

Media release

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SIX Interbank Clearing Ltd
Hardturmstrasse 201
CH-8005 Zurich
www.six-interbank-clearing.com

Media Relations:
T +41 58 399 2227
F +41 58 499 2710
pressoffice@six-group.com

Payments harmonization – the countdown has started

Digital impulse for Switzerland – biggest financial infrastructure project in 30 years

All current formats, procedures and payment slips will be replaced with the harmonization of Switzerland's payment traffic. Payments will henceforth be based on the globally recognized ISO 20022 standard. This ensures that Switzerland's payment processes are digitalized, making them far more efficient and economical for all market participants. Swiss financial institutions will complete their changeover by the end of 2017, corporate customers by mid-2018 at the latest. All common payment paths will continue to be supported after the replacement of the payment slips.

Digitalization and regulation are two essential drivers of the project. The proportion of electronically executed customer payments has meanwhile risen to 74% and is steadily increasing. Nevertheless, the cycle from billing to payment receipt is still not seamlessly integrated, which entails manual work for corporate and private customers. The project has received urgency since the introduction of the adapted regulatory rules in 2016. The implementation to the adapted rules will be supported and the work steps simplified with the changeover to ISO 20022.

Changeover to a proven standard

Switzerland enjoys high interconnectivity around the globe, and more than half of all cross-border credit transfers are executed in euro. The Swiss financial center has decided to approach the harmonization on the basis of the internationally recognized ISO 20022 standard, which is also being applied in the eurozone. The EU converted its payment traffic to ISO 20022 back in 2014; countries such as Japan and Australia also make use of ISO 20022. During the harmonization process, all the formats, procedures and payment slips that have evolved over time will be aligned with ISO 20022, a proven and future-proof standard.

Novelties

The seven different payment slips will be replaced by a digitally readable QR code containing all the data for the payment. The new solution, called QR-bill, simplifies the processing of bills and credit transfers for companies and consumers. Companies can print the QR-bill themselves and the bill recipient can trigger payment with just a few clicks on a smartphone or other reading devices. All the

information required for payment can also be read without technical devices. Payments can still be made at a post office counter or by mail, and the data can still be manually input in e-banking. Comprehensive digitization will make communication between financial institutions and their customers simpler and faster. Incorrect entries of payment information will be displayed directly in e-banking and business software, and can be immediately corrected, saving time and investigation orders. The accelerated information exchange with their banks means that corporate customers can also optimize their cash management. In the course of the harmonization, the currently varying direct debit procedures of PostFinance and the other banks will be aligned.

All in all, the entire payment process, from biller to bill recipient, will be standardized and fully automated.

Case-by-case adjustments

ISO 20022 replaces all previously used formats for processing payments between corporate customers and financial institutions. Companies and organizations with an operating or an ERP system are required to adapt their systems to ISO 20022, and to discuss the process and timing with their respective financial institution and the software producer. The various account numbers of the Swiss financial institutions will be replaced by standardized IBANs throughout Switzerland. That means that all payees and payers need to replace their old account numbers by the end of the conversion period and use the new QR-bill instead of payment slips for invoicing and paying.

Roadmap for conversion

The financial institutions will convert their systems to ISO 20022 by the end of 2017. Corporate customers will change over by mid-2018. The detailed program and timetable will be defined between the financial institutions and their customers. The QR-bill can only be rolled out when conversion to ISO 20022 has been completed throughout Switzerland. The timetable for introducing the QR-bill will be communicated, together with the technical specifications, by PaymentStandards.CH on 27 April 2017.

Impulse for digital Switzerland

The harmonization of payment traffic will support the digital transformation currently taking place throughout Switzerland's economy and society. Payment traffic thus makes a significant contribution to the consistent digitization of Switzerland. At the same time, the modern payment system is geared towards complying efficiently with future technological and regulatory requirements.

All information about the harmonization of payment traffic can be found at:

www.PaymentStandards.CH/Activating; an image of the new QR-bill can be accessed [here](#).

If you have any questions, please do not hesitate to contact Stephan Meier, Head Media Relations.

Phone: +41 58 399 3290
Fax: +41 58 499 2710
E-mail: pressoffice@six-group.com

PaymentStandards.CH

PaymentStandards.CH is the official communication organ of the Swiss financial center pertaining to the standardization and harmonization of payments. The financial institutions are working closely together with companies and the ICT industry on implementing the infrastructure project. Together, they are pressing ahead with the digital transformation of the payment system and as such are providing a valuable impetus for the whole of Switzerland.

www.PaymentStandards.CH

SIX Interbank Clearing

SIX Interbank Clearing operates the SIC payment system on behalf of, and under the supervision of, the Swiss National Bank. This system processes payments made in Swiss francs in real time and on a gross basis between financial institutions.

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