

# X<sup>TH</sup> Symposium of the AIST

## The offer of the Directorate-general of public finances regarding the means of e-payment

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**14<sup>th</sup> of november 2016**



## Summary table (1/4)

- The strategy of the DGFIP regarding the means of payment
- The current offer of means of e-payment
  - For the collection of the public revenues
  - For the payment of the public expenditure
- The outlook of developments
- Conclusion and Q&A session

# The strategy of the DGFIP regarding the means of payment (1/4)

## The DGFIP offers means of payment for the collection of public revenues facilitating in the mean time :

- The users experience
- The collection of public revenues

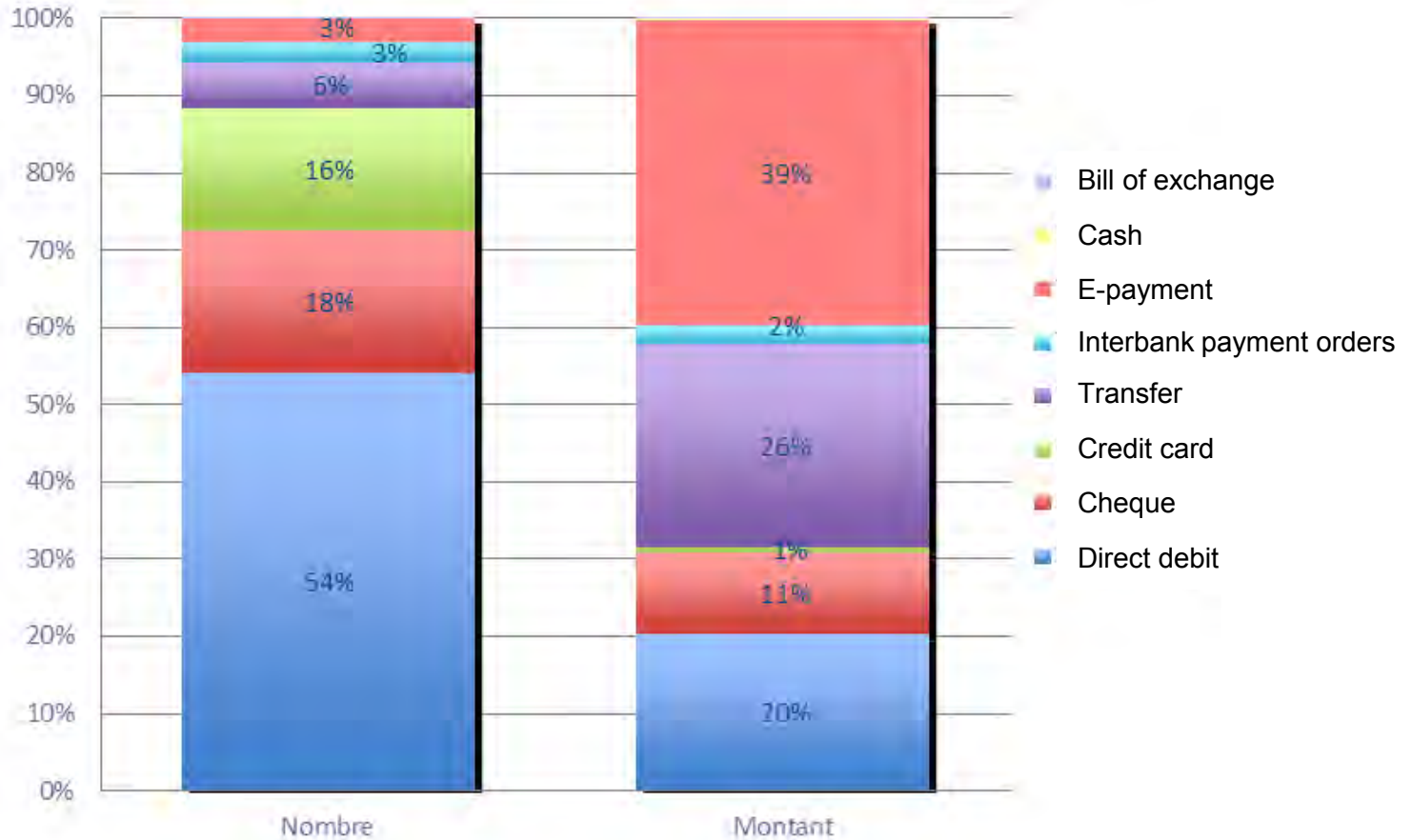
The 2016 offer of means of payment is clearly oriented toward e-payment solutions, which meet best the users' expectations and modern habits as direct debit, credit card and bank transfer.

