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e-Invoicing payments and the NPP

Guidance for third parties

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NPP AUSTRALIA LIMITED
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e-Invoicing payments and the NPP

In February 2019, the Australian and NZ governments announced 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 America¹. 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. Efficiencies can be maximised by bringing together e-Invoicing with the New Payments Platform (NPP) the real-time payments infrastructure, to ensure Australian businesses get paid faster. The invoice information related to PEPPOL will stand alone and form part of the e-invoice framework and interaction. The NPP payment message can carry the payment reference information for easy reconciliation but is not intended to carry information already included in the e-invoice.

The specific requirements of PEPPOL are detailed in the A-NZ-BIS-PEPPOL 3.0² and further defined in the Guidance Note for the Payment Means Code³.

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 enables the e-Invoice and the creditor's critical reconciliation information to be linked to the payment.

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 instruct 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 with the customer's authorisation⁴, 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. An NPP FI's 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 individual FIs may determine necessary or appropriate. Nothing in this document should be construed as a representation or warranty by NPP Australia 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 being used on the 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.

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_1.2.docx

⁴ Third party payment initiation supported by customer authorisation. Requires an agreement to be in place with the processing financial institution for these payments to be processed

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-Initiation-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	0	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. <i>Used by Credit Note syntax ONLY</i>	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.		

⁶ <https://nppa.com.au/wp-content/uploads/2021/12/PayTo-Service-Overview-Nov-2021-2.0.pdf> (



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.

PaymentMeans	
PaymentMeans/PaymentMeansCode	30
PaymentMeans/PaymentMeansCode/@name	Credit transfer
PaymentMeans/PaymentID	626538876 (<i>customer/payment reference number</i>)
PaymentMeans/PayeeFinancialAccount/ID	payee@business1.com.au (<i>PayID may be an email address, ABN, mobile phone number etc.</i>)
PaymentMeans/PayeeFinancialAccount/FinancialInstitutionBranch/ID	NPP-EMAL*

*The sender should specify "NPP" in the "...FinancialInstitutionBranch/ID" field to enable automation for the buyer. The sender can optionally specify the type of PayID using the format in the example above.

```
<cac:PaymentMeans><!-- New Payments Platform -->
  <cbc:PaymentMeansCode name="Credit transfer">30</cbc:PaymentMeansCode>
  <cbc:PaymentID>626538876</cbc:PaymentID><!-- customer reference number-->
  <cac:PayeeFinancialAccount>
    <cbc:ID>payee@business1.com.au</cbc:ID><!-- PayID -->
    <cac:FinancialInstitutionBranch>
      <cbc:ID>NPP-EMAL</cbc:ID><!-- Name of payment channel -->
    </cac:FinancialInstitutionBranch>
  </cac:PayeeFinancialAccount>
</cac:PaymentMeans>
```

"The following example demonstrates how UBL information elements can be used to convey the required information to support an NPP PayTo agreement into a domestic bank account in Australia. The inclusion of the MandateID will advise the customer about the debit of funds from the nominated bank account or enable instruction on behalf of an authorised party."



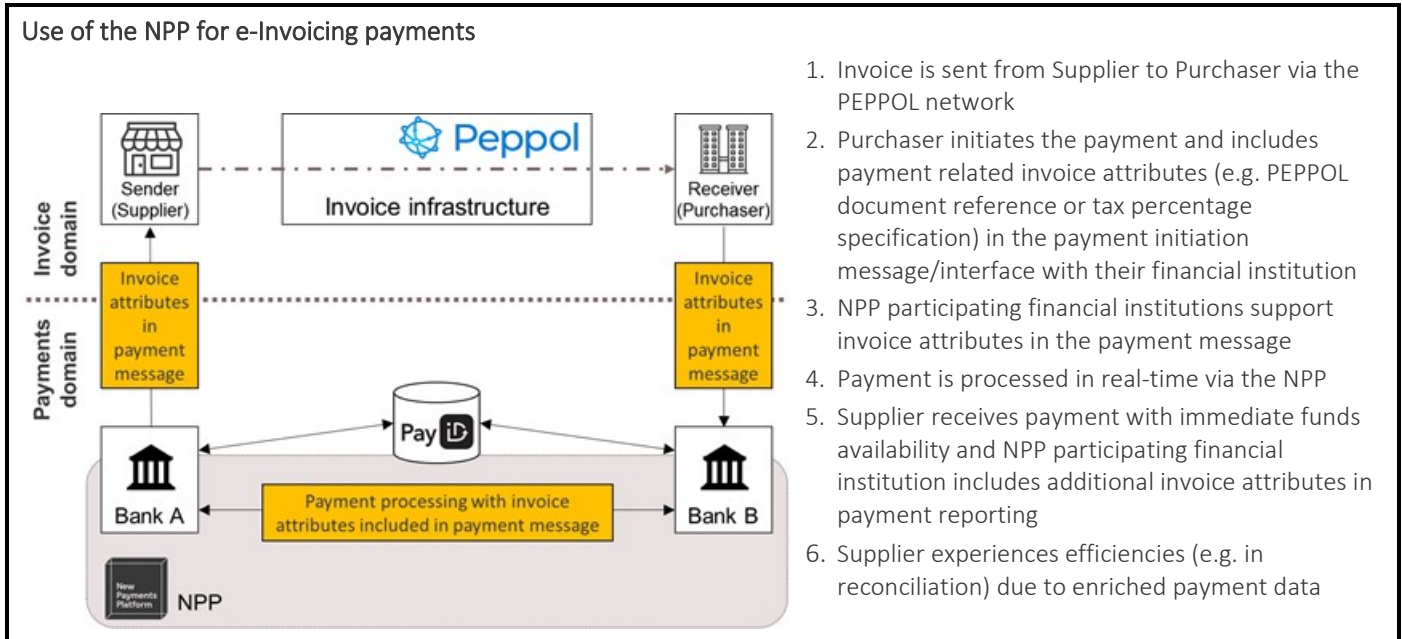
PaymentMeans	
PaymentMeans/PaymentMeansCode	49
PaymentMeans/PaymentMeansCode/@name	Direct debit
PaymentMeans/PaymentID	88827661226 (customer reference number)
PaymentMeans/PaymentMandate/ID	324875423 (MandateID/direct debit authority reference/PayTo Agreement)

```
<cac:PaymentMeans><!-- Direct Debit -->
  <cbc:PaymentMeansCode name="Direct debit">49</cbc:PaymentMeansCode>
  <cbc:PaymentID>88827661226</cbc:PaymentID><!-- customer reference number -->
  <cac:PaymentMandate>
    <cbc:ID>324875423</cbc:ID><!-- Mandate reference identifier -->
  </cac:PaymentMandate>
</cac:PaymentMeans>
```



