

MBS 2 EBICS - MIGRATING FROM MBS TO EBICS 3.X IN AUSTRIA

WERNER GUTTMANN
18.09.2023



AGENDA



1. MBS TO EBICS migration
2. MBS – end of support
3. EBICS 3.0.2-AT
4. STANDARD (NON)CONFORMANCE
5. WORSE OFF WITH EBICS ?
6. Status
7. ISO 2019/SWIFT message formats

- **Werner Guttman**

- is a senior business analyst with ***Payment Services Austria***
- chairs the Austrian MBS/EBICS group (where all Austrian banks are represented)
- represents Austria in the EBICS SC working group
- chairs the EBICS 4.0 *security negotiation* sub-group (more on this by Sabine Wenzel later on)
- all this since 01.01.2023

- EBICS: no further explanation needed
- **MBS** stands for Multi-Bank Standard
 - AT-Initiative conceived in 2008 to introduce a standard communication protocol for Austrian commercial clients to communicate with more than one bank in Austria
 - prev. a client was required to use (and license) more than one bank-specific software package (complexity, cost, maintenance) to achieve that

MBS (CONT'D)

- introduced by all Austrian banks in 2008
- many useful additions over the years
- still Austrian-specific
- in 2017/18 first internal discussions what to do about EBICS and whether to take it on
- in 2018 a unanimous decision to support EBICS and replace MBS

MBS TO EBICS: DETAILS



- stop any ongoing development of MBS
 - last version supported and maintained: 7.x
 - any work on v8.0 was cancelled
 - start date for EBICS 3.0 support in Austria: Nov 2023
- discuss a potential end date for MBS (Nov 2025)
- many Austrian banks offer already EBICS 2.4/2.5 to their clients

MBS – END OF SUPPORT



- plenty of discussions around that Nov 2025 date
 - some banks asked to end MBS before Nov 2025
 - some banks are a bit more defensive
- conclusion
 - agree on a date (Nov 2025?)
 - individual banks may extend their support beyond Nov 2025, but must drop the name MBS, and agree things with their customers bilaterally

MBS – END OF SUPPORT (CONT'D)



- all of this might change again on 04.09.2023 (more on this later)

- EBICS 3.0.2-AT = EBICS 3.0.2 + CT XYZ (complimentary signature)
- EBICS 3.0.2-AT is a compromise between conflicting requirements
 - inclusion of X/Y signature classes (welcome requirement), but
 - objections against increasing EBICS to 3.1 (**version creep**)
- Compromise:
 - Publish 3.0.2-AT, with a minimal change to XML schemas (protocol version H005 -> H006) in one *<simpleType>* definition
 - Allow banks to indicate whether they support v3/H005 and optionally v3/H006 (aka 3.0.2-AT)

EBICS 3.0.2-AT (CONT'D)



```
<?xml version="1.0" encoding="UTF-8"?>
<ebics:ebicsHEVResponse xmlns:ebics="http://www.ebics.org/H000"
  xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
  xsi:schemaLocation="http://www.ebics.org/H000 ../ebics_hev.xsd">
  <ebics:SystemReturnCode>
    <ebics:ReturnCode>000000</ebics:ReturnCode>
    <ebics:ReportText>EBICS_OK</ebics:ReportText>
  </ebics:SystemReturnCode>
  <ebics:VersionNumber ProtocolVersion="H004">02.50</ebics:VersionNumber>
  <ebics:VersionNumber ProtocolVersion="H005">03.02</ebics:VersionNumber>
  <ebics:VersionNumber ProtocolVersion="H006">03.02</ebics:VersionNumber>
</ebics:ebicsHEVResponse>
```

- Full support for EBICS 3.0 (as of Nov 2023) and all *mandatory* parts
- Some Austria-specific additions
 - *Treuhandzahlungen* (fraud prevention mechanism for escrow accounts/payments specific to lawyers organized under the RAK Wien)
 - *Finanzamtszahlungen* (automate interaction with Austrian inland revenue)
 - *PostBar-Anweisungen* (a scheme to facilitate collection of (pension) payments in cash at a local post office)