In order to achieve its collection mission of the multiple public revenues, the DGFIP network is equipped with effective mass collection tools. It shares with the French main utilities (EDF, Orange...) a long lasting experience in the field.

At the end, the DGFIP offers a wide scale of means of payment which improves the collection of public revenues.

# The strategy of the DGFIP regarding the means of payment (2/4)

Breakdown of means of payment used for the collection of public revenues in 2015



## The strategy of the DGFIP regarding the means of payment (3/4)

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**For the payment of public expenditure, the DGFIP uses less means of payment:**

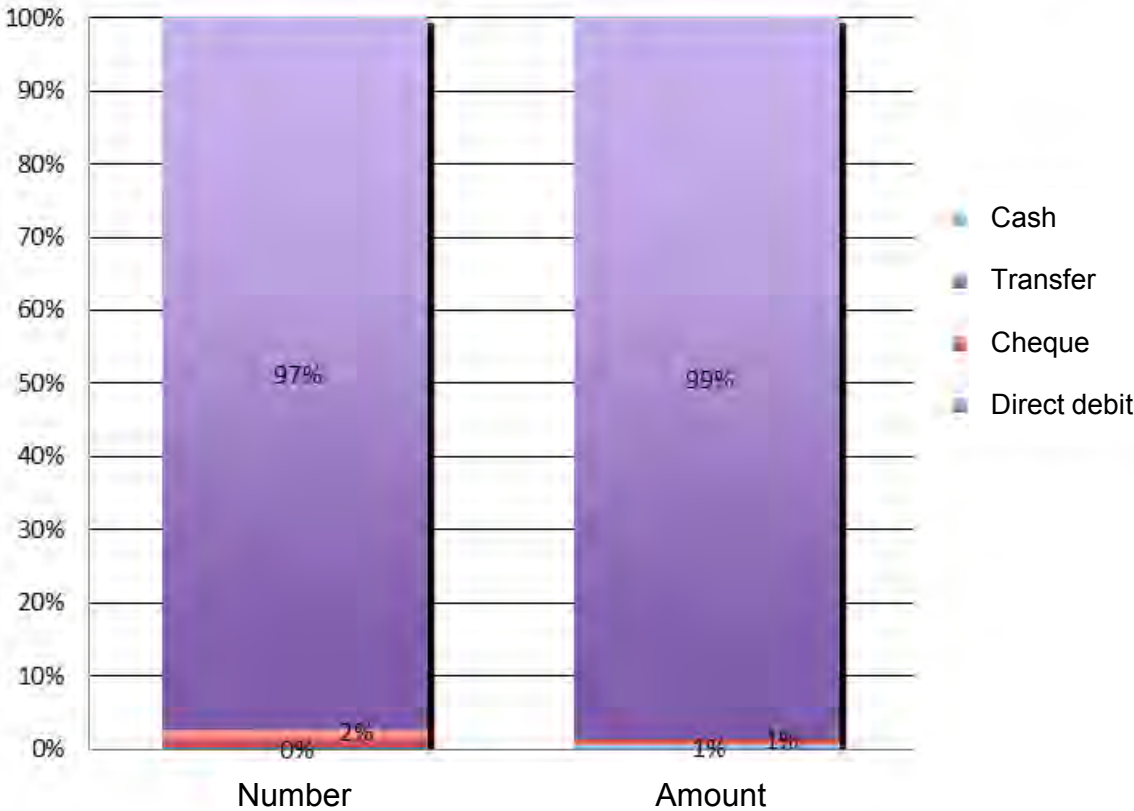
- The transfer is favoured
- The cheque, the direct debit and credit card are rarely used

