Data and E-commerce standard

The purpose of this paper is to set out the elements for consideration in adoption of a data and e-commerce standard for SuperStream.

Background

Most of the issues covered in this paper have been canvassed in previous papers considered by the working group, including the data standard and e-commerce break-out group at the last meeting of 15 April 2011.

The ‘definitional taxonomy’ expressed in SBR is the basis for the proposed data standard for SuperStream, while the elements related to ‘message format’, ‘payment standard’ and ‘routing services’ form the proposed e-commerce standard. The ‘enabling services’ component will support both the data standard and e-commerce standard.

Key Points

The key elements for consideration are:

- **Element 1. Definitional Taxonomy**

  This includes the set of terms, definitions and relationships required to support the target transactions, messages and reports in scope for SuperStream.

  This taxonomy, in its current form, has already been adopted by government agencies (ATO, APRA, ASIC) for handling reporting by entities on superannuation matters.

- **Element 2. Message Structure & Format**

  This includes the message structure, format and business rules which are defined by the standard for each transaction or report instance in SuperStream (in SBR, this is referred to as the ‘reporting taxonomy’). The message structure is based on the use of XBRL as an open standard language and the use of web services to structure and validate message contents. A standard for a unique transaction identifier also needs to be identified which is based on an improved SPIN identifier (i.e. a ‘universally’ applied and truly unique SPIN reference number) and a unique account or transaction code.

  This message structure has already been adopted by government agencies (ATO, APRA, ASIC) for defining and receiving reporting by entities on superannuation matters. Agencies are progressively converting their standard forms over to this format.

  Superstream Working group members have asked for clarification and evidence of the suitability of SBR messaging/XBRL to handle:

  a) large file sizes, such as those associated with very large corporate contribution files, and

  b) processing of many-to-many transactions in a near real-time processing environment.
• **Element 3. Payment Standard**

This refers to the payment exchange and settlement standard to be used for electronic funds transfer.

Currently, a variety of options are in commercial use in the industry which are based on the current BECS standard governed by APCA. This includes direct entry and BPAY options (amongst others) – the latter being schemes or arrangements which leverage the underlying BECS system foundation. It is proposed the new SuperStream governance body, in consultation with stakeholders like APCA, will endorse electronic payment methods based on this standard.

In December 2010, the APCA board adopted the ISO20022 standard as the basis for a future payment standard in Australia – and thus ensure alignment with US, Europe and global developments more generally. As new innovations at the systemic and treaty/private arrangements level are likely to emerge in the future, the Superstream governance body will be expected to endorse any new offerings likely to benefit the industry following suitable evaluation and consultation with impacted stakeholders.

Additionally, a mandatory transaction identifier based on an improved SPIN identifier and unique account or transaction code will need to be specified.

• **Element 4. Enabling Data Services**

This refers to the data validation and data re-use services provided by an authoritative register (or registers) to support data quality and integrity in processing messages. This could potentially include member identifiers, fund and employer identifiers and bank account details.

Further work is currently being undertaken by the ATO to specify the requirements and potential delivery options for these services. It is likely that use of these services would be mandated at relevant transaction and reporting points.

• **Element 5. Routing Services**

This refers to the routing and delivery network needed to support e-commerce transactions and reporting in SuperStream, including any value-added services required such as IP address maintenance, delivery failure reports, etc.

In the current world, SBR provides a gateway for routing and delivery of reports to relevant agencies. In addition, the Medicare Small Business clearing house provides a gateway service for small employers to deal with and distribute contributions to relevant funds. Various commercial providers in the form of clearing houses, payroll bureaux and administrators also provide this service today in one form or other. Some standardisation and rationalisation may be required to make this a ‘universal’ and fully networked delivery service with agreed standards for processing times, cue management, error messaging and IP address availability.

Further work is currently being undertaken by the ATO to specify the requirements and potential delivery options for these services.

**Recommendation:**

1) **Definitional Taxonomy**

   a. Adopt the definitional taxonomy framework in Standard Business Reporting (SBR) as mandatory for defining SuperStream terms and relationships.
b. Ensure that any unique terms to SuperStream are approved by, and subject to change control by the new Superstream Governance body, in consultation with impacted stakeholders.

c. The form of this standard and the timing of its adoption should be reflected in an appropriate statutory framework.

2) Message Format & Structure

a. Subject to satisfactory resolution of large file and processing efficiency issues, adopt the message format and structure used in Standard Business Reporting (SBR) as mandatory for defining transaction and reporting messages used to support SuperStream.

b. Ensure that any changes to SuperStream messaging are approved by, and subject to change control by the new Superstream Governance body, in consultation with impacted stakeholders.

c. Adopt a mandatory transaction identifier based on an improved SPIN identifier and unique account or transaction code (for inclusion in all data and payment messages).

d. The form of this standard and the timing of its adoption should be reflected in an appropriate statutory framework.

3) Payment Standard

a. Adopt the BECS standard as the immediate basis for SuperStream electronic payment, including the payment definitions associated with this standard are adopted within the SBR taxonomy.

b. Empower the new SuperStream governance body, in consultation with APCA and other relevant stakeholders, to endorse electronic payment methods based on this standard, including the adoption of any new standard based on ISO20022.

c. AS FOR 2(c): Adopt a mandatory transaction identifier based on an improved SPIN identifier and unique account or transaction code (for inclusion in all data and payment messages).

d. The form of this standard and the timing of its adoption should be reflected in an appropriate statutory framework.

4) Enabling Data Services

No recommendation at this point.

5) Routing Services

No recommendation at this point.