

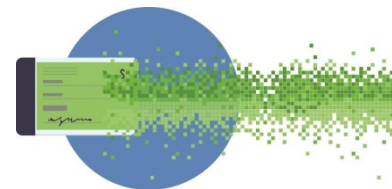
Business Payments Coalition Q1 Conference Call

January 23, 2018

2 – 3:30 pm CT

Business Payments Coalition

Mission & Initiatives



The Business Payments Coalition is a volunteer group of organizations and individuals working together to promote greater adoption of electronic business-to-business (B2B) payments and remittance data. The Coalition's overarching goal is to make B2B payments more efficient across the end-to-end process, that is, to achieve straight-through-processing across both the procure-to-pay and order-to-cash cycles.

There is no cost to join or to participate in Coalition efforts.

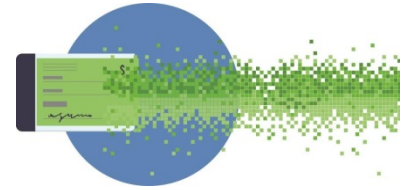
Initiatives

- ✓ e-Invoicing framework
- ✓ Electronic remittance framework
- ✓ APIs Supported by SMB Accounting Systems
- ✓ Simple Remittance Data for SMBs
- ✓ Virtual card remittance handling
- ✓ ISO 20022 provider capabilities
- ✓ ISO 20022 education and curriculum

Contact us: Business.payments.smb@mpls.frb.org

<https://fedpaymentsimprovement.org/payments-efficiency/business-payments-coalition/>

Agenda

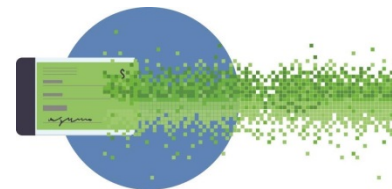


Welcome and agenda review

Global e-Invoicing Interoperability: Can it help the US market?

Updates on BPC Initiatives & Objectives

- 2017 accomplishments & 2018 objectives
- Initiative updates



Global e-Invoicing Interoperability: Can it help the US market?

Michael Jasper, Basware

GLOBAL E-INVOICING INTEROPERABILITY

Can it help the US market?

January 23, 2018



Michael Jasper

Director of Network and Financing Services
Americas and APAC

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603-553-4004

basware
Simplify Operations, Spend Smarter.



WHAT'S INSIDE?

Overview Of Interoperability
Where It Has Worked
Ways To Drive Interoperability

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WHAT IS INTEROPERABILITY



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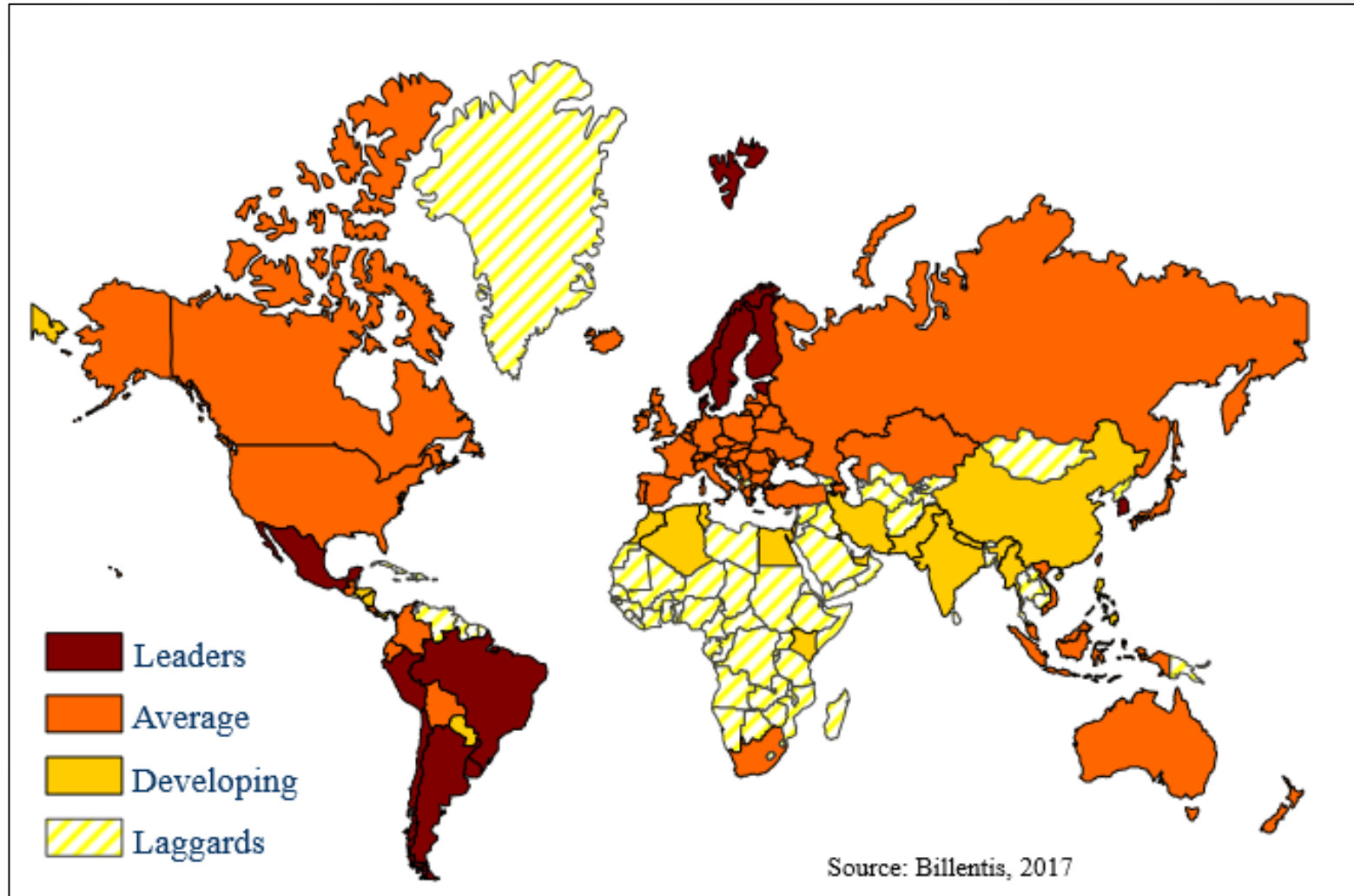
E-INVOICING ADOPTION

