

## Stakeholder Forum Meeting no. 6

Date: 2021-11-24 Location: Teams

### Present

|                       |  |           |
|-----------------------|--|-----------|
| Marianne Melton       | Chair (MobilePay)                                    | Via Teams |
| Daniele Astarita      | 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 – <i>joined during agenda item 9</i> | Via Teams |
| Pasi Korhonen         | Finanssivalvonta FIN-FSA                             | Via Teams |
| Philippe Ameil        | Finastra   | Via Teams |
| Eduard Stringer       | FIS  | Via Teams |
| Eva Keskitalo         | Folksam  | Via Teams |
| Jacob Ruben Hansen    | Forbrugerrådet Tænk                                  | Via Teams |
| Dan Axelsson          | Getswish   | Via Teams |
| Carlos Rodriguez      | Independent  | Via Teams |
| Gabriele Leo          | Mastercard   | Via Teams |
| Charlotte Fink Jensen | MobilePay  | Via Teams |
| Claus Kempel          | Nationalbanken/Danish Central Bank                   | Via Teams |
| Jonas Jakobsen        | P27  | Via Teams |
| Danny Pedersen        | 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 |
| Ted Scheiman          | SWIFT  | Via Teams |
| Emily Rayment         | Visa   | Via Teams |
| Peter Larsson         | Volante  | Via Teams |

### Representing the NPC

|                              |  |                  |
|------------------------------|--|------------------|
| <i>Thomas Bo Christensen</i> | <i>NPC Scheme Management Committee</i> | <i>Via Teams</i> |
| <i>Camilla Bäck</i>          | <i>NPC Scheme Management Committee</i> | <i>Via Teams</i> |
| <i>Carsten Thaarup</i>       | <i>NPC Secretariat – Independent</i>   | <i>Via Teams</i> |
| <i>Jenny Winther</i>         | <i>NPC Secretariat</i>                 | <i>Via Teams</i> |
| <i>Maria Brogren</i>         | <i>NPC Secretariat</i>                 | <i>Via Teams</i> |

### Apologies

|                        |   |
|------------------------|---|
| Andy Morris            | ACI   |
| Pasi Korhonen          | Finanssivalvonta FIN-FSA                              |
| Morten Fels            | DK Ministry of Industry, Business & Financial Affairs |
| Carl-Johan Mårtenson   | Försäkringskassan                                     |
| Vivek Kumar Srivastava | Oracle  |
| Michael Pandoscak      | SAP   |
| Åsa Gibson-Lundmark    | 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. Information & plan NPC Change Management
8. How to comply with the NPC scheme – presentation from P27
9. Swedish Riksbank's migration to ISO – presentation from the Swedish Riksbank
10. Meetings and work plan 2022

11. Open discussion - questions and comments
12. Any other business
13. Next meetings
14. Closing

## **1. Introduction**

Marianne Melton, chair of NPC Stakeholder Forum, opened the meeting and welcomed all. Special welcome to Gabriele Leo from Mastercard and Jacob Ruben Hansen from Forbrugerrådet Tænk as new participants in the Stakeholder Forum.

## **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**

Philippe Ameil was chosen to be the meeting's minutes adjuster.

## **5. Information and Status NPC**

Jenny Winther, NPC, informed about the NPC ongoing work as per slide 6 in the meeting presentation.

NPC have hired a Manager Standards, Susanna Pärlfjärd, that will join the NPC secretariat January 24th. NPC staff working approx. 3 days a week in the office, no physical external meetings yet plans will be done for next year.

NPC have had Information meetings on October 25 & 28 with 173 attendees in total. Large interest about what we do and good feedback after meetings regarding the content.

NCT & NCT Inst Working Group (WG) continues working with change management, updates in Rulebooks and Implementation Guidelines. The WG also work with OLO, One-leg out transactions, following work in EPC and looking at Nordic needs for this.

Request-to-Pay WG continues to follow EPC work giving Nordic input. The EPC 2.0 version of SRTP Scheme will be currency agnostic and can be used for the Nordics as well. NPC will communicate their view and relation around this soon, will be sent out in December to the Nordic market.

Conformation of Payee WG continues to finalise the draft Rulebook.

Legal Support Group is working with the legal review of the Confirmation of Payee Rulebook and give legal input. Sweden and Denmark are still working with the legal assessment for Bank Secrecy.

