

NPC

The Nordic Payments Council

Creates, owns and manages NPC Schemes

Information meetings October 19 & 26, 2022



Agenda

- NPC Information & status
- NPC Membership & Scheme Adherence
 - Benefits of becoming a member
 - When is it time to adhere?
- NPC Payment Schemes Change Management
 - Published 2023 versions
 - Plan going forward
- NPC and Confirmation of Payee
 - Outcome of Public consultation
 - Plan for publication and next step
- NPC and Request-to-pay
 - Latest news
- Questions and comments
- Next steps and meetings



NPC Secretariat



CAMILLA ÅKERMAN
Secretary General



MARIA BROGREN
Scheme Manager



SUSANNA PÄRLFJÄRD
Manager Standards

The NPC objectives

- **Create, own and manage** the **NPC payment schemes** for selected Nordic currencies based on the Single Euro Payments Area (SEPA) payment schemes
- **Create 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



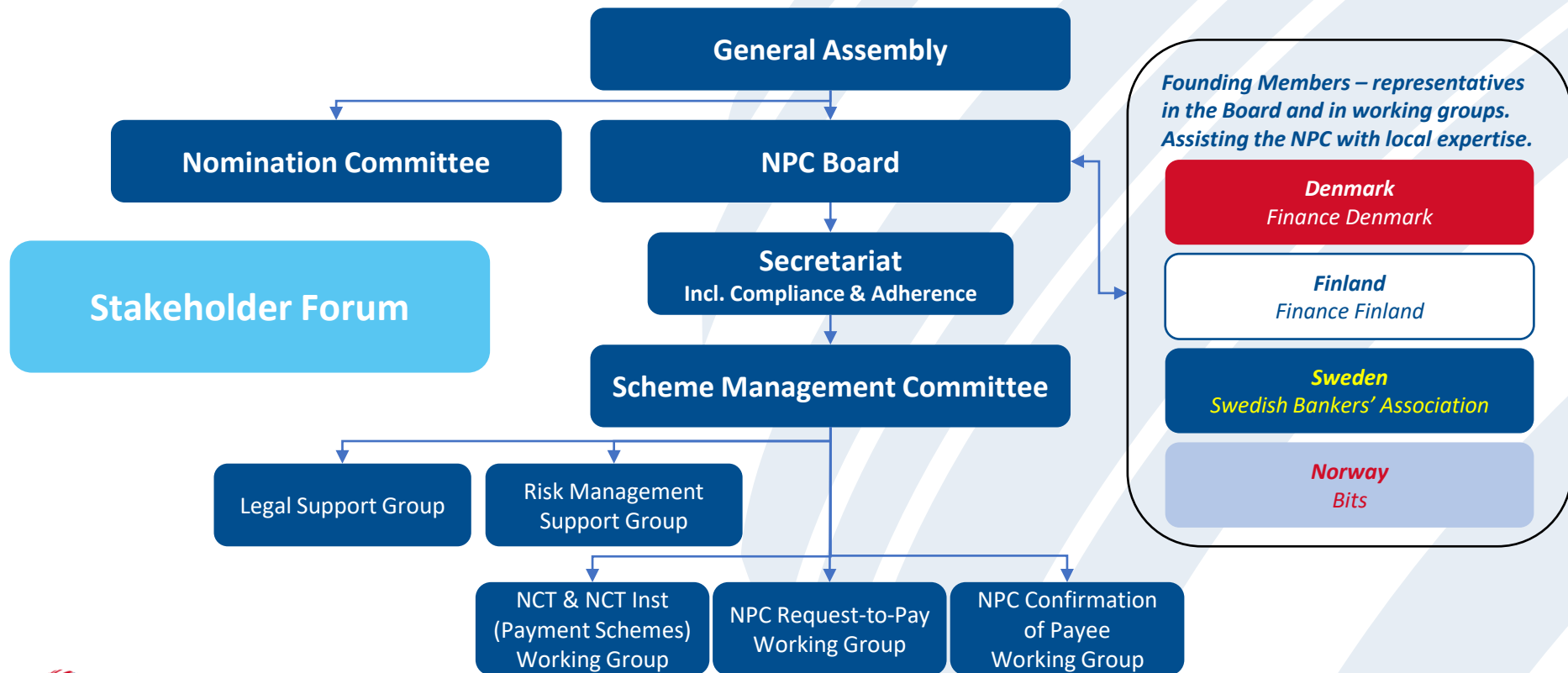
Overall structure – the different entities



