



Harmonization of Swiss
Payments – Status and Need
for Action for Corporates

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PAN Consulting GmbH

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Introduction to PAN Consulting GmbH

Services of PAN Consulting GmbH

- Advising on treasury strategy and policy
- Reviewing treasury processes and suggesting improvements
- Improving cash management and liquidity planning
- Evaluating treasury & payment management systems
- **Supporting efficient and timely changeover to Swiss payment harmonization**
- **Developing concepts for and implementing in-house banking structures**
- Optimizing working capital management
- Establishing financial risk management
- Managing projects and acting as interim treasury manager
- Training of staff and coaching of employees
- Implementing TIS and TMS systems
→ **PAN Consulting is the Swiss TIS Implementation Partner**

Selected Customers PAN Consulting GmbH

Excerpt of the list of customers of PAN Consulting:



Harmonization of Swiss payments – what is it about?

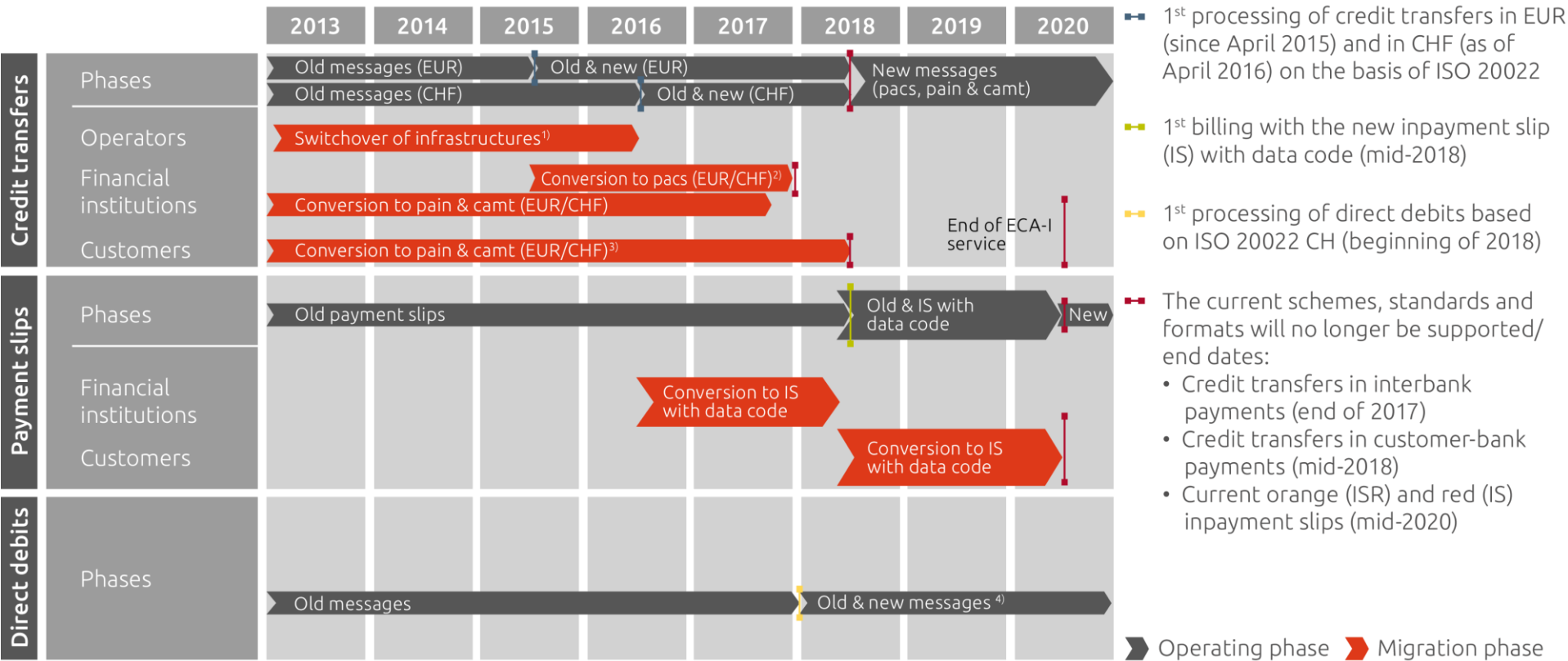
With the implementation of SEPA in Europe the ISO 20022 message standards have been introduced. Switzerland is now going the same route.