2017

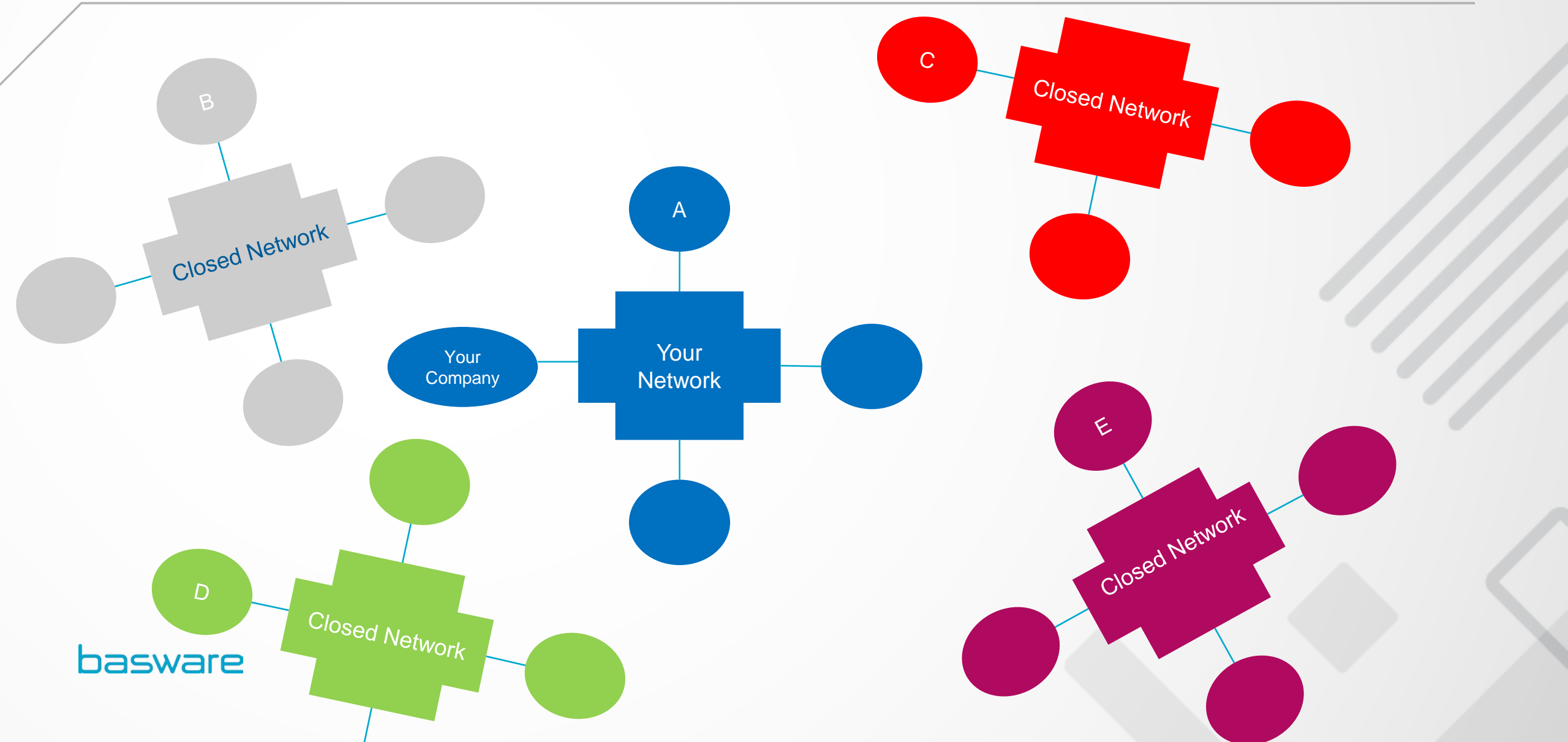
E-Invoicing / E-Billing

Significant market transition lies ahead

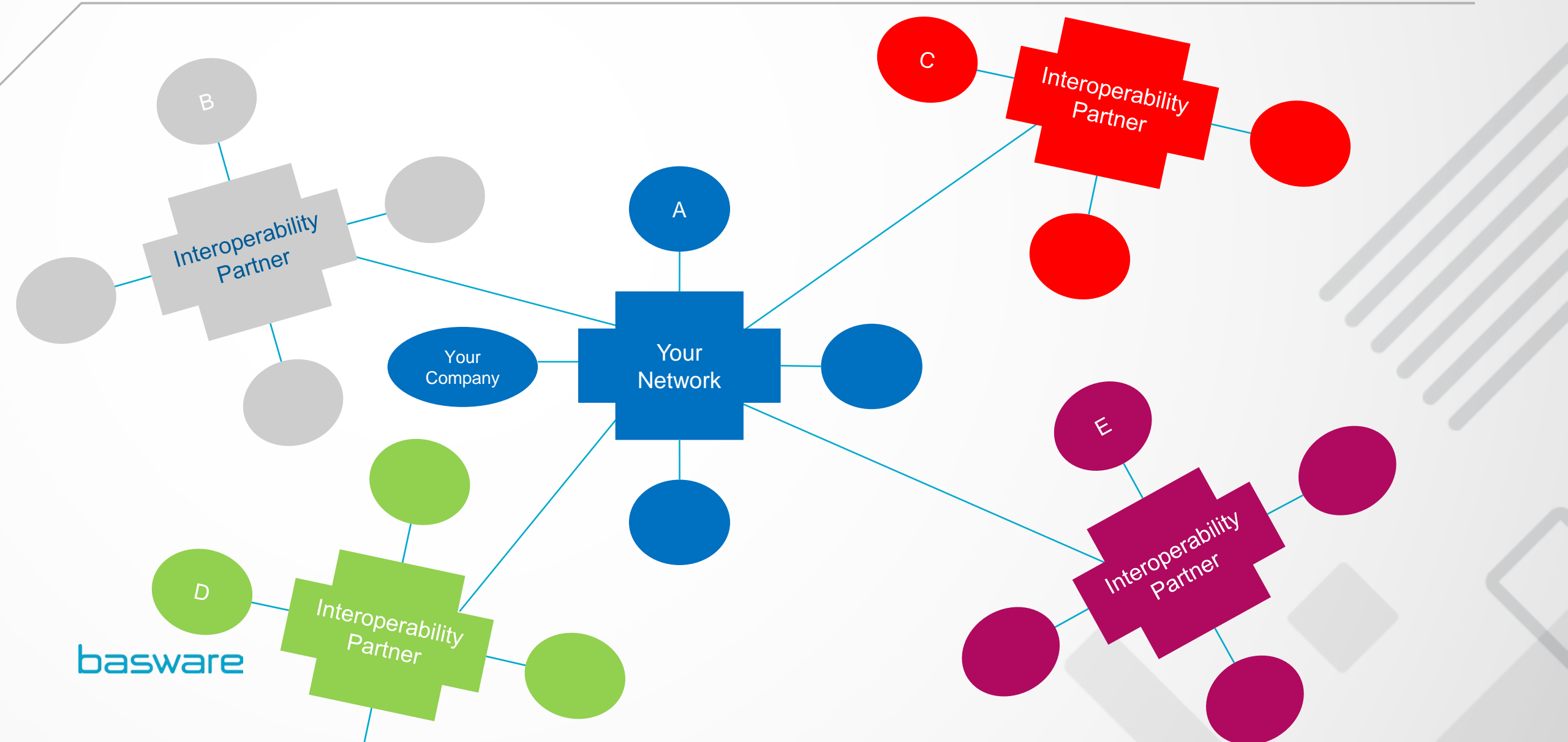
Bruno Koch
Billentis
May 18, 2017



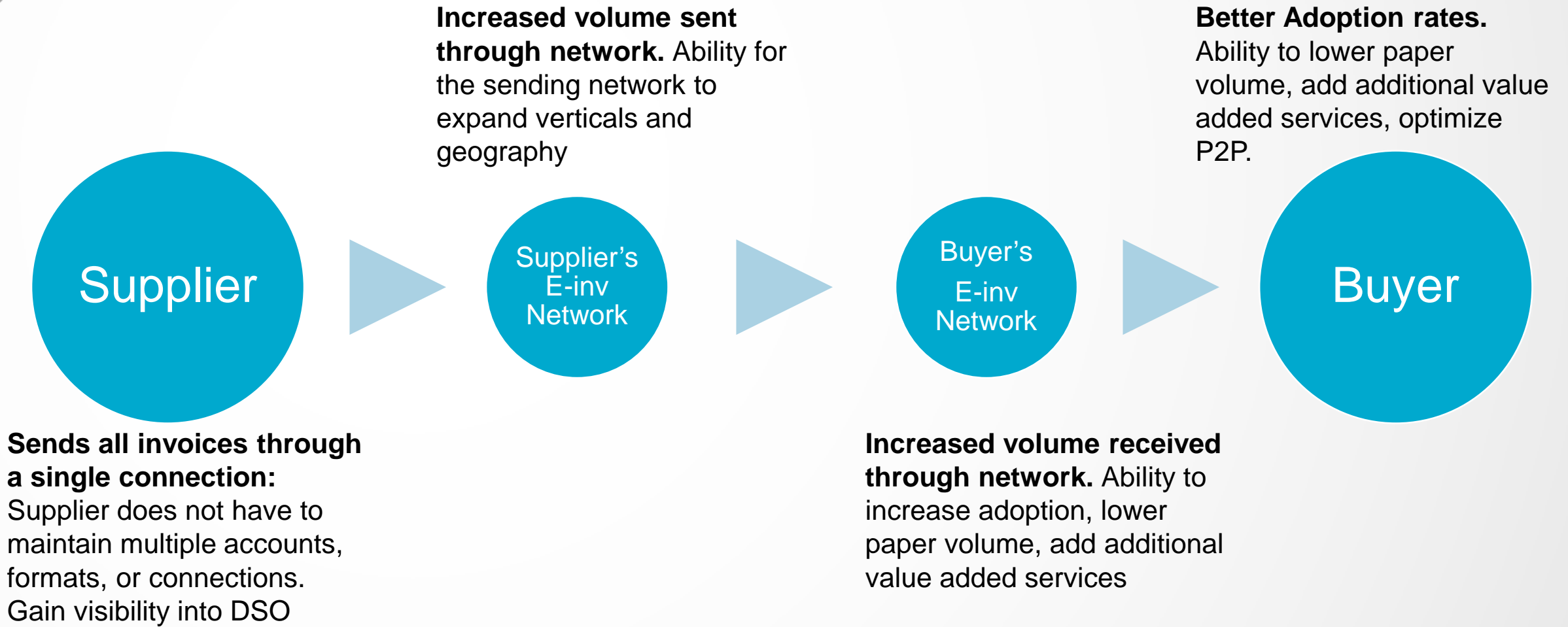
