months of work, the Retailer Protocol was published in its first complete version in October–November 2010, the Acquirer Protocol became the first card payment protocol to achieve full ISO 20022 acceptance. The 15 CAPE (Card Payment Exchange) messages making up the Acquirer protocol can now be found on the ISO 20022 Website, and in a matter of days, we expect them to be joined by three further ISO 20022 messages which constitute the TMS (Terminal Management System) Protocol which allows POS terminals to be remotely controlled and updated.

EPASOrg has entered into discussion with several organizations interested in implementing the EPAS protocols. In the Netherlands, the local card payment scheme, Currence, is working with retailers and technology suppliers on the first pilot implementation of the EPAS Retailer protocol with a view to achieve a national retail protocol standard. At the same time, EPASOrg is working with the US-based Association for Retail Technology Standards (ARTS), the technology arm of the worldwide National Retail Federation (NRF) on a common protocol definition. Closer to home, EPASOrg is now actively contributing to the work of the OSCar (Open Standards for Cards) consortium, which aims to launch the first European pilots of the EPAS protocols, combined with the SEPA FAST payment application, during the course of 2011.

EPAS protocols have come a long way since the early days of their inception six years ago. With ISO 20022 acceptance, they can now truly claim to be an internationally recognized standard for the card payments industry, and with increased focus on the role of standardization in building an open and inter-operable market, the future looks bright for EPASOrg. ●



ISO 20022 Payments SEG (PaySEG) in 2011

By Robert Blair, *PaySEG Convenor*

CHANGE IS THE ONLY CONSTANT!

The PaySEG has had a busy year thus far in 2011.

The PaySEG was originated and convened its first meeting in June 2005. A lot has been accomplished since that time. In recent months a number of items have been addressed or are now being addressed responding to the business needs of users of these standards, helping to foster greater use within and beyond the payments domain.



SEG agree to incorporate this into all new schema submitted or subject to change request after that date. And to update (to add) into all remaining schema after 3 years. An additional proposal for Batch Header was received and commented upon. While there are varying views on BH, in general the PaySEG consensus is that there is no immediate, pressing need for BH (an additional schema enveloping capability beyond BAH) and that the BAH reasonably addresses current needs.

ISO 20022 MIGRATIONS

A "new and improved" version of the ISO 20022 standard (8 parts in total, 7 currently in development) has been in development under TC68/WG4. The FDIS ballot (the final stage of voting approval) of ISO 20022 (Parts 1-5 & 7-8) are making their way through the ISO voting process now. After this ballot the new version of the standard will be published... The changes are primarily technical. The largest impact of these changes falls on the Registration Authority (RA) SWIFT and on the submitting organizations.

The PaySEG is contributing to this effort to understand and address the impacts to PaySEG schema and operations. Impacts are expected to be minor.

BUSINESS APPLICATION HEADER AND BATCH HEADER

The BAH and BH-Business Application Header (BAH) was reviewed and accepted by the SEG last year. At that time the

INCREASING THE ABILITY OF PAYMENT SCHEMA TO ADDRESS THE NEEDS OF THEIR USERS

Practically satisfying the information requirements of our schema' users (e.g. ISITC and Berlin Group)

Payments schema must satisfy their users' requirements, including end user straight through processing (STP). The payment schema are intended to serve ALL payment services users needs. Any concerns or any hesitations relate to balancing the sometimes conflicting interests of minimizing schema maintenance versus satisfying remitter and beneficiary requirements for structured and large volumes of remittance information in relation to a payment.

In an effort to isolate payment schema from remittance information requirements, the PaySEG is evaluating options which would include the use of Extensions. This would require the one time revision of the payment schema to support use of Extensions. Once completed, new remittance structures could be defined by the industry and or community owners (e.g. Securities, Cards/Retail or others) without further modification (and maintenance) to the core payment schema.