Swiss payments today are processed in 2 different payment systems (SIX and PostFinance), contain more than 10 standards for payments and direct debits and 7 versions of payment slips.

This variety will be reduced in order to simplify payment means and systems for Banks and PostFinance and to harmonize with European standards. This will bring clarity and efficiency. The following areas are affected:

- Credit Transfers
- Direct Debits
- Payment Slips (ESR)
- Reporting

Harmonization of Swiss payments – Time schedule



¹⁾ "SIC⁴ – New SIC Architecture" project and the PostFinance infrastructure project
²⁾ Including ECA-F, ISR & EPO for banks (as of 4th quarter 2015)
³⁾ Migration date (mainly between 2015 and 2018) with regard to pain & camt to be coordinated with the house bank
⁴⁾ The direct debit will be combined with the e-bill as of 2019

Source: paymentstandards.ch

Harmonization of Swiss payments – Credit Transfer

What are the major changes for credit transfers?

- Latest by mid 2018, supplier and salary payments transmitted in file format to banks in Switzerland will only be accepted in pain.001 ISO format (customer credit transfer initiation – Swiss flavor). Current DTA and EZAG formats will disappear latest by mid 2018
- New pain.002 status messages (customer payment status report) will deliver information on status of executed or rejected payments
- After 2020 only IBAN based payments can be executed within Switzerland

Need for Action for Corporates

- Ensure your ERP is enabled to deliver pain.001 ISO payment formats (Swiss flavor) for Swiss payments

Harmonization of Swiss payments – Direct Debit


What are the major changes for direct debit?

- LSV+ (Banks) and BDD (PostFinance) will be combined with e-invoices
- New pain.008 / chls message (customer direct debit initiation) will be offered by banks and PostFinance in 2018
- Current mandates for existing direct debits remain valid

Need for Action for Corporates

- There is no end date for LSV+/BDD communicated yet
- Contact your bank or PostFinance about time schedule

Harmonization of Swiss payments – Payment Slip

Empfangsschein / Récépissé / Ricevuta	Einzahlung / Versement / Versamento	Zahlungsweg / Mode versement / Modalità versamento
<p>Einzahlung für / Versement pour / Versamento per PostFinance 3030 Bern</p> <p>Zugunsten von / En faveur de / A favore di Robert Schneider SA Grands magasins Case postale 2501 Biel/Bienne</p> <p>Konto / Compte / Conto CH28 3000 0000 0100 0162 8</p> <p>CHF</p> <p>3949 . 75</p> <p>Erbezahlt von / Versé par / Versato da Rutschmann Pia Marktgasse 28 9400 Rorschach</p>	<p>Einzahlung für / Versement pour / Versamento per PostFinance 3030 Bern</p> <p>Zugunsten von / En faveur de / A favore di Robert Schneider SA Grands magasins Case postale 2501 Biel/Bienne</p> <p>Konto / Compte / Conto CH28 3000 0000 0100 0162 8</p> <p>CHF</p> <p>3949 . 75</p> 	<p>Keine Mitteilungen anbringen Pas de communications Non aggiungete comunicazioni</p> <p>21 00000 00003 13947 14300 09017</p> <p>Erbezahlt von / Versé par / Versato da Rutschmann Pia Marktgasse 28 9400 Rorschach</p>

Source: paymentstandards.ch

- ✓ Refers to an IBAN dedicated to a “Payment with a reference” receivables account
- ✓ Keeps the 27-digit reference number from ESR to achieve 100% reconciliation rate for receivables
- ✓ Contains a QR code which is easy to read for any kind of hardware (incl. handhelds)
- ✓ Is (already today) available for CHF and EUR receivables

Harmonization of Swiss payments – Payment Slip

What are the major changes for payment slips?

