

Welcome to the NPC Information meeting!

The meeting will start at 13:00 CET

We will be happy to answer questions after each agenda section and at the end of the presentation.

Please use the chat function or the raise your hand function to pose questions.

We kindly ask you to mute yourself and turn off your camera during the meeting.



NPC

The Nordic Payments Council
Creates, owns and manages NPC Schemes

Information meetings October 18, 2023



Agenda

- NPC General Information
- NPC Payment Schemes
 - Change Management Cycle 2025 versions
 - One-Leg Out
- NPC Confirmation of Payee Scheme
 - Change Management Cycle 2024 version
 - Related market initiatives
- NPC Membership & Scheme Adherence
 - How to become a member?
 - When is it time to adhere to NPC's schemes?
- Monitoring activities
 - SEPA Request-to-Pay (S RTP)
- Questions and comments
- NPC going forward and next meetings



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- **NPC going forward and next meetings**



NPC Secretariat



CAMILLA ÅKERMAN
Secretary General



MARIA BROGREN
Scheme Manager
*NPC Instant Credit Transfer
and NPC Credit Transfer
Schemes*



PAULINA KUDLACIK
Scheme Manager
*NPC Confirmation of Payee
Scheme*

NPC Members



Founding members:



FINANS
DANMARK