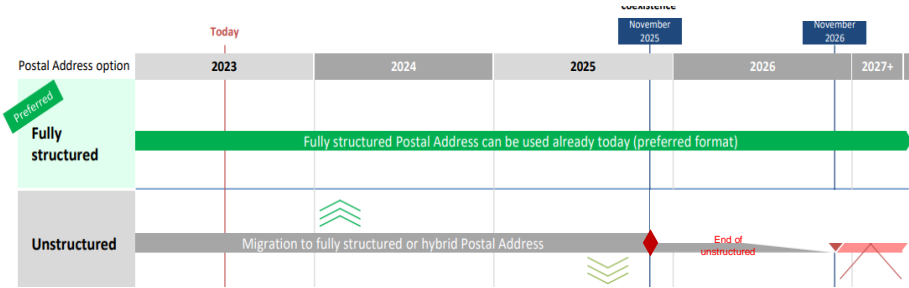
- there is a couple of areas where the transition from MBS to EBICS 3.0 causes issues that have been resolved in MBS already
- **segmentation** if one of those areas (esp. the pre-calculation of the number of segments needed to facilitate transmission can cause time-outs)
- No coherent view on this subject, though
 - Banks of different sizes
 - Size of customer vary widely (from EPU's to multi-national corporates)

- **All** Austrian banks will have an EBICS 3.0 server offering online by ~~Nov 2023~~ (Q1 2024)
- Inter-bank quality assurance tests starting in Q4 2023
- **Most** Austrian banks will have an EBICS 3.0 client offering available by ~~Nov 2023~~ (Q1 2024)
- Two Austrian banks will offer **automated client/customer migration** from MBS to EBICS
- **DISCUSSION**: how does that delay relate to ISO message formats ?

- EBICS 4.0 sub-groups (*performance and technical aspects*) has this topic on its agenda, and shall define an improved approach
- Austrian banks, when asked about their preferences in this area before the first sub-group meeting, voiced widely opposing approaches:
 - **drop** segmentation altogether,
 - **increase** default segment **size**,
 - **allow negotiation** of segment size at various levels (session/transaction)

- Start date of EBICS 3.0 support coincides with support for the new 2019 ISO message formats
- This includes plain ISO 2019 message formats and APC message formats
- **Unanimous** conclusion amongst all Austrian banks **possible**
 - Support for new ISO 2019 message formats and thus structured address data through EBICS 3.0 only
 - No support for new ISO 2019 message formats in MBS anymore
 - Bonus: drop support for (very) old ISO message formats as of Nov 2025, when MBS will be decommissioned

ISO 2019/SWIFT MESSAGE FORMATS (CONT'D)



Preferred

Fully structured

Unstructured

Preferred

Fully structured

- All available address data is mapped into one of the 14 ISO20022 fields
- No co-mingling of data
- No combination with "AdrLine" allowed

```

<Cdtr>
  <In>JOHN SMITH</In>
  <PatAddr>
    <SESSM>HOOGSTRAAT /StrtNm>
    <BldgNm>6 /BldgNm>
    <FL>11</FL>
    <Stadr>BRUS</Stadr>
    <TWISS>BRUSSELS</TWISS>
    <SESS>BB</SESS>
  </PatAddr>
</Cdtr>
    
```

Unstructured

- No combination with structured ISO20022 address elements allowed
- Difficulty to interpret data due to co-mingling of address elements

```

<Cdtr>
  <In>JOHN SMITH</In>
  <PatAddr>
    <AdrLine>HOOGSTRAAT 6, 11th floor</AdrLine>
    <AdrLine>BRUSSELS</AdrLine>
  </PatAddr>
</Cdtr>
    
```

