Welcome and Agenda Review

Claudia Swendseid, Federal Reserve Bank of Minneapolis, opened the meeting, welcomed attendees, and reviewed the agenda.

Overview of Remittance Coalition Priorities for 2016

A copy of 2016 Remittance Coalition priorities is available at this link:


Claudia explained that creation of the Remittance Coalition’s 2016 priorities was based on input from members of the Leadership Group and voting by all members. Selection was driven by the energy and interest of members. High priority objectives this year include:

1) Continue the B2B directory project, specifically, complete the Proof of Concept and establish the Directory Association,

2) Implement Phase Two of the Small Business Payments Toolkit,

3) Grow and strengthen the Vendor Forum, including forming the new ISO 20022 Education and Promotion Work Group,

4) Develop and promote standards that facilitate adoption of electronic payments and straight-through-processing of B2B transactions, and

5) Help implement the Federal Reserve’s white paper recommendations to increase the use of standard electronic invoice presentment and payment solutions in the U.S.
Small Business Payments Toolkit

Mary Hughes, Federal Reserve Bank of Minneapolis, said that the Small Business Payments Toolkit, a document that provides basic education on payments intended for small businesses and their advisors, has been downloaded over 12,200 times since it was posted at https://fedpaymentsimprovement.org/payments-efficiency/remittance-coalition/small-business-payments/ The Toolkit work group, which consists of Remittance Coalition volunteers from 15 different organizations, has completed the Phase 2 content. The following new topics will be addressed in the next version of the Toolkit: sample trading partner agreement, ACH returns & notifications of change, alternative payments, business continuity planning for small businesses, what small merchants should know about EMV/chip card acceptance, types of ACH origination services available from vendors, and Federal Reserve/official bank holidays. Additions to the resources section will include checklists and sample forms to implement direct deposit of payroll, initiating ACH payments, and receiving ACH payments; information on healthcare payments; resources available from regional payment associations; more resources related to payments fraud, and websites to visit to learn more about chip cards. It is expected that the enhanced version will be posted sometime in April. The Toolkit work group is seeking names of small businesses willing to be featured in testimonials testifying how the Toolkit facilitated their adoption of electronic payment methods. Send suggestions via email to remittance.coalition.smb@mpls.frb.org.

Vendor Forum and ISO 20022 Education and Promotion Work Group

Katy Jacob, Federal Reserve Bank of Minneapolis, updated Coalition members on the work being conducted by the new ISO 20022 Education and Promotion Work Group of the Vendor Forum. They have gathered information from various sources (such as mapping guides, standards, ISO for ACH, ISO for wires, etc.) on ISO 20022 and pulled it together into a “glossary” document which will be distributed to all Coalition members later this month. Bob Blair, Accredited Standards Committee X9 consultant, noted that the guide focuses on U.S. payments and said NACHA has an excellent resources page on ISO 20022 at: https://www.nacha.org/ISOresources
E-invoicing Initiative

Todd Albers, Federal Reserve Bank of Minneapolis, began by noting the important role of electronic invoicing (e-invoicing) to achieve straight-through-processing in the B2B payments space. In consultation with an external advisory group of subject matter experts and using input from focus groups of industry practitioners, the Federal Reserve Banks will soon be publishing a white paper “How to Increase U.S. Adoption of Electronic Invoice Presentment and Payment Solutions.” This paper was undertaken as part of the “The Federal Reserve’s Strategies for Improving the U.S. Payment System paper’s Strategy 4 (Achieve greater end-to-end efficiency for domestic and cross-border payments). The paper offers definitions, facts, benefits, and global adoption rates of e-invoicing and electronic invoice presentment and payment (EIPP) solutions. Highlights of the paper’s conclusions include:

- the global e-invoicing and EIPP environment is diverse and complex,
- countries with the highest adoption are subject to government mandates intended to improve tax collection,
- U.S. adoption tends to be by larger companies where benefits and savings outweigh implementation costs, and
- Accounts receivable and accounts payable practitioners see real gaps in the current state of e-invoicing and EIPP in the U.S. due to the disparate needs of trading partners.

The white paper’s recommendations call for more in-depth study on the needs, problems, and barriers to invoicing and EIPP in the U.S. A market research study will seek the views of accounts receivable (AR) and accounts payable (AP) experts. Guidance and advice will be sought from Remittance Coalition members and relevant industry associations and groups. Research objectives will include: a) understand current invoicing needs, capabilities, and preferences from the perspectives of both AR and AP practitioners; b) identify gaps; c) evaluate appeal of potential solutions relative to gaps; d) assess practicality of various adoption approaches; and d) understand how e-invoicing fosters adoption of electronic payments and electronic remittance exchanges. Findings will help determine practical strategies that focus on
solutions that close gaps and promote greater adoption of e-invoicing and automation in order to make straight-through-processing (including the buyer’s procure-to-pay process and the supplier’s order-to-cash process) a reality for more U.S. businesses.

One of the paper’s recommendations is to form a work group within the Remittance Coalition to explore the need for and efficacy of third-party software translation tools that can take various e-invoicing standards and translate them into one or more common standards. This effort will include hiring a technical research consultant to evaluate the capabilities of third-party translation tools available in the market and identify where any key gaps exist.

Remittance Coalition members will be notified when the Federal Reserve’s e-invoicing and EIPP paper is published at the www.fedpaymentsimprovement.org website.

