

The use of payment means

This text applies to PEPPOL BIS Billing 3 implemented with UBL 2.1 syntax.

1. Payment instructions

Information on the means of payment to be used when settling an invoice is given in business term *BG-16 Payment instructions* (in UBL syntax: *PaymentMeans*). Payment instructions are an optional component of the invoice, but it is good practice to always include it: in addition to being an instrument for payment, the buyers commonly use this information also in the process of verifying supplier authenticity. (Note – If a recurring supplier for some reason wishes to change his payment details, the supplier should notify the buyer of the new details well in advance of issuing the invoice).

In consequence of the European norm for e-invoicing, implementors have to make distinction between (at least) SEPA and non-SEPA payments, and between credit transfer, direct debit, card payment and other instruments. In an instance of an invoice, Credit transfer, direct debit and card payment are mutually exclusive means of payment.

Note – SEPA stands for Single European payment Area.

The means of payment chosen for an invoice instance is stated in *BT-81 Payment means type code* (UBL: *PaymentMeansCode*), the value set of which is taken from **code list UNCL 4461**.

The following sections gives a shortlist of recommended payment means type codes for the most common methods of payment, with emphasis on the payment systems used in Sweden. Parties may use other payment means type codes from the UNCL 4461 code list, but this may require advance agreement between seller and buyer to work smoothly.

Important – The data model in the European norm provides for at most one *BG-16 Payment instruction* in the invoice while PEPPOL BIS Billing 3 with UBL syntax, for technical reasons, has a *PaymentMeans* class that may repeat, i.e. the cardinality is 0..n. In case *PaymentMeans* is repeated in such an invoice the issuer has to make sure that data in the instances of *PaymentMeans* do not conflict.

1.1. When using credit transfer as the means of payment

It is quite common that Swedish suppliers suggest more than one payment option, notably for domestic credit transfer. In PEPPOL BIS Billing 3 several alternative accounts/payment service operators may be listed in case of credit transfer, but only one value of the *BT-81 Payment means type code* is allowed in one and the same instance of an invoice. This means, for example, that code values 30 and 58 may not be mixed. Shortlisted values for *BT-81 Payment means type code* for credit transfer are:

- 58 – SEPA credit transfer

This code value is to be used for cross-border credit transfer payments between countries belonging to SEPA. The account is to be on IBAN format (IBAN, International Bank Account Number): the format type is implied by formal rules building on country code and length so no "IBAN attribute" is to be used for the account. The account number is interchanged without any editing space characters. Although not formally required it is recommended that the IBAN account is accompanied by the bank's BIC (Business Identifier Code, commonly 8 or 11 characters in length).

A UBL example for cross-border SEPA credit transfer:

```
<cac:PaymentMeans> <!-- Credit transfer, cross-border/SEPA area -->
  <cbc:PaymentMeansCode>58</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- Remittance information -->
  <cac:PayeeFinancialAccount>
    <cbc:ID>SE121234123412341234</cbc:ID> <!-- Bank account, IBAN format -->
    <cac:FinancialInstitutionBranch>
      <cbc:ID>BANKSBIC</cbc:ID> <!-- Bank's Business Identifier Code -->
    </cac:FinancialInstitutionBranch>
  </cac:PayeeFinancialAccount>
</cac:PaymentMeans>
```

- 30 – Credit transfer

Code value 30 is used to indicate domestic payment within Sweden and the following examples illustrate common payment options. Please note that other countries may associate code 30 to other credit transfer systems, operating under different rules.