NPC Members



NPC Organisation



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Benefits of becoming a member

- NPC's Payment Schemes already published and in effect. Banks and CSMs use them for development and business requirement to adapt to the new payment infrastructure
- NPC Members can influence the future development of the Nordic Payment Schemes
- NPC Secretariat facilitate collaboration and development of the Schemes and coordination of input to EPC
- NPC rely on our Members, through them we make sure our Schemes align with the market needs

NPC Credit Transfer Adherence Agreement

Area assigned to (NP):

NCT

Adherence Agreement
is ON

| Date | On | Date | Area | Remarks |
|--------------------------------------|----|------|------|---------|
| Issued | | | | |
| Received | | | | |
| Completed as agreed | | | | |
| Completed as agreed | | | | |
| Received and signed by all concerned | | | | |
| Received and signed by all concerned | | | | |

NCT

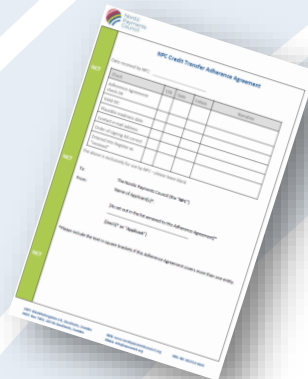
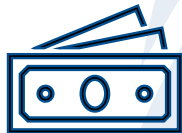
The above is exclusively for use by (NP) - please show dates

To: _____
From: _____
The National Payments Council (the "NPC")
Name of institution: _____
(to be put in the box provided to this adherence agreement)
(Stamp) or "Signature" _____

*Please include the text in square brackets. (This Adherence Agreement covers more than one entity)

To be a Scheme participant and use the NPC Schemes you need to be a NPC member

Adhering to NPC Scheme(s)



1. Become
NPC Member

2. Identify which
Scheme(s) to adhere to:
NCT and/or NCT Inst

3. Identify for
which currencies:
***DKK, NOK and/or
SEK***

4. Identify how to use the
Scheme(s) and how to
become reachable
If through a CSM - start dialogue
with the CSM. Define a time
plan and a **readiness date***

5. Sign Adherence
agreement(s) to the
Scheme(s) with selected
currency/currencies
Need to present a **readiness
date*** to sign the agreement

** readiness date – the date when the applicant is in a position to comply with all of the obligations set out in the Rulebook(s).*

Membership

- Fulfil NPC eligibility criteria and comply with EU and local national legislation
- Member categorisation based on scheme usage:

| Usage Category | Scheme Usage per Scheme Member (million) |
|----------------|--|
| A | > 100 |
| B | 30-100 |
| C | 10-29 |
| D | 0-9 |

- Scheme usage based on transaction volumes in current systems:

*) Number of transactions should be calculated by adding all sent transactions in DKK, NOK and SEK during the full previous calendar year:

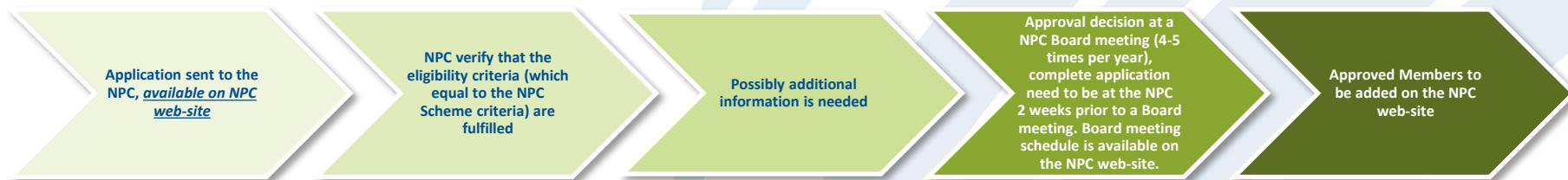
- In Denmark: Intradag, Straks and Dokumentløs Clearing
- In Norway: Electronic credit transfers (except Avtalegiro), Electronic instant credit transfers (Straksbetalinger) and Paper based credit transfers (Blankettbaserte krediteringer)
- In Sweden: Dataclearing (DCL avg), Bankgirot (Avgående betalningar bank, Leverantörsbetalningar, Löner, Emittentutbetalningar, Blankettbetalningar) and Betalningar i Real tid (BiR)

