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Edition 81

On a Digital Journey Beyond the QR-bill

Interview with Matthias Ehlebracht,
Head Collections/Disbursements
at AXA Switzerland

Life Doesn't Get Easier –
But Payments Do

eBill Revs Up

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The Swiss professional journal for payments

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FRONT PAGE

Image from the QR-bill campaign



Dear Readers

Do you like paying your invoices? To be honest, neither do I. But we have to. The less time I spend on it, the better. And that is exactly why I use eBill wherever possible. I take a look at my invoices online and release them with a few clicks. I can do it at home and on the way. And for those who regularly send me an invoice, I have set up a standing approval – so I don't even have to release every invoice anymore, but I can still intervene if I think it is necessary.

Is that already the end of the line? As a strategist, I know that something is going to come at some point. It is always possible to further develop something that already exists or perhaps even replace it completely. It is all just a question of time. We are currently making great progress with eBill, which means a significantly higher level of comfort for debtors from spring 2020.

At the same time, as of 30 June 2020 first QR-bills will be issued. From a strategic point of view, the QR-bill complements eBill perfectly, creating the basis for using one and the same invoice format regardless of whether debtors want to receive their invoices on paper, by e-mail or with eBill. This way new business models can be developed for the so called network partners in the ecosystem (see article on page 16). The QR-bill is therefore also an eBill invoice if required.

The traditional payment slips, whether cherished or annoying, will be replaced by the QR-bill in the foreseeable future – the corresponding marketing campaign for them will start these days (see article on page 14). All participating partners, whether invoice recipients or invoice issuers, whether bank or software provider, are challenged. As of mid-2020, they all have to be at least ready to receive the QR-bills. It would be much better and in the terms of network effects almost already necessary if all participants prepared themselves for issuing and sending of QR-bills. And here again, the close connection is obvious between the QR-bill and eBill.

With the QR-bill, forward-looking invoice issuers also implement the addressing information in the element "Alternative procedure" for eBill. Together with their network partners and software providers, they consider how the processes can be optimized.

Is that the end of the line? With the QR-bill coming, most probably yes. With regard to eBill, however, the strategic goal of 80% of all (private) invoices should be achieved. There are lots of questions: how do we manage to convince debtors to switch to online banking and eBill? How do we make it easier for them to receive invoices from new invoice issuers (keyword registration)? What has to be done in order for all invoice issuers to be able to send their invoices to the debtors electronically via eBill based on the QR-bill? For example, will we be able to pay eBill invoices with TWINT in the future? And does eBill make it possible to standardize and purify historically grown different information flows for payment instructions in terms of Request for Payment? And finally: when (and not if!) does eBill become instant-capable, from the invoice issuer via the debtor to the creditor?

In that sense, we'll go on doing it.

A handwritten signature in dark ink, appearing to read 'C. Dorn'.

Cornelius Dorn

Head Strategy & Business Development,
SIX Banking Services

Matthias Ehlebracht
Head Collections/
Disbursements at
AXA Switzerland

On a Digital Journey Beyond the QR-bill

The Swiss private insurer AXA wants to leverage the full potential of the QR-bill. However, Matthias Ehlebracht, Head Collections/Disbursements in Switzerland, is thinking much more ahead. In the interview, he talks about a stepping stone in the digital journey. The switchover to eBill enjoys higher priority. And he wishes to undertake large-scale onboarding actions together with banks. Otherwise no headway would be made.

Mr. Ehlebracht, what's your own attitude towards the switch from the ISR to the QR-bill procedure?

Usually, it's my wife who handles payments at home. I've never understood why she needed to enter so much data into the computer when paying an invoice. But she loves writing down numbers. However, I'd love it if the QR-bill made payments less cumbersome.

And what's your attitude towards the QR-bill as a representative of one of the biggest private insurers in Switzerland?

We certainly believe that handling of invoices using a unified format will be much easier. We'd also like to have a possibility to provide further data in order to improve tracing back a customer or a payment and achieve a higher level of automation.

What data do you mean when talking about fostering automation?

These days it may occur that customers provide us with a VAT number or an account number that differ from those stored in our system. Or the name of a customer is slightly different. These issues mean extra administrative work which could generally be avoided with the QR-bill. There are fewer data to be captured, and thus fewer mistakes to be made, which leads to higher quality of our data.

All Swiss companies must be ready to pay QR-bills of their invoice issuers from 30 June. How is your organization and processes prepared for this?

We are taking a two-step approach: mid 2020, we want to process incoming invoices and to enter them in such a way that mistakes can be avoided. The project will kick off in January. We expect to be able to pay invoices of service providers in a more targeted and timely manner, particularly in the area of technical insurance operations. The velocity in customer-relevant processes is key at AXA. From January, we will dive into various divisions to learn what new additional information could lead to improvements in our own invoicing process. For example, we are now using a QR code in the address window of outgoing documents to provide details on insurance policy, sector or internal persons in charge. If the document fails to be delivered, all parties involved can be informed at one go, and we can react faster. I want to apply this concept also for the new QR-bill to be able to correctly allocate payments and claims and to improve our data quality. The soil has not been tilled yet, but we are looking forward to the new opportunities.

Since the QR-bill uses the basic structure of the ISR reference, it may happen that payment rejections and erroneous credits are triggered if QR-bills are mistakenly paid as ISR. What measures will you take to avoid this risk in the parallel phase?