**This approach is part of a double framework:**

- The cash reduction plan enforced since 2014
- The national strategy of means of payment presented in October 2015

# The strategy of the DGFIP regarding the means of payment (4/4)

Breakdown of means of payment used within public sphere in 2015



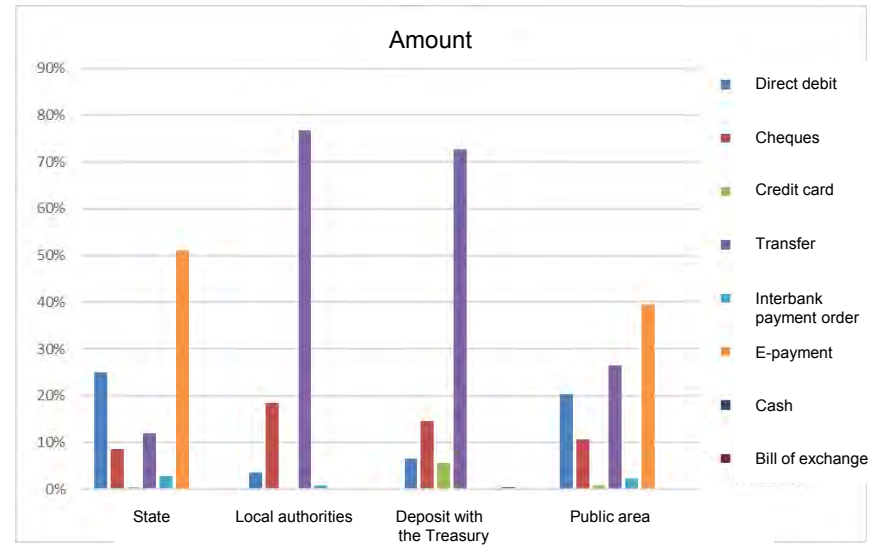
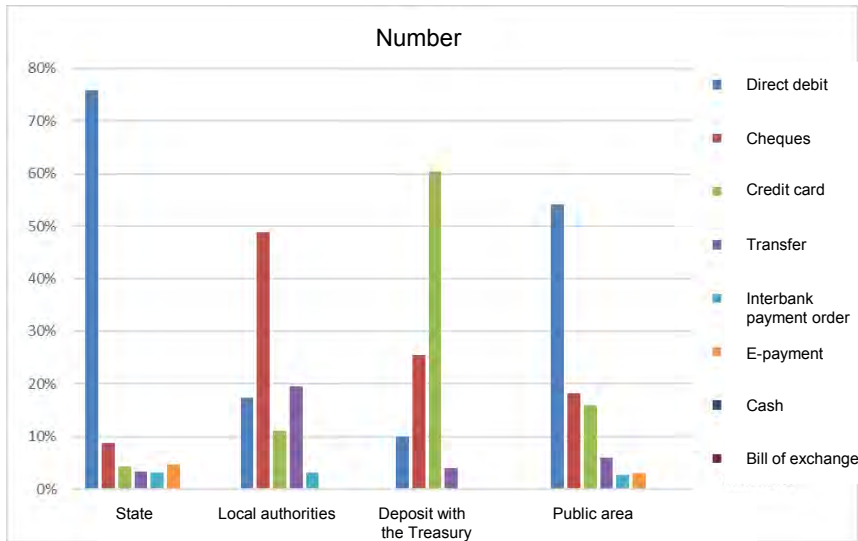
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# The current offer of means of e-payment

## ➤ For the collection of the public revenues (1/8)

### A different use according to the fields of activity:





## The current offer of means of e-payment

- For the collection of the public revenues (2/8)

### The direct debit: First mode of collection for the public area

- For what use

The direct debit is the favoured mean of payment for the recurring invoice mostly, i.e. monthly tax payment, tax payment on the due date, school canteen, nursery, rent, water, sanitation or domestic waste fee...