INTEROPERABILITY EXPANDS YOUR REACH



INTEROPERABILITY EXPANDS YOUR REACH



ALL PARTIES BENEFIT



USE CASES

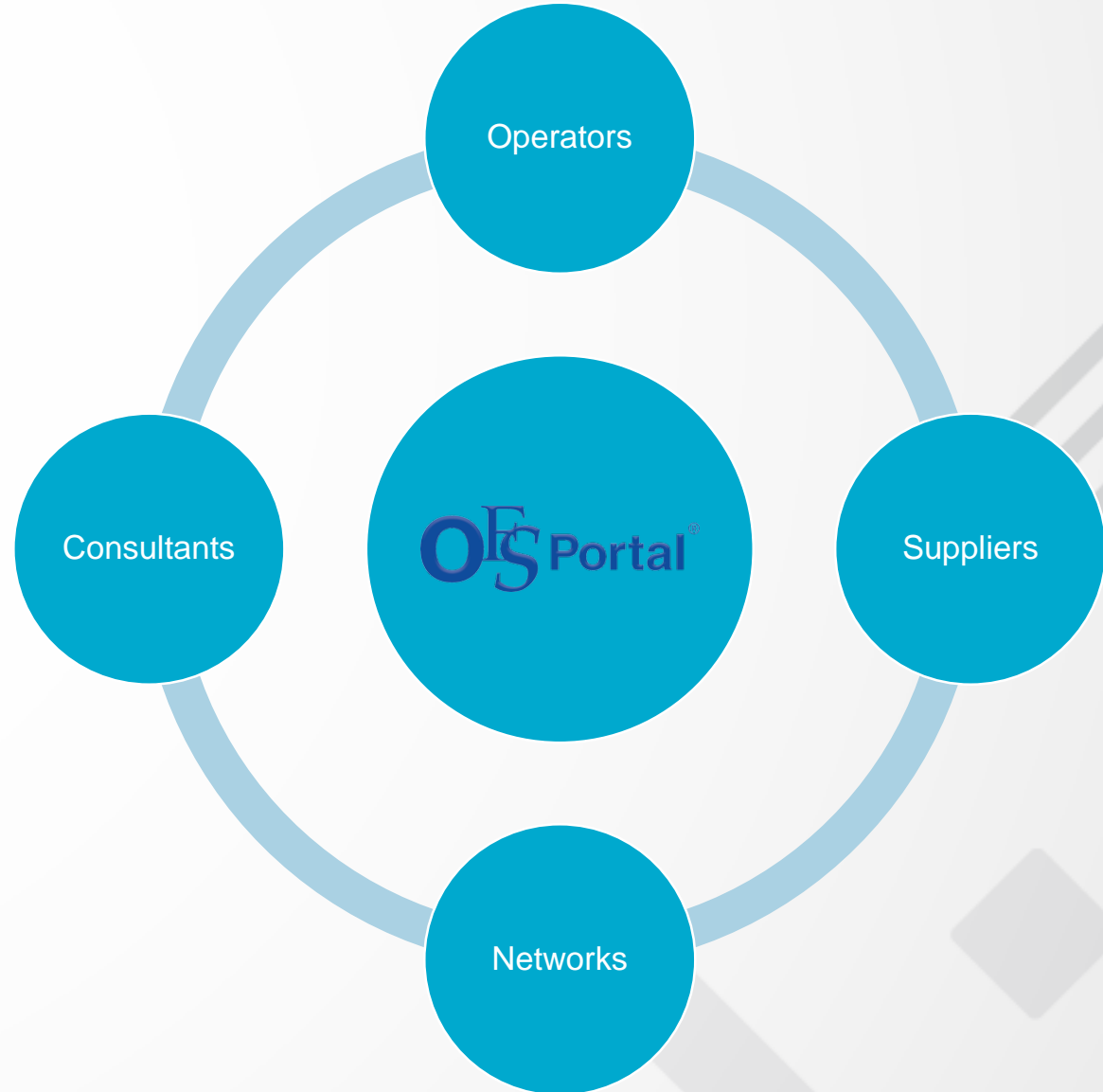


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INDUSTRY SUCCESS STORY

Upstream Oil & Gas

- Connect Buyer Networks and Suppliers
- Vendor and Technology Neutral Environment



GLOBAL SUCCESS STORIES

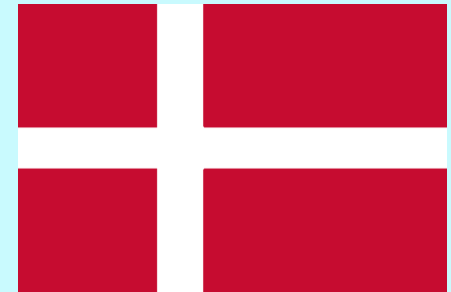
PEPPOL
PAN-EUROPEAN PUBLIC PROCUREMENT ONLINE



PEPPOL is in use in 16 countries in Europe. Currently, there are **OpenPEPPOL members** in 25 countries in total.



NemHandel is the National e-invoice directory for Denmark. All public authorities must support the standards in NemHandel. They also mean that all public authorities must be listed in the registry.



