e-Invoicing payments and the NPP

Guidance for third parties

Version 1.1

e-Invoicing payments and the NPP

In February 2019, the Australian and NZ governments announced the establishment of the Australia New Zealand Electronic Invoicing Board. The intention of the Board is to set the direction of how e-invoicing will be implemented and rolled-out. In addition to this the announcement confirmed that e-invoicing in Australia and NZ would adopt the Pan-European Public Procurement Online interoperability framework (PEPPOL). This framework is currently used across 32 countries in Europe, Asia and North America[1]. On 31 October 2019, the ATO became a PEPPOL authority on behalf of the Australian Government.

The implementation of the e-invoice and PEPPOL framework is intended to introduce efficiencies in the processing of invoices and as a result improve payment timeframes. The invoice information related to PEPPOL will stand alone and form part of the proposed einvoice framework and interaction. It is not intended that the NPP payment carry information already included in the e-invoice other than the payment reference information.

The specific requirements of PEPPOL are detailed in the A-NZ-BIS-PEPPOL 3.0[2] and further defined in the Guidance Note for the Payment Means Code[3].

The relationship between an e-invoice and a payment using the NPP is highlighted in the Payment Means block of the A-NZ Invoice Specification. This block identifies the payment method by which the invoice should be paid and the account to which the payment should be made. Included is the 'PaymentID' that allows for the linking of the payment to the einvoice and the creditor's critical reconciliation information.

The NPP uses the ISO 20022 payment messaging standard, which provides a set of comprehensive xml formatted messages, rich in both structured and unstructured data.

Third parties that want to initiate a payment by instructing an NPP participating financial institution (FI) to process an NPP payment to a beneficiary party, either from their own account or from a customer's account (where customer authorisation and the relevant agreement from the processing financial institution is in place[4]), can do so in a variety of ways:

- Using an ISO 20022 payment initiation message (what is known as an NPP pain.001 message).[5]
- An alternative file format as agreed with the financial institution processing the file; or
- Via an API hosted by the processing financial institution

The guidance provided below is specific to the NPP pain.001 message and the mapping of the payment related information to an NPP pain.001 message. It does not cater for other forms of proprietary customer to FI payment initiation. NPP FIs' acceptance of pain.001 messages from payer customers is proprietary. The guidelines provided in this document are based on publicly available ISO message schema guidance and are subject to any additional proprietary requirements FIs may determine necessary or appropriate. Nothing in this document should be construed as a representation or warranty by NPPA or any NPP participating FI in relation to payment services offered by NPP participating FIs.

The following outlines the key requirements and assumptions:

- The mapping below is to an NPP Payment Initiation message (pain.001.001.06).
- The pain.001 will be created based on the current available version of the pain message on NPP. Subsequent version changes will be managed via NPP Australia and mapping updated accordingly.
- The pain.001 reflected represents a single invoice and associated payment.
- Mapping of the attributes to elements will align to the mapping provided by NPP Australia – see below.

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[1] www.pm.gov.au/media/joint-statement-prime-ministers-rt-hon-jacinda-ardern-and-hon-scott-morrison-mp
[2] https://softwaredevelopers.ato.gov.au/A-NZ-PEPPOL-consultation; https://github.com/A-NZ-PEPPOL/A-NZ-PEPPOL-BIS-3.0
[3] https://github.com/A-NZ-PEPPOL/Guidance-documents/blob/master/GuidanceNote02_Payment%20Means%20Code_1.1.docx
[4] Third party payment initiation supported by customer authorisation.
[5] For further information on the construction of the pain.001 message, please refer to the ISO20022.org website (https://www.iso20022.org/) and the NPP Payment Initiation guidance document (https://nppa.com.au/wp-content/uploads/2020/11/NPP-Payment-Intiation-message-guidance_final-31-Oct-2019.pdf).