In case of incoming invoices, our scanning systems will recognize whether it's an ISR invoice or a QR-bill. This way it's virtually impossible to mix them up.

Will you be actively approaching your suppliers to channel incoming invoices through the QR-bill procedure, or will you wait for the official termination of the ISR procedure?

We'll certainly be approaching large suppliers, for example to integrate contract numbers in the QR-bill and thus ensure secure account allocation in our systems. It would be great if SIX could suggest a standardization in order to make customer fields in the QR code as uniform as possible. An invoice constitutes only one step in the digitization channel. I'd like to provide you with an example of what has been achieved in the meantime: we already settle the entire order with towing service providers, from request through tender, order and invoice, via a single platform. In this case no QR code is needed, as there are no longer any media disruptions. Furthermore, with eBill we have implemented a B2B interface with a car rental company. The car rental company provides us with structured XML data which are automatically entered and processed. This is the future to me: transferring data through interfaces.

You are talking about a B2B portal.

Exactly. It allows the supplier to issue an invoice, which is automatically captured in our ERP system, allocated to an account and paid through our principal bank once approved. It's really great that QR-bills can be imported automatically, but the process is in fact not entirely digital. Regardless whether you issue an invoice with a QR code, a paper invoice or an e-mail invoice – nothing more than intermediate steps.

What role do these B2B systems play today?

The volume of invoices with regard to towing services amounts to ca. 80,000. The XML interface is dedicated to a small volume as compared to millions of invoices received as payment slips on paper or per e-mail and processed through our scanning infrastructure. We have a vision of processing over 50% of orders through B2B portals. We are quite close to achieving this goal. However, the QR-bill is a welcome step in the digital journey. We want to leverage the full potential in any case.

What does your cooperation with banks or your software partner look like? To what extent could your requirements be satisfied?

To achieve the level of digitization in B2C area of e.g. 50%, we'd need a contract conclusion or contract adjustment process with a digital onboarding without additional administrative burdens such as registration, online approval, signature, sending by mail, etc. We, meaning banks, SIX and large invoice issuers, must be prepared for new methods. I can still hardly feel it. We must think about customers. If customers find something easy and transparent, they will use it and also accept corresponding new terms and conditions.

“It's an illusion to believe that an invoice can lead to a positive customer experience. It feels good to get your account credited. Paying an invoice is never an enjoyable experience.”

But eBill already allows for a positive customer experience, doesn't it?

It's an illusion to believe that an invoice can lead to a positive customer experience. It feels good to get your account credited. Paying an invoice is never an enjoyable experience. Customers should not be reminded constantly that they need to pay us for something. For example, once you buy a Netflix subscription, you are charged with a respective amount every month, and if you are an attentive person, you will check your account statement from time to time to see the regular debit of CHF 11.90. At our company, this would be around CHF 90 for your car insurance. But if we send you a total account of over CHF 1,070 at the end of the year, it will trigger negative feelings, regardless of how digital, punctual and correct we are. Therefore, we'd like our customers to start an insurance subscription at AXA and to be forced to approve the monthly installment only once. Afterwards, if everything goes well, they would no longer have to deal with invoices, payments and reminders. Many customers would very much welcome such a simple and transparent process. We might not be able to create a positive invoicing



Matthias Ehlebracht, Head Collections/Disbursements at AXA Switzerland

experience, but at least we can eliminate the negative experience of a “high, unaffordable invoice”, which is one of the most frequent reasons to change an insurer.

But isn't sending recurring invoices to customers a chance for you to remind them that AXA exists?

Correct. But there is a sufficient number of other contact opportunities. For example, numerous changes occur in motor vehicle insurance, also in case of claims and change of vehicle we have triggers to use customer contact for brochures or other information. Also myAXA portal allows us to inform our insured persons about their invoices. Subsequently, we also want to use this opportunity for example to make customers aware of their current insurance situation or possible insurance gaps and to present them with specific offerings based on their profile. However, customer contact should not be triggered by an invoice, but rather by other truly positive events.

Readiness to pay and ability to pay are one thing, sending QR-bills is another thing. When will you invoice the first QR-bills and inform your customers about it?

We'll switch from paper invoices to QR-bills at the beginning of 2021. The changeover to eBill and the promotion of monthly premium payments by direct debit are of

higher priority. We'd be delighted to see our customers to be able to switch not only to eBill, but also to the direct debit procedure. We believe that this would reduce the negative experience to the minimum. As long as nothing is as good as the well-established LSV, we'd like to continue supporting this procedure. Apart from the existing paper-based onboarding for the direct debit procedure, we also hope to have an electronic onboarding with authorization via e-banking.

What strategy do you follow with regard to eBill as an alternative procedure to the QR-bill? Do you plan to reach out to specific customer segments?

In case of eBill, we're actually in a good position today, and this opportunity fits perfectly into our initiative promoting the onboarding to digital invoices. This will help us reduce the costs for reminders and late payments in a long term. However, our investigation shows that an eBill customer is sent payment reminders only half as often as a non-eBill customer. They are usually payers with great payment discipline. We'd love to undertake large-scale onboarding actions with SIX, where we for example say what our customer base is and learn who uses eBill, but not yet with us. We would like to onboard specific segments to eBill which we have recognized or which SIX already knows about. Of course, data protection law must also be taken into consideration.