MANAGING SCHEMA MAINTENANCE AND THE IMPACT OF CHANGE ON END USERS

Separate efforts undertaken by the ISO 20022 RMG and the Securities SEG with assistance from the Registration Authority (RA, who is SWIFT) and others have investigated ways in which maintenance cycles and processes for securities schema can be aligned between ISO 20022 and ISO 15022 to reduce the burden of maintenance of these two closely

PAYMENTS SCHEMA MUST SATISFY
THEIR USERS' REQUIREMENTS,
INCLUDING END USER STRAIGHT
THROUGH PROCESSING (STP).
THE PAYMENT SCHEMA ARE
INTENDED TO SERVE ALL PAYMENT
SERVICES USERS NEEDS.

aligned standards on the securities industry. Changes specific to securities domain are the result.

A study has been initiated of maintenance practices of a sample of industry practitioners to understand differing practice in standards maintenance and the impact on standards users and standards adoption of these differing practices.

The Pay SEG has a continuing interest in the topic, wanting to balance the sometimes competing interests of maintenance frequency and satisfying new requirements. The new versions of the schema (e.g. pain credit transfer and direct debit) have been issued and in use for some time, since 2009, in fact. These versions incorporate many issues and address a number of improvements. In the 2010 maintenance cycle the PaySEG deferred work to later cycles for the sake of schema stability. 2011 is likely to see changes to these standards as requested last year and this.

REFACTORING

Technical changes to modeling require that an impact assessment be performed by the submitters and the PaySEG's evaluation teams. This process is now underway involving three groups of schema. Based on information thus far the impacts to the payment schema are expected to be slight.

ALIGNING SCHEMA STRUCTURE AND ELEMENTS WITH THE OTHER SEGs/DOMAIN

T2S and in reviewing securities and payment schema noted differences in handling common components between the two domains. Also true within the payments domain. Examples found included; multi-use versus single purpose acknowledgments. The issue is a challenging one as at the very heart of ISO 20022 is the desire to harmonize and coordinate. On the other hand, the issues raised by T2S are at another, more detailed level of harmonization than ISO 20022 has heretofore addressed. Further, with the Securities SEG firmly committed to backward compatibility with its legacy standard (ISO 15022) and both Payments and Securities with large bodies of published work change, reconciling the various separate practices and the disruption caused by the resulting change become difficult issues to address. It would appear prudent to keep these perspectives in mind for future action.



ESTABLISHING A STRATEGY FOR FUTURE SCHEMA DEVELOPMENT (DASHBOARDS AND ROAD MAPS)

The Investment Road map document was published 2 years ago and has proven to be a useful strategy document for the Securities SEG. The ISO 20022 RMG committee at its November 2010 Rome meeting agreed to request all of its SEGs to produce similar documents. The Payments SEG has worked on a Payments Dashboard document which is now out for comment among the PaySEG members. This document is considered a useful visualization of current schema coverage and future needs.

BUSY TIMES!

A collective, consensual view is required to proceed to address these issues. ●

ISO 20022 for Dummies Reprinted

By Juliette Kennel

At the Standards Forum at Sibos 2010 Amsterdam, SWIFT launched the '*ISO 20022 For Dummies*' book. The reference guide, which was created in cooperation with John Wiley & Sons, the publishers of the world's bestselling knowledge reference brand, and ISO, the International Organization for Standardization, proved a hot commodity at the world's premier financial services event. Thankfully, the book remains available as a licensed PDF that is downloadable from swift.com and iso20022.org, as well as in print. In fact, the book's incredible success has sent it right back to the printer.

As a key stakeholder in ISO 20022, and a long-term advocate of the standard's ability to transform automation in the financial industry, SWIFT has long endeavored to demystify ISO 20022's purpose and potential. The publication of '*ISO 20022 For Dummies*' has been its boldest move yet in raising the profile of the standard. From the origin of this universal business standard for the financial industry, through the workings of the ISO organization that promotes and maintains it, to the unique role ISO 20022 can play in enabling business process automation across the financial industry, the book provides the reader with a clear understanding of the benefits of ISO 20022. After all, to realize the full benefits of ISO 20022, the industry must engage across the board, which in turn requires a firm grasp of the principles governing this methodology.

Prior to the launch of the book, this newsletter predicted that there would be a great amount of interest in the industry to learn more about ISO 20022. And indeed, at Sibos, copies of the book, as well as cards with the book's download details went like hot cakes. At the book launch, in just fifteen minutes approximately 1,000 hard copies of the book and 700 digital copies were picked up.