The direct debit is usable for:

- the payment on the due date
- the scheduled payment (monthly)

→ Generalisation of the SEPA direct debit since 2014

## The current offer of means of e-payment

- For the collection of the public revenues (3/8)

### The direct debit: First mode of collection for the public area

#### • Advantages

- For the user, the direct debit is a guarantee of a payment on time
- For the administration, it is a guarantee of scheduled and known in advance financial incomes
- It improves the cash management and reduces the risk of payment defaults
- It allows the remote payment online or through a mobile application
- The operational costs are now drastically reduced.

#### • Drawbacks

- The management of the mandates is done by the creditor in the SEPA environment (the bank does not store the direct debit authorisations anymore)
- Arrears and litigation management
- Investment costs

## The current offer of means of e-payment

- For the collection of the public revenues (4/8)

### The various credit card collection devices

#### Payment terminals

Proximity payment  
with or without contact

Remote payment by  
telephone or mail  
order if equipped with  
VAD software/ Classic  
distance selling

#### Self-service payment machines

Time stamp, ATM  
machine, car park  
terminals

Possibility of  
collection with  
contactless solutions

#### Online payment modules

Classic distance  
selling  
Secure Internet Sales

## The current offer of means of e-payment

- For the collection of the public revenues (5/8)

### The credit card, the French preferred payment method

- For what use

The administration can offer to their users the possibility to pay by credit card for several public services, in close proximity, online or through a mobile application.

- Advantages

- Better services to the users, who are used to using their credit card on a daily basis
- Improvement of the administration image with the users
- On-site or remote use
- Collection safety and payment guarantee
- Automation of remote sales processing

- Drawbacks

- Operational and investment costs
- Absence of automation of treatment in proximity sale
- Ceiling for use of the credit card

## The current offer of means of e-payment

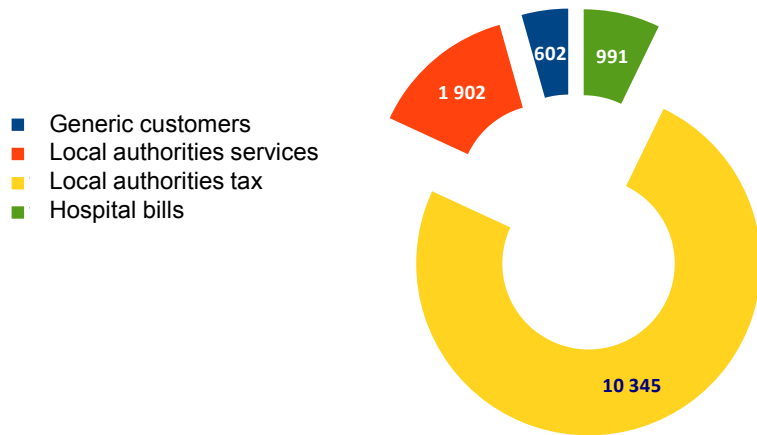
### ➤ For the collection of the public revenues (6/8)

**TiPi (Online payable bill), the online payment by credit card is available 24/7. It allows the payment of any kind of receivables.**