– Why cannot SIX issue new GTCs which would imply that all eBill users can generally receive invoices from all verified invoice issuers registered in Switzerland? If one doesn't want this feature, they can specify it in their system settings. I'm being a bit radical, but if you don't take any courageous steps, you'll make no headway.

Can you think of any incentive measures to switch your customers to eBill?

We've already discussed a lot on this topic internally and decided not to exert any financial pressure. We'll be always inviting customers with a certain amount of tenacity to switch to digital communication, but we don't want to charge them any fees if they aren't willing to do this.

After we had switched insured persons without asking as part of tests, it mostly invoked negative reactions. If customers receive electronic invoices without being asked and do not pay them because they probably missed them, it's inevitable that an automated process would be triggered. At the end, the police would come and take the vehicle off the road by removing its number plates in front of the entire neighbourhood. You can imagine how long this person would remain a customer of AXA.

Interview:

Gabriel Juri and Karin Pache

SIX

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Regardless whether you issue an invoice with a QR code, a paper invoice or an e-mail invoice – nothing more than intermediate steps.

Matthias Ehlebracht

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Who and What Is Ready For the QR-bill

The readiness of all parties involved in payment traffic is crucial to the successful introduction of the QR-bill mid 2020. Swiss banks and business software providers are on track, as shown by self-declarations on PaymentStandard.CH. But the devil is in the detail. Because the software versions used by bank customers also need to be ready for use.

The most urgent target group currently for bank communications consists in invoice recipients with system-supported accounts payable. Particularly these business customers must set themselves up for receiving QR-bills from 30 June 2020. Should they not be ready as of this

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due date to pay QR-bills with the use of their systems, they need to be prepared for high costs due to possible workarounds. If no action is taken, bank customers may fall into payment arrears under certain circumstances. In order for the bank communication to be efficient, the financial center must know the software implemented by business customers and in particular their QR-bill readiness. Due to a high number of software solutions, estimated to over 300 only in Switzerland, it is difficult to obtain an overview. Thousands of their versions pose additional challenges to the financial center.

Readiness of Software Versions in pain.001

Essential for success are the evaluation of readiness and accompanying proactive support of diverse stakeholders at an early stage. Therefore, in addition to the status of banks and software partners, also the status of pain.001 software versions has been collected in the market since October 2019. Invoice recipients with system-supported accounts payable transmit their payment instructions with a pain.001 message to their financial institution. The software name and version can be completed there (see illustration).

These details sourced from the biggest Swiss financial institutions have been published in a consolidated list. The list shows that out of nearly 3,400 software versions only few have been adjusted to the QR-bill. Business software providers have been asked to always keep the readiness status of listed products up to date.

This information will be in turn used by financial institutions to evaluate the readiness of their customers by aligning the information from pain.001 messages received with the list on PaymentStandards.CH. These findings are again regularly incorporated in the list, so that it is possible to carry out a consolidated readiness evaluation of companies. At the same time, this instrument helps banks approach those business customers which software is not said to be ready yet. Successful introduction of the QR-bill at around 600,000 Swiss companies requires not only the implementation of the QR-bill by software companies in their payment and accounting software. The software must also be rolled out for customers by the time of market launch. And customers must actually install the updates, as emphasized by a manager of a business software provider in the interview published in the June 2019 edition of clearit.

Oliver Jenny
SIX Banking Services

READINESS OF BANKS

The current readiness list covers 60 commercial banks which share in the Swiss payment traffic, based on the number of transactions, is estimated to be over 90%. The most important figures:

- **100%** provide **QR-IBAN and QR reference (QRR)** in **e-banking**, **97%** in **m-banking**
- **95%** provide **QR-IBAN and QRR and message** in **e-banking**, **90%** in **m-banking**
- **97%** provide **IBAN and creditor reference** in **e-banking**, **93%** in **m-banking**
- **97%** provide **IBAN without structured reference** in **e-banking**, **95%** in **m-banking**

READINESS OF BUSINESS SOFTWARE PROVIDERS

As of today, 98 ERP providers have reported the status of 109 software products in regards to the changeover to the QR-bill.

Actual Costs of E-Mail Invoices Massively Underestimated

Numerous invoice issuers replace paper invoices with e-mail invoices. They assume that such invoicing method is free of charge. However, such way of thinking is delusional, as recently proven by a study of the University of Applied Sciences and Arts FHNW. E-mail invoices are only slightly cheaper. eBill is by far the cheapest.

Invoicing between suppliers and purchasers is a key process in business transactions and must thus be as inexpensive as possible. One of the aims of the study carried out by the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) was to investigate what costs does a company incur

for e-mail invoices and to compare the results with those pertaining to paper invoices and eBill. For this purpose, the authors carried out an online survey and interviews with experts in Swiss-German companies specialized in telecommunication, insurance and services.