- Member fees based on Usage Category and number of Members

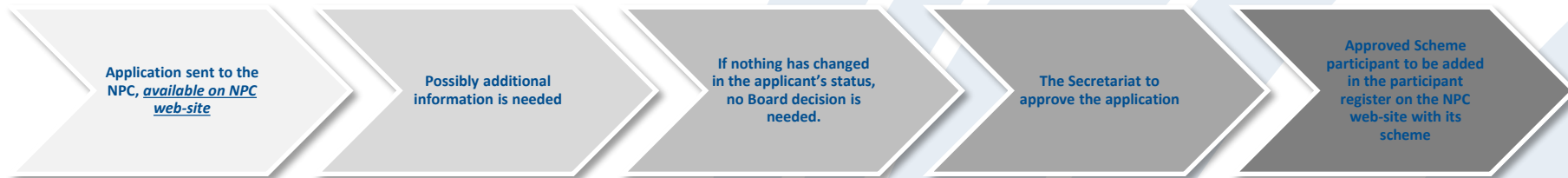
Process for NPC Membership and Scheme Adherence

The time for NPC Scheme Adherence is pending the readiness date*

- At least 6-8 months prior to the readiness date, **apply for NPC Membership****



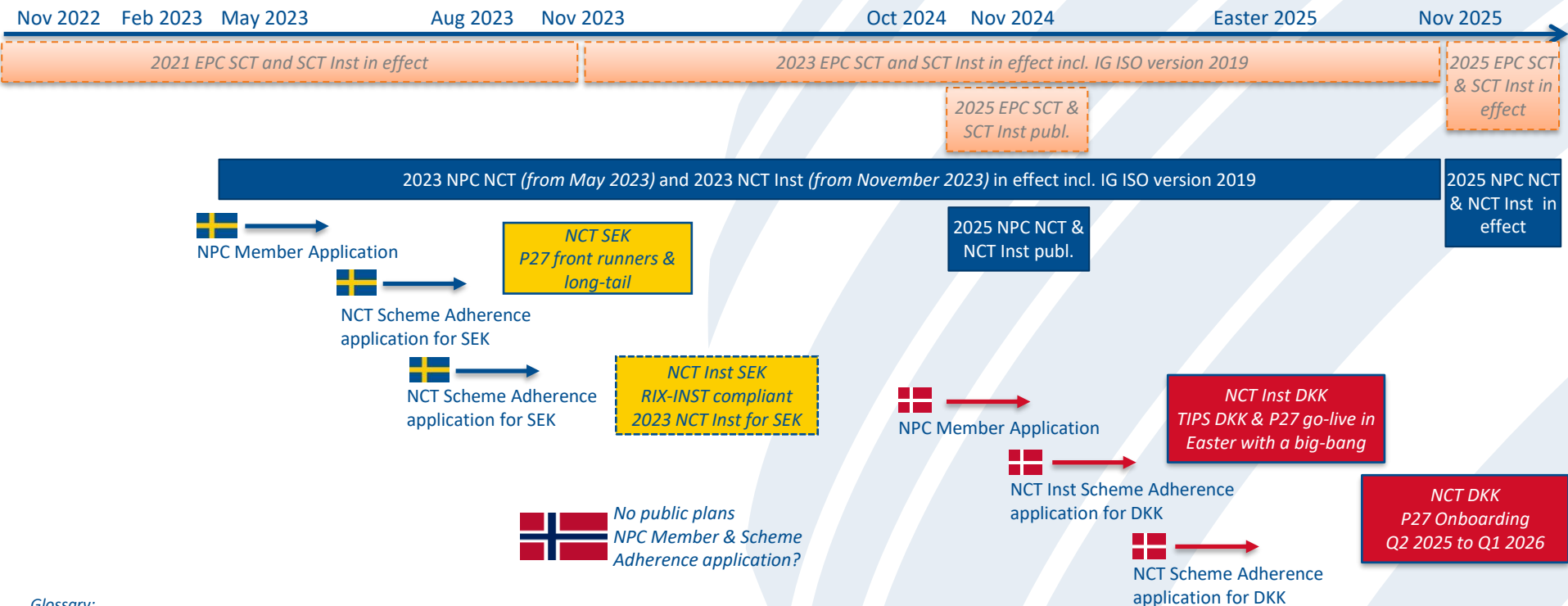
- 3-4 months prior to the readiness date, **apply for NPC Scheme adherence**



* *readiness date* – the date when the applicant is in a position to comply with all of the obligations set out in the Rulebook(s).