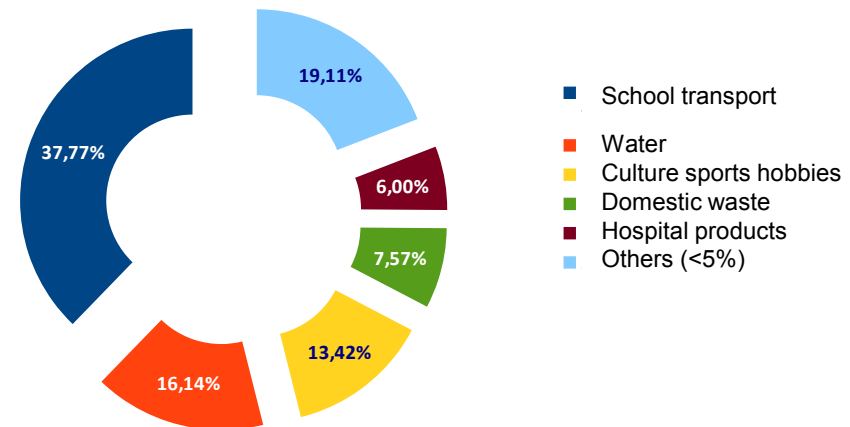
- For what use :

Online payment device for public revenues through credit card. Thereby, the public bills can be paid online on the website of the adherent administration ([www.tipi.budget.gouv.fr](http://www.tipi.budget.gouv.fr)).

Breakdown of TIPI users (as of 31/10/2016)



Breakdown by goods and services (as of 31/10/2016)



## The current offer of means of e-payment

- For the collection of the public revenues (7/8)

### **TiPi (Online payable bill), the online payment by credit card**

- **Advantages**

- Available 24/7 from home and on mobile devices. The user no longer needs to move or frank a mail to make his payment
- Allows the automation of the accountability and the collection process
- Easily integrated on any administration website or a user account

- **Drawbacks**

- Operational and investment cost

**Administrations may also use online payment solutions provided by private service providers.**

## The current offer of means of e-payment

- For the collection of the public revenues (8/8)

### The transfer, second favoured payment method for collection of public revenues by the French

- For what use

The transfer may be used for the collection of every public revenues, however its use is limited to the inter-administration operations or with professionals, thus foreign debtors.

- Advantages

- Free of charge for SEPA transfers
- Guarantee of payment
- Remote use

- Drawbacks

- Manual Processing of Operations
- The transfer is issued by the debtor

## Summary table (3/4)

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## The current offer of means of e-payment

- For the payment of the public expenditure (1/2)

### The transfer is the favoured means of payment for public expenditure

- For what use

The transfer is compulsory for the payment of unit costs above €300. Derogations are possible but in limited cases.

- Advantages

- Fully automated process in management applications
- Free of charge for SEPA transfers

- Drawbacks

- Knowing the bank details of the beneficiary is necessary

## The current offer of means of e-payment

### ➤ For the payment of the public expenditure (2/2)

## The other payment methods are marginally used for public expenditure

- The direct debit, only for the payment of recurrent expenditure
- The credit card, for the payment of public expenditure by imprest account holders, public accountants, military treasurers or their agents
- Other types of payment card (i.e. purchase card)

### • Advantages

- Faster payment for the creditor
- In some cases, optimisation of the expenditure chain

### • Drawbacks

- Costs
- The accounting operations must be made manually

## Summary table (4/4)

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## The outlook of developments (1/2)

### The other payment methods are marginally used for public expenditure

- In the coming years, there should not be new means of payment strictly speaking.

Moreover, it will be new ways of use of means of payment that should appear, based on technological evolution, thus habit evolutions: contactless payment, e-wallet, mobile banking, prepaid cards...

- Experts are pretty much unanimous to say that we should start by using all potentialities of the current means of payment such as transfers, direct debits and credit cards

## The outlook of developments (2/2)

### Works in progress/tracks of evolution

- The integration of the direct debit and e-wallet in the new DGFIP online offer of payments.
- The deployment of contactless solutions at the public counters.
- Experiment of the **Mpos** solution
- The expertise of the use prepaid cards for public expenditure payments
- The **detailed transfer**
- The **instant transfer**