Quantitative and qualitative factors impacting the choice of an invoicing method for an SME

Description	Paper invoice	E-mail invoice	eBill
Quantitative factors			
Direct costs	CHF 1.15	CHF 0.20	CHF 0.30
Indirect costs	CHF 3.07	CHF 3.48	CHF 1.45
Total cost of an invoice	CHF 4.22	CHF 3.67	CHF 1.75
Qualitative factors			
Sustainability	low	medium	high
Customer connection by process integration	low	medium	high
Customer friendliness	high	medium	high
Likelihood of a fraud	medium	high	low
Impact on corporate image	low	medium	high

Source: FHNW study (Authors: Taulant Gashnjani & Thierry Klinkert, Lecturer: Sandra Suter)

Only 10% Cheaper Than Paper Invoices

No matter how big a company is, the results show clearly that eBill is the cheapest invoicing method (CHF 1.90), followed by e-mail invoices (CHF 4.10) and paper invoices (CHF 4.53). Interestingly enough, only 12% of companies surveyed know the costs they incur for e-mail invoices. Nevertheless, in case of eBill and paper invoices, this number still amounts to 37.5% and 50%, respectively.

The authors recommend invoice recipients to rethink their habits with regard to using paper invoices, since this method is the least sustainable. Invoice senders should strive to changing over to eBill, as this is the most inexpensive and secure method. This pertains particularly to small enterprises which costs would be reduced by CHF 3.43. It is not recommended to replace paper with e-mail,

because the cost reduction constitutes only CHF 0.44 in average, while the cost reduction after switching over to eBill amounts to CHF 2.63.

Qualitative Analysis

To the authors, it is important to consider not only quantitative, but also qualitative factors when choosing an appropriate invoicing method. Sustainability, customer connection by process integration, customer friendliness, likelihood of a fraud and impact on corporate image – all these aspects lead to a conclusion that eBill constitutes the most efficient payment processing method for companies of any size.

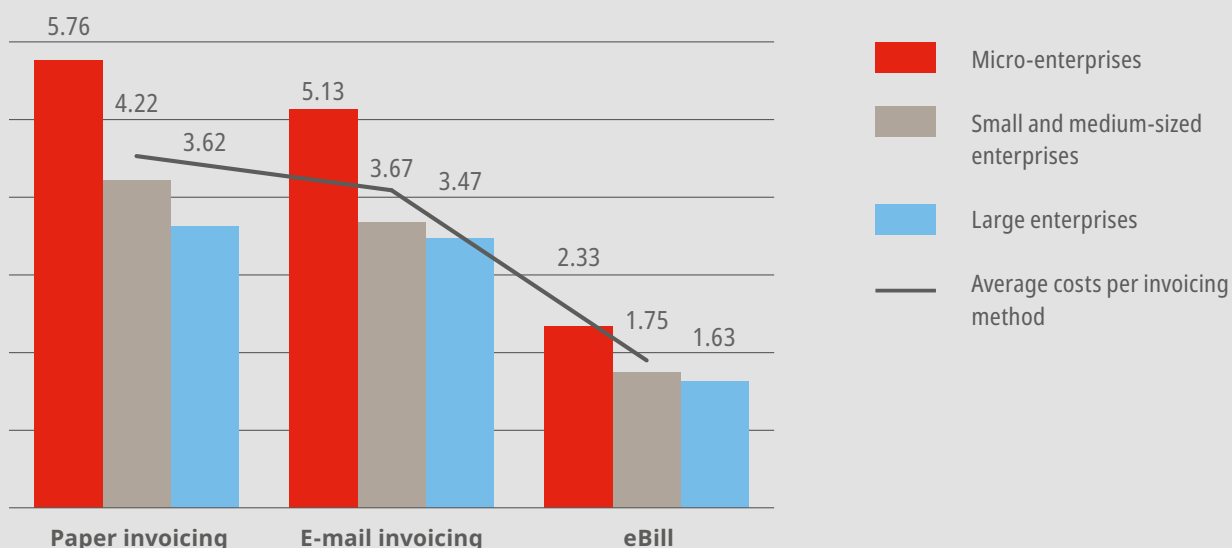
Peter Ruoss

UBS Switzerland AG

Model for calculating actual costs of an e-mail invoice

Direct costs	Indirect costs
<ul style="list-style-type: none"> • Costs for sending • Material costs • Fees for cash payments at the post office counter • Fees of PostFinance for manual post-processing 	<ul style="list-style-type: none"> • Staff costs for processing inquiries on invoices • Staff costs for processing incoming payments which may not be reconciled automatically • Costs for drafting reminders

Actual total cost for all invoicing methods in CHF



Source: FHNW study

Red and Orange Vs. QR-bill. Which One Will Win?

If you directly compare payment slips to the QR-bill with regard to product features with the highest relevance to invoicing, there is a clear winner.

From mid 2020, the orange payment slip (ISR) and the red payment slip (IS) will be substituted by the QR-bill. As a purely digital successor to payment slips, eBill is already available today. The direct replacement for the ISR will consist in the QR-bill with QR-IBAN and QR reference. The IS will be directly replaced by the QR-bill with IBAN and without reference. An alternative replacement for the ISR constitutes the QR-bill with IBAN and Creditor Reference.

Which product is better based on direct comparison? Is the changeover worth from the invoice issuer's perspective? The comparison shows undoubtedly that the winner is the QR-bill. It scores in almost all product features as shown in the tables below. The comparison covers the most relevant features of the ISR and the QR-bill with QR-IBAN (Table 1) and the IS and the QR-bill without reference (Table 2).