- From mid 2018, payment slips with QR code are usable within Switzerland in CHF and EUR
- Payment slips with QR code can use ESR reference number or remittance information
- Account numbers will change to IBAN format
- QR code replaces OCR line. It contains numerical and alphanumerical information and is readable by readers or smartphones

Need for Action for Corporates

- Receivables: ensure that your ERP is able to print QR codes
- Payments: ensure that your ERP is able to read QR codes

Harmonization of Swiss payments – Reporting

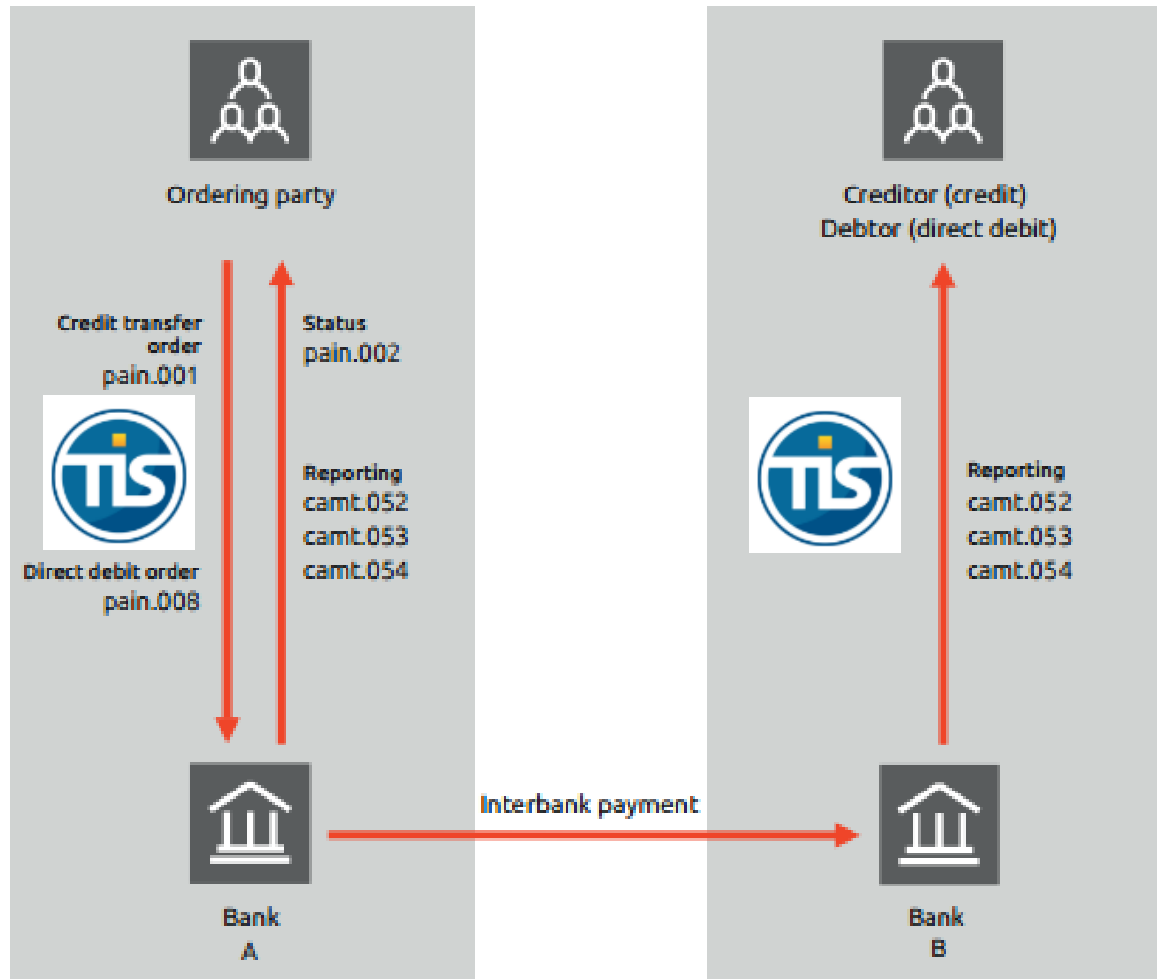
What are the major changes for reporting?

