

TBG5 Finance Plenary

LA HULPE (June, 2003)

Minutes

1. Opening and Administration Tuesday 10 am

Opening the plenary session Yves requested one minute of silence in memory of Mike who brought so much to the group both on a technical and human level. He also asked to think about his wife and children, who some of us had the occasion to meet.

Then Yves welcomed the numerous new participants who probably confirm that we are moving from a period of defining general rules to a period of production and use of new standards.

2. Agreement on the agenda

Given the fact that some participants will attend only the first day, it was decided to update the agenda and to treat in priority three topics concerning liaisons with other organisations: Harmonisation paper with ISO TC68, EACT and TWIST.

2.1. Harmonisation of standardisation efforts in the financial world: discussion with ISO TC68

TBG 5 appreciated highly that TC68 was represented by its chairman, Gene Kathol, and the chair of SC4, the TC68 securities working group, Nourredine Yous.

A presentation of the organisation of ISO was given. The main points which were reminded are:

- members are representatives, named by the official standardisation organism in their country
- ISO is an organisation that operates “by consensus”, and ensures a mixed representation of all types of participants (users, providers,...)

TBG 5 indicated that UN/CEFACT Forum is also based on consensus and as much as possible with the participation of various types of participants, first of all in their respective domains, but even more at forum level.

Gene clearly expressed that TC68 was in favour of convergence of standards. He agreed on the fact that in the past years, the work of TC68 didn't always fully cover the theoretical terms of reference. He also explained that ISO groups do not address topics, if nobody requires for them. In particular, nobody requested for standardisation of wholesale commerce.

Talking on the Harmonisation paper, and before TC68 writes down their different remarks, two main issues were raised:

- TC68, which in fact didn't really know CEFACT up to a few months ago, was not fully convinced of the global representativity of TBG 5 in the financial domain, at least not compared to that of ISO. It is clear that exchange of information and documentation is required at least on what TBG 5 is doing and also on the forum validation process guaranteeing the quality of deliverables.

- According to TC68, the scope of the ISO 15022 standard, produced in a securities environment, should be extended to finance in general. It was remarked that, given the fact that this document includes some methodology items, extension to finance only is probably insufficient. As a matter of fact, it is excluded for TBG 5 to use a methodology that is different from the official CEFACT one: either this methodology is modified to take into account 15022 recommendations or TBG 5 will not be able to use it.

15022 content:

how to make a message,

structure for creating data element

The TC68 group is preparing a new version of ISO 15022 in order to extend this standard to the other finance domains. A new organisation is proposed with the creation of “standards management group” for the approval of demands and for the validation of the message created. SWIFT thinks that TBG5, could be a standard management group and a registration authority.

In order to find a consensus, Nourredine Youssouf proposed to create a working group. This proposal is accepted, SWIFT, Stig and Yves will participate to the group. In order to have a productive meeting, a draft proposal will be prepared by Stig and Carlo before the group work on this subject.

2.2. EACT is an European association of national corporate treasurers associations. 5 WG dealing with payments, IAS...

A proposal to have a liaison with TBG 5 is approved firstly through the CRG.

2.3. TWIST

Andreas Mall presented some slides on TWIST. A discussion highlighted some point of disagreement between TWIST and other standardisation organisations present:

- Some of the supports announced by TWIST are considered as exaggerated for instance
 - Some CRG members do not agree with the fact that CRG is supporting
 - It was stated by CRG representatives, that CRG is a working group of UN/CEFACT-TBG5 and therefore can not support different initiatives issued by TWIST.
 - SWIFT itself supports TWIST, which means that it is effectively possible to transport TWIST, like any format, in File Act. Concerning the standard itself, SWIFT has taken most of the TWIST requirements into account in its C2B validation group discussions. SWIFT has also received a draft schema of TWIST for comments. Goal of both organisations is to get, together with TBG5, IFX and RosettaNet, to one, single core payment initiation standard.
 - TWIST announced that they will not define any payment message.