Peter Ruoss
UBS Switzerland AG

Orange payment slip (ISR) vs. QR-bill with QR-IBAN

Key:
■ = better

	ISR	QR-bill with QR-IBAN	Explanation
Data scanning	only OCR	QR code	The Swiss QR Code in the QR-bill includes comprehensive information from the payment part
Account identification	Participant no. and ISR bank ID	QR-IBAN	The QR-IBAN is an international standardized IBAN
Reference	ISR reference	QR reference	After the phase of parallel implementation, the first six positions of the QR reference can be additionally used in all banks
Message	no	yes	In case of the QR-bill, a message can be provided in addition to the reference
Name of the invoice issuer	yes	yes	No difference
Address of the invoice issuer	unstructured	structured or unstructured	Addresses of the QR-bill can be structured or unstructured
Name of the debtor	yes	yes	No difference
Address of the debtor	unstructured	structured or unstructured	Addresses of the QR-bill can be structured or unstructured
Billing information	no	yes	Billing information enables QR-bills with order reference to be automatically paid and recorded in the creditor system
Alternative procedures	no	yes	Alternative procedures allow for alternative payment of QR-bills
Ultimate creditor	no	provided	The financial center can enable the "Ultimate creditor" field of the QR-bill if needed, since it is already provided
Currency	CHF/EUR	CHF/EUR	No difference
Amount	yes	yes	No difference
Structured addresses	no	yes	The QR-bill supports structured addresses
Handwritten message	no	no	No difference
Handwritten debtor	yes	yes	No difference
Handwritten amount	yes	yes	No difference
Receipt	yes	yes	No difference
Mandatory perforation on paper	yes	yes	No difference
PDF supported	no	yes	QR-bills can be sent as a paper invoice or a PDF invoice
Payment at the post office counter	yes	yes	No difference
Notification	v11/camt	camt	The v11 format is outdated and will be adjusted
Form color	orange	white	The printing of QR-bills and forms is more convenient, as these are only black and white
Printing requirements	high	low	QR-bills can be printed with any commercially available printer
Conversion into eBill	no	possible	QR-bills can be converted directly into eBill invoices thanks to the Swiss QR Code

Old world of invoicing



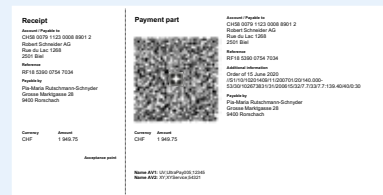
New world of invoicing

eBill with reference

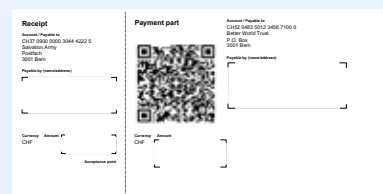
QR-bill



QR-IBAN and QR reference



IBAN and Creditor Reference



IBAN without reference

digital replacement

direct replacement

possible alternatives

direct replacement

Red payment slip (IS) vs. QR-bill without reference

Key:

■ = better

	IS	QR-bill without reference	Explanation
Data scanning	only OCR	QR code	The Swiss QR Code in the QR-bill includes comprehensive information from the payment part
Account identification	IBAN and proprietary account number	IBAN	The QR-bill supports only the internationally standardized IBAN, which means reduced costs for all participants
Reference	no	no	No difference
Message	yes	yes	No difference
Name of the invoice issuer	yes	yes	No difference
Address of the invoice issuer	unstructured	structured or unstructured	Addresses of the QR-bill can be structured or unstructured
Name of the debtor	yes	yes	No difference
Address of the debtor	unstructured	structured or unstructured	Addresses of the QR-bill can be structured or unstructured
Billing information	no	yes	Billing information enables QR-bills with order reference to be automatically paid and recorded in the creditor system
Alternative procedures	no	yes	This function allows for alternative payment of QR-bills
Ultimate creditor	no	provided	The financial center can enable the "Ultimate creditor" field of the QR-bill if needed, since it is already provided
Currency	CHF and EUR	CHF and EUR	No difference
Amount	yes	yes	No difference
Structured addresses	no	yes	The QR-bill supports structured addresses
Handwritten message	yes	no	In case of red payment slips, the message can be added by the debtor in writing. This possibility has been deliberately removed from the QR-bill, since this would cause a disproportionately high expenditure during scanning and notification
Handwritten debtor	yes	yes	No difference
Handwritten amount	yes	yes	No difference
Receipt	yes	yes	No difference
Mandatory perforation on paper	yes	yes	No difference
PDF supported	no	yes	QR-bills can be sent as a paper invoice and a PDF invoice
Payment at the post office counter	yes	yes	No difference
Notification	individual credit	individual credit	No difference
Form color	red	white	The printing of QR-bills and forms is more convenient, as these are only black and white
Printing requirements	high	low	QR-bills can be printed with any commercially available printer
Conversion into eBill	no	possible	QR-bills can be converted directly into eBill invoices thanks to the Swiss QR Code

Life Doesn't Get Easier. But Payments Do.

Thanks to the QR-bill

The new campaign of the Swiss financial center on QR-bill sensitizes the SME landscape and the general population in Switzerland towards the introduction of the QR-bill – in an entertaining way.

The Swiss payment traffic is about to evolve. As of 30 June 2020, the new QR-bill will build bridges from the analog to the digital world. It will replace all current payment slips. Thanks to the Swiss QR Code, which includes all relevant information of the invoice issuer and invoice recipient, payments will be made easier, more convenient and efficient. On the other hand, eBill is already leading the payment process into the digital future without media disruption.