Risk Management Support Group is getting to know the NPC documentation and preparing for the update of the Risk Management Annexes after the public consultation of NPC 2023 versions is finished. This working group will also work with Risk Management Annexes for Confirmation of Payee when this work has come a bit further.

## 6. Denmark and Sweden community update

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

Helena started with some information about the Swedish Transformation Program (TP). The last Transformation program information meeting was held in September, for the reason that there is no new information to give at the moment. A new version of the transformation manual (the current dated 2nd of June this year) will be released during the first half of December in combination with a new newsletter. Transformation Program is planning for a new public information meeting in January or February 2022. Newsletter with the latest news from the Transformation Program will be posted on their website: [Svenska Transformationsprogrammet | Swedishbankers](#)

Important dates for the new payment infrastructure:

May 23<sup>rd</sup> 2022 RIX-INST will go-live, however in their time plan it is stated that the dates is currently being investigated. New information meeting on the Riksbank's RIX-INST project December 15<sup>th</sup>.

May 2023 – P27 frontrunner banks will go live for SEK NCT.

Sept 2023 – the rest of the P27 participants, the long tail banks will go live.

Q4 2024 – According to the current transformation plan Credit Transfer SEK (milestone FM12) – all transactions are processed according to the new Rulebook after this milestone.

**Marianne Melton** asked what the go-live for RIX-INST really means. Helena answered that it means when the new settlement service will go live and be available, it does not mean that all Swish transactions are migrated by then.

**Peter Larsson** asked if these dates are published, Helena answered that they are published by the different entities P27, Swedish Riksbank for RIX-INST and Transformation Program for Sweden.

Since Kristian Ring have apologies for this meeting Jenny gave a short status update from the Danish community.

There has been a decision taken for Denmark and the Danish community in the Board of Finance Denmark to agree on a plan for new payment infrastructure. The plan consists of migration to Target services, start using the NPC Schemes and use P27 as ACH/CSM for by Easter 2025. This is a really important milestone, which has been achieved in the Danish payment market.

A sector program has been set up in Denmark similar to the one in Sweden, Fremtidens betalingsinfrastruktur, and more information can be found on Finance Denmark's webpage: [Plan for fremtidens finansielle betalingsinfrastruktur \(finansdanmark.dk\)](#)

**Peter Larsson** added that Norges Bank (the Norwegian Central Bank) also are looking into the possibilities to use TIPS and Target services for settlement in NOK.

Jenny added that NOK will be added to the NPC Payment Schemes as a scheme currency January 1, 2022. There are no communicated plans yes as to when the NPC Schemes will start to be used in Norway. Jenny has also been in a meeting with Norges Bank to explain the role of the NPC.

## 7. Information & plan NPC Change Management

Maria informed that the public consultation started on November 1<sup>st</sup> and will be ongoing until February 1<sup>st</sup>. During this period the market will have the possibility to respond and comment on all suggested changes for the 2023 versions of the NPC payment schemes.

All suggested changes are summarised, incl. the original change requests, in these two documents:

- [NPC009-02 NCT Rulebook 2023 Change Request Public Consultation](#)
- [NPC090-02 NCT Inst Rulebook 2023 Change Request Public Consultation](#)

Each of these documents have a response template to be used when responding and giving comments. Responses in templates need to be sent to NPC at the latest February 1st, 2022 using email: [info@npcouncil.org](mailto:info@npcouncil.org).

The milestone plan for the change management cycle was presented as per slide 11 in the meeting presentation. There will also be a legal review of the suggested changes from the NPC Legal Support Group prior to the publication of the updated 2023 versions of the NPC Schemes.

As informed earlier the Stakeholder Forum has an official task in relation to the public consultation and the publication of the new versions of the Rulebooks, to write a Position Paper as a statement from the forum that all suggested changes align with the payment market's needs.

Suggestion on last meeting was to set up a smaller task force to do this work and present to the forum.

The time plan for this work is to have a draft ready to be presented in Stakeholder Forum meeting in February. So far Marianne Melton, Peter Larsson and Carlos Rodriguez have volunteered to take part of the task force. If anyone else in the Stakeholder Forum would like to contribute, please send an email to either Jenny or Marianne as soon as possible. It would be great to have representatives in the task force from each of the countries.

Maria Brogren added that the NPC Secretariat will facilitate the task force with documentation and format for this work. Jenny Winther added that if any of the participants in the forum that represent authorities cannot stand behind the position paper, please contact NPC Secretariat and we will facilitate this. This can then be informed in the actual position paper.