The community's enthusiasm for this bite-sized reference guide caused SWIFT to run out of copies sooner than expected. Since its launch, there has been a steady stream of requests for copies of the book - from banks, vendors, financial institutions, and standardisation organisations



across all continents, particularly from Asia. When the bulk orders started coming in, SWIFT knew that its initial order of 5,000 hard copies and 5,000 digital copies would not suffice. Reprints of another 5,000 hard copies and 10,000 digital copies were ordered.

The '*ISO 20022 for Dummies*' is available to anyone who is keen to learn more about this standard for standards. You can

download a free, licensed copy via the ISO 20022 website or the SWIFT website (www.swift.com/iso20022fordummies) or request hard copies from standards.forum@swift.com.

By the end of February 2011, 7,800 print copies had been distributed and 13,300 digital copies had been downloaded by a variety of profiles from the financial community.

The success of the book has not gone unnoticed. Requests for translations and co-licensing have also been rife. In addition to the players in the financial industry, the financial trade press has also taken an interest and has been overwhelmingly positive about the initiative.

The launch of the '*ISO 20022 For Dummies*' book at the Standards Forum at Sibos prompted *Global Custodian's* Dominic Hobson to assert, "The Standards group at SWIFT deserves praise for its efforts to make standards fun. The Standards Forum at Sibos is easily the most innovative aspect of the entire tradeshow." Penny Crosman from *FinanceTech* commented that SWIFT Standards was "Putting the fun back in ISO messaging standards," and that the book makes "the ISO 20022 messaging standard more accessible and popular." Carla Mangado from *Inside Reference Data* talked to Tim Lind, Managing Director, Strategy, and Omgeo, who in the context of the book launch commented that "the discussions around ISO 20022 [are] developing from theory into practice

Juliette Kennel, Head of Standards, SWIFT, says, "*ISO 20022 For Dummies*' is a great starter vehicle for those who want to learn more about the standard as it provides key information in a form that is clear, concise and accessible to technical and non-technical readers alike." ●

ISO 20022 Registration Authority Kept Busy

By Jean-Marie Eloy

Since the last meeting of the Registration Management Group (RMG) in November 2010, and up until end of March 2011, the Registration Authority (RA) has taken care of the submissions described below, making sure that the registration process is timely followed by the various actors and that the ISO 20022 website is kept up to date accordingly.



APPROVED ISO 20022 MESSAGES

Between November 2010 and March 2011, 23 new messages were approved by the Standards Evaluation Groups (SEGs) and published in the [Catalogue of ISO 20022 messages](#), which now includes 287 message definitions:

- **Card Payments Exchanges (CAPE) - Acceptor to Acquirer (EPASOrg - 15 messages)** Published on 18 November 2010.
- **Financial Invoice (submitted by UN/CEFACT TBG5 - 1 message)** Published on 1 December 2010.
- **Cash Account Report Request & Notification (SWIFT - 4 messages)** Published on 19 January 2011.

A new version of 42 messages was also approved by the Securities SEG for publication in April/May 2011 as a result of the ISO 20022 2010/2011 maintenance cycle:

- **Securities Settlement & Reconciliation (SWIFT - 29 messages)**
- **Corporate Actions messages (SWIFT - 13 messages)**

CANDIDATE ISO 20022 MESSAGES

On top of the above mentioned message sets, the RA has received and processed the following submissions of candidate ISO 20022 messages:

- **Collateral Management (SWIFT - 13 messages)** The RA verified the compliance of the submission and generated draft schemas on 15 November 2010.
- **CCP Clearing (SWIFT - 10 messages)** The RA verified the compliance of the submission and generated draft schemas on 15 November 2010.
- **T2S - Reference Data Audit Trail Query/Response and Statement (4CB - 12 messages)** The RA verified the compliance of the submission and generated draft schemas on 8 December 2010.

- **T2S - Cash Intra Balance Movement (4CB - 4 additional messages)** The RA verified the compliance of the submission and generated draft schemas on 14 December 2010.
- **T2S - Collateral Management Reference Data (4CB - 1 additional message)** The RA verified the compliance of the submission and generated draft schema on 13 January 2011.

- **T2S - Intra Balance Query/Response (4CB - 8 messages)** The RA received the submission on 21 March 2011 for quality review.