Digitization Pertains to All Areas of Life

Digitization is a highly topical issue that affects practically all areas of our lives. No matter whether our devices control only the refrigerator or the entire house, whether

drones deliver urgent packages or unusual recordings, whether electronic driving assistants soon make autonomous driving possible, whether we discover new worlds from the sofa or workplace with virtual reality – all these innovations are only possible thanks to digitization. Completely apart from complex solutions such as Industry 4.0, Internet of Things, robotics or artificial intelligence.

Digitization often gives the impression that in the future everything will work automatically and that it will practically do our lives and work by itself. However, the reality looks different. Digitization ensures that we constantly learn something new and that we have to



ALL ROADS LEAD TO PAY-SIMPLE.CH

Video clips, banners, social media posts are signs leading to pay-simple.ch.



deal with something new and thus remain mentally flexible. This is exactly what is dramatized in the new campaign on the QR-bill.

The pay-simple.ch Campaign

With an online campaign consisting of video clips and banners as well as ads in selected media, the Swiss population will be sensitized towards the new QR-bill with short stories, according to the motto: "Life doesn't get easier. But payments do. Thanks to the new QR-bill." This is how the QR-bill functions as a positive resolution of a complex everyday situation. It connects the analog with the digital world, making life easier.

The Swiss campaign in German, French, Italian and English is intended for the time being to raise awareness among smaller companies that something new is coming to them. And as invoice recipients, they must be prepared for it. At the same time, the campaign also aims to arouse the interest of the general public for the QR-bill and eliminate possible uncertainties in dealing with it – with the help of memorable short stories from life.

All video clips, banners and ads lead to the microsite pay-simple.ch. Invoice recipients, whether SMEs or private individuals, can find out there what the new QR-bill looks like, how it works and what advantages it brings. Moreover, an explanation video shows them how to pay with the QR-bill easily. Factsheets tailored to the two target groups also offer practical support.

Digital Capturing and Evaluation of Feedback

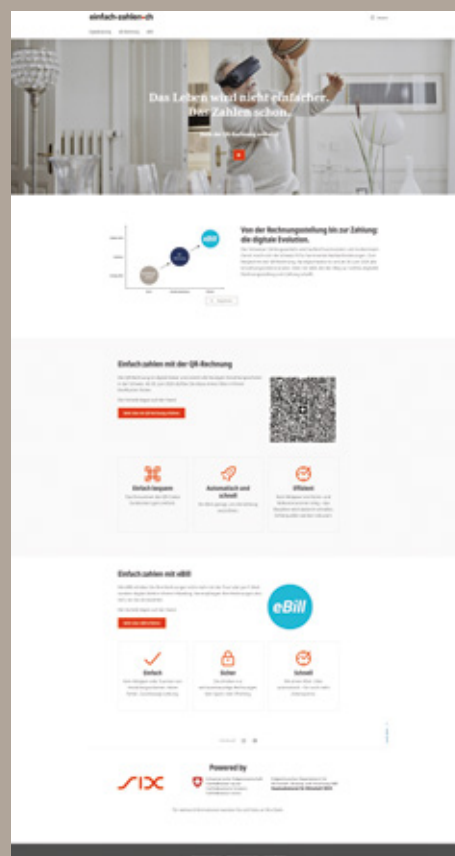
Needless to say, the success of the campaign is measured digitally. A comprehensive reporting system continuously shows how many Swiss citizens are informed about the new QR-bill. It will be really exciting on 30 June 2020. As of this day, the QR-bill will be found in our letterboxes more and more often. And hopefully paid with a fingertip or a mouse click.

Gabriel Juri

SIX

HOMEPAGE OF PAY-SIMPLE.CH

On www.pay-simple.ch SMEs and Swiss citizens can find out about the background of Swiss payments digitization as well as about all important information about the QR-bill and eBill.



eBill Revs Up In 2020

eBill has been successfully positioned in the market within the last two years. The solution for digital invoicing in Switzerland enjoys a strongly increasing favorable reception. Various new and innovative functions will make eBill even more attractive for invoice issuers and recipients from March 2020.

In 2018, eBill was rolled out in over 90 banks in Switzerland. In the meantime, well above one million of private individuals make payments with this digital, convenient and at the same time secure solution for receiving and paying invoices. About 40,000 new individuals join this group each month. This proves that eBill is a convincing solution facilitating a rapid changeover into digital invoicing.

As of 7 November 2019, SIX opened the eBill infrastructure for third-party suppliers. Over ten network partners are currently offering companies with innovative invoicing solutions with eBill. This way, they provide companies with a simple access to digital invoicing processes. Maximum transparency and payment reliability of invoicing allow companies to reduce their administration work (e.g. fewer reminders) and guarantee customer satisfaction.

