

EPC Newsletter

SEPA STANDARDS

The History and Vision of CBI

The EPC Newsletter series provides an overview of banking communication standards in Europe

27.04.12 BY LILIANA FRATINI PASSI

In 2011, The European Payments Council (EPC) Newsletter launched a series of articles to showcase the electronic banking standards that have been adopted in different European countries to facilitate the communication between a bank and its clients. The aim of establishing these communication frameworks is to ensure that businesses can flexibly, securely and efficiently manage their cash requirements across different bank accounts, through the use of standardised processes. The standards discussed in this series are outside the scope of the EPC. The second standard to be focused upon is CBI (Interbank Corporate Banking) developed by the Italian CBI (Customer to Business Interaction) Consortium and is adopted by the Italian banking sector in the customer-to-bank area. In this article, Liliana Fratini Passi provides a brief history of the Italian approach to this standard and its key benefits.

Key Information in this Article

The Italian CBI (Customer to Business Interaction) Consortium defines the technical and regulatory standards that all Italian banks must comply with. It established this framework by:

- Defining a 'white label' that encourages banks to agree the basic standard before adding functionality to deliver a competitive advantage.
- Advancing the infrastructure to reflect the growing needs of the Italian financial community. This infrastructure enables consortium members to use the network to provide value-added services.
- Opening the network to other market users, such as public authorities (creating the CBI Access Point Service), to enable the efficient and visible movement of funds.

The work of the CBI is still progressing to offer stakeholders new services – such as e-invoicing and e-billing – and supports the transition to e-government services.

CBI Consortium develops its standards and services in accordance with the schemes and frameworks created to realise SEPA and connectivity across the international payments community, to ensure members can effectively and securely communicate with the global financial sector.

Furthermore, a project developed to support the Italian Ministry of Economy and Finance, through the CBI Access Point Service, has been recognised by the European Commission as a best practice benchmark for other European Union Member States.

The history of CBI

The Italian CBI (Customer to Business Interaction) Consortium defines the technical and regulatory standards of the CBI Service (Interbank Corporate Banking), which all Italian banks must comply with to offer their customers innovative services either in the collection and payment area or in the document management area. The body also governs and advances the established architecture to align with the future commercial requirements of its stakeholders, which include financial institutions, public bodies, enterprises, trade associations, software vendors and service providers. By formulating a series of functions based on common rules and standards, the CBI guarantees interoperability across the Italian banking community, which comprises some 700 banks.

The standards were developed to provide a unified platform to deliver consistent payment collection according to

ISO 20022 requirements and the SEPA Credit Transfer and SEPA Direct Debit Schemes. This series of functions, based on common rules and standards, guarantees maximum interoperability and attainment between all CBI members.

A shared model approach was, and still is, taken to create and evolve the framework by defining a 'white label': all banks collaborate to agree the basic standard, and then have the option to provide additional functionality to deliver a competitive advantage. CBI recognises this process as 'co-competition': first cooperation and then competition.

The CBI Service was established in 1995 under the control of the Italian Banking Association (ABI). Its remit was to develop a remote access service that would securely facilitate interbank payment and communication. In 2001, the ABI entrusted the development and governance of the CBI Service to the Association for Interbank Corporate Banking (ACBI), which was renamed in 2008 to the CBI Consortium.

The engagement of communities in this work has increased over the last 17 years. In 2004 the CBI launched the stakeholder forum that brings together different entities from the supply chain that use the CBI network and standard, to discuss requirements and provide feedback on the latest innovations.

The CBI has continually sought to advance its infrastructure to reflect the growing needs of the Italian financial community. In 2007, for example, it adopted a new architecture that facilitates communication via an end-to-end system favouring straight-through-processing (STP). This advancement has enabled consortium members to use the network to provide value-added services beyond the traditional payment functionality, including document management.

Taking this one-step further, in 2009 a project was launched to open-up the framework to meet the needs of public administrators and offer them the opportunity to benefit from the financial framework. This included defining standards to align with public administrator needs in order to create an efficient model of cooperation regarding payment collection and supporting documentation between banking systems and public administrators. It also expands access to the system to citizens and enterprises.

Specification today

While the CBI has advanced significantly over time, the main aim of the CBI has remained consistent: to rationalise and optimise the management of the user's financial resources.