Mapping of PEPPOL Payment Means to an NPP Payment

ID	Lvl	Attribute Name	Cardinality	Description	Business Rules	NPPA Mapping
				Note: Any references to "VAT" should be taken to mean "tax" in the Australian and New Zealand context.		
153	1	cac:PaymentMeans	0..n	A group of business terms providing information about the payment.		
154	2	cbc:PaymentMeansCode	1..1	The means, expressed as code, for how a payment is expected to be or has been settled.	BR-49 BR-CL-16	30 Credit Transfer
155	3	___@name	O	The means, expressed as text, for how a payment is expected to be or has been settled.		
[CN]	2	cbc:PaymentDueDate	0..1	The date when the payment is due. Format "YYYY-MM-DD". In case the Amount due for payment (BT-115) is positive, either the Payment due date (BT-9) or the Payment terms (BT-20) shall be present. *Used by Credit Note syntax ONLY*	BR-CO-25	
156	2	cbc:PaymentID	0..1	A textual value used to establish a link between the payment and the Invoice, issued by the Seller. Used for creditor's critical reconciliation information. This information element helps the Seller to assign an incoming payment to the relevant payment process.		EndtoEndID And Creditor Reference Information Customer reference number
157	2	cac:CardAccount	0..1	A group of business terms providing information about card used for payment contemporaneous with invoice issuance.		
158	3	cbc:PrimaryAccountNumberID	1..1	The Primary Account Number (PAN) of the card used for payment. In accordance with card payments security standards, an invoice should never include a full card primary account number.	BR-51	
159	3	cbc:NetworkID	1..1	Card Network identifier, such as VISA, American Express, Master Card.		
160	3	cbc:HolderName	0..1	The name of the payment card holder.		
161	2	cac:PayeeFinancialAccount	0..1	A group of business terms to specify credit transfer payments.		
162	3	cbc:ID	1..1	A unique identifier of the financial payment account, at a payment service provider, to which payment should be made. Such as IBAN or BBAN.	BR-50 BR-61	PayID or Account Number

ID	Lvl	Attribute Name	Cardinality	Description	Business Rules	NPPA Mapping
				Note: Any references to "VAT" should be taken to mean "tax" in the Australian and New Zealand context.		
163	3	cbc:Name	0..1	The name of the payment account, at a payment service provider, to which payment should be made.		Where Account Number is identified @ID then Name of Account holder
164	3	cac:FinancialInstitutionBranch	0..1			
165	4	cbc:ID	1..1	An identifier for the payment service provider where a payment account is located. Such as a BIC or a national clearing code where required. No identification scheme Identifier to be used.		NPP/BSB
166	2	cac:PaymentMandate	0..1	A group of business terms to specify a direct debit.		
167	3	cbc:ID	0..1	Unique identifier assigned by the Payee for referencing the direct debit mandate.		N/A - noting future capability NPP Mandated Payments Service[6]
168	3	cac:PayerFinancialAccount	0..1			
169	4	cbc:ID	1..1	The account to be debited by the direct debit.		

The following is taken from the ATO Payment Means Guidance note and is an example of how the elements can be used to instruct a payment to a PayID.
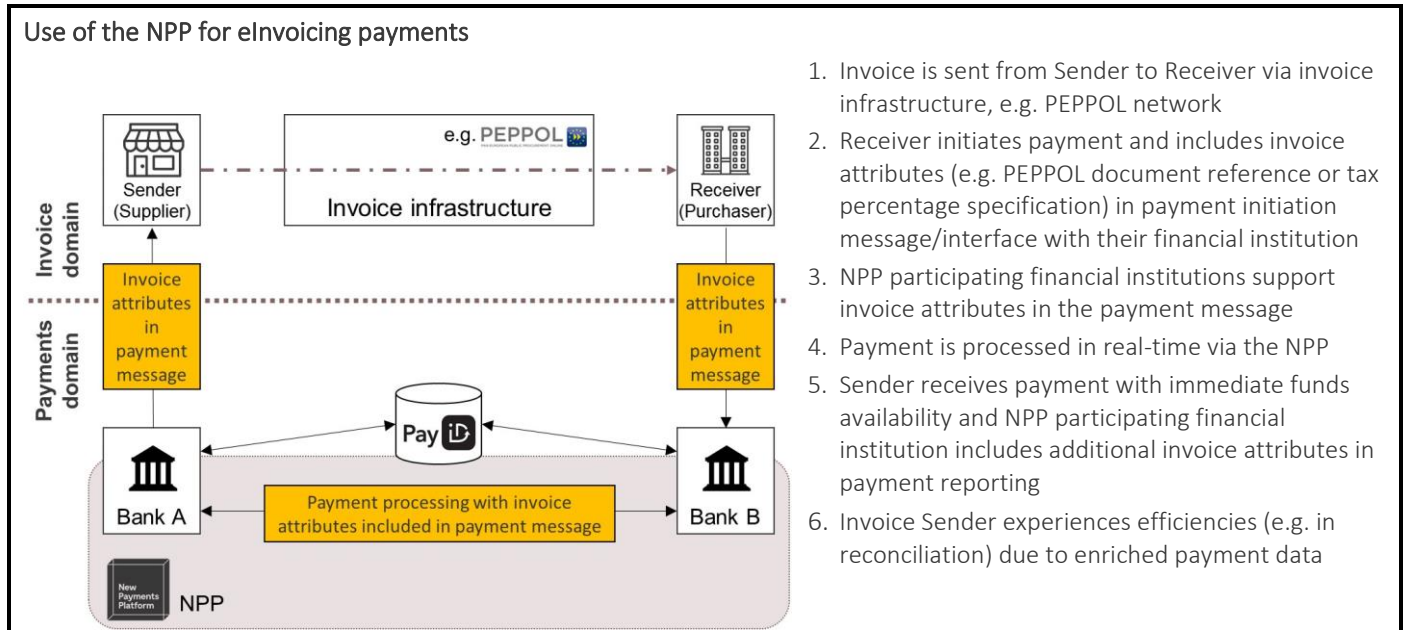
cac:PaymentMeans	
cbc:PaymentMeans/PaymentMeansCode	30 Credit transfer
cbc:PaymentMeans/PaymentMeansCode/PaymentID	626538876 (customer reference number)
cbc:PaymentMeans/PayeeFinancialAccount/ID	payee@business1.com.au or 12345678910 or 041119999 (PayID)
cac:PaymentMeans/FinancialInstitutionBranch/ID	NPP