Innovations as per March 2020, reflecting user demands

Functionality	Advantages	Primary target groups
eBill Sharing	The invoice recipient gives other persons access to manage his eBill invoices.	<ul style="list-style-type: none"> • Payers
eBill Look-Up	eBill users declare that they want to receive regular invoices from invoice issuers. Invoice issuers automatically adapt customers to eBill.	<ul style="list-style-type: none"> • Invoice issuers • Payers
eBill for Business	Financial institutions provide their business customers with eBill and map access rights. This way, invoice issuers can also rely on eBill with regard to issuing invoices to SMEs.	<ul style="list-style-type: none"> • SMEs as payers
Quick Approval	Simple and swift approval of invoices directly in e-banking (no redirection to the eBill portal).	<ul style="list-style-type: none"> • Payers
Compatibility of eBill and QR-bill	A QR-bill can be converted in an eBill invoice. This facilitates output management of invoice issuers according to customer preferences.	<ul style="list-style-type: none"> • Invoice issuers

Continued Development as per Market Demands

The Swiss financial center wants to offer eBill as the most efficient, convenient, secure and clear solution for issuing, receiving and paying invoices. This claim can only be satisfied of the continued development of eBill is consistently oriented towards the demands of invoice issuers and recipients.

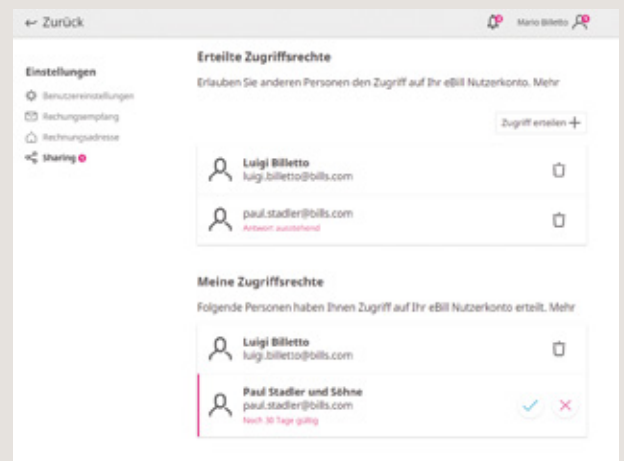


Figure 1: eBill Sharing

eBill Sharing

Many customers have expressed the wish for invoices to be managed by different people in the same household. This will be possible with eBill Sharing. The invoice recipient can simply authorize another person to pay or manage their invoices (see Figure 1). They send an invitation to the person that should obtain access to the eBill mailbox in the future.

As soon as the invitation is accepted, the authorized person can manage invoices together with the invoice recipient. Needless to say, the invitation process also covers the possibility to grant counter-access, so that for example in a partnership both spouses can pay each other's invoices from their bank accounts.

eBill Look-Up

The Look-Up functionality strongly facilitates the receipt of eBill invoices. Instead of registering themselves at individual invoice issuers, eBill users can enable simplified registration in e-banking or eBill portal (see Figure 2). If this function is enabled, it allows invoice issuers to use a given e-mail address to identify whether a customer wants to receive and pay invoices as eBill (see Figure 3). The invoice issuer can switch their customers to eBill accordingly, and the invoice recipient does not need to register themselves at each individual invoice issuer. eBill users naturally have the possibility to disable this functionality or block invoice issuers any time.

eBill for Business

eBill for Business allows banks to map companies specifically as invoice recipients. This way, eBill will develop the SME segment on the payer's end. This functionality allows for example to map respective (access) rights filed by the bank with regard to access to eBill invoices of the company. This means for invoice issuers that more and more invoices can be sent to SMEs via eBill in the future. In addition, the identification feature for SMEs is based on a publicly available UID. The above-mentioned Look-Up functionality results in simple possibilities for invoice issuers to send invoices to their SME customers per eBill.

Quick Approval

As part of continued development of eBill, special attention is paid to easy use for invoice recipients or payers. Banks providing their customers with eBill via the eBill portal will have the possibility to integrate a simple approval option into e-banking. eBill invoices will be displayed in a practical overview directly in e-banking and paid there with one click without any redirections. If a customer wants to view invoice details or adjust payment parameters, they can be redirected from e-banking to the respective eBill invoice in the eBill portal, make adjustments and approve it there.