Remittance Coalition Focus Group Findings

Katy Jacob summarized findings from the November 2015 focus groups held with members of the Remittance Coalition. The discussions obtained input from members on how well the Coalition is achieving its mission, future strategies, opportunities for member engagement, communications, and areas where improvement is needed. Overall, focus group participants said the Remittance Coalition has accomplished a lot. They did say that more targeted, segmented communications are needed to promote these accomplishments. They recommended publishing case studies or testimonials showcasing organizations that have benefited from the Coalition work (the B2B directory and the Small Business Payments Toolkit were cited as prime candidates.) Continued external communications in the form of webinars, trade publication articles, collaboration with partner organizations and associations, and the website are important as well. They recommended several enhancements to the Coalition website. Coalition members should be encouraged to continue to speak at conferences and present webinars with topics appropriate for the various audiences. Focus group participants said the Vendor Forum should continue to be used to communicate reports of available and relevant standards. They support the effort to raise general awareness of ISO 20022 and help educate the public on benefits of adoption; they also view ISO 20022 education as a means to draw more members into the Remittance Coalition and the Vendor Forum, specifically.
B2B Directory Project

Patti Ritter, Republic Services, and Katy Jacob presented an update on the B2B directory project. The B2B directory is not a payments system but a trustworthy and secure way for payors to get information about their payees. The Electronic Payment Identity (EPI) defines each payee’s payment and remittance preferences and assigns a unique directory identification (DID) code to each payee. They gave an overview of the distributed architecture approach used by the B2B directory. A proof of concept test (PoC), which is now underway and will be completed in 2016, is evaluating the ability to implement the B2B directory concept. The PoC will yield feedback from corporates and banks from both the payer and payee perspectives. In particular, accounts receivable and accounts payable practitioners are being asked to verify that B2B directory entries contain all needed information. So far, the PoC has been successful.

Trust and security are vital to getting payers and payees to use the directory. Payees must be satisfied that their data is secure and that directory users will not misuse the information. Only credentialed individuals are allowed access to the directory, with credentials governed by the B2B directory association which is responsible for overall management. Work is underway to define characteristics of the “Business Payments Association” which will be established (hopefully, by year end) to manage the B2B directory. Claudia observed that the B2B directory team has made a lot of progress and is reaching the point where they are making the B2B directory a concrete resource that will benefit industry broadly.

Standards of Interest

Rich Urban, IFX Forum, gave an update on ISO 20022 remittance messages. He noted it took a significant amount of work to get the ISO 20022 remittance message approved by the registration authority. Now, education is important so people understand what the standard facilitates. There is a fair amount of interest around the world on this standard, with people asking questions on how to apply it and what its capabilities are. The Canadian Payments Association announced that the Canadian payments environment will support ISO 20022 payments and extended remittance messages. Click here to download a complete copy of "Adoption of ISO 20022 for Payments and Extended Remittance Data in Canada."
Rob Unger of NACHA provided an overview of NACHA’s ISO 20022 strategy for the ACH network. The two-fold strategy addresses ISO 20022 ACH integration and ISO 20022 ACH conversion. NACHA currently has two ACH integration solutions: 1) ISO 20022 Mapping Guide and Tool which enables financial institutions to support businesses that leverage the ISO 20022 standard by providing standardized guidance to facilitate translation of ISO 20022 pain.001 credit transfer payment messages into ACH transactions, and 2) NACHA’s XML-ACH Remittance (XML-ACH) which allows businesses to safely and securely transmit ISO 20022-approved payment remittance information for B2B transactions in a standardized XML format via the ACH Network. These integration solutions allow ACH users to translate and integrate the ISO 20022 Payment Message standard for both payment initiation and remittance without making changes to the current ACH formats and with support of the NACHA Operating Rules. Longer term, potential events and industry drivers will influence decisions around when, if, and how to convert current ACH formats to an ISO 20022 format, which would require revising NACHA Operating Rules. There is no timetable for conversion at this point.

Mary Hughes shared that TR-45 Retail Debit Balances Best Practices and Procedures was approved by the Accredited Standards Committee Board of Directors. Coalition members will be notified when this report is posted on the X9 website. Plans are being made to promote the report among practitioners of the retail industry.

Pat Adler, Federal Reserve Bank of Chicago, provided an update on W3C, which sets standards for the worldwide web that connects six billion people around the world. The Web Payments Interest Group addresses a broad array of issues related to payments, identity, and commerce infrastructure on the web so end users and businesses can complete transactions in a consistent manner. One W3C initiative, the Web Cryptography API, provides a standard suite of cryptographic operations across browsers. W3C has developed improvements that enable application authors to set policy for what active content is permitted to run on their sites, protecting against injection of unwanted or malicious code. In February 2016, W3C CEO Jeff Jaffe gave a presentation “Safe and Streamlined: Standards for the Next Wave of e-Commerce” at NACHA’s Payments Innovation Alliance Exchange meeting in San Francisco. His presentation
is available at this link: https://www.w3.org/2016/Talks/jj-nacha-201602/jaffe-nacha-201602.pdf Pat concluded by noting that many organizations (such as ISO, SWIFT, GS1, NACS, and others) are involved in W3C and work together to try to enhance connectivity on the web.

**Building Momentum in 2016**

Claudia reminded Coalition members that the next in-person Remittance Coalition meeting is coming up on Sunday, April 17 from 1:00 to 3:00 p.m. at the NACHA 2016 Payments conference in Phoenix. If you plan to attend, RSVP via email by Monday, April 4 to remittance.coalition.smb@mpls.frb.org.

If Coalition members know of colleagues who would benefit from joining the Remittance Coalition, or want to recommend an organization for a case study or testimonial on how the Remittance Coalition work has helped their organization, send an email to remittance.coalition.smb@mpls.frb.org. Also use this email address anytime to contact the Remittance Coalition with questions or to share comments.

Finally, if you haven’t already, consider joining the Remittance Coalition LinkedIn group.

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