

Stakeholder Forum Meeting no.12

Date: 2023-05-23 Location: Teams

Present

Peter Larsson	Chair (Volanté)	Via Teams
Timo Livarinen	Bank of Finland/Finish Central bank	Via Teams
Eva Jalrup	Bankgirot	Via Teams
Asbjørn Enge	Bits A/S	Via Teams
Robert Book	CGI	Via Teams
Rasmus Engbæk Larsen	Finance Denmark	Via Teams
Petri Alto	Finanssivalvonta FIN-FSA	Via Teams
Eduard Stringer	FIS	Via Teams
Dan Axelsson	GetSwish	Via Teams
Carlos Rodriguez	Independent	Via Teams
Richard Jones	Mastercard	Via Teams
Kai Yamaguchi	MobilePay	Via Teams
Mathilde Bak Møller	Nationalbanken/Danish Central Bank	Via Teams
Hein Wagenaar	Oracle	Via Teams
Fredrik von Roth	P27	Via Teams
Ola Hammarström	P27	Via Teams
Robert Nilsson	Riksbanken/Swedish Central Bank	Via Teams
Susanna Pärlfjärd	Riksgälden/Swedish National Debt Office	Via Teams
Maria Lundin	Riksgälden/Swedish National Debt Office	Via Teams
Helena Stjernstedt	Swedish Bankers' Association	Via Teams
Richard Ross	SWIFT	Via Teams
Ted Scheiman	SWIFT	Via Teams
Heike Strasser	Unifits	Via Teams

Representing the NPC

<i>Jenny Winther</i>	<i>NPC Scheme Management Committee</i>	<i>Via Teams</i>
<i>Johan Arvidsson</i>	<i>NPC Scheme Management Committee</i>	<i>Via Teams</i>
<i>Camilla Åkerman</i>	<i>NPC Secretariat</i>	<i>Via Teams</i>
<i>Maria Brogren</i>	<i>NPC Secretariat</i>	<i>Via Teams</i>
<i>Othilia Österling</i>	<i>NPC Secretariat</i>	<i>Via Teams</i>

Apologies

<i>Thomas Bo Christensen</i>	<i>Chair of NPC Scheme Management Committee</i>
<i>Camilla Bäck</i>	<i>NPC Scheme Management Committee</i>
<i>Andy Morris</i>	ACI
<i>Daniele Astaris</i>	ACI
<i>Morten Fels</i>	DK Ministry of Industry, Business & Financial Affairs
<i>Galor Uziel</i>	Finastra
<i>Jacob Ruben Hansen</i>	Forbrugerrådet Tænk
<i>Carl-Johan Mårtenson</i>	Försäkringskassan
<i>Fredric Nilsson</i>	GetSwish
<i>Gabriele Leo</i>	Mastercard
<i>Vivek Kumar Srivastava</i>	Oracle
<i>Johan Löfqvist Klass</i>	<i>Riksgälden/Swedish National Debt Office</i>
<i>Michael Pandoscak</i>	SAP
<i>Emily Rayment</i>	Visa

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. Norway community update
8. Status One-Leg Out (OLO)
9. NPC Change Management
10. Open discussion - questions and comments
11. NPC going forward
12. Closing

1. Introduction

Peter Larsson, Volante, chair of 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

Hein Wagenaar, Oracle, was chosen to be the meeting's minutes adjuster.

5. Information and Status NPC

Two new NPC Members (Bluestep Bank and Multitude Bank) have been approved by the NPC Board on April 21. This year's General Assembly meeting will take place on June 8. Further, the NPC webpage has been updated with a new structure of headings in order to more easily navigate the content.

NCT & NCT Inst WG has published a new updated version 1.2 of the Implementation Guidelines on April 20. The group is also planning and preparing for the next Change Management Cycle of 2025. Additionally, there is a focus on analysing the One-Leg Out transactions (OLO) for the Nordics.

NPC Request-to-Pay WG is following the Call for Change Requests for EPC SEPA Request-to-Pay (SRTP) for a version 4.0. An updated version of the NPC Clarification Report on SRTP will be published at the beginning of June.

NPC Confirmation of Payee WG is working on the Clarification paper and the Risk Management Annex. It has also been decided to start a first Change Management cycle for the Confirmation of Payee Scheme and open up for a Call for Change Requests during May to November. The group is also working with informing market players about the Confirmation of Payee Scheme and how it can be used.