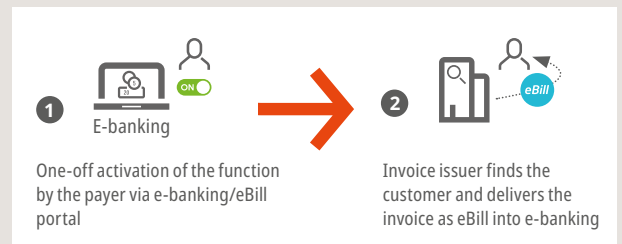


Figure 2: eBill Look-Up

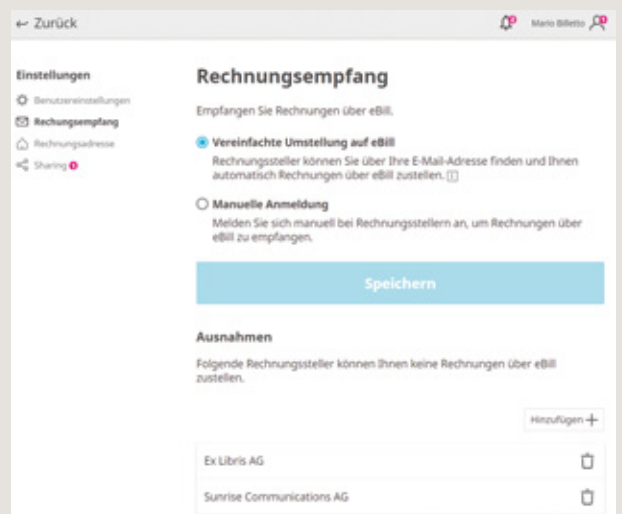


Figure 3: eBill Look-Up

eBill Compatibility With QR-bill

eBill as standard for digital invoicing and QR-bill as successor of payment slips supplement each other and are compatible. The introduction of eBill as per June 2020 will make it possible to generate an eBill invoice from a QR-bill. The only requirements are that the Swiss QR Code must include delivery information for eBill and the network partner must provide a respective conversion service. The compatibility between the QR-bill and eBill facilitates particularly output management for invoice issuers, as both customers opting for eBill and customers who prefer receiving invoices per mail can be reached with one format.

Daniel Berger

Head Billing & Payments Ecosystem,
SIX Banking Services



Further information

General information on eBill:
[eBill.ch](https://ebill.ch)

Information on network partners:
www.ebill.ch/en/home/network-partners.html



Can a Standard Become Outdated?

What does “outdated” mean with regard to a standard? The way in which financial messages are modeled and formed? Defined markup languages, e.g. XML or ASN.1, a specific message as pain.001? Or a particular market practice such as “Swiss Payment Standard”?

When celebrating the 40th anniversary of SWIFT's MT messages at the Sibos in Dubai in 2013, ETH Professor Max Engeli explained that the quality of a standard is reflected in its durability. However, MT messages do not keep up with today's development and are thus considered outdated. This is not so much about the messages themselves as about their concept. MT messages have been developed at a time when storage space and transmission capacity were expensive and very limited. Today, both are subject to almost no restrictions and the hunger for data has grown very strongly. In this respect, a standard can therefore age and no longer be up to date. That is why SWIFT MT will be migrated on MX Standard based on ISO 20022.

Unlike MT messages, ISO 20022 follows another principle as standard. It separates the definition of a message from messages per se and their applications. In addition, the standard is currently divided into seven different areas, which are further developed independently of each other: While parts 1 to 3 deal with the metamodel, the "UML profile" and the effective modeling, only part 4 deals with the "XML Schema generation" and part 8 with the "ASN.1 generation". What is more, each ISO standard undergoes an optional review every five years (*standard review*). In case of ISO 20022 this was rejected by the majority of ISO members last year, however, a large number of comments on possible improvements was submitted. In order to achieve this, an international study group "Review of ISO 20022 SR comments" has been formed. This group examines the comments and formulates proposals for medium- and long-term adjustments. With currently four experts, Switzerland is very well represented in this new group.

Requirements Become Outdated

When it comes to "aging" of ISO 20022 standard, banks and software providers focus on market practice which determines the implementation for the given region, such as SEPA, Switzerland, Australia – or for the cross-border application field via SWIFT MX. Such implementations can become outdated. On the one hand, the participants in a market develop new ideas and use cases, on the other hand, changed regulations and new customer requirements demand further development.

With the Swiss Payment Standard, Switzerland uses version 03 of pain.001 although the current one is version 09. In the case of Switzerland, this is due to the fact that the financial center has decided to use the same version as the SEPA and that the new version differs in part only in one aspect that is not relevant for Switzerland.

This is to be taken as an example of the fact that the ISO 20022 standard itself is not outdated but a market uses a practice that is outdated for current requirements. With the forthcoming migration of cross-border payments via SWIFT to ISO 20022, in Switzerland the pressure to switch to newer versions is now growing, in particular in order to really be able to exploit the benefits of permeability. However, it is not the case that the change to a new version is always necessary or that the respective costs must be very high. Markets like Switzerland, with lively trading activity but also with global banking services and many company headquarters, should ensure that the locally used version and guidelines are as consistent as possible with relevant market practices such as SEPA or SWIFT.

Yes, message versions used in the Swiss Payment Standard have become outdated and there will be made proper adjustments. This is a normal process. And so today, different MT messages are used as 40 years ago. This way the ISO 20022 standard does not become obsolete and neither does the payment traffic in Switzerland.

Martin Walder

Credit Suisse (Schweiz) Ltd

ISO20022.ORG

You can find out what is currently being developed or supplemented under "iso20022.org" in section "Development & Maintenance".

If an existing ISO 20022 message is modified as part of the maintenance process, a new version with a new XML schema is released. This process will be initiated by amendments to be discussed and accepted or rejected within the respective Standard Evaluation Groups (SEG). Whether the specific markets, an example being Switzerland, will then adopt this new version, is at their discretion.

Since the implementation of a new version is always connected with costs, this is usually only carried out if the adaptation of the new version results in a corresponding benefit for the market participants.

Campaign for the QR-bill



Das Leben wird nicht einfacher. Das Zahlen schon.

Dank der neuen QR-Rechnung. Ab 30. Juni 2020 werden Sie diese immer öfter in Ihrem Briefkasten finden. Sie ersetzt alle bisherigen Einzahlungsscheine. Machen Sie sich jetzt fit für die QR-Rechnung und nutzen Sie das Online Banking Ihres Finanzinstituts. Damit sind Sie bereit, diese einfach per E-Banking oder mit Ihrem Smartphone zu bezahlen.



Mehr erfahren Sie auf
einfach-zahlen.ch