Marianne Melton summarised and informed that the NPC will come back to the task force and invite to meetings.

**Peter Larsson** asked about the change request sent to EPC about the SIPS model and how this will affect NPC. He also asked how the SIPS model used by Swedish Riksbank will affect the NPC Schemes. Maria answered that the change request about the SIPS model sent to EPC have been turned down and are not recommended to be included in the SCT Inst Scheme. Because of that and that no similar change request has been sent to NPC, this will not affect or be included in the NPC Schemes for now.

## 8. How to comply with the NPC scheme – presentation from P27

Jonas Jacobsen from P27 started with a presentation of himself and his role as Head of Products at P27.

He continued with a presentation about how P27 will comply the NPC payment schemes going forward and how this aligns with P27 future services.

P27's general principle is to align all their services with relevant schemes. All payment services in SEK and DKK will apply to NPC payment schemes and services in EUR will apply to EPCs SEPA payment schemes.

Jonas continued with an overview of all their services and how they connect to NPC and EPC schemes:

- NPC – DKK/SEK CT, DKK/SEK Inst CT, Confirmation of Payee
- EPC – EUR CT, EUR Inst CT, Bill Payment service
- For some of the services some overflow services are needed

### Important dates and go live date were presented (plan)

For credit transfers SEK & DKK, go-live is May 2023 for SEK (following NPC Credit Transfer Rulebook 2023 version) and Q2 2025 for DKK. For EUR (following the EPC SEPA Credit Transfer Rulebook) go-live is to be decided.

For instant credit transfers in DKK (following NPC Instant Credit Transfer Rulebook 2023 version) go-live is April 2025 for DKK and for SEK it is to be decided. EUR (following EPC SEPA Instant Credit Transfer Rulebook) go-live is also to be decided.

For SEK Instant Swish go-live date is November 2022.

Jenny mentioned that NPC Credit Transfer Rulebook 2023 version's effective date would need to be moved from November 2023 to May 2023 to support P27 credit transfer SEK go-live date. This is currently being investigated.

Jonas continued with information about the overflow services:

- TIPS based instant solutions (SEK, DKK & EUR) for participants connecting the standard TIPS flow via P27
- For EUR Batch there will be a solution for participants to connect to EBA Clearing via P27

There are a few other Layer 1 services; Confirmation of Payee (NPC CoP Rulebook) with planned go-live 2024, Alias service and a Screening service, both governed by an internal service definition where no go live date have been decided yet.

Some questions in relation to Alias was raised and how Alias will be used in connect to IBAN going forward. IBAN will be mandatory from the Originator/Payer PSP and Alias/Proxy will be possible to include in the messages as optional additional information to the IBAN. Please contact NPC directly for more information about IBAN and Alias/Proxy rules in the NPC payment schemes.

The Layer 2 services consist of the Bill Payment where the ambition is to align very closely with EPCs SRTP Scheme. Go live date for the Bill Payment is to be decided.

**Daniele Astarita** commented that the main challenges when changing infrastructure towards TIPS in Europe was interoperability. Will it be P27 that will be the gateway towards the TIPS and responsible for interoperability? Jonas answered that this will be done through the overflow services mentioned above. Claus Kempel commented that this requirement with interoperability was only for Euro countries, but Nationalbanken (the Danish Central Bank) are always working against enhancing cross border payments.

**Claus Kempel** asked how P27 will handle connection to e.g. EBA Clearing for small Danish Banks. EBA Clearing is an ACH/CSM similar to P27. P27 explained that in the future small Danish banks will have the option to connect to EBA Clearing via P27, but they always need to have a connection to a settlement service (for EUR via Target) either themselves or through an agent (i.e. a settlement bank).

## 9. Swedish Riksbank's migration to ISO – presentation from Swedish Riksbank

Anna Ohlsson Brozek from Swedish Riksbank presented their work with migration of RIX-RTGS to ISO 20022.

From May 2022, Riksbank will have one settlement system 'RIX' that consists of two parts, the RIX-RTGS and the RIX-INST. Participants can participate in both or either RIX-RTGS or RIX-INST.

RIX-RTGS being a high value payment for settlement in SEK Central Bank money. The system handles mainly high value but also low value payments.

