22nd UN/CEFACT FORUM

Supply Chain PDA
Finance & Payments Domain

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Domain Coordinator
AGENDA

Thursday 17 October (09:30-12:30)
Supply Chain strategic plan – Payments

- Conference call with Eugenio Cavenaghi – Barclays:
  - Supply Chain Best Practice and EBA Activities
  - Question & Answer

- Finance & Payments domain Strategic Plan
  - F&P Goals: What and How
  - Question & Answer – Feedback
Stream of activities

Supply Chain Finance
- Purchase Order financing (NEW)
- Inventory financing (NEW)
- Shipment document financing (NEW)

Supply Chain B2B (Trade)
- Cross-industry Invoice v3
- Credit Note (NEW)
- Trade Counterparts screening (NEW)

Finance (exTBG5)
- TBG5 (Finance) projects
  - no progress since 2008

Liaison to standards
- Liaison ISO20022 e ISO TC68:
  - Remittance Advice
  - Factoring / reverse factoring
  - Guarantees / collaterals

New streams of possible activities

21st UN/CEFACT FORUM 15-19 April 2013, Geneva
The revised Supply Chain PDA Strategic Plan is attempting to provide a more coherent approach to identifying and launching SC projects in order to:

- Ensure the UN/CEFACT project responds to market requirements (public and private)
- Follow the Stakeholders Requirements in terms of cross-border interoperability.
- “reduce overlap and the duplication of work of other organizations and communities of experts” (source: UN/CEFACT PoW)
What do we want to achieve?

What is the context?

How will we succeed?

What capabilities or resources must be in place?

What management systems are required?

- Clarify the UN/CEFACT supply chain offer to enable more focused projects and deliverables for stakeholders.
- Throughout the world and across a broad range of activities, including pre-awarding, awarding, ordering, delivering, invoicing, paying and reporting for public and private sectors.
- Recognise real stakeholders
- Our value proposition to stakeholders
- Revised Integrated Strategy
- UN/CEFACT's added value
- Broad range of actors
- Timely publication of standards

- PDAs
- VCs & meetings
- Domain Coordinators
- Projects
- Internal Process management
- Cooperation with other PDAs & SDOs

Source: Playing to Win- A.G.Lafley
The SC PDA looks at F&P domain as to define and progress Financial and Payment projects in the future.

The shown F&P headings are greatly covered by ISO (also EDIFACT in some cases) international standards and messages.

In order to answer stakeholders req., it would be essential to focus the effort on sparsely standardized activities (Trade and above all Supply Chain Finance)
Before starting a new project endorsed by the SC PDA, it should be checked if any standardization activity has been carried out on the same subject at ISO level.

Definition of business model
Uptake of Business requirements Specifications (BRS)
Submission of ISO 20022 Business Justification (BJ)
Delivery of ISO 20022 messages (MDR)
Maintenance of messages

When a double ISO-CEFACT syntax already exists, i.e. C.I. Remittance Advice, F&P domain must take in charge a gap analysis with the aim to ensure semantic interoperability on a global scale through official joint “conversion maps”.

The Liaison Officer to ISO TC68 (Financial services domain of ISO) could ensure a constant dialogue and alignment between UN/CEFACT and ISO in the cross-border standardization of financial domain.
Supply Chain Finance

EBA definition

Supply Chain Finance is defined as “the use of financial instruments, practices and technologies to optimize the management of the working capital and liquidity tied up in supply chain processes for collaborating business partners. SCF is largely ‘event-driven’. Each intervention (finance, risk mitigation or payment) in the financial supply chain is driven by an event in the physical supply chain. The development of advanced technologies to track and control events in the physical supply chain creates opportunities to automate the initiation of SCF interventions.”  (Source: EBA)
Supply Chain Finance

Purchase Order Financing, a first potential project for consideration by the Supply Chain PDA:

• It gives companies a short term solution for funding inventory in order to complete sales transactions.
• PO Financing would consist of three new messages without current ISO overlapping:
  1. PO Financing Request
  2. PO Financing Request Status Report - Technical validation
  3. PO Financing Request Status Report - Business validation
UN Economic Commission for Europe

A project plan will be developed and maintained by the project team after the acceptance of the project. A shared time schedule is needed, based on the UN/CEFACT process.

Open Development Process

- Project launch
- Compiling the requirement list
- Requirements gathering for Business Requirements Specifications and Requirement Specification Mapping
- Draft development for Business Requirements Specifications, Requirement Specification Mapping and XML Schemas
- Public draft review
- T+2m
- T+6m
- T+9m
- T+10m
- T+24m
- Project Exit Publication
Q&A session

Any question ?
Thank you

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Annex
## Finance & Payments domain ISO mapping

<table>
<thead>
<tr>
<th>Message Name</th>
<th>ISO Msg ID</th>
<th>Finance &amp; Payments Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>CustomerCreditTransferInitiationV05</td>
<td>pain.001.001.05</td>
<td>Execute payments</td>
</tr>
<tr>
<td>CustomerDirectDebitInitiationV04</td>
<td>pain.008.001.04</td>
<td>Execute payments</td>
</tr>
<tr>
<td>CustomerPaymentStatusReportV05</td>
<td>pain.002.001.05</td>
<td>Report (B2C)</td>
</tr>
<tr>
<td>CreditorPaymentActivationRequestV03</td>
<td>pain.013.001.03</td>
<td>Execute payments</td>
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<tr>
<td>CreditorPaymentActivationRequestStatusReportV03</td>
<td>pain.014.001.03</td>
<td>Report (B2C)</td>
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<tr>
<td>FinancialInvoiceV01</td>
<td>tsin.004.001.01</td>
<td>Supply Chain Finance</td>
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<tr>
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<tr>
<td>InvoiceFinancingRequestStatusV01</td>
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<tr>
<td>InvoiceFinancingCancellationRequestV01</td>
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<td>Issue Statements</td>
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<tr>
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<tr>
<td>AccountReportingRequestV03</td>
<td>camt.060.001.03</td>
<td>Issue Statements</td>
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*Draft*
## Finance & Payments domain ISO / SWIFT mapping

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<th>Message Name</th>
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<td>pacs.002.001.05</td>
<td>Execute payments</td>
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<tr>
<td>FIToFI_CustomerDirectDebit_V04</td>
<td>pacs.003.001.04</td>
<td>Execute payments</td>
</tr>
<tr>
<td>PaymentReturn_V04</td>
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<td>pacs.009.001.04</td>
<td>Execute payments</td>
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<tr>
<td>Documentary Credits and Guarantees</td>
<td>ISO xml</td>
<td>Trade</td>
</tr>
<tr>
<td>Documentary Credits and Guarantees</td>
<td>MT 798 &lt;XXX&gt;</td>
<td>Trade</td>
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<tr>
<td>EBAM - Electronic Bank Account Management</td>
<td>ISO xml</td>
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