All of the above candidate messages will be 'pilot tested' by the submitting organisations before submission to the SEGs for evaluation.

- **Cape - POI Terminal Management (EPASOrg - 3 messages)** The RA verified the compliance of the submission and generated the evaluation documentation for the Cards SEG on 3 February 2011. On 21 March, EPASOrg submitted to the RA an updated version of the models that addresses the SEG comments for quality review and subsequent registration and publication.
- **Total Portfolio Valuation Statement Reporting (ISITC/SWIFT - 1 message)** The RA verified the compliance of the submission and generated the evaluation documentation for the Securities SEG on 25 March 2011.
- **Securities Settlement Instruction Modification, Allegement Response and Audit Trail (SWIFT - 4 messages)** The RA received the candidate message models and is performing the quality review before generation of the evaluation documentation for the Securities SEG.

NEW BUSINESS JUSTIFICATIONS AND CHANGE REQUESTS

As per ISO 20022 procedures, the RA receives new Business Justifications (BJ) from submitting organisations and Change Requests (CR) from users. The RA checks them for compliance with the 'templates' approved by the RMG before submitting them to the RMG or SEGs.

Between November 2010 and March 2011, the RA received two new BJs and seven new CRs:

(continued on next page)

- **Demand Guarantees and Standby Letters of Credit (SWIFT - 25 messages)** Received on 26 January 2011. Forwarded to RMG for vote on 22 March 2011
- **Securities Management Accounting Book-Entry Instruction (ISITC - 1 message)** Received on 28 February 2011. Forwarded to RMG and SEGs for comments on 2 March 2011.

Change requests are shown in the [Catalogue of Change Requests](#)

The RMG also approved the following business justification:

- **Bank Services Billing (TWIST and SWIFT - 1 message)** Received on 14 October 2010. Approved by RMG on 15 January 2011.

STATUS OF ALL ISO 20022 SUBMISSIONS

The status of all submissions is kept up-to-date on www.iso20022.org: [Status of Submissions](#). The table below illustrates the situation at the end of March 2011.

287 ISO 20022 APPROVED AND PUBLISHED MESSAGES

RA I.D.	Submitting Organisation	Submission Name	Status	Date
1	ISTH	Customer to Bank Credit Transfer Initiation	3 new versions of message definitions registered and published	17 Apr 09
2	SWIFT	Investment Funds Distribution (1)	67 new versions of message definitions registered and published	30 May 08
13	SWIFT	Investment Funds Distribution (2)		
3	SWIFT	Exceptions and Investigations	17 new versions of message definitions registered and published	17 Apr 09
4	ISTH & ISITC	Bank-to-Customer Cash Management	3 new version of message definitions registered and published	17 Apr 09
5	SWIFT	Direct Debits	2 new version of message definitions registered and published	17 Apr 09
6	SWIFT	(Single) Credit Transfers	5 new version of message definitions registered and published	17 Apr 09
8	SWIFT	(Bulk) Credit Transfers		
7	SWIFT	Trade Services Management	50 message definitions registered and published	7 Jul 08
12	SWIFT	Proxy Voting	8 new versions of message definitions registered and published	10 Mar 10
14	CBI Consortium	Invoice Financing Request	3 message definitions registered and published	16 May 08
15	CLS	Forex Notifications	15 message definitions registered and published	9 May 07
16	Euroclear	Issuers' Agents Communication for CA	22 message definitions registered and published	23 Dec 08
24	SWIFT	Securities Transaction Regulatory Reporting	4 message definitions registered and published	23 Aug 07
27	SWIFT	Securities Settlement & Reconciliation	29 new versions of message definitions approved by Securities SEG	1 Feb 11
28	SWIFT	Securities Corporate Actions	13 new versions of message definitions approved by Securities SEG	15 Mar 11
31	French SWIFT Users Group	Change/Verify Account Identification	3 message definitions registered and published	18 Dec 09
32	SWIFT	Fund Processing Passport Report	2 message definitions registered and published	27Nov 09