NPC Legal Support Group will give legal support for the work with the Confirmation of Payee Risk Management Annex as well as other relevant topics for the NPC payment schemes.

NPC Risk Management Support Group has started the creation of the Confirmation of Payee Risk Management Annex.

6. Denmark and Sweden community update

Rasmus Engbæk Larsen, Finance Denmark gave a status update from the Danish community, as per slide 11-14 in the meeting presentation.

Rasmus presented a revised sector plan for future market infrastructure following the contingencies after deciding not to use P27 deliveries. Some concrete changes presented were:

- The P27 deliverables are not included in the program plans going forward to Easter 2025
- The banks / data centers must be connected directly to TIPS via the standard model
- Finance Denmark integrates the current Intraday clearing and associated liquidity module directly to Target DK
- Finance Denmark is also ready to connect the current Instant Clearing directly to Target DKK (decision on 27 April 2023)

The time plan for the Future Payments Infrastructure was presented as per slide 13 in the meeting presentation. The strategy includes to be fully NPC compliant by 2026.

Carlos Rodriguez: Since NPC is clearing house agnostic, could you see several clearing houses operating in Denmark? Rasmus responded that Denmark would have two clearing houses in parallel. One clearing house for instant payments (The Danish Central Bank) and one for batch payments (presently Finance Denmark but it could be another clearinghouse in the future). The batch clearings are set up in layers, where Finance Denmark is responsible for providing liquidity our Intraday clearing and also to provide liquidity to the two old legacy clearings called Dokumentløs Clearing (Finance Denmark) and PBS clearing (Mastercard - a direct debits and card payments). Mastercard could theoretically decide to integrate directly to Target DKK but has decides to uphold their integration to the Finance Denmark clearing when changing over to Target DKK.

Robert Book: You talked about TIPS and the standard model, will you not use the SIP-model? Rasmus confirmed that they will only be using the standard model. They will not have Single Instructing Parties, but there will be Instructing Parties due to technical set up.

Jenny Winther: Will Nationalbanken accept to use technical accounts going forward? Rasmus explained that yes, they will accept it, but they have to Finance Danmarks understanding a preference of not using technical accounts when it comes to TIPS.

Helena Stjernstedt, Swedish Bankers' Association gave a status update from the Swedish community, as per slide 15-22 in the meeting presentation.

P27 and Bankgirot start a joint project with focus on the Swedish payment infrastructure, and the Swedish Bankers' Association is invited as an observer to steering group meetings for the project.

Helena also confirmed they are making sure that DCL will be able to use for as long as it is needed.

NPC raised that in the last board meeting, they got a confirmation from all board members that they still support NPC for the future, despite the situation with P27.

The Riksbank is working on the migration of Swish to RIX-INST, of the RIX-system to ISO20022 (prel. May 2025) and RIX-INST/SEK Inst (prel. Q4 2024).

Jenny Winther: Do you have reason to believe that the timeline for migration to RIX-INST will be changed (i.e. from Q4 2024)? Helena responded that as of now, it does not seem like the timeline will change.

Regarding testing, Helena raised that if a majority of the banks involved initially only will receive payments but not send, there will be concerns with the testing. This means that there might be difficulties to create a set of test cases that would work for all the banks, and the Riksbank has suggested that there might be a need for additional test cases and testing in smaller teams.

Heike Strasser: Australia had the exact same problem with testing, which they solved. Heike will give contacts to Helena for knowledge sharing.

Richard Jones: It's important to remember that returns are also sending.

Euroclear's transition to a new solution for Issuer payouts (Emittenutbetalningar) is going on track (Q3-Q4 2023). Also, the project of the Bankomat ATM settlement leaving the Bankgiro Clearing system during Q3/Q4 2023 is going on track.

The transformation program continues with its work, despite the withdrawal of P27 clearing license. The need to change/replace the current payment infrastructure remains. Likewise, the need to move to the ISO 20022 format remains, as does the guideline that the new payment infrastructure must follow the NPC's rulebooks. Bankgirot operations will be maintained until new solutions are implemented.

An overall review of the planning based on the current situation will be done in consultation with everyone who is active in the work.

Helena informed that the department for payment infrastructure at the Swedish Bankers Association has a new webpage where you find information about Swedish payment infrastructures, the Transformation program and more. The webpage is in Swedish only: [Bankinfrastruktur | BSAB startside](#)

7. Norway Community update

Asbjørn Enge, Bits gave a status update from the Norwegian community, as per slide 25-33 in the meeting presentation.