** NPC membership applications can be made at any time, preferably before the NPC Scheme Adherence application and at the latest at the same time

Nordic plans vs NPC Membership & Scheme Adherence



Glossary:

- Publ. means published and indicates the date when the Scheme is finalised and decided
- In effect means the date when the Scheme will start being used

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NPC Credit Transfer Scheme

NPC Credit Transfer Rulebook

NPC Credit Transfer **Interbank**
Implementation Guidelines
(pacs.008, pacs.002)

NPC Credit Transfer
Customer to Bank
Implementation Guidelines
(pain.001, pain.002)

NPC Scheme Currencies

NPC Credit Transfer
Bank to Customer
Recommendation on ISO 20022
customer reporting (camt.053 etc)

NPC Instant Credit Transfer Scheme

NPC Instant Credit Transfer Rulebook

NPC Instant Credit Transfer Maximum Amount

NPC Instant Credit Transfer **Interbank**
Implementation Guidelines
(pacs.008, pacs.002)

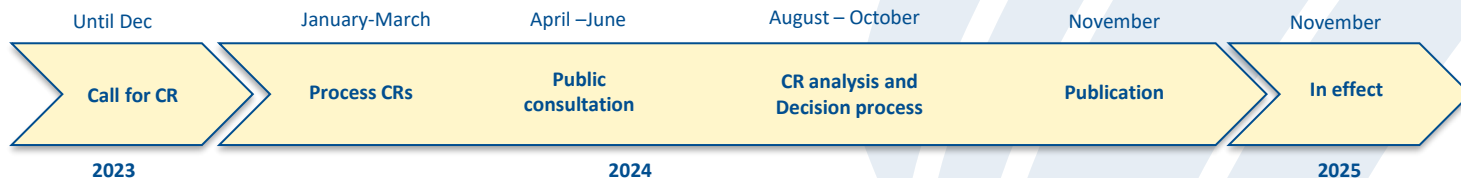
NPC Instant Credit Transfer
Customer to Bank
Implementation Guidelines
(pain.001, pain.002)

+ Local Market Practice (Agreements and Recommendations)

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.

NPC Payment Schemes Change Management

- NCT & NCT Inst Rulebooks published June 20th according to plan
- Implementation Guidelines published later, July 11th
 - NPC will publish IGs on MyStandards during autumn
- Need for a minor version update (1.1) of 2023 version during autumn
 - No large changes
 - Only smaller changes for clarification purposes
- Change management for NCT & NCT Inst schemes 2025 version start Q3 2023



NPC Payment Scheme versions until 2025

NPC Credit Transfer Scheme Rulebook

Published: Dec 2020
In effect: Dec 2021

Version 2020

Published: June 2022
In effect: May 2023

Version 2023

Published: Nov 2024
In effect: Nov 2025

Version 2025

NPC Instant Credit Transfer Scheme Rulebook

Published: Feb 2021
In effect: Feb 2022

Version 2021

Published: June 2022
In effect: Nov 2023

Version 2023

Published: Nov 2024
In effect: Nov 2025

Version 2025

2020

2021

2022

2023

2024

2025

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Benefits – NPC Confirmation of Payee

Confirmation of an account and payee before making a payment (account to account)

- Enable enhanced end-user experience and creating trust
- Prevent fraud
- Prevent misdirected payments
- Encourage account-to-account payments
- Modernisation of current services
 - Use of international standards
- Creating interoperability
 - Common rules, processes and format descriptions



NPC Confirmation of Payee – Use Cases

Single request real-time



1. Confirmation of Account - **account number** of the payee
Before initiating a single payment to verify that the account is correct and open for deposits



2. Confirmation of Payee - **account number** and **name** of a payee
Before initiating a single payment to verify correct payee



3. Confirmation of Payee - **account number** and **id**** of payee
*To update customer register in real-time when the customer is onboarded.
Payment will be done later for example tax refund once a year.*