RA I.D.	Submitting Organisation	Submission Name	Status	Date
34	SWIFT	Payments Mandates	4 message definitions registered and published	19 Aug 09
36	SWIFT	Bank Account Management	15 message definitions registered and published	27 Apr 10
35	CBI Consortium	Creditor Payment Activation Request	2 message definitions registered and published	7 Oct 10
22	UN/CEFACT TBG5	Financial Invoice	1 message definition registered and published	1 Dec 10
20	EPAS Consortium	Card Payments Exchanges (Cape) - Acceptor to Acquirer Card Transactions	15 message definitions registered and published	18 Nov 10
45	SWIFT	Cash Account Reporting Request and Notification	4 message definitions registered and published	15 Jan 11

33 CANDIDATE ISO 20022 MESSAGES UNDER SEG EVALUATION

20	EPAS Consortium	Card Payments Exchanges (Cape) - POI Terminal Management	3 message definitions updated to address SEG comments received by RA for review and publication	21 Mar 11
11	ISITC	Total Portfolio Valuation Report	1 candidate message definition submitted to the Securities SEG for evaluation	25 Mar 11
10	FPL & SWIFT	Securities Pre-trade and Trade	29 candidate message definitions submitted to SEG	19 Dec 08

OTHER CANDIDATE ISO 20022 MESSAGES (BUSINESS JUSTIFICATIONS APPROVED BY RMG)

41	SWIFT	Securities Settlement Modification/Replace and Allegement Response, Audit trail	4 candidate message definitions received by RA for quality review and SEG submission	13 Jan 11
43	SWIFT and FPL	CCP Clearing	10 candidate message definitions reviewed by RA before pilot	15 Nov 10
49	FPL, FpML, ISITC, SWIFT	Collateral Management	13 candidate message definitions reviewed by RA before pilot	15 Nov 10
42	Deutsche Bundesbank (on behalf of 4CB) and SWIFT	TARGET2-Securities	67 candidate message definitions reviewed by RA before pilot testing	2010-2011
9	SWIFT	Cash Management	BJ approved by RMG	4 Nov 05
19	IFX Forum	ATM Interface for Transaction Processing and ATM Management	BJ approved by RMG and endorsed by SEG	24 Nov 08
21	Omgeo and SWIFT	Securities Post-trade	New BJ approved by RMG and endorsed by SEG	20 Mar 09
23	Euroclear	Securities Registration and Holder Identification	BJ approved by RMG and endorsed by SEG	16 May 07
26	Euroclear	Market Claims and Automatic Transformation	BJ approved by RMG and endorsed by SEG	17 Sep 07
30	Euroclear	Securities Issuance	BJ approved by RMG and endorsed by SEG	18 Jan 08
33	SWIFT	Triparty Collateral Management	BJ approved by RMG and endorsed by SEG	22 Apr 08

RA I.D.	Submitting Organisation	Submission Name	Status	Date
37	SWIFT	Alternative Funds	BJ approved by RMG and endorsed by SEG	3 Oct 08
44	ISO/TC68/SC7/WG9	Acquirer to Issuer Card Messages (ATICA)	BJ approved by RMG and endorsed by SEG	13 Oct 09
47	National Bank of BE (on behalf of FI, LU, NL, IE, CY, LV central banks)	Cash Lodgement and Withdrawal	BJ approved by RMG	15 Mar 10
50	Payments Council Ltd - UK	Real Time Payments	BJ approved by RMG	30 Jun 10
51	Berlin Group	Card Clearing Payment (CCPAY)	BJ approved by RMG	30 Jun10
52	ANBIMA	Investment Fund Prospectus	BJ approved by RMG	15 Jul10
56	TWIST and SWIFT	Bank Services Billing	BJ approved by RMG	15 Jan 11

BUSINESS JUSTIFICATIONS SUBMITTED FOR APPROVAL

46	IFX, OAGi, TWIST, SWIFT	Remittance Advice Message	BJ returned to submitters with RA comments	20 Nov 09
53	SWIFT	Demand Guarantees and Standby Letters of Credit	BJ forwarded to RMG for vote by 30 April 2011	22 Mar 11
57	ISITC	Securities Management Accounting Book-Entry Instruction	BJ forwarded to RMG and SEGs for comments by 31 March 2011	2 Mar 11

BUSINESS JUSTIFICATIONS REJECTED OR WITHDRAWN

18	ISITC	Securities Cash Statement	withdrawn	16 Aug 06
25	SWIFT	Payments Mandates	withdrawn	29 Oct 07



Trade Services SEG News

By Tapani Turunen, *Convenor, Trade SEG*

The Trade Services SEG, supported by the Payments SEG, reviewed the new Financial Invoice message. The review was completed as planned and finalized in late November 2010. The new message standard was published in December 2010. There is a lot of interest in the Financial Invoice and a good amount of practical implementation has been noted. We anticipate some comments and suggestions for enhancements from the user community.