Some highlights of the Central Bank strategy 2023-2025 was presented.

- A key question is whether the next generation settlement system will build on the current model, with dedicated solutions for Norges Bank, or whether other solutions, such as participation in the settlement system of European System of Central Banks, are more appropriate.
- During the strategy period, they will analyse the possibilities afforded by, and the consequences of, introducing a CBDC and test candidate solutions.
- Norges Bank will contribute to clarifying the future role of cash and appropriate rules to ensure that cash is available and easy to use.

Also, three alternative target states, the NBO next gen 2023, for the future Norwegian settlement system was presented, as per slide 29 in the meeting presentation;

- The Dedicated platform
- The Hybrid platform
- The Common platform

They are currently in an analysis phase. Asbjørn explained that the dotted squares mean it could influence or have impact.

The tentative timeline shows that the execution phase starts in 2025. The go-live date will be more detailed in 2024.

In parallel with future plans for the Norwegian settlement system Norway is also analysing how to modernise their current clearing system NICS. Four basic principles for this were presented;

- Standardized clearing - Move functionality that is not related to clearing out of NICS
- Independent clearing – Remove interdependencies between NICS and other services provided by supplier of NICS
- ISO 20022 – Introduce ISO 20022 in NICS
- NPC - Enable NPC schemes in NICS

Asbjørn ended his presentation by showing an overall plan with all on-going and planned initiatives for the Norwegian payment infrastructure, as per slide 33 in the meeting presentation.

Carlos Rodriguez: The aspiration is to be clearing house agnostic, do you see multiple clearing houses in the Nordic and in Norway? Asbjørn confirmed that it is technically possible but emphasised that it is a community decision.

Jenny Winther: When do you expect the NPC schemes to be in place? Asbjørn did not have a specific date for that, but it was reassured that Norway is active in working with the implementation of the NPC payment schemes.

8. One-Leg Out (OLO)

The NPC described the concept of One-Leg Out (OLO) - incoming or outgoing transactions, where one leg in the transaction (the NPC-leg) is part of the NPC scheme, and the other leg in the transaction (the non-NPC leg) is not part of the scheme, as per slide 35-36 in the meeting presentation. Rules and formats are missing in NPC's current payment schemes for such scenario. The analysis in the NPC OLO task force is about investigating the need for OLO transactions in the different Nordic countries, when it is needed and how OLO transactions could be implemented for the NPC payment schemes if that would be the conclusion. If implemented, OLO transactions would thereby open up for the possibility to send and receive OLO transactions between NPC Scheme Participants.

In autumn 2022, the NPC OLO task force investigated the need for OLO in relation to NPC payment schemes. The task force established, as a step 1, that there is a need, even though there may be different payment infrastructures and thus conditions, in the Nordic countries. To further analyse the need, the OLO task force continues the work as step 2 in the spring of 2023.

In step 2, as per slide 37 in the meeting presentation, some benefits with OLO have been identified, such as the possibility to use the “NPC rails” (channels/processes) for cross-border payments as a complement to other channels (i.e., SwiftNet etc) and thereby cater for flexibility and interoperability towards other payment infrastructures. Also, some limitations have been identified if OLO wasn't introduced, such as limitations in current or planned clearing infrastructures (e.g., NICS, SE, DK Clearing etc) that would not support the processing of all cross-border payments. In addition, it would not be possible to use RIX-Inst (SEK TIPS) or DKK TIPS as “rails” to process all cross-border payments if not having an OLO possibility.

NPC continued with information about why EPC started the work with OLO back in 2018 and mentioned the introduction of ISO20022 and G20 Roadmap for cross-border payments as important factors. The meeting was also given the latest status update from EPC in terms of market uptake so far and the next step;

- Several larger CSMs including Swift have shown interest, but no one has adhered yet.
- EPC will present OLO at the next EACHA meeting in May and at EBADays in June.

The work in EPC OLO Task Force will continue in 2023 with the finalisation of the Implementation Guidelines, Risk management Annex, Clarification papers etc.

NPC OLO Task Force will continue its work and analysis. Next step is to define a suggested time plan, suggested solution (scheme, part of existing scheme etc), if it should be optional or mandatory, and whether OLO would be relevant for NCT and/or NCT Inst.

The Task Force will not have a final recommendation for Scheme management Committee (SMC) in June but will present a report. In the first SMC in autumn, there will be a recommendation for a decision.