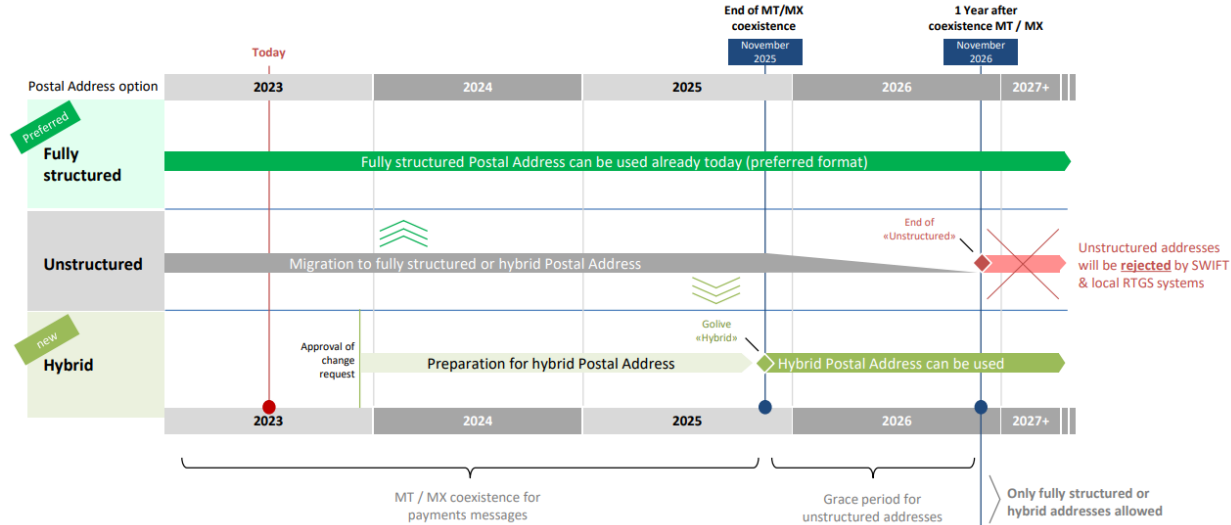

BRAVE NEW WORLD



- make use of a once-in-a-lifetime opportunity
- simplification with regards to supported message formats (maintenance, ...)

- PMPG/SWIFT pushing a CR ...
 - introduce hybrid message formats with regards to structured address data (somewhat structured + address lines)
 - extend support for unstructured address data for yet another year (beyond Nov 2025 to Nov 2026)
 - contradicts the unanimous agreement reached in a very painstaking way
 - strictly speaking for inter-banking usage only

HYBRID MESSAGE FORMAT ON THE HORIZON



NOT SO BRAVE NEW WORLD

- Hot of the press (as of 06.09.2023):
 - ISO 2019 message formats with EBICS 3.0 only
 - MBS end of support Nov 2025/2026 (**to be discussed**)
 - No support for unstructured address data after Nov 2025/2026

THANK YOU



- Thanks for listening
- 5-10 mins QA session
- available in the lobby during all breaks

Q&A

Werner Guttman

**Senior Business Analyst,
PSA Payment Services Austria GmbH**

 [*werner.guttman@psa.at*](mailto:werner.guttman@psa.at)

Disclaimer

This material has been prepared by SIX Group Ltd, its subsidiaries, affiliates and/or their branches (together, "SIX") for the exclusive use of the persons to whom SIX delivers this material. This material or any of its content is not to be construed as a binding agreement, recommendation, investment advice, solicitation, invitation or offer to buy or sell financial information, products, solutions or services. It is solely for information purposes and is subject to change without notice at any time. SIX is under no obligation to update, revise or keep current the content of this material. No representation, warranty, guarantee or undertaking – express or implied – is or will be given by SIX as to the accuracy, completeness, sufficiency, suitability or reliability of the content of this material. Neither SIX nor any of its directors, officers, employees, representatives or agents accept any liability for any loss, damage or injury arising out of or in relation to this material. This material is property of SIX and may not be printed, copied, reproduced, published, passed on, disclosed or distributed in any form without the express prior written consent of SIX.

© 2023 SIX Group Ltd. All rights reserved.