To answer the many questions and provide corrected information about the background and content of the new Financial Invoice message, a joint statement from Tapani Turunen (Convenor of Trade Services SEG) and Stig Korsgaard (Leader of the Financial Invoice development team) has been provided at the end of this report. In addition, all users and interested parties are welcome to forward any questions to the TS SEG.

The Trade Services SEG has participated in common ISO20022 work efforts; including renewing Business Model, Cross-SEG harmonization, and the review group on impact of the new version of ISO20022 on implementers. It is believed these activities will further enhance ISO20022 work and make implementation easier.

Currently, the Trade Services SEG has no open review processes. It will be interesting to see what the industry approach will be and possible inputs toward earlier supply-chain message standardization. Up to now there have been some elements of those data sets applied, for example in the Trade Service Management. Another very interesting area is possible activity towards a tax invoice specification. We have seen regulation take place in a number of countries like Brazil and Mexico where the e-invoice is mandatory from Corporates to tax authorities. Similar development is expected in Russia. In Europe, the EU Commission has prepared a Green Paper on Future VAT including different models for online VAT reporting. It is obvious that electronic processing provide powerful tools to fight against VAT fraud and to make reporting more efficient. If this development takes place there will be growth potential for international ISO20022 standards in the Corporate to Authorities reporting.



Following is more detailed background information and facts concerning the Financial Invoice message.

ISO20022 FINANCIAL INVOICE

The following provides background and reasons why the ISO20022 Financial Invoice message standard under the ISO20022 standard was developed; what characteristics the final message standard has; and the current state of play concerning support and adoption.

BACKGROUND

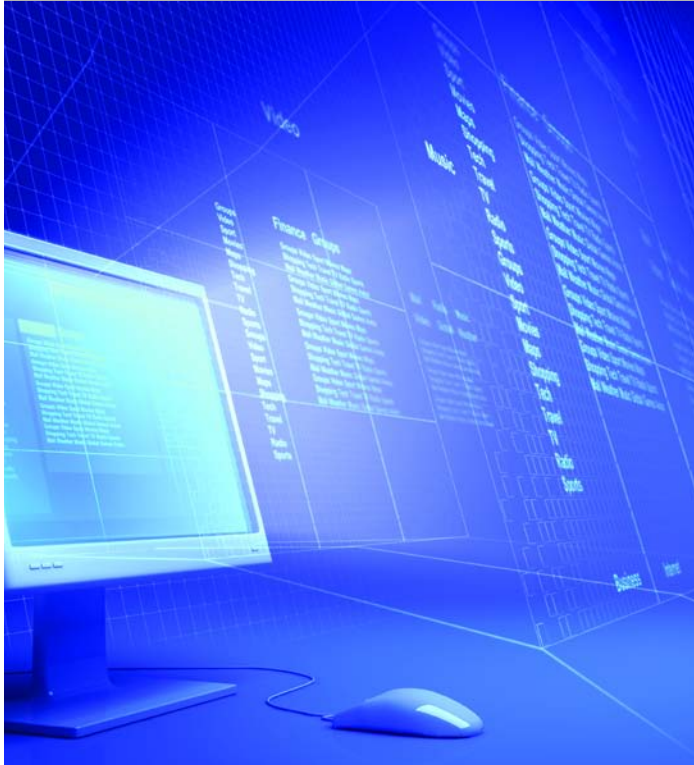
In 2006, the business need to develop an ISO20022 Financial Invoice was identified. Initially this came as a result of the interoperability proof of concept led by financial experts to place ISO20022 Payment Initiation into the ISO15000 Core Components Library. In reverse the same process was proposed for Cross Industry Invoice only this involved exporting invoice trade data from the Core Component Library and submitting it into the ISO20022 repository.