NPP ISO20022 Message guidance

The data capabilities of the NPP can be leveraged to support e-Invoicing by incorporating the payment reference information contained in the e-invoice into the NPP payment message, thereby enhancing the supplier’s reconciliation process and further streamlining the entire procurement process.



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

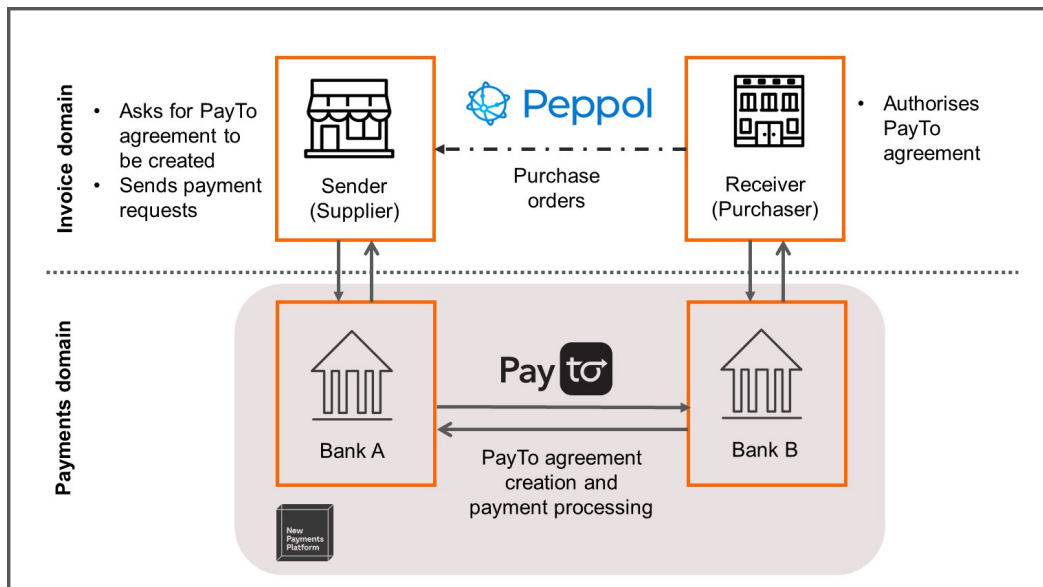
NPP participating financial institutions are obliged to **receive** NPP messages with additional defined data elements for e-Invoicing payments from December 2020. Financial institutions can choose whether to support **sending** these payment message types according to the needs of their customer base and their individual commercial offerings.

NPP Australia will periodically review and update the defined data elements contained within this document for e-Invoicing 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 are available on the NPP Australia website at www.nppa.com.au.

Supporting seamless processing of e-invoices with NPP's PayTo service

NPP Australia is working with the financial services industry to develop PayTo⁷ - a new, digital way for businesses to initiate real-time payments from customers' bank accounts. PayTo can work together with e-Invoicing to efficiently process supplier payments. Purchasers can pre-authorise payments to suppliers within pre-set parameters. When e-Invoices are received, they are processed automatically with invoice attributes such as the PEPPOL einvoice ID mapped to the NPP payment message for easy reconciliation⁸.



⁷ See www.payto.com.au for more information

⁸ See NPP Australia's whitepaper on [e-Invoicing and the NPP](#)



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