

**eCommerce in Banking: Standardization Issues in
Business-to-Business Payments:
Slovenia and USA Experience**

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The challenge of business integration is that enterprises are based on a wide range of technologies ranging from well-established proprietary solutions to currently emerging industry standards.

As Business Process Management becomes more and more pervasive, companies are realising that standards are critical to the effective deployment of integration architecture with logic in mind. The company's strategy is centred now not only on connecting suppliers with trading partners, but also providing full automation of the source-to-pay processes.

EDI (message formats including ANSIX.12, EDIFACT, SWIFT, HIPAA) continues to be an important technology for exchanging information between businesses, and as such is an important part of the fabric of business integration which is done through the collaboration platform.

XML is really a family of standards that includes much more than just the data format most people are familiar with, such as transformation, semantics and process definition. In addition, many vertically- and horizontally-aligned organisations are extending the basic standards to meet their own specific requirements.

Another key standard in the adoption of Web Services is ebXML, which provides an XML-based framework for secure e-business. There is a various player that develop XML in payment management support by providing customers a well integrated and adaptable end-to-end payment and account management solution. At the centre of this new architecture is a transaction warehouse in which transactions initiated from any delivery channel are maintained in near real time in a centralised relational database. Payment management applications will retrieve information from this warehouse to provide needed business functionality.

The Internet is obviously the 'great connector' - a ubiquitous communication platform that can link anyone, using any device to any source of information or process. Technologies such as Web Services, MS .NET, J2EE, VoiceXML, P2P, Instant Messaging, Bluetooth and WAP. Internet and the emerging technologies are built on top of a common foundation. It doesn't matter whether you're looking at supply chain, or secure e-commerce, or collaborative applications, or whether you're dealing with users in offices or on the road - the Internet provides the common link.

In USA, several large banks are moving forward with new XML-based data exchange applications in their commercial and retail lending divisions. There are several examples including XBRL (Extensible Business Reporting Language) for commercial lending documentation and XML-based internet retail credit transactions. Many international organisations, par ex. EAN International and consequently EAN Slovenia, have started to create EAN XML Business messages Standard and implement XML schemes.

Further there is an important project in Slovenia (E-SLOG – E-Commerce in the Slovenian Economy), managed by the Chamber of Commerce and Industry, started in October 2000. The main purpose of the project is introducing e-commerce into Slovenian enterprises on the basis of the new agreed standards for the main business documents, recommendations for making uniform different technological issues and basic guidelines for the integration of electronic signature into the business processes.

Last but not the least, there is the new Payment Operations Act which gives the Slovenian Central Bank, Bank of Slovenia, the competencies to set minimum standards for performing payment services and thus regulate the domestic payment systems operation. The Bank of Slovenia orientation towards STP (Straight Through Processing) as to ensure smooth operation of payment systems, is strongly in connection with development of new technologies in E-business which are going to bring about faster and cheaper bank-to-bank and bank-to-customer payment operations in Slovenia.