

Stakeholder Forum Meeting no. 3

Date: 2021-03-17 Location: Teams

Present

Marianne Melton	Chair (MobilePay)	Via Teams
Gareth Ellis	ACI	Via Teams
Pasi Miettinen	Bank of Finland	Via Teams
Eva Nässlin-Larsson	Bankgirot	Via Teams
Robert Book	CGI	Via Teams
Kristian Ring	Finance Denmark	Via Teams
Pasi Korhonen	Finanssivalvonta FIN-FSA	Via Teams
Philippe Ameil	Finastra	Via Teams
Eduard Stringer	FIS	Via Teams
Andreas Kronblad	Folksam	Via Teams
Ida Marie Moesby	Forbrugerrådet Tænk	Via Teams
Anders Holmström	Getswish	Via Teams
Carlos Rodriguez	Independent	Via Teams
Morten Sprange Thomsen	Independent	Via Teams
Heike Strasser	Mastercard	Via Teams
Richard Jones	Mastercard	<i>present until agenda point 9</i> Via Teams
Charlotte Fink Jensen	MobilePay	Via Teams
Claus Kempel	Nationalbanken/Danish Central Bank	Via Teams
Lars Olesen Larsen	P27	Via Teams
Anna Ohlsson Brozek	Riksbanken/Swedish Central Bank	Via Teams
Helena Carnell	Riksgälden/ Swedish National Debt Office	Via Teams
Helena Stjernstedt	Swedish Bankers Association	Via Teams
Benjamin Woodcock	SWIFT	Via Teams
Peter Larsson	Volante	Via Teams

Representing the NPC

Camilla Bäck	NPC Scheme Management Committee	Via Teams
Åsa Gibson-Lundmark	NPC Scheme Management Committee	Via Teams
Carsten Thaarup	NPC Secretariat – Independent	Via Teams
Jenny Winther	NPC Secretariat	Via Teams
Maria Brogren	NPC Secretariat	Via Teams

Apologies

Michael Pandoscak	SAP
Carl-Johan Mårtenson	Försäkringskassan
Morten Fels	DK Ministry of Industry, Business & Financial Affairs
Thomas Bo Christensen	NPC Scheme Management Committee

Agenda

1. Introduction
2. Approval of Agenda
3. Approval of last meeting's minutes
4. Appointment of minutes adjuster
5. Information and Status NPC
6. Denmark and Sweden community update
7. Update on NPC Change Management
8. Discussions and ideas regarding Request-to-Pay – *incl. case presentation from Mastercard*
9. NPC Confirmation of Payee status
10. Meetings and work plan 2021
11. Open discussion – questions and comments

12. Any other business
13. Next meetings
14. Closing

1. Introduction

Marianne Melton, chair for NPC Stakeholder Forum, opened the meeting and welcomed all.

2. Approval of Agenda

Agenda was approved with no additions.

3. Approval of last meeting minutes

Last meeting's minutes were approved.

4. Appointment of minutes adjuster

Pasi Miettinen, Bank of Finland, was chosen to be the meeting's minutes adjuster.

5. Information and Status NPC

Jenny started with information about the year that went by and the milestones that have passed.

Bits has been reinstated as ordinary Founding Member. Bits will fully support planning for future use of NPC Schemes in the Norwegian payments market. A process of evaluating the implication on the ongoing work streams within the NPC has been initiated. This will strengthen Nordic collaboration in the NPC further.

Peter Larsson, Volante asked whether there are regulatory effects regarding Bits being reinstated, is this under assessment? Jenny answered that there are no regulatory effects on Bits being reinstated in the NPC.

Jenny informed about status and ongoing work within the NPC as per slide 7 in the presentation.

NPC will have information meetings for the market informing about the NPC and ongoing work on March 18th and March 23rd. There has been a great interest for these meeting with over 150 participants registered so far, even participants from Iceland will attend.

NPC NCT & NCT Inst WG are focusing the current Change Management cycle and a minor update version of the NCT & NCT Inst Scheme that will be published in the end of April.

NPC RTP WG is continuing the work with input to the EPC SRTP TF making sure the Nordic need is raised and being able to use it for Nordic currencies as well.

NPC CoP WG are working with the draft Confirmation of Payee Rulebook and Implementation Guidelines and the NPC Legal Support Group are doing an in-depth legal assessment for the Confirmation of Payee Scheme.

NPC Risk Management Support Group have started the work in this newly established group and are getting to know the NPC Schemes and related Risk Management Annexes.