NemHandel
standarden for e-samhandel

GLOBAL COMPLIANCE - AUDIT

A
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- Post-audit view to compliance
- Freedom to choose e-invoicing method
- Business Controls/ Audit Trail, EDI, Digital Signatures as examples

- Mandatory e-invoicing
- Technical integration requirements
- Regulated sending methods and invoice formats > no room for interpretation

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VARYING COMBINATION OF LEGAL, TECHNICAL AND PROCESS REQUIREMENTS

NORTH
AMERICA

EU B2B

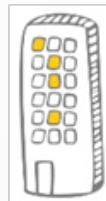
EU B2G

LATIN AMERICA

AUSTRALIA &
NEW ZEALAND










ASIA, RUSSIA,
TURKEY

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- Legal requirements
- Technical requirements
- Change management

GOVERNMENT B2G MANDATES

LatAm	France	Italy		Germany
				
				
Turkey	Russia	Spain		Finland

REASONS VARY BY REGION

Cost Savings

EU B2G Mandates impact
100,000 public sector entities
and over 14 million companies
- Expects 40 billion euro
savings



Fraud Prevention

Latin America – very advanced
and focused on reducing tax
evasion



METHODS TO DRIVE ADOPTION

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US E-INVOICING MEMORANDUM

- There was no definition of what an e-invoice is.
 - EDI, VAN, E-invoicing, FTP, and e-mail are all forms of electronic transmission.
- There was no invoice format mandated.
 - Over 30 different “standard” e-invoicing formats in used in the US today
 - Markets such as LatAm succeeded because everyone was sending the same format. The Mandate does not have any repercussions.
- No motivation, or compelling reason

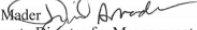


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 17, 2015

M-15-19

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS
CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
SMALL AGENCY COUNCIL MEMBERS

FROM: David A. Mader 
Acting Deputy Director for Management

Anne E. Rung 
Administrator for Federal Procurement Policy

SUBJECT: Improving Government Efficiency and Saving Taxpayer Dollars
Through Electronic Invoicing

The President's Management Agenda seeks to improve the efficiency and effectiveness of Government through increased citizen and business facing services. Efforts to date have included reducing fraud, waste, and abuse; modernizing citizen facing services; and strengthening Federal acquisition practices to reduce red-tape, and provide greater benefit for taxpayer dollars. Executive departments and agencies have taken steps to eliminate contracts that are no longer necessary or affordable, launched new efforts to pool the Government's buying power, and implemented technology and data sharing solutions that reduce costs to taxpayers.

One area where more work remains is how the Federal Government interacts with contractors to pay invoices.¹ The Federal Government is the largest single purchaser of goods and services in the United States, processing over 19 million invoices each year. Approximately 40% of these invoices are processed using electronic invoicing² with the remaining using a mix of electronic and manual processes that provide little visibility to businesses and can result in tax dollars being used for late payment fees rather than to support critical agency missions. To address cash flow issues for businesses, particularly small businesses, the Administration took

¹ Includes requests for contractor payment such as contract financing payments and invoices per the Federal Acquisition Regulation 32.001.

² Electronic invoicing is defined, for the purposes of this memorandum, as payment requests (invoices) for commercial goods and services that are managed as a collection of structured data elements exchanged through electronic workflow that allows Federal agencies and contractors to track status and requires minimal manual interaction.

THE AUSTRALIAN DIGITAL BUSINESS COUNCIL

The Council's purpose is to support the entire business community in accessing a range of competitive solutions to enable the exchange of digital information.

eInvoicing is the first step toward digitizing the procurement lifecycle and providing efficiency benefits to businesses and the economy. Further standards will follow as the Digital Business Council develops them.

The Digital Business Council was established in November 2015 to support and facilitate the open exchange of digital transactions in Australia. It was an initiative of the Department Industry and Finance, later taken on by the Australian Tax Office. While the ATO facilitates the DBC, the Council is comprised of both public and private industry representatives.