- Account statement will be delivered in camt.53 format (cash management)
- Intraday reports will be delivered in camt.52
- Credits and debits will be delivered in camt.54
- camt.53 will be delivered with or without details. If you use payment slips with QR code you need camt.53 with details or camt.54 in addition to camt.53 without details

Need for Action for Corporates

- Check with your bank re camt.xx message types
- Current ESR reporting files will only be valid until 2020

ISO message Flow and the role of TIS



Source: paymentstandards.ch

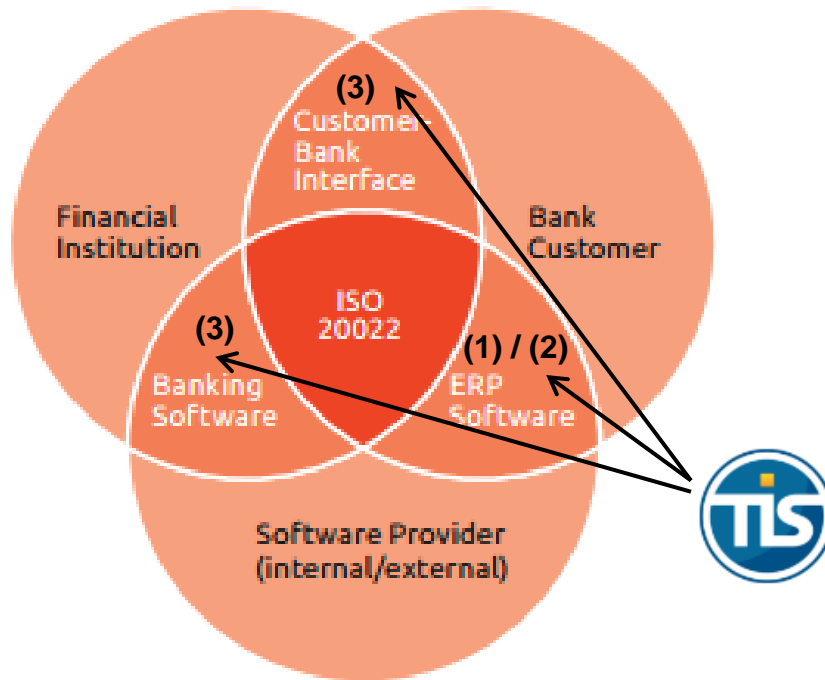
What are the benefits?

- TIS takes existing files from your ERP → less programming and testing efforts for payments and direct debits
- TIS delivers camt.xx messages to your ERP

Additional Benefits

- TIS increases compliance with integrated BAM and payment authorization
- TIS automatically transports files and messages to/from ERP and banks

Partners involved in a Project



Source: paymentstandards.ch

The roles of TIS

- (1) Uses existing output formats of ERP and transforms to ISO pain.001 or pain.008
- (2) Collects Camt.xx messages from banks and delivers to your ERP
- (3) Handles all bank connectivities (EBICS, Host-to-Host, SWIFT) to Swiss and foreign banks for ISO message types in a kind of plug'n'play

➔ **Faster implementation at lower cost**

Need for Action: Questions alongside a project

When thinking about what you need to do in order to get the harmonization of Swiss payments working, you might want to get answers to the following questions:

- Do I have already an overview how on my company is affected by the harmonization of Swiss payments? Whom can I contact for support?
- Do I need to care generally about format changes such as the Swiss harmonization of payments? Will this be done by my software partner? What other possibilities exist?
- How can I reduce compliance issues arising from uploading payment files to E-Banking tools? Is there a possibility to streamline bank connectivities in general to get rid of single E-Banking tools?
- What costs arise from changing a bank for transaction business? Is there an opportunity to reshape the banking landscape in our organization and to reduce costs?

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