A pre-study was done during 2020 since Swift announced a deadline for migrating to ISO 20022. Even though Swift removed the deadline for domestic payment system, the business needs for migrating to ISO is still there and therefore Riksbank is continuing this work.

The migration is more than a technical migration, it is also about information and topology (Y-copy/V-shape). The RIX-RTGS system is also handling a lot of low value payments and this need to be investigated and see if these payments should be processed in another channel going forward. Riksbank made a market consultation to get input from the market about these questions as well as the use of ISO rich version to take advantage of the full ISO standard? When in time is it suitable to migrate and how long time the banks think a migration will take? Should it be a big bang or a coexisting period?

After receiving responses and making analysis, work started in different working groups. The pre-study was set up looking into how to do the implementation and the migration safe. Work with this is still ongoing. Decision for direction have been based on the market consultation which gave a good view. Riksbank decided to take the direction to be as close to T2 standard as possible and move over to V-shape topology (RIX-INST is also using V-shape). It was also decided to take the direction to go for rich ISO to be able to get all possibilities with the ISO standard.

Riksbank have worked together with both Norges Bank and Sedlabanki (the Icelandic Central Bank), both also using the SIA Perago system and the vendor SIA looking into the ISO messages and effects on the system. AG Meddelanden is the working group with RIX participants that are looking into which information that is needed in the payments and account messages for the ISO standard. The aim is to circulate a new message catalogue before the summer.

The market consultation showed that the banks needed a long testing period and most of the respondents suggested a migration in 2024. One of the most difficult questions, is if to migrate only once or to have a coexisting period. Not all MT message have equivalents in the ISO standard yet and therefore there might have to be a coexisting period. No decisions on when and how to migrate to ISO 20022 for the RIX-system have yet been taken by the Riksbank.

**NPC** asked how the ISO formats will relate to NPC's payments schemes? The answer is that the retail payments (low value) following the NPC schemes will be able to settle in RIX-RTGS (and RIX-INST). It might be more suitable to process these low value retail payments as a NCT Inst transaction instead going forward, but that is for the banks to decide. A high value payment has different requirements than low value payment. Anna pointed out that one of the most important objectives is that all payments sent according to the NPC schemes need to be able to be settled, therefore both RIX-INST and RIX-RTGS need to align with NPC schemes to avoid local implementations.

## 10. Meetings and work plan 2022

Jenny informed about Stakeholder forums work plan for 2022 and NPC high level activities for 2022 as per slide 16-17 in the meeting presentation. Please do not hesitate to suggest topics or ideas you find relevant to discuss or present for the Stakeholders.

### Meeting March 17<sup>th</sup> - possible a physical meeting in Stockholm

- Information regarding 2023 NCT & NCT Inst Scheme public consultation
- Stakeholder Forum task force presenting draft position paper
- Information and plan regarding NPC Confirmation of Payee Rulebook

### Meeting May 19<sup>th</sup>

- Stakeholder Forum agreement regarding the position paper for NCT & NCT Inst Scheme Change Proposal submission document
- Discussions regarding Confirmation of Payee Rulebook

### Meeting September 28<sup>th</sup>

- Information regarding the publication of 2023 NCT & NCT Inst Scheme
- Discussions regarding Confirmation of Payee Rulebook

### Meeting November 17<sup>th</sup>

- To be decided

## 11. Any Other Business

The meeting had nothing to discuss or report.

## 12. Next meetings

Next meeting Thursday March 16<sup>th</sup> is planned to be physically in Stockholm.

Meetings for the rest of 2022 (location to be de decided):

- Thursday May 19<sup>th</sup>
- Wednesday September 28<sup>th</sup>
- Thursday November 17<sup>th</sup>

## 13. Closing

Jenny added that on slide 17 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:* Philippe Ameil, Finastra

## Glossary

| TERM                               | DEFINITION   |
|------------------------------------|--|
| ACH                                | Automated Clearing House   |
| 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<br>Sweden: SEK<br>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.   |
| OLO                                   | One-leg-out transactions. OLO transaction are payments where one of the payment service providers (PSPs) are not located in the geographical area of the schema (e.g. SEPA, NPC)  |
| 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)  |

| TERM  | DEFINITION   |
|-------|--|
| SRTP  | SEPA Request-to-Pay, the Request-to-pay Scheme produced by the EPC.  |
| SWIFT | Society for World-wide Financial Transactions  |
| 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.               |