Bulk requests



4. Confirmation of Account – a file with **account numbers**
Before initiating a bulk payment file to verify that the accounts are correct and open for deposits



5. Confirmation of Payee – a file with **account numbers** and **names** of payees
Before initiating a bulk payment file to verify correct payees



6. Confirmation of Payee – a file with **account numbers** and **ids**** of payees
*To update customer register as a bulk process verifying correct payees.
Payment will be done later for example tax refund once a year.*



**Company means either a company or an authority*

***Id is a numeric, known and unambiguous identification of a person or a company. For example a social security number, company registration number etc.*

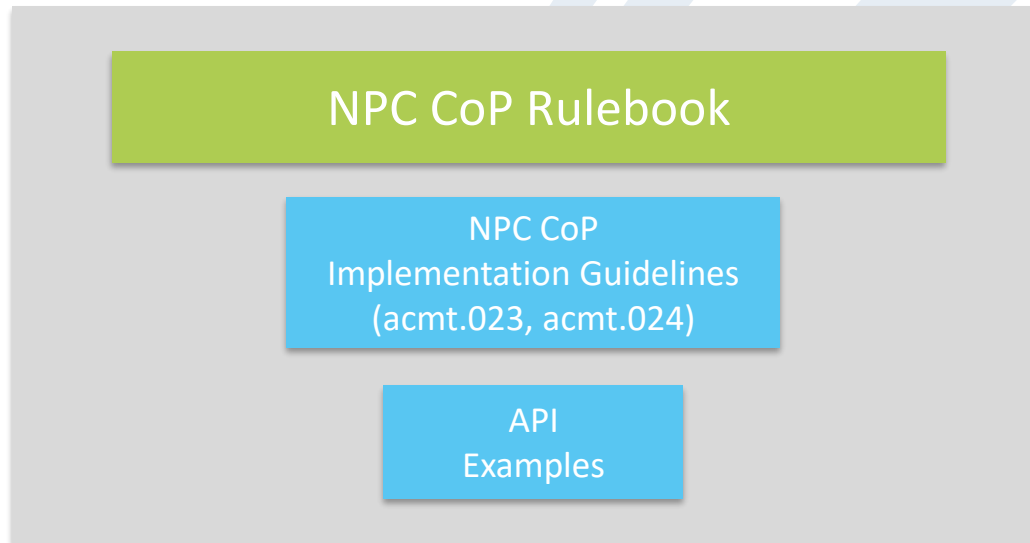
Information public consultation

Confirmation of Payee (CoP)

- Public consultation between **April 25th and August 15th, 2022**
- Public consultation documents published on NPC's website under Public Consultation 2022 - Confirmation of Payee:
 - [NPC050-01 2022 NPC Confirmation of Payee Rulebook v0.9](#)
 - [NPC Consultation Comments Template](#)
- The NPC received 6 responses, 24 comments in total
- Interest for draft Implementation Guidelines
- NPC will present the incoming responses in a public consultation result document



Confirmation of Payee Scheme



*A **scheme** is a set of rules which have been agreed upon to execute messages through specific messages. It is different from a service/system, which is a technical infrastructure that processes messages in line with the rules defined in a scheme.*