Australian Government

Digital Health Agency
Dept of Finance
ATO



Australian Business Software
Industry Association



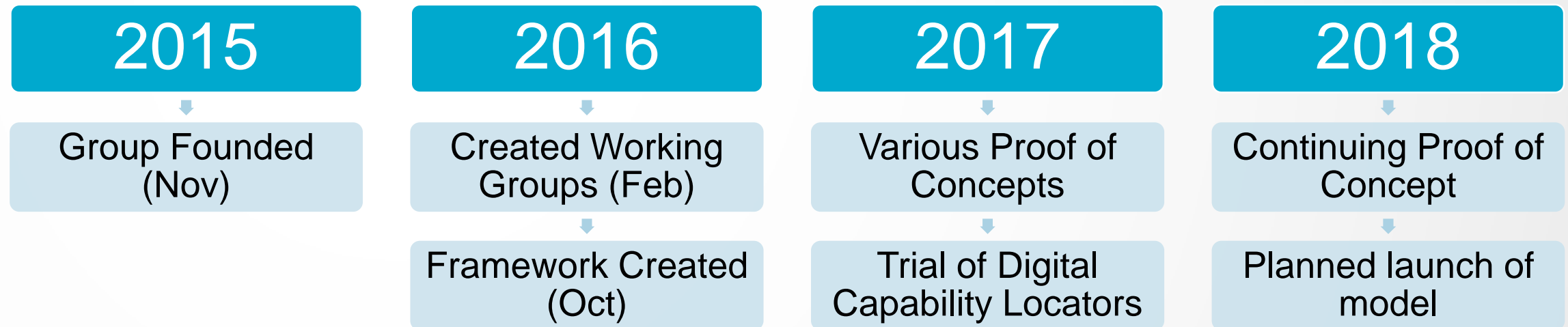
CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND



Chartered Institute of
Procurement & Supply



BRIEF HISTORY OF THE DBC



LESSONS LEARNED

Don't Reinvent the Wheel

- DBC based framework on other models
- Modified to fit the market

Strong Steering Committee

- Avoid a single point of failure
- Good representation of public, private, and providers

Long Term Vision

- Plan for change
- Execute short term goals
- Limit the scope, not the overall benefit

DBC PLANS

Today

- Proof of Concept

Short Term

- Roll-out Invoicing

Long Term

- Purchase Messages
- Remittance
- Full Transaction

QUESTIONS

Michael Jasper

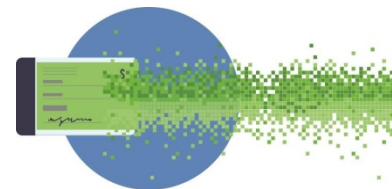
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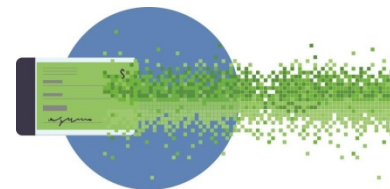


BPC Updates

Guy Berg, FRB Minneapolis

BPC Updates

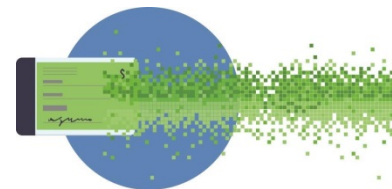
2017 Accomplishments



2017 Objectives	2017 Accomplishments
1. Continue B2B Directory Project	<p>At the request of the BPDA, BPC members participated in workgroups</p> <ul style="list-style-type: none"> a) B2B Directory requirements – completed in Q2 b) Governance – completed Q3 c) RFI evaluation – completed Q4 <p>There has been positive progress and solid interest in the directory. The RFI was completed with strong responses. The BPDA is positioned for a RFP in 2018.</p>
2. Small Business Payments Toolkit	<ul style="list-style-type: none"> a) Version 3 of the Toolkit published in April 2017 b) Toolkit download volume was healthy in 2017, with almost 17,000 downloads, for a total of more than 34,000 since it was published in 2015 c) Two webinars presented in conjunction with the SBA in 2017 <ul style="list-style-type: none"> • Avoiding Losses Due to Payments Fraud • Focus on Payments: What Every Business Should Know
3. Vendor Forum	<ul style="list-style-type: none"> a) A Focus Group was held in June to identify impactful, realistically attainable and tangible efforts that are within the influence of vendors. This effort led to 7 small, targeted initiatives. b) Began work on Virtual Card Remittance initiative c) Began work on Simple Remittance Requirements initiative d) Based on member interviews and surveys, delivered in-depth education topics at meetings <ul style="list-style-type: none"> • Corporate Adoption of ISO 20022 • Faster Payments • E-invoicing • Robotic Process Automation and Artificial Intelligence