In December 2011, the CBI Consortium involved around 647 consortium members, which represented 87.4 percent of the Italian banking industry, financial institutions and Poste Italiane S.p.A. The platform created benefited approximately 1,200,000 corporate users, mainly small and medium sized enterprises (SMEs). Today the CBI standard could be considered as the Italian 'de-facto' standard in the collection and payment market.

The technology infrastructure is based on the XML standard that facilitates the needs of reconciliation, tracking/tracing, security (digital signature), speed, compatibility and flexibility through direct communication between the CBI community members. The authenticity and integrity of the information flows throughout the network are further guaranteed by the ability to electronically sign documents. Throughout all of the CBI's work, it aims to establish good practice across the entire Italian banking network.

CBI Access Point - The evolution of CBI's efforts to benefit stakeholders operating outside its membership within the wider marketplace has resulted in the establishment of an advanced, secure and efficient electronic-platform (e-platform) that can successfully and transparently manage the movement of funds for the Italian Central Public Administrators. Today, the following organisations benefit from the framework:

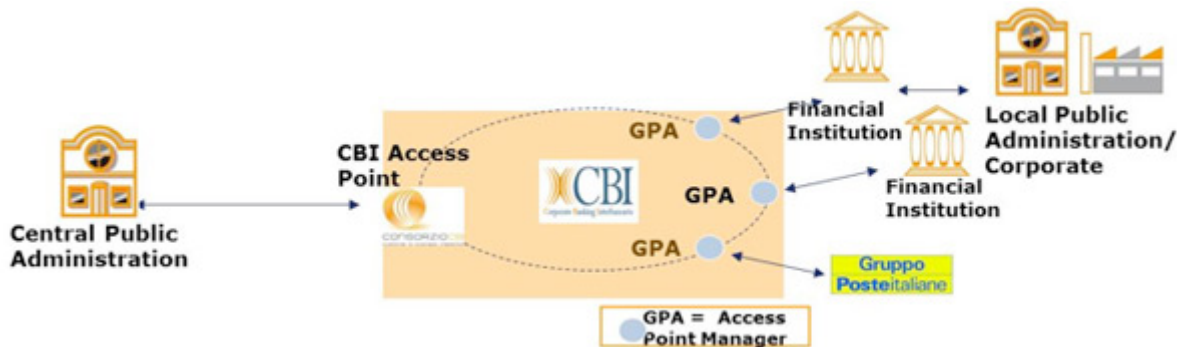
- The Ministry of Economy and Finance in partnership with DIPE (Department for the Planning and Coordination of Economic Policy established by the Presidency of the Council of Ministers); to monitor the transfer of funds for significant public maintenance work (the project name is [CAPACI - Creation of Automated Procedures Against Criminal Infiltration in public contracts](#)).
- Equitalia; to rationalise the management of the fund administered by the justice system (Fondo Unico Giustizia - FUG) and the cash management of the group.
- Agency for the Territory; to allow the Agency's web users to pay for its services via credit transfer.

In alignment with the transition to e-government services, the CBI Access Point will further expand its offering to

other departments to securely and efficiently host e-payment services online.

E-Invoicing - e-Invoicing offers a link between administrative and financial processes. Providing this service via the CBI infrastructure is a transitional step to getting other business-to-business and business-to-government services online, enabling stakeholders to benefit from the efficiencies this brings across operations. The CBI calls this the 'order-delivery-invoicing-payment cycle'. The integration of invoices and payments / financing further enables greater streamlining and simplification of processes, creating significant savings of up to 70 to 80 percent compared to the traditional invoicing on paper and management costs. In Italy today, public administrations are no longer required to process paper-based invoices since e-invoicing is now well established.