In all cases the account number is to be transmitted as an unedited string (i.e. without space, hyphen, etc.) and payment operator should always be indicated, either with BIC (in case of a bank) or otherwise with national clearing code (in upper-case letters). Please note that the European standard does not provide attributes to separate between different types of accounts or different kinds of payment services.

a) A UBL example using Bankgiro for credit transfer. SFTI has introduced validation rules checking the type and length of Swedish Bankgiro accounts.

```
<cac:PaymentMeans> <!-- Credit transfer (domestic) -->
  <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- Remittance information -->
  <cac:PayeeFinancialAccount>
    <cbc:ID>1112222</cbc:ID> <!-- Bankgiro account, 7 or 8 digits -->
    <cac:FinancialInstitutionBranch>
      <cbc:ID>SE:BANKGIRO</cbc:ID> <!-- National clearing code for Bankgiro -->
    </cac:FinancialInstitutionBranch>
  </cac:PayeeFinancialAccount>
</cac:PaymentMeans>
```

b) A UBL example using Plusgiro for credit transfer. SFTI has introduced validation rules checking the type and length of Swedish Plusgiro accounts.

```
<cac:PaymentMeans> <!-- Credit transfer (domestic) -->
  <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- Remittance information -->
```

```

<cac:PayeeFinancialAccount>
  <cbc:ID>121212</cbc:ID> <!-- Plusgiro account, 2-8 digits -->
  <cac:FinancialInstitutionBranch>
    <cbc:ID>SE:PLUSGIRO</cbc:ID> <!-- National clearing code for Plusgiro -->
  </cac:FinancialInstitutionBranch>
</cac:PayeeFinancialAccount>
</cac:PaymentMeans>

```

c) A UBL example using bank account on national format for credit transfer. The account number is to include the clearing number.

```

<cac:PaymentMeans> <!-- Credit transfer (domestic) -->
  <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- Remittance information -->
  <cac:PayeeFinancialAccount>
    <cbc:ID>12341234567</cbc:ID> <!-- Bank account, national format, incl. clearing no. -->
    <cac:FinancialInstitutionBranch>
      <cbc:ID>BANKSBIC</cbc:ID> <!-- Bank's Business Identifier Code -->
    </cac:FinancialInstitutionBranch>
  </cac:PayeeFinancialAccount>
</cac:PaymentMeans>

```

d) A UBL example using bank account on IBAN format for credit transfer.

```

<cac:PaymentMeans> <!-- Credit transfer (domestic) -->
  <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- Remittance information -->
  <cac:PayeeFinancialAccount>
    <cbc:ID>SE121234123412341234</cbc:ID> <!-- Bank account, IBAN format -->
    <cac:FinancialInstitutionBranch>
      <cbc:ID>BANKSBIC</cbc:ID> <!-- Bank's Business Identifier Code -->
    </cac:FinancialInstitutionBranch>
  </cac:PayeeFinancialAccount>
</cac:PaymentMeans>

```

e) A UBL example using Swish for credit transfer. To rationalise its use the relevant invoice data for payment (Swish number, amount to pay, remittance information) should be included also as a QR-code placed in *BT-125 Attached document* to the invoice (UBL: AdditionalDocumentReference/ Attachment). To eliminate GDPR concerns organisation registered mobile numbers should be used.

Note – Before introducing credit transfer via Swish in an organisation, practices for attestation and accounting (incl. archiving) may require evaluation.

```

<cac:PaymentMeans>
  <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- Remittance information -->
  <cac:PayeeFinancialAccount>
    <cbc:ID>0701234567</cbc:ID> <!-- Supplier's Swish no. (mobile no.) -->
    <cac:FinancialInstitutionBranch>
      <cbc:ID>SE:SWISH</cbc:ID> <!-- National clearing code for Swish -->
    </cac:FinancialInstitutionBranch>
  </cac:PayeeFinancialAccount>
</cac:PaymentMeans>

```

1.2. When using direct debit (autogiro) as the means of payment

Shortlisted values for *BT-81 Payment means type code* for direct debit are:

- 59 – SEPA direct debit
This code value is to be used for direct debit payments cross-border between countries belonging to SEPA. For a UBL example of SEPA direct debit, see section 10.7.3 in the documentation of PEPPOL BIS Billing 3, https://docs.peppol.eu/poacc/billing/3.0/bis/#_payment_means_information
- 49 – Direct debit (Autogiro)
In Sweden, this code is used to indicate domestic payment by means of the Autogiro service operated by Bankgirot. Please note that other countries may associate code 49 to other direct debit systems, operating under different rules.