According to the ISO20022 standard, a number of financial messages already existed that directly built upon e-invoicing services and e-invoice data. This data was not as robust or aligned as it might have been because it represented only the limited financial services view of the necessary invoice data from the business context of trade services. It was not based on a coherent model, like the Cross Industry Invoice (CII), and therefore led to deviations in implementation in various ISO20022 messages.

Lastly, payment service providers wanted to leverage the leading market position of ISO20022 as a globally adopted solution, and thereby take advantage of having a Financial Invoice standard within ISO20022 for use by the worldwide financial services industry and to match advancing regulation building upon financial messaging according to the ISO20022 standard.

PREPARATION

In order to initiate the work, an ISO20022 Business Justification was submitted and approved by ISO. This work was never in itself a UN/CEFACT project; rather it was close-



ly coordinated with the Finance group within UN/CEFACT, called TBG5. Detailed work was conducted by a group of experts who happened to be TBG5 members. And, given the nature of interest by both sides of the environment including the role of TBG5 as a bridge between standards in finance and the wider trade domains, TBG5 was named the responsible group.

While the ISO20022 Financial Invoice work was not intended to continue in isolation as an invoice data model, it was very clear early on - also in the original Business Justification - the work would build on the combined knowledge of the invoice model put together under UN/CEFACT. The decision to maintain alignment with UN/CEFACT delayed the ISO20022 Financial Invoice work several times, as the work to build the CII data model in UN/CEFACT became increasingly complicated. Despite these delays, and the uncertainty they introduced, the responsible parties developing the ISO20022 solution remained committed to re-using the UN/CEFACT CII data model.

Not until a stable version of CII v2 became available in the middle of 2009 was it possible for the Financial Invoice work under ISO20022 to begin. Fortunately at the same time the requirements of the European Expert Group on e-invoicing were also defined and they were naturally included. In the autumn of 2010 the ISO20022 Financial Invoice was approved and published (see www.iso20022.org).

SUMMARY FACTS ABOUT ISO20022 FINANCIAL INVOICE

- a global message, standardised under ISO20022 that was released December 1, 2010. Comprehensive documentation can be found at http://www.iso20022.org/UNIFI_trade_services_messages.page,
- supported by a transparent ISO governance model which is open to all payment service providers and end users,
- supported by a sustainable and stable maintenance environment embedded in the global structure under a global approved ISO20022 standard,
- entirely based upon the CII v2 data model as the overall reference data model for invoicing which maps back to that model,
- based on a different methodology and syntax than ISO15000 and is therefore not identical to CII in every respect,
- not covering the entire CII model that in itself due to inclusion of all requirements from supply chain, customs, transport, finance etc., is too large for the purpose of the ISO20022 solution as well as identified requirements,
- covering all current financial identified requirements both in terms of the invoice message itself as well as the integration to other financial messaging such as payment initiation, direct debits, card payments, invoice financing and trade service utility,
- supporting business scenarios such as Request for Payment, Invoice Factoring, Electronic Bill Payment and Presentment, e-Invoicing via Service Provider and Supply Chain Financing,
- compliant with the requirements from the European Expert Group on e-Invoicing such as fulfilling the core requirements, integration to public procurement requirements, full integration to SEPA and the mandatory ISO20022 standard for that and to our knowledge best market practises to fulfil the SME and Cross Industry scope,
- supported by the European Commission, SWIFT, Service Providers such as Tieto, multiple national banking communities, global banks and corporates, ISO TC68 and other vendors,
- implemented by Service Providers and market infrastructures and has among other things support in the form of public accessible validation tools - see <https://portal.gefeg.com/ISO20022.htm>.

PAYMENT SERVICE PROVIDERS WANTED TO LEVERAGE THE LEADING MARKET POSITION
OF ISO20022 AS A GLOBALLY ADOPTED SOLUTION, AND THEREBY
TAKE ADVANTAGE OF HAVING A FINANCIAL INVOICE STANDARD WITHIN ISO20022
FOR USE BY THE WORLDWIDE FINANCIAL SERVICES INDUSTRY