It is agreed to put the groups on hold. It is also decided to merge the two groups. This group will be reactivated each time any comments to SWIFT projects will be needed. The two future topics envisaged are the alignment project between C2B, Bulk credit transfers and cash management and the Direct Debit project.

The issue of security was re-addressed. Yves explained that he had not had sufficient time to prepare a proposal to create a group for security in TBG in order to treat essentially the business issues. Gene explained that the Financial services technology consortium has worked on security and published a white paper on security architecture for single sign on. He will route this paper to Yves.

Marina announced that Italian banks and Identrus have just agreed to develop Identrus qualified certificate respecting the European Directive.

5. TBG5 now that TBG rules have been approved.

Anne proposed, instead of having a long discussion, that everyone will comment by mail before the 15th of July. She will provide an updated document, including remarks, to be validated in Seoul.

5.1. Terms of Reference

5.2. Procedures

5.3. Elections: given the fact that procedures will be approved only in Seoul and as it is clear that not many members will participate in Seoul, elections will be postponed to the plenary in January.

6. Projects and Sub-Group Reports and action plans:

6.1. CRG: one of the main topics was TWIST, which has already been discussed also in this plenary.

6.2. CRG has prepared a document concerning amendments to PAYMUL, which will be forwarded to the Maintenance group.

6.3. BPM and CC finance already discussed

6.4. Future group

21 participants were present.

EACT made a presentation and co-operation firstly with CRG was decided.

Issues raised essentially concerning STP:

- small group to write a document on IBAN issues,
- remittance information to be detailed by CRG,
- status report standard was requested: some requests are already met by existing messages, others to be analysed for future improvement
- difference between low and high value limits, document to be sent as an input to EPC (SEPA)

Accounts payable and accounts receivable

Accountant and treasurer

Supply chain optimisation requires collaboration between buyer seller and corresponding banks

Requirements are similar across industries and this model could be generalised to others.

Detailed information is on the Rosettanet web site

Agreement on Unique remittance identifier with 18 characters. The area is already provided in most messages, but the main issue is to make sure that this information put in a not structured area is never change or lost.

On security, the hypothesis is that the buyer will accept banks' PKIs for each bank they are working with. This has been agreed by Rosettanet corporate members.

The question of standardisation of the business models in UN/CEFACT was raised as, if Rosettanet defines elements of which some are not in UN/CEFACT repository, they will probably define different ones for the same business. Wim proposed to raise this issue in Rosettanet.

It was also mentioned that if Rosettanet does not decide to use UN/CEFACT Core Components, it will create difficulties along the end to end chain. For instance, if an address is different in Rosettanet than that used in SWIFT messages, which will be used for payments, there could be a loss of information in the translation.

TBG5 at RosettaNet meeting

TBG5 representatives, Carlo Palmers and Anne Sundqvist, were sent to a RosettaNet meeting, held in parallel in La Hulpe. TBG5 gave a presentation on Cefact Forum, ebXML and TBG5 standardisation work. Swift presented our harmonisation work, and convergence proposal, with SWIFT/ISO/CEFACT.

9. Any other business

- Actions/Organisation in other entities:
 - ECBS: Knut Kwalheim, liaison with TC2 Work Plan
ECBS has now a board, which will meet twice a year
 - CEN/EBES, ...

ACTION POINTS

1. ISO TC68 to send remarks on Harmonisation paper
2. Andreas Mall to inform TBG 5 on remarks taken in account by TWIST
3. Participation to TBG 17 Harmonisation in July
4. Merging BPM and CC Finance groups
5. Send CRG PAYMUL amendments requested to Maintenance group
6. CRG to precise requirements for Remittance information
7. Marketing group to prepare the content of the web, including parts formerly treated in Annual Report
8. Applications to be forwarded to Yves and Martine for web masters to participate to the Marketing group as technical support.
9. Elections postponed to January

APPENDICES:

- List of TBG 5 members and addressees
- Draft of Forum workflow
- SWIFT presentations: Carlo, Jean-Marie and Wim
- CRG requirements for PAYMUL MIG
- Annual Report proposals already sent before Rome