In order to use Swedish Autogiro a company wishing to offer direct debit payments first has to obtain and register mandates from its clients under a procedure defined by Bankgirot. When invoicing clients, it is suggested to include the autogiro details in *BG-16 Payment instructions* (UBL: PaymentMeans) and at the same time to provide *BT-22 Invoice note* (UBL: Invoice/Note) stating that the invoiced amount will be collected via Autogiro. Business term *BT-90 Bank assigned creditor identifier* is not used. The instruction from Bankgirot is that the invoice should be presented to the buyer at least 8 banking days in advance of the up-coming autogiro payment. If the account number is sent, it should be sent as a text string without editing characters.

A UBL example with Autogiro-related details:

```
<cbc:Note>The amount to pay will be transferred from your account via Autogiro.</cbc:Note>
<!-- Part of the invoice is omitted -->
<cac:PaymentMeans>
  <cbc:PaymentMeansCode>49</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- E.g. invoice no., OCR no.-->
  <cac:PaymentMandate>
    <cbc:ID>SE:AUTOGIRO</cbc:ID>
    <cac:PayerFinancialAccount>
      <cbc:ID>12345678901</cbc:ID> <!-- Account no. is optional -->
    </cac:PayerFinancialAccount>
  </cac:PaymentMandate>
</cac:PaymentMeans>
```

1.3. When using payment card as the means of payment

Shortlisted values for *BT-81 Payment means type code* for payment cards:

- 48 – Bank card
- 54 – Credit card
- 55 – Debit card

For an UBL example of payment done by payment card, see section 10.7.2 in the documentation of PEPPOL BIS Billing 3,

https://docs.peppol.eu/poacc/billing/3.0/bis/#_payment_means_information

1.4. When using Swedish giro as the means of payment

Refer to code value 30, credit transfer, in section 1.1 above for the handling of payments via Swedish Bankgiro and Swedish Plusgiro.

Important – The documentation of PEPPOL BIS Billing 3, section 10.7.4, includes examples of payment via giro using codes *50 Payment by postgiro* and *56 Bankgiro*. These code values must not be used for domestic Bankgiro and Plusgiro transfers in Sweden. SFTI has introduced a national validation rule (SE-R-011) to warn Swedish suppliers from using them by mistake. However, codes 50 and 56 represent valid values as such and they may fulfil a purpose for giro payments in other countries.

1.5. Other payment provisions

Guidance on other payment provisions may be added at a later stage.

2. Remittance information

The supplier may optionally choose to specify a remittance reference in business term *BT-83 Remittance information* (in UBL syntax: *PaymentMeans/PaymentID*) in the invoice. When present, the buyer is then to include it in his payment instruction; in doing so the supplier's payment reconciliation is simplified.

The formal rules related to the construction of remittance references are defined by each payment operator, and their rules differ. The European Norm provides for only one remittance reference in the invoice. As the syntax binding for technical reasons allows *PaymentMeans* to be repeated for credit transfer, each repeated value of remittance reference must be identical; and in this case the supplier has to designate a reference that will satisfy all payment operators and services identified in the invoice.

For payments in Sweden the remittance reference takes the form of

- either a so called "OCR string" (initially devised for optical character recognition, later amended with ruled for computer validation)
- or a character string (with no rules other than length limitation).

There is no attribute to separate between the two forms of reference – i.e. OCR and text string references – so, when used, it is up to the supplier to designate a reference that is valid in relation to all means of payment listed in the instance of an invoice, and for the software generating the payment instruction at the buyer's to secure correct use of the reference provided.

A UBL example:

```
<cac:PaymentMeans>
  <cbc:PaymentMeansCode>30</cbc:PaymentMeansCode>
  <cbc:PaymentID>18003582</cbc:PaymentID> <!-- BT-83 Remittance information -->
  <!-- ...account and financial institution details follow here... -->
</cac:PaymentMeans>
```