NPC also informed about the status of EPC OLO work:

- Several larger CSMs including Swift have shown interest, but no one has adhered yet.
- EPC will present OLO on the next EACHA meeting in May and on EBA Days in June

9. NPC Change Management

NPC informed about the Change Management (CM) cycle for 2025 version of NPC Credit Transfer (NCT) and NPC Instant Credit Transfer (NCT Inst) Scheme, which will start in August 2023 with a call for change requests. All incoming change requests will be presented to the market through a public consultation including a recommendation if they can be incorporated or not to the schemes. The Change Management cycle will follow a two-year cycle and have the 2025 versions published in November 2024 and in effect in November 2025.

NCT & NCT Inst Working Group is re-evaluating change requests (CRs) from last CM cycle that was decided not to be incorporated in the 2023 year versions. Also, EPC's CRs for 2025 will be evaluated in the work. Additionally, it will be evaluated if NPC should send any change requests to EPC.

It was also highlighted that in the 2023 version of NCT (in effect May 1st 2023) and NCT Inst (in effect Nov 1st 2023), both structured address and unstructured address will be allowed. This means that the Creditor side needs to be able to handle both structured and unstructured address. As a two-step implementation, only structured address will be allowed in the 2025 version.

Some challenges are identified for implementing Structured Address:

- Banks/PSPs and Customer/ERP vendors need to update their systems
- Postal Address contains a lot of data
- Will this have any impact on population registers used by Banks e.g., "SPAR"?
- Address is not mandatory in all payments, there are common agreements for this in the different Nordic countries.
 - Address is usually added on Debtor side (all payments) even though it is not always needed
 - Address on Creditor side is not mandatory for domestic payments
 - Larger challenge on cross border payments where address is mandatory on Creditor side

To emphasize this change, NPC will follow EPC's approach to present this CR in the public consultation presented to the market. Even though it is already decided, this will be done to point out the importance and for clarification.

There is also a new section in the latest version of the Clarification paper describing the structured address, which is published on the web. [Clarification paper | nordicpaymentscouncil.org](https://nordicpaymentscouncil.org)

10. Open discussion – questions and comments

No additional questions or comments were raised.

11. NPC going forward

The 2023 versions of the payments schemes NPC Credit Transfer and NPC Instant Credit Transfer Scheme will go in effect in May 2023 and November 2023 respectively. Focus will be on starting the next Change Management cycles for the NPC 2025 versions.

Work will continue with the Confirmation of Payee Scheme and a Clarification paper, and a Risk Management Annex will be developed. The change management cycle for the Confirmation of Payee will start in May 2023 until November 2023, with a public consultation January 2024-March 2024, and a publication and in effect date in November 2024.

Meetings 2023:

Meeting November 16th will be held as a virtual meeting via Teams

- Workplan 2024
- Change Management NPC payment schemes
- Plan next year's meetings
- Presentation TBD

NPC presented some suggestions for guests/presentations going forward:

- P27
- BITS A/S
- EPC update
- Master Card
- Swish
- Central Banks – ISO 20022 migration, new settlement system (Target)

12. Closing

Camilla Åkerman thanked all for participating and closed the meeting.

Meeting Secretary: Othilia Österling, Maria Brogren Nordic Payments Council

Approved by Chair: Peter Larsson, Chair Stakeholder Forum (Volante)

Adjuster of minutes: Hein Wagenaar, Oracle

Decision log

No.	Decision Date	Decision
1	2022-05-19	The Stakeholder Forum agreed on the document Stakeholder Forum position 2023 Change Proposal Payment Schemes for the 2023 version of NCT and NCT Inst Rulebooks.
2	2022-11-17	The Stakeholder forum to agree on the document <i>NPC099-02 NPC Stakeholder Forum position 2022 Confirmation of Payee Rulebook v0.3</i> . NPC will make this the 1.0 version after this meeting.
3	2022-11-25	The Stakeholder forum agreed on the document <i>NPC099-02 NPC Stakeholder Forum position 2022 Confirmation of Payee Rulebook v1.0</i>
4	2023-03-21	Peter Larsson was elected Chair of Stakeholder Forum.

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
CoP	Confirmation of Payee
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.

TERM	DEFINITION
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
ERI Option	Extended Remittance Information Option
ERI Option Participant	Participant who 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

TERM	DEFINITION
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.
Scheme Management Rules	The Scheme Management Rules, as set out in Annex II of the Rulebook, and as amended from time to time, explaining e.g. how to influence/suggest amendments to the schemes)
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.

TERM	DEFINITION
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>
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.