Figure 1: Vision of the CBI Access Point



Benefits

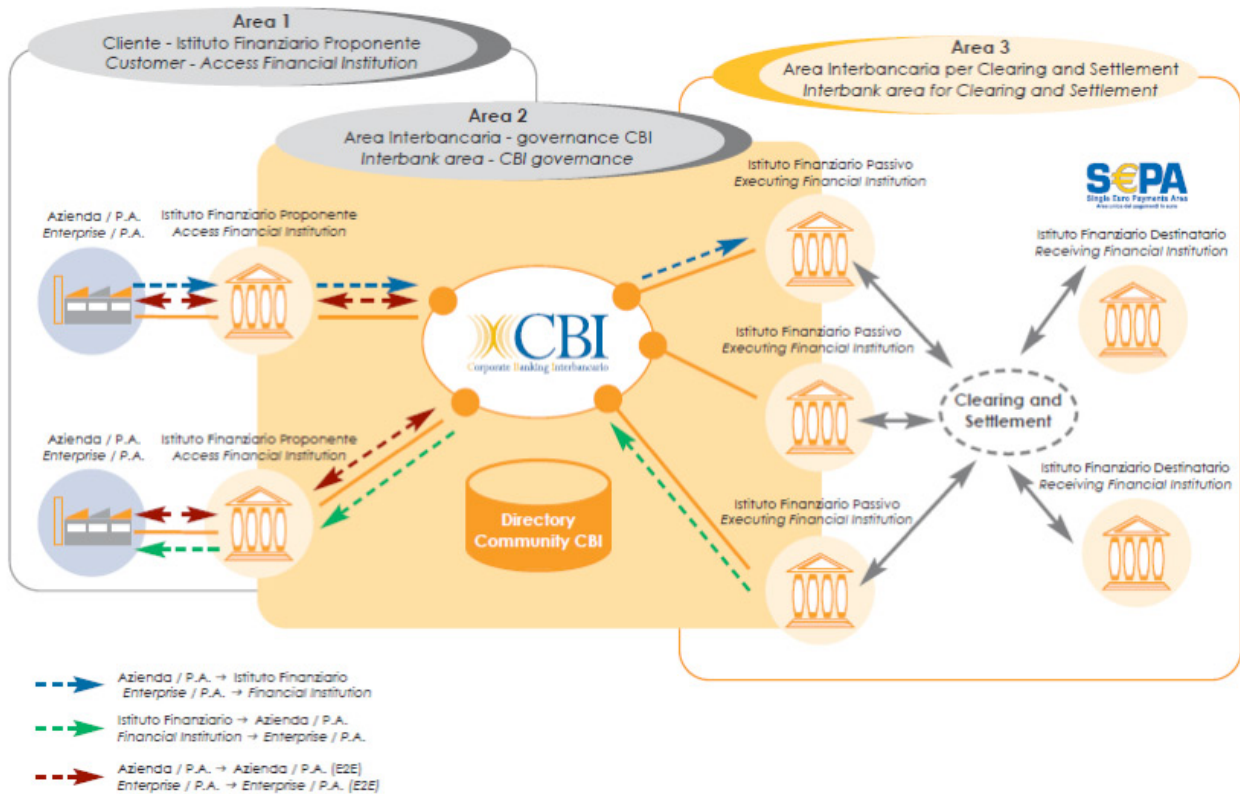
The considerable success of the CBI is due to several reasons. These include:

- System interoperability throughout the Italian banking network.
- Improved efficiency by enabling connectivity between all financial institutions through one remote access point.
- Superior access to banking services online; eliminating the need to go to a branch.
- Transparency by improving the ability to easily obtain fund transfer information.
- Guaranteed service levels, confidentiality and data security.
- Integration of company enterprise resource planning with corporate banking systems.

CBI and SEPA

CBI Consortium develops its standards and services in accordance with the schemes and frameworks created to realise the Single Euro Payments Area (SEPA) and connectivity across the international payments community, to ensure members can effectively and securely communicate with the global financial sector. To ensure complete alignment, the CBI participates in relevant task forces established by the European Payments Council (EPC) to manage and maintain this interoperable infrastructure.

Figure 2: CBI model and its relationship with SEPA



[\(click to enlarge\)](#)

Future advancements

The CBI is committed to advancing its infrastructure to enable additional stakeholders to benefit from the network. This includes the development of its portfolio to offer e-billing, which will launch later this year and allows all paper billing activity to be undertaken online.

The work of the CBI has not gone unnoticed. In particular the CAPACI project has been recognised by the European Commission, which recommends that the CBI Access Point is used as a best practice benchmark for other European Union Member States; CBI is already engaging and working with different governments to share its expertise.

Liliana Fratini Passi is the CEO of the CBI Consortium.

Related link :

[CBI Consortium](#)

Related article in previous issue:

[SEPA Standards: The History and Vision of EBICS](#) (EPC Newsletter, Issue 13, January 2012)

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