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<cac:PaymentMeans> <!-- Credit transfer (domestic) -->
    <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
    <cbc:PaymentID>626538876</cbc:PaymentID> <!-- Remittance information -->
    <cac:PayeeFinancialAccount>
        <cbc:ID>payee@business1.com.au</cbc:ID> <!-- email address for PayID -->
        <cac:FinancialInstitutionBranch>
            <cbc:ID>NPP</cbc:ID> <!-- Payment NPP Identifier Code -->
        </cac:FinancialInstitutionBranch>
    </cac:PayeeFinancialAccount>
</cac:PaymentMeans>
```

NPP ISO20022 Message guidance

The data capabilities of the NPP can be leveraged to support eInvoicing by incorporating additional invoice related data elements into the NPP payment message, thereby enhancing the reconciliation process for the invoice sender and further streamlining the entire procurement process.

Use of the NPP for eInvoicing payments

1. Invoice is sent from Sender to Receiver via invoice infrastructure, e.g. PEPPOL network
2. Receiver initiates payment and includes invoice attributes (e.g. PEPPOL document reference or tax percentage specification) in payment initiation message/interface with their financial institution
3. NPP participating financial institutions support invoice attributes in the payment message
4. Payment is processed in real-time via the NPP
5. Sender receives payment with immediate funds availability and NPP participating financial institution includes additional invoice attributes in payment reporting
6. Invoice Sender experiences efficiencies (e.g. in reconciliation) due to enriched payment data

The payment associated with the invoice when sent via the NPP may be sent using a pain.001 message. The following table is the mapping of pain.001 elements to the e-Invoice attributes.

Name	XML Tag	Mult	Type / Code	E-Invoice	Path
End To End Identification	<EndToEndId>	[1..1]	text{1,35}	**PaymentID – ID 156** A textual value used to establish a link between the payment and the invoice issued by the Seller. Used for the creditor's critical reconciliation information. This information element helps the Seller to assign an incoming payment to the relevant payment process. (*A-NZ Invoice Specification BIS Billing 3.0 Australian and New Zealand Extension for e-invoicing*)	FIToFICstmrCdtTrf/CdtTrfTxInf/PmtId/EndToEndId
Category Purpose	<CtgyPurp>	[0..1]	Choice	SUPP	FIToFICstmrCdtTrf/CdtTrfTxInf/PmtTpInf/CtgyPurp
Creditor reference information	<Ref>	[0..1]	text{1,35}	Unique reference, as assigned by the creditor, to unambiguously refer to the payment transaction. Usage: If available, the initiating party should provide this reference in the structured remittance information, to enable reconciliation by the creditor upon receipt of the amount of money. If the business context requires the use of a creditor reference or a payment remit identification, and only one identifier can be passed through the end-to-end chain, the creditor's reference or payment remittance identification should be quoted in the end-to-end transaction identification. **May repeat PEPPOL - ID 156 PaymentID** - A textual value used to establish a link between the payment and the Invoice, issued by the Seller. Used for creditor's critical reconciliation Information.	FIToFICstmrCdtTrf/CdtTrfTxInf/RmtInf/Strd/CdtrRefInf/Ref

NPP Australia recommends contacting your Financial Institution to confirm implementation requirements for the NPP pain.001 message or alternative proprietary payment initiation arrangements.

Implementation of NPP message usage guidelines

NPP participating financial institutions will be obliged to **receive** NPP messages with additional defined data elements for eInvoicing payments by December 2020. Financial institutions can choose whether or not to support **sending** these payment message types according to the needs of their customer base and their individual commercial offerings.

NPP Australia will periodically review and update the defined data elements contained within this document for eInvoicing payments.

NPP Australia will also consider developing additional message usage guidelines for other payment types in the future according to market demand. Further details regarding the NPP message usage guidelines will be made available on the NPP Australia website at www.nppa.com.au .

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