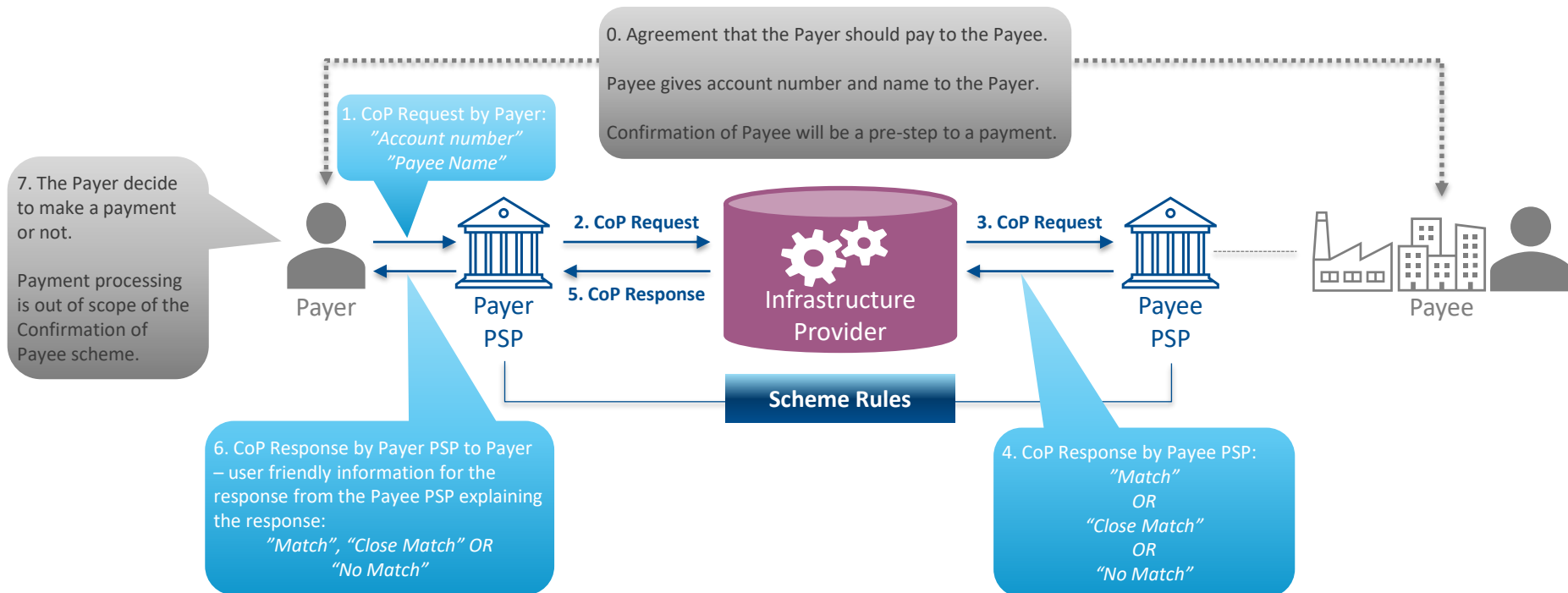
Overall structure – the different entities



- NPC Confirmation of Payee Scheme is ready to be used after publication in November
- Any Infrastructure provider can offer services based on the Scheme

Confirmation of Payee flow

– single request Consumer - instant 24/7/365



Payer = Consumer
Payee = Account holder

NPC Confirmation of Payee Plan – *pending NPC SMC decision*

Three months
public consultation

Until
Q2
2022

Q4
2022

Between
Q2 &
Q3 2022

Drafting NPC Confirmation of
Payee Rulebook &
Implementation Guidelines

Published Rulebook
entering in effect

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NPC and Request-to-Pay

Request to make a payment - used for example in e-invoicing, e-commerce & Point of Sale

- NPC have during the past years analysed and giving Nordic input to the EPC SEPA Request-to-Pay (SRTP) work
- EPC SRTP Scheme is currency agnostic meaning that payments in any currency can be requested according to the same common Rulebook as euro – and can be used for the Nordics
- P27 Billpay* solution will be based on EPC SRTP
- Scheme adherence to SRTP for Nordic banks are needed for Request-to-Pay in euro.
- There could also be other similar Request-to-Pay solutions based on EPC SRTP Scheme

**for more information about P27 Billpay contact P27*



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NPC going forward

- Next Stakeholder Forum meeting on November 17th 2022 – Minutes and presentation published
- NPC work 2022/2023:
 - Payment schemes: One-leg-out transactions, start Change Management for 2025 versions
 - Analysing and agreeing on Nordic positions to EPC SEPA Request-to-Pay
 - Finalising NPC Confirmation of Payee Scheme
- New information meeting in March 2023
 - NPC information and status for ongoing activities
 - NPC Membership & NPC Scheme Adherence process
 - Other relevant topics

More information

- For your information – Nordic and local market initiatives
 - DK Central Bank project to migrate Danish Kroner to Target Services and TIPS
 - DK Fremtidens betalingsinfrastruktur
 - NO Bits A/S
 - SE Central Bank project RIX-INST, investigation regarding migration to Target Services & ISO-migration project
 - SE Transformation Program
 - P27 Nordic Payments

How to get in touch with the NPC?

More information:

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- Secretary General: Camilla Åkerman
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- Scheme Manager: Maria Brogren
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- Manager Standards: Susanna Pärlfjård
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