BPC Updates

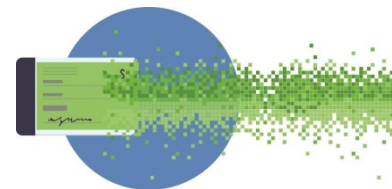
2017 Accomplishments



2017 Objectives	2017 Accomplishments
4. Vendor Forum's ISO 2022 Education & Promotion Work Group	<ul style="list-style-type: none"> a) Published "U.S. Adoption of ISO 2022" whitepaper in May, documenting US corporate adoption of ISO 2022 b) Updated resource guide "Understanding ISO 2022" in May c) Delivered webinar to BPC in February d) Delivered webinar to Vendor Forum in July
5. E-Invoicing Work Group	Published "Catalog of Electronic Invoice Technical Standards" in October
6. Surveys of BPC Members	Informal surveys were conducted during meetings and using meeting surveys
7. Enhanced Communications/Engagement by BPC Members	<ul style="list-style-type: none"> a) Meetings of the BPC and Vendor Forum included in-depth educational topics of interest to members b) Updated content and navigation on BPC web site c) Published BPC Resource Guide to publicize BPC efforts d) See below for webinars
8. Webinars for BPC Members	Delivered four webinars <ul style="list-style-type: none"> a) ISO 2022 in Plain Language, February b) The Clearing House Real Time Payments, May c) The Receivable Savvy Perceptions payments study, July d) U.S. Stakeholder Group's efforts re: low and high value ISO 2022 transactions, November

BPC Updates

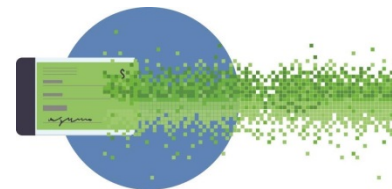
2018 Objectives



Topic	Description
1. Electronic Invoicing project	The e-Invoicing work group will kick off a new project to identify, design and adopt an electronic invoice interoperability framework for the U.S. market, building on the prior effort of the Catalog of Electronic Invoicing Technical Standards, which was published in October 2017.
2. B2B Remittance project	The remittance project will develop industry standards for payment-method-agnostic remittance advices to achieve straight-through-processing of payments, from initiation to application. The scope includes data, message format and delivery.
3. Card-based Remittance Requirements work group	The Card-based Remittance work group will identify the business requirements for exchanging structured remittance messages between buyers and suppliers for card payments and determine the capabilities of the current card system to deliver remittance information.
4. Simple Remittance Requirements work group	The Simple Remittance work group will define data needs for simple remittances that can be easily adopted by SMBs. It will identify three or four levels of remittance information based on needs of SMBs, starting with the minimal, viable set of data needed for payment application and reconciliation.

BPC Updates

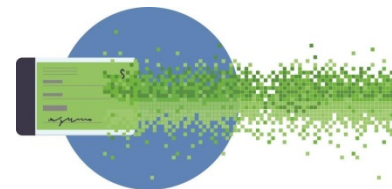
2018 Objectives



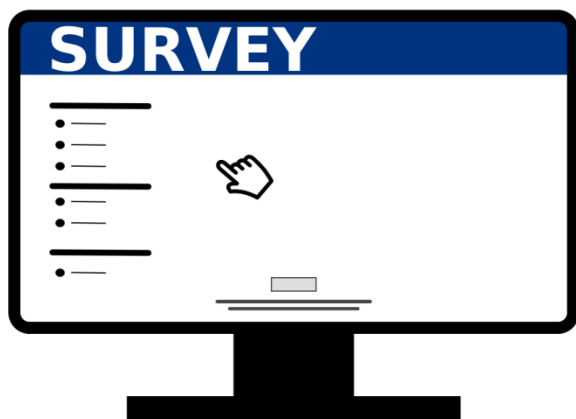
Topic	Description
5. SMB Accounting Software APIs work group	The SMB Accounting Software APIs work group will gather, compile and publish a list of Application Programming Interfaces (APIs) that can be used with SMB accounting software to automate electronic payment initiation. The work group will also compile a list of banks and payment providers that integrate payment initiation APIs.
6. ISO 20022 Capabilities work group	The ISO 20022 Capabilities work group will develop an online registry of US banks and service providers that have ISO 20022 capabilities. The registry will be a resource to end users and will publicize the availability of ISO 20022 for payment and cash management operations.
7. ISO 20022 Education work group	The ISO 20022 Education work group will develop ISO 20022 educational webinars and companion materials. It will establish a speakers bureau and curriculum for a variety of ISO 20022 topics. The group will enlist industry groups such as X9, IFX, NACHA® and SWIFT® for content and speakers.

BPC Updates

2018 Objectives



Topic	Description
BPC Web Site	<ul style="list-style-type: none">• Create a stand-alone web site for the BPC• Enhance content as requested by the membership
Webinars	Plan and offer webinars to build member engagement, provide education, and inform on hot topics



Please complete the call survey with your feedback to help us improve future meetings.

We especially want to know what topics interest you for meetings and webinars.