



① Production of the IPI and mailing it by the beneficiary

Issuers can choose whether to print the IPI forms in house or use a printing company to produce blank forms to which they subsequently add the data elements. Irrespective of who prints the form, there are various options for the way in which the IPI may be printed. The choice will be influenced by various factors such as the technical capability of the issuer.

Once printed, IPI-s will be mailed to ordering customers.

The IPI includes information about how the bank charges for making the payment will be collected.

② Completion and use of the IPI Information for making the credit transfer order

The Ordering customer will send the IPI information to his/her bank, according to bank or national rules.

③ Credit transfer

Once the bank receives the IPI information, in most instances the payment will be made by sending an interbank payment message to the beneficiary's bank.

Most implementation issues will be addressed at the national or bank level.

1. Issuing

To ensure all forms fully conform to the standard, companies that plan to use the IPI to collect payments from customers in other countries shall work with and gain the approval of their bank or another authorised organisation of their design of the IPI before starting to use it. National associations may wish to supplement the international standards with additional, national standards.

Production of a national guide for potential issuers of IPI's.

National guidelines will specify the quality checks that banks undertake before permitting their customers to issue IPI's.

The issuing side of the IPI covers:

- support for printing companies;
- support for service bureaux;
- support for potential users.

Customers will be guided by their banks about the business issues associated with the choice of the IPI as a method of collecting funds. Banks will provide the necessary beneficiary bank details and will also advise their customers about the procedures they will need to follow in order to obtain approval for using the IPI.

2. Acquiring

Banks will need to prepare their payment capture systems to accept the IPI information. This may include:

- data entry systems;
- automated capture systems;
- ATMs;
- electronic banking products provided to customers.

Width: 210 mm (A4)
Height/length: 99 mm (1/3 A4)

Un-recycled white, non-reflecting 90g/m2 paper shall be used that is suitable for Intelligent Character Recognition (ICR) scanning machines.

Data elements printed by the beneficiary shall be printed as follows:

The font shall be non-proportional OCR-B or Courier New.

All other text shall be printed as follows:

The font shall be non-Italicised Arial.

The three printing options are the following ones:

- blind colour;
- black;
- drop out.

This standard takes into account the current state of the art in terms of scanning and intelligent recognition technologies.

Printing companies that produce the IPI on behalf of beneficiaries shall comply with the standard.

Full description: EBS 206 on <http://www.ecbs.org>. Complementary to the IPI standard are the ECBS documents SIG 208 Standard Implementation Guidelines and TR 202 National Specifications for the IPI. Both are available from the given web address.

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INTERNATIONAL PAYMENT INSTRUCTION (IPI)



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The International Payment Instruction (IPI) is a paper form for credit transfer instructions to be combined with cross-border invoices in order to facilitate cross-border credit transfers.

The International Payment Instruction is pre-personalised by the beneficiary who sends it to the ordering customer together with or referring to an invoice.

The ordering customer completes information concerning the debit-side of the payment. The ordering customer will then use the IPI, or the information on the IPI, to request his/her bank to effect the credit transfer.

The form is designed for making cross border payments between bank accounts held in the European Union and some other countries.

The IPI is based on payment schemes in use in a number of European countries where the beneficiary pre-prepares credit transfers. The IPI promotes the use of the International Bank Account Number (IBAN), account number that includes the country code, two check digits and a customer's national bank/account number.

The IPI standard (EBS206) and the IBAN standard (EBS204) are available from the ECBS web-site: <http://www.ecbs.org>

The example below illustrates a scenario where a French company has supplied goods to a German customer. It shows the form as it would appear after completion by the beneficiary.

However, the IPI will normally be combined with an invoice and/or detachable counterfoil for retention by the ordering customer.

• **Name/address ordering customer:**
It is recommended that the beneficiary will print name and address. However, beneficiary may distribute "debit-blank" IPI forms, without name and address printed.

• **Beneficiary account number**
will be printed by the beneficiary and will be an IBAN.

• **Details of Payment**
enables the beneficiary to identify and reconcile the credit transfer upon receipt.

• **Ordering customer account number**
is the bank account that the ordering customer requires his/her bank to debit when making the credit transfer. It is recommended that the beneficiary will print a blank box for hand-written completion by the ordering customer.

• **Charges to be paid**
defines which parties will pay the charges. The beneficiary should agree who will pay the charges as part of the contract with the ordering customer. It will be printed by the beneficiary.

• **Amount to be paid**
can be supplied in one of two ways
- printed by the beneficiary;
- supplied by the ordering customer.

IPI facilitates bank to bank straight-through-processing through enhanced quality of information (e.g. via the use of IBANs as beneficiary account numbers). The IPI prevents inefficiencies in cross-border consumer and business related payments (errors, rejects of credit transfers, etc.) and enables processing of cross-border invoice settlements with a single method for all ECBS countries. Convenience and efficiency are increased for customers and banks.

The benefits of the IPI for the beneficiary customer are as follows:

- Potentially faster receipt;
- Simpler processes;
- Easy reconciliation.

The IPI also provides benefits to the ordering customer:

- Convenience and simplicity;
- Reduced effort.