6. Denmark and Sweden community update

Kristian Ring, Finance Denmark gave a status update from the Danish community.

Kristian informed that Finance Denmark is both an interest organisation and responsible for the payment infrastructure, two legs with different responsibilities. Denmark has a similar sector clarification program as in Sweden, with the main purpose to see how the infrastructure will work in the future and how the Danish Central Bank (Nationalbanken) will implement new Danish settlement in connection to Target-services. How is this program relating to the NPC? Kristian explained that the existing clearing solutions (instant and batch clearing) is operated by Mastercard, just as P27. The 1st of

September the program will go into an implementation phase and need to take a decision if it should be two different clearing service providers in Denmark or if Denmark should use only P27. For the P27 clearing systems, the NPC schemes will be used.

Robert Book, CGI asked if there will be possible to have two different clearing systems in Denmark, and yes it would, but both systems could handle and follow the NPC Schemes. It is a prerequisite, that interoperability will be part of the setup. Full interoperability will be reached by using TIPS.

Morten Sprange Thomsen, Independent added that Finance Denmark have set up good process for all banks to make their own decisions in relation to what clearing services and providers to use.

Jenny added that the NPC Schemes are CSM (Clearing and Settlement Mechanism) agnostic and can be used for any CSM, one or several. NPC is a market driven initiative, and it is up to the market to decide if to use the NPC scheme or not.

Helena Stjernstedt, Swedish Bankers' Association gave a status update from the Swedish community.

The work within the Swedish sector program, Transformation program/PMO, is ongoing following the time plan. PMO have increased the number of staff for multiple areas and focus is now on risks and risk management. At the end of this month there will be a Risk seminar.

The PMO are reporting on a monthly basis to give a good status on progress in relation to the transformation and status and readiness for the Swedish community.

Work in relation to Direct Debit (Autogiro)/e-invoicing (E-faktura) and a future service Bill-payment are current done in deep-dive sessions. Volume for payments in the current infrastructure are currently being analysed to better plan for the upcoming transformation.

Information about the Swedish Transformation program can be found here: [Svenska Transformationsprogrammet | Swedishbankers](#)

There is also an ongoing consultation from the Swedish Central bank (Sveriges Riksbank) for the future settlement service for the Swedish community and the Swedish community are also working with the Swish migration to the RIX-INST platform.

7. Update on NPC Change Management

Maria gave a repetition of the calendar for the ongoing change management cycle that started in August 2020 with a call for change requests and will end in June 2021, as per slide 10 in the presentation. Public consultation of the new Rulebooks including the suggested changes will be done later 2021. The new versions of the Rulebooks will then be published in June 2022 and enter into effect in November 2023. This version of the NCT and NCT Inst Scheme will also include the upgrade to ISO 2019 version.

As a reminder the call for change request period will be ongoing until June 30th, 2021 and template to be used to make a change request for NCT or NCT Inst Schemes are found at NPC's webpage: <https://www.nordicpaymentscouncil.org/npc-schemes/change-management/>

NPC are also planning for a minor update version of NCT & NCT Inst Scheme (v.1.1). This minor change version will not include any changes that impact business or operational rules.

This minor update version of NCT & NCT Inst Scheme will be published in the end of April and enters into effect at the same time.

More information can be found on slide 12 in the presentation.

8. Discussions and ideas regarding Request-to-Pay

Jenny started by giving information around what RTP is and NPC's aim in relation to RTP. As having the role to facilitate payments and creating interoperability within the euro-zone, the aim is to have the SRTP Rulebook in used for both EUR and the "Krona" currencies (SEK, NOK and DKK). The version 2.0 of the SRTP Rulebook will most definite be currency agnostic, even though no decisions have been taken yet.

NPC RTP WG is currently investigating the need for a Nordic AOS (Additional Optional Services) that considers specific Nordic needs (e.g. Scandinavian characters) in relation to EPCs SRTP Rulebook. The NPC are prepared, if EPCs SRTP Rulebook will not be currency agnostic in due time, to develop and finalise a RTP Rulebook for decided Nordic currencies (currently for the payment schemes the decided currencies are SEK and DKK) within about 6-8 moth of time.

In order to better understand the use of Request-to-Pay and to be able to discuss, Mastercard have volunteered to give a short presentation about the market in relation RTP. See slide 18-23 in the presentation.

Mastercard started to look at the use case drivers for Request-to-Pay by looking at a selection of schemes out there in different markets. EPC stands out since it is more a use case agnostic scheme covering more use cases than some of the others. UK, Australia and India have more built to support specific use cases for their market.

For the EPC RTP Scheme there have been some criticism that it does not support a 3-corner model very well, but it is covering more use cases. Though EPC focus is to support financial institutions.

UK is different since they define two roles and have a more open structure and supports APIs. But support more specific and limited use cases.

For the example of scheme designs a conclusion on slide 23 in the presentation is showing some of the design considerations for the schemes that have been presented.

For RTP scheme design considerations push or pull were raised, which are important in relation to the use cases. As well as pay now, pay later, accept, reject and chat function in relation to the RTP is interesting observations from the market wishes.

Carlos Rodrigues, Independent commented that the enrolment part will most likely be driven from the market and players in the market will take care of that with provided solutions, as part of the commercial space.

Richard Jones, Mastercard added that having multiple providers for the enrolment could be a challenge.

Lars Olesen Larsen, P27 asked how to align with existing solutions and how to manage interoperability between the different service providers for RTP when adhering to the SRTP Scheme. Alignment between the scheme and the service providers that offers services on top of the scheme. Jenny answered regarding the EPC SRTP Scheme, this is a framework to create interoperability and reachability. The aim is to open for competitive service from service providers using the Scheme.

9. NPC Confirmation of Payee status

Maria started with a short repetition of the purpose, benefits and use cases for Confirmation of Payee. The purpose of Confirmation of Payee is to be used prior to a payment. Giving the possibility to confirm the Payees account or account in combination with name or identification code prior to a payment is done. It will help preventing fraud and prevent misdirected payments as well as giving an overall enhanced end-user experience.

Looking at the use-cases, it will be possible to make requests in both real-time or via file/bulk and to confirm only an account number or confirm account number in combination with a name or identification code. It could be done before making a payment to make sure that the Payee's account details are correct or for updating customer registers, when onboarding customer, where the payment is done at a later. It all depends on the use case.

The status right now for the work with Confirmation of Payee is that the work with drafting a CoP Rulebook and Implementation Guidelines is ongoing. In parallel there are an in-depth legal investigation ongoing on to see how the current Bank secrecy law and interpretation of it can align with the scope of the Confirmation of Payee Scheme.

10. Meetings and workplan 2021

Jenny informed once again about the work plan for 2021. The meetings will be planned as virtual meetings for now, but ideally it will be great to have a physical meeting once a year.

Next meeting will be May 26th when more information about Request-to-Pay and Confirmation of Payee will be given and discussed. There will also be an introduction of Stakeholder Forum's position paper related to NPC Credit Transfer and Instant Credit Transfer Rulebook will also be made.

11. Open discussion – questions and comments

The meeting raised a couple of different topics that can be discussed going forward.

Marianne Melton, Mobile Pay suggested to have more detailed use cases for the Confirmation of Payee to be presented going forward.

Philippe Ameil, Finastra commented that when introducing new payment instruments to the market trust is very important. One topic to discuss going forward could be how to reduce fraud in relation to these new payment instruments.

Peter Larsson, Volante raised RTP in relation to unsolicited messages, when the recipient has not granted permission for receiving the message. How could fraud be prevented in these scenarios?

Eduard Stringer, FIS added that a typical use cases for RTP is organisations like Greenpeace that send RTP to a broad audience for donations. Questions about given the possibility to have consent to receive RTP from certain organisations were raised.

12. Any Other Business

The meeting had nothing to discuss or report.

13. Next meetings

Next meeting will be held digitally via Teams May 26th at 9:00-11:00 CET.

After that meetings according to plan:

- September 15th, 9-11 CET via Teams
- November 11th, 9-11 CET via Teams

14. Closing

Jenny added that on slide 33 in the presentation all ongoing sector initiatives are presented.

The Marianne Melton thanked all for participating and closed the meeting.

Meeting Secretary: Maria Brogren, Nordic Payments Council

Approved by Chair: Marianne Melton, Chair Stakeholder Forum (MobilePay)

Adjuster of minutes: Pasi Miettinen, Bank of Finland

Glossary

TERM	DEFINITION
AIS	Account Information Service providers
Additional Optional Services (AOS)	Complementary features and services based on the Scheme, as described in section 2.3 of the Rulebook.
Adherence Agreement	The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found as Annex I of the Rulebook.
Alias	A pseudonym that allows to uniquely identify for instance the Beneficiary account or the Beneficiary. The conversion is done through a lookup in the directory used for that specific alias. Alias is generated by the Beneficiary Bank and given to the Beneficiary. The Beneficiary can request a change of the Alias at any given time.
Business Identifier Code (BIC)	An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions.
B2C	Bank-to-customer
Credit Transfer Instruction	An instruction given by an Originator to an Originator Bank requesting the execution of a Credit Transfer Transaction, comprising such information as is necessary for the execution the NPC Credit Transfer and is directly or indirectly initiated in accordance with the provisions of the Payment Services Directive.
Credit Transfer Transaction	An instruction executed by an Originator Bank by forwarding the Transaction to a CSM for forwarding the Transaction to the Beneficiary Bank.
CSM	Clearing and Settlement Mechanism.
C2B	Customer-to-bank
DD	Direct Debit
EBA	Euro Banking Association
EBA	European Banking Authority (regulatory body reporting into the European Central Bank)
EC	European Commission
EEA	European Economic Area
EPC	European Payments Council
ERI	Extended Remittance Information

TERM	DEFINITION
ERI Option	Extended Remittance Information Option
ERI Option Participant	Participant which has formally declared its participation to this option to the NPC
ESA	European Supervisory Authorities
EU	The European Union
Eurosystem	The European Central Bank and the central banks in the Euro area (incl. the non-euro based central banks as well?)
IBAN	International Bank Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616).
IG	Implementation Guidelines
Invoicee	The entity, person or company purchasing the goods or service mentioned in the invoice
Invoicer	The entity, person or company selling the goods or service mentioned in the invoice
LSG	Legal Support Group
NASO	National Adherence Support Organisation
National Account Number Structure	Nationally defined account structure, including at minimum bank branch code and account number
Nordic currencies in scope for NPC	Denmark: DKK Sweden: SEK Norway: NOK (this is within the vision from the Norwegian market to be planned exactly when and how)
NPC	The Nordic Payments Council
NPC Bylaws	The Bylaws of the Nordic Payments Council (NPC), as amended from time to time
NPC Credit Transfer (NCT)	The NPC Credit Transfer is the payment message governed by the rules of the NPC Credit Transfer Scheme for making credit transfer payments in the Scheme Currencies from bank accounts to other bank accounts.
NPC Instant Credit Transfer (NCT Inst)	The NPC Credit Transfer is the payment message governed by the rules of the NPC Instant Credit Transfer Scheme for making credit transfer payments instantly (real-time) in the Scheme Currencies from bank accounts to other bank accounts.

TERM	DEFINITION
NPC SMIR	The Scheme Management Internal Rules, as set out in Annex II of the Rulebook, and as amended from time to time.
PAD	EU Payment Account Directive
Payment Services Directive (PSD)	Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD 2).
PI	Payment Institutions
PIS	Payment Initiation Service providers
PSP	Payment Service Provider
RMA	Risk Management Annex (being developed for all operational NPC schemes)
RTP	Request-to-pay
Scheme Management Committee, or "SMC"	The NPC body that according to the NPC Bylaws is responsible for performing the NPC Scheme Management Functions as stipulated in the NPC SMIR.
SCT Rulebook	The SEPA Credit Transfer Scheme Rulebook, as amended by the EPC from time to time.
SCT Inst Rulebook	The SEPA Instant Credit Transfer Scheme Rulebook, as amended by the EPC from time to time.
SEPA	<p>The Single Euro Payment Area (SEPA) is the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within all the EU Member States, whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location.</p> <p>SEPA shall be deemed to encompass the countries and territories which are part of the geographical scope of the SEPA Schemes, as listed in the EPC List of SEPA Scheme Countries (see Reference [11]), as amended from time to time.</p>
SMIR	Scheme Management Internal Rules (separate annex of any rulebook published explaining e.g. how to influence/suggest amendments to the schemes)
SRTP	SEPA Request-to-Pay, the Request-to-pay Scheme produced by the EPC.
SWIFT	Society for World-wide Financial Transactions

TERM	DEFINITION
TF	Task Force, ad-hoc grouping consisting of participants from the NPC Members, started by the SMC for investigation certain questions. Their mandate and tasks are defined in a ToR.
ToR	Terms of Reference
WG	Working Group, a group working for a longer period consisting of participants from the NPC Members started by the SMC. Their mandate and tasks are defined in a ToR.