NPC

The Nordic Payments Council

Decides on, owns and manages NPC Schemes

Nordic Payments Council

New Nordic payment infrastructure

- Driving forces
  - Changing expectations from customers
  - International standards
  - Rapid technological development
  - Legislation and increasing competition
  - Consolidation and synergies

- New infrastructure
  - Open-access, common infrastructure
  - Account to account payments (batch and real time)
  - Aligning with Single Euro Payments Area (SEPA)
  - Bringing further harmonisation to the European payments landscape

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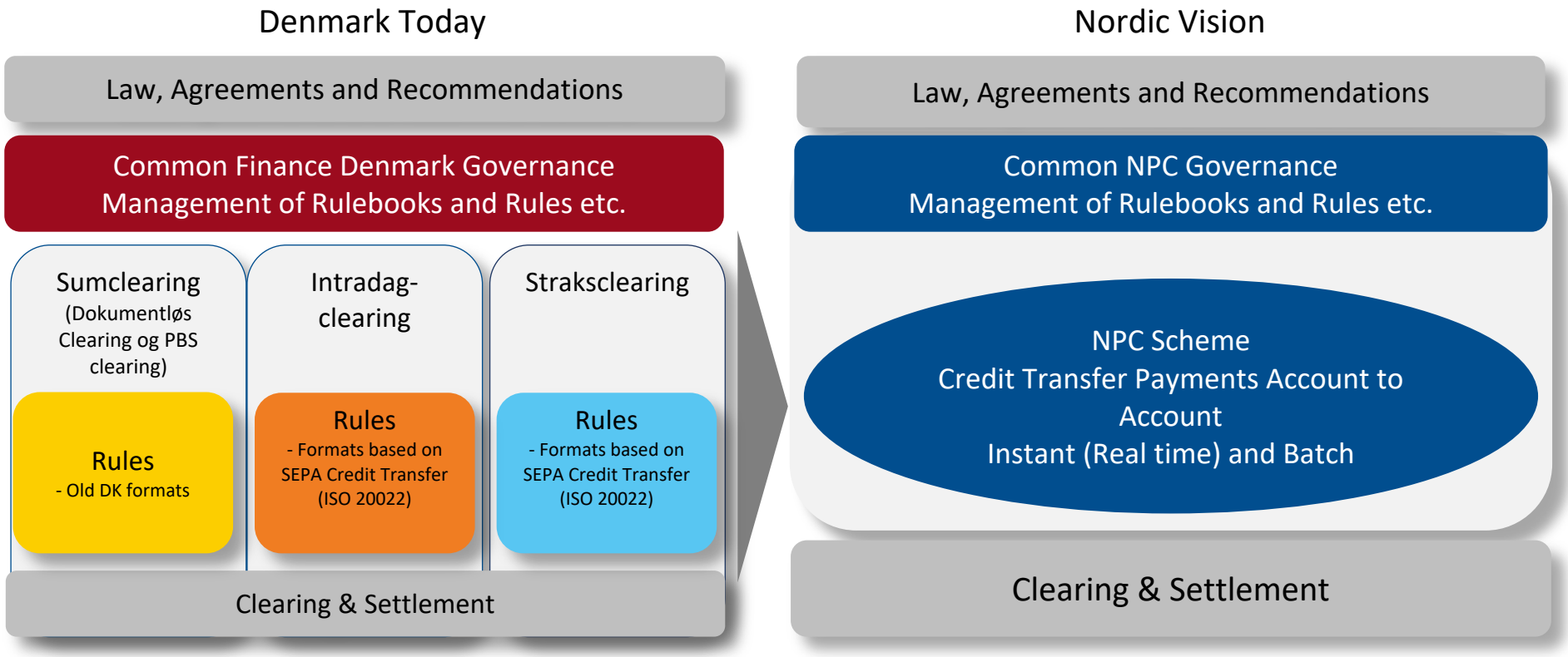
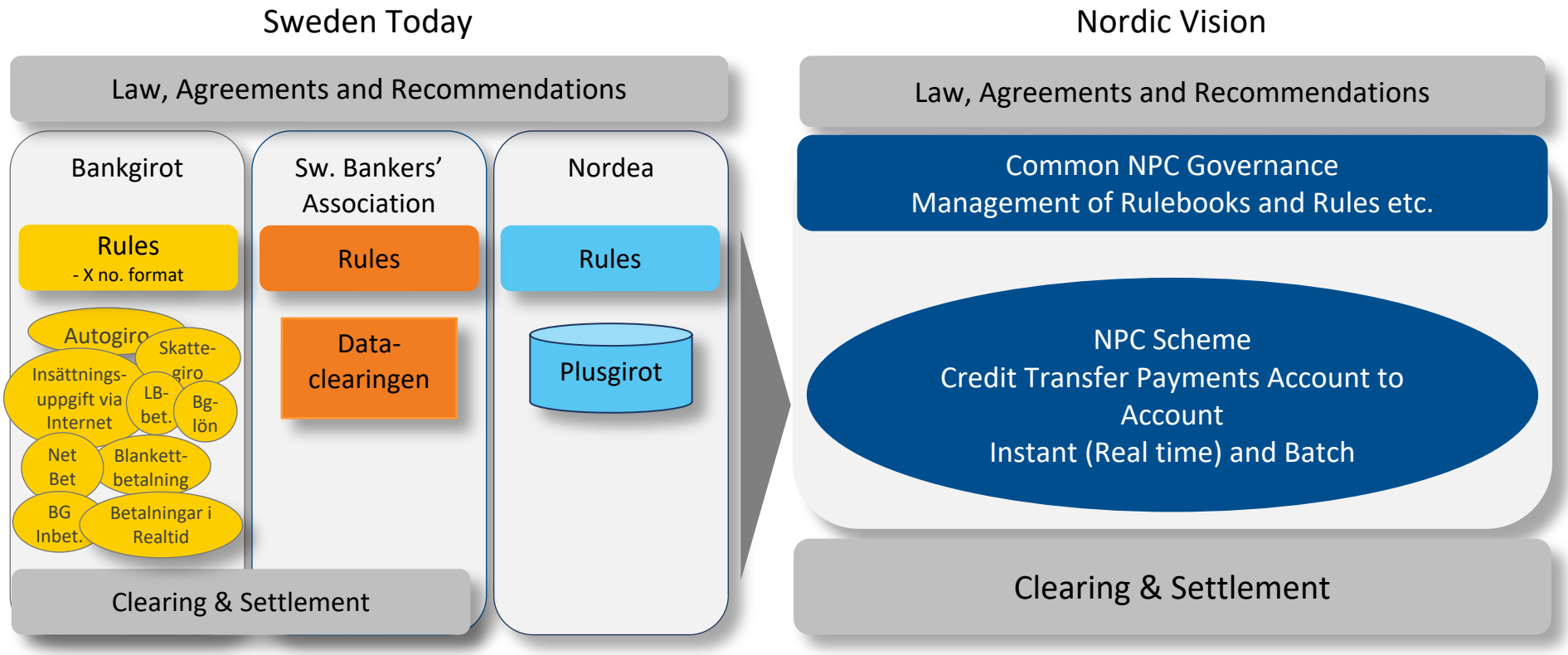
Vision – simplified structure

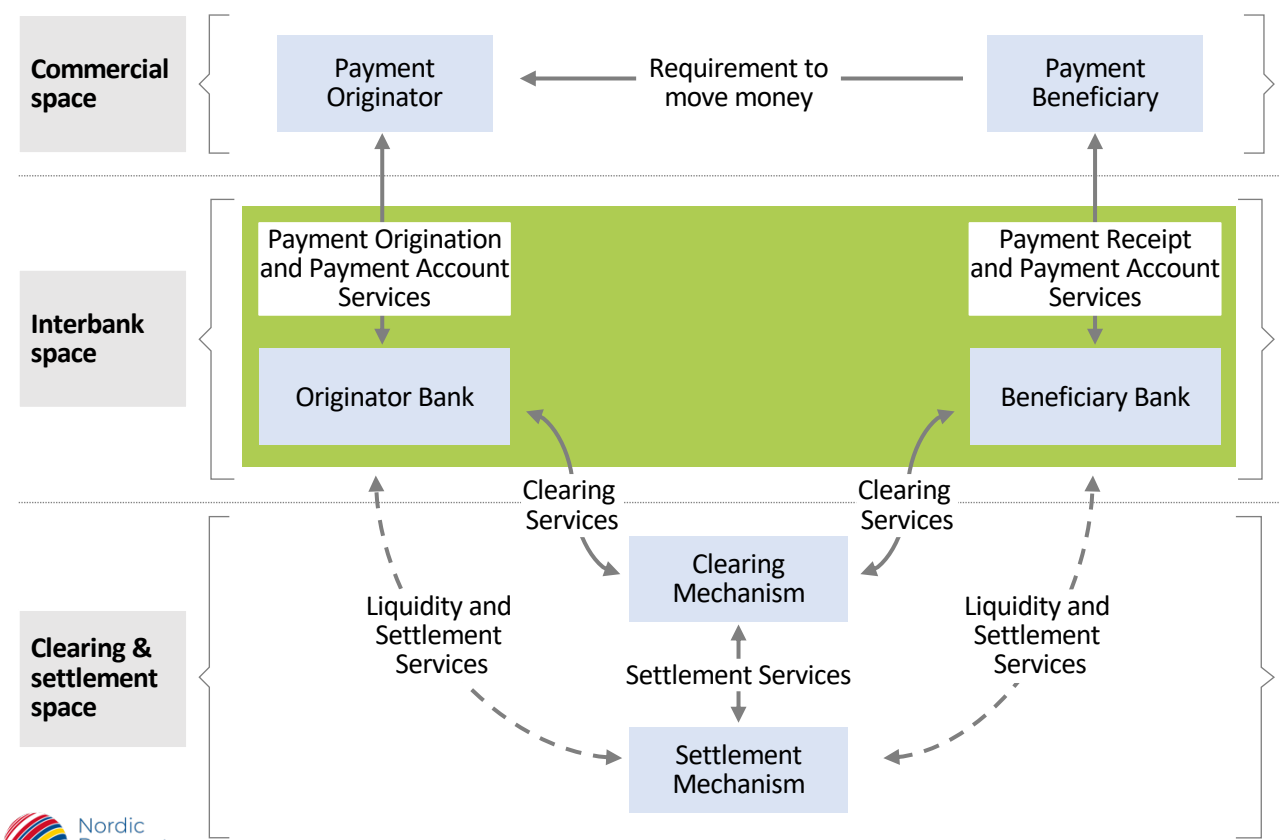


Vision – simplified structure



Overall structure – the different entities

NPC (& SEPA) – Interbank Space



NPC Schemes enabling Payment Service Provides to offer new and innovative payment services.

E.g. new payment initiation and reconciliation/ reporting file formats for SEK and DKK very similar to EUR-payment (SEPA Schemes)

NPC Schemes for account to account payments batch and instant.

NPC Rulebooks and Implementation Guidelines for payment initiation and reconciliation/ reporting in SEK and DKK, very similar to EUR-payment (SEPA Schemes) replacing old proprietary formats

One or many Clearing Mechanisms (CSM/ACH) delivering services following NPC Schemes

The NPC objectives

- **Decide on**, **own** and **manage** the **NPC payment schemes** for selected Nordic currencies based on the Single Euro Payments Area (SEPA) payment schemes
- **Develop** and **manage additional schemes and rules** in close **dialogue** with the **scheme users** and other **stakeholders**
- Supporting **Nordic** payments **competitiveness** and **innovation**
- **Facilitate for end-users** (individuals and businesses) in using banks' and payment institutions' services through the NPC payment schemes
- **Maintain open forums** for all stakeholders in payments

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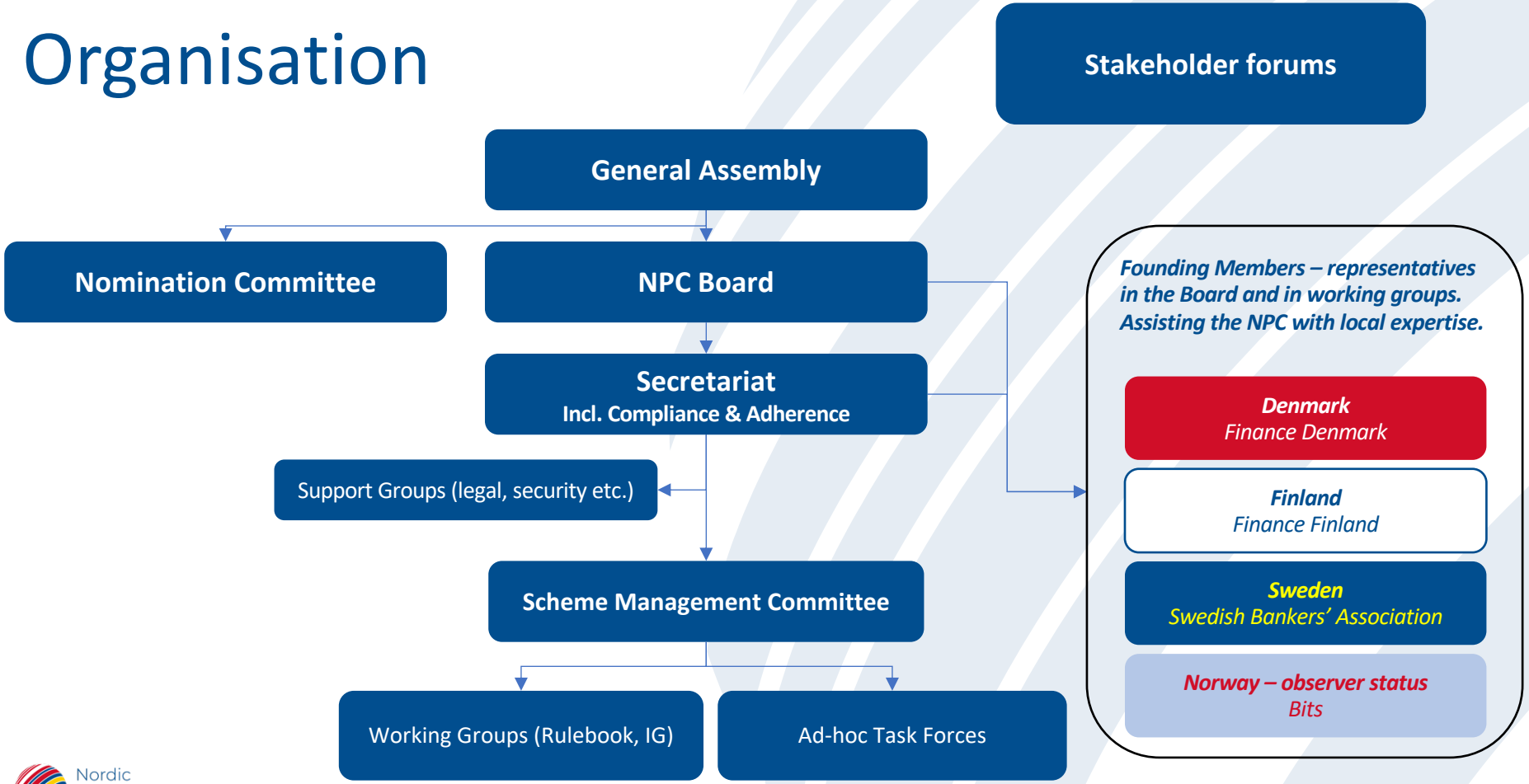
Organisation



General principles of the NPC

- A non-profit member association
- Membership requirements are objective, non-discriminatory and proportionate
- Members will be those using the NPC Schemes, i.e Banks and Payment Institutions
- Member fees are based on usage of NPC schemes
- Influence and voting rights are related to usage of NPC Schemes with the addition of:
  - "All-inclusive" Nordic view
  - Minority protection

Based on the EPC but adapted to Nordic (NPC) circumstances

Plan for NPC & Open Consultation

June 13th NPC public

- **Open Consultation,** June 13th to Sept 6th 2019
  - Information meetings to be held in **Sweden August 15th** and **Denmark August 20th**
  - Norway and Finland will inform in ordinary forums for payment matters
- NPC **members** can **start joining**

After Published Date *(Nov 2019)*

- Continue possibility for members to join and possible for all NPC Scheme members to adhere to the Schemes

Before Effect date *(Nov 2020)*

- No ”real” client transactions can be sent or processed
- Test transaction in production

After Effect Date *(Nov 2020)*

- The first real transaction can be sent
- Product and service with client transactions can start

What is SEPA?

- The Single Euro Payments Area (SEPA) is an EU payment-integration initiative for simplification of bank transfers denominated in euro
- SEPA is pursued by the EU institutions: the European Commission, the European Parliament, the Council of the EU representing EU governments, and the European Central Bank (ECB)
- All payment service providers offering their customers euro credit transfers and direct debits had to migrate to by August 2014 (euro area) or October 2016 (non-euro area)
- The SEPA schemes are governed by the European Payments Council (EPC)

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What is EPC?

- The European Payments Council (EPC) is an international non-profit association with approx. 76 members who are Payment Service Providers “PSPs” (mostly banks) or associations of PSPs
- All PSPs in SEPA are participants in the EPC SEPA Schemes for euro payments
- EPC is in constant dialogue with other stakeholders and regulators at European level, its role is to support and promote the integration and development of European payments
- The primary task of the EPC is to manage four payment schemes:
  - The SEPA Credit Transfer scheme
  - The SEPA Instant Credit Transfer scheme
  - The SEPA Direct Debit Core scheme
  - The SEPA Direct Debit Business-to-Business scheme

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NPC Credit Transfer Scheme

NPC Credit Transfer Rulebook

NPC **Scheme Currencies**

NPC Credit Transfer
Interbank
Implementation Guidelines

NPC Credit Transfer
Customer to Bank
Implementation Guidelines

NPC Credit Transfer
Bank to Customer
Implementation Guideline
(can also be used for Instant Credit Transfers)

NPC Instant Credit Transfer Scheme

NPC Instant Credit Transfer Rulebook

NPC Instant Credit Transfer
Maximum Amount

NPC Instant Credit Transfer
Interbank
Implementation Guidelines

NPC Instant Credit Transfer
Customer to Bank
Implementation Guidelines

+ Local Market Practice (Agreements and Recommendations)

- Possible future schemes owned by the NPC
  - Request to Pay
  - Account Assurance Services
  - Alias/Proxy handling
  - Etc.

A **payment scheme** is a set of rules which have been agreed upon to execute transactions through a specific payment message (such as credit transfer, direct debit, card, etc). It is different from a payment system, which is a technical infrastructure that processes transactions in line with the rules defined in a payment scheme.

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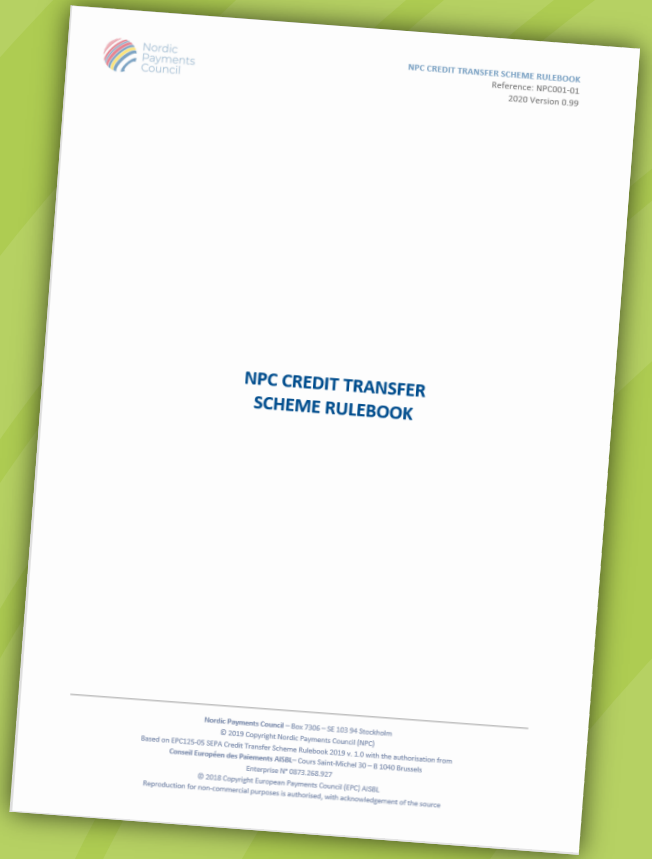
Rulebook Content

0. Document Information
1. VISION & OBJECTIVES
2. SCOPE OF THE SCHEME
3. ROLES OF THE SCHEME ACTORS
4. BUSINESS AND OPERATIONAL RULES
5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS
6. NPC SCHEME MANAGEMENT
7. DEFINED TERMS IN THE RULEBOOK

ANNEXES

Annex I	NPC CREDIT TRANSFER ADHERENCE AGREEMENT
Annex II	SCHEME MANAGEMENT INTERNAL RULES
Annex III	RULEBOOK AMENDMENTS AND CHANGES SINCE LAST VERSION
Annex IV	RISK MANAGEMENT
Annex V	EXTENDED REMITTANCE INFORMATION (ERI) OPTION



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More Rulebooks detail

0. Document Information
1. VISION & OBJECTIVES
2. SCOPE OF THE SCHEME
3. ROLES OF THE SCHEME ACTORS
4. BUSINESS AND OPERATIONAL RULES
   - 4.1 Naming Conventions
   - 4.2 Overview of the NPC Credit Transfer Process & Time Cycle
   - 4.3 NCT Credit Transfer Processing Flows
   - 4.4 Inquiry process
   - 4.5 Business Requirements for Datasets
   - 4.6 Business Requirements for Attributes
5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS
6. NPC SCHEME MANAGEMENT
7. DEFINED TERMS IN THE RULEBOOK

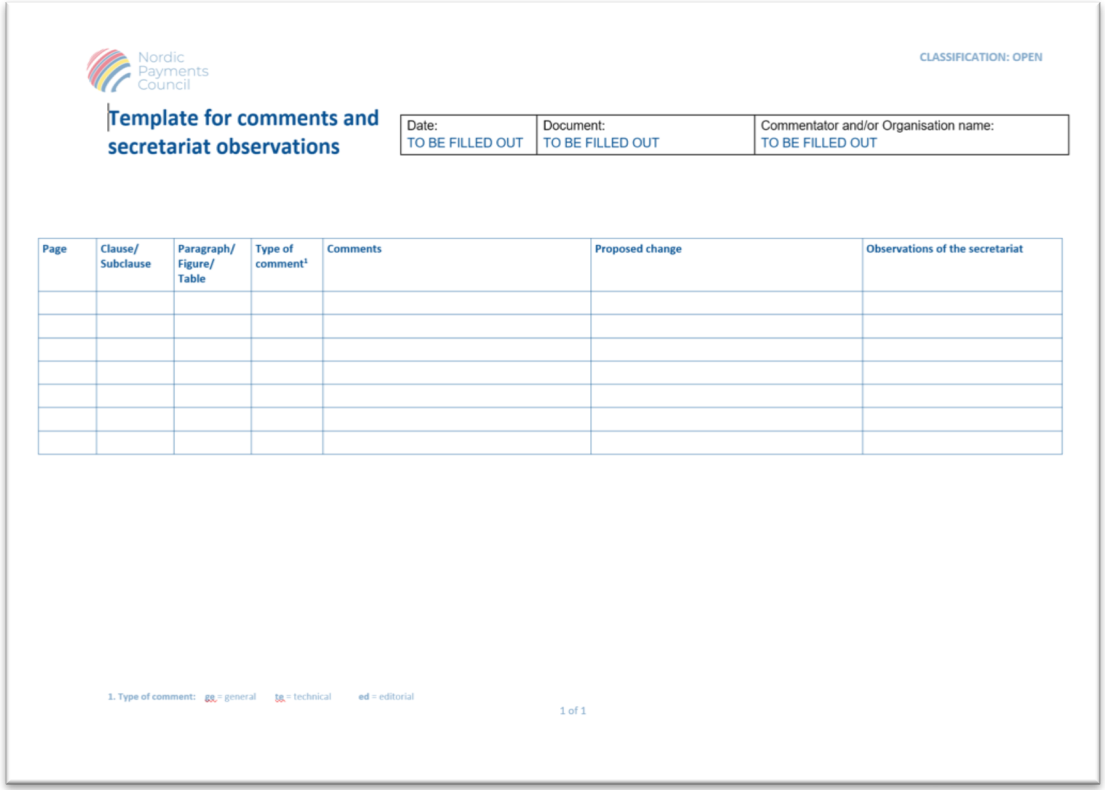
4.5.1	DS-01	Customer-to-Bank NPC Credit Transfer Information IG C2B
4.5.2	DS-02	Interbank Payment Dataset IG Interbank
4.5.3	DS-03	Reject or Return NPC Credit Transfer Dataset IG Interbank
4.5.4	DS-04	Bank-to-Customer NPC Credit Transfer Information IG B2C
4.5.5	DS-05	Recall of NPC Credit Transfer Dataset IG Interbank
4.5.6	DS-06	Answer to Recall of NPC Credit Transfer Dataset IG Interbank
4.5.7	DS-07	Request for Recall by the Originator Dataset IG Interbank
4.5.8	DS-08	Response to the Request for Recall by the Originator Dataset IG Interbank
4.5.9	DS-09	NCT Inquiry dataset IG Interbank
4.5.10	DS-10	Response-to-NCT-Inquiry dataset IG Interbank

Nordic deviations from SEPA

- The Rulebooks/Implementation Guides have been developed with the aim to harmonize between the countries/currencies
- The following changes from the SEPA Rulebooks can be distinguished:
  - Participants can adhere to any or all of the DKK and SEK currencies and for any or all of the schemes
  - Participants may opt out to receive cross-border payments
  - Only using IBAN to define a beneficiary account, if an Alias/Proxy has been used by the customer it will be forwarded to the beneficiary bank in a new separate attribute (AT-25)
  - Remittance information is transferred according to the new 2019 SEPA Rulebooks, except that P27 will allow the sending of extended remittance information (ERI) and “standard” references in the same batch. ERI-bulked underlying amounts will also be validated against the payment message total amount
  - Mandatory validation OCR/RF-references
  - Character set allows Scandinavian characters and @
  - Amounts can have up to 11 significant digits compared to 9 for SEPA payments
  - Minor changes to codes for local instrument, charge bearer and service level

Each market will have local ways of handling payments which is handle by each national Banker´s association. E.g. in Sweden salaries and subsidies will be made available on accounts at 00:01 am the day after they have been debited from the payers´ accounts.

Comments until September 6th



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CLASSIFICATION: OPEN

Template for comments and secretariat observations

Date:	Document:	Commentator and/or Organisation name:
TO BE FILLED OUT	TO BE FILLED OUT	TO BE FILLED OUT

Page	Clause/ Subclause	Paragraph/ Figure/ Table	Type of comment[1]	Comments	Proposed change	Observations of the secretariat

1. Type of comment: **ge** = general **te** = technical **ed** = editorial

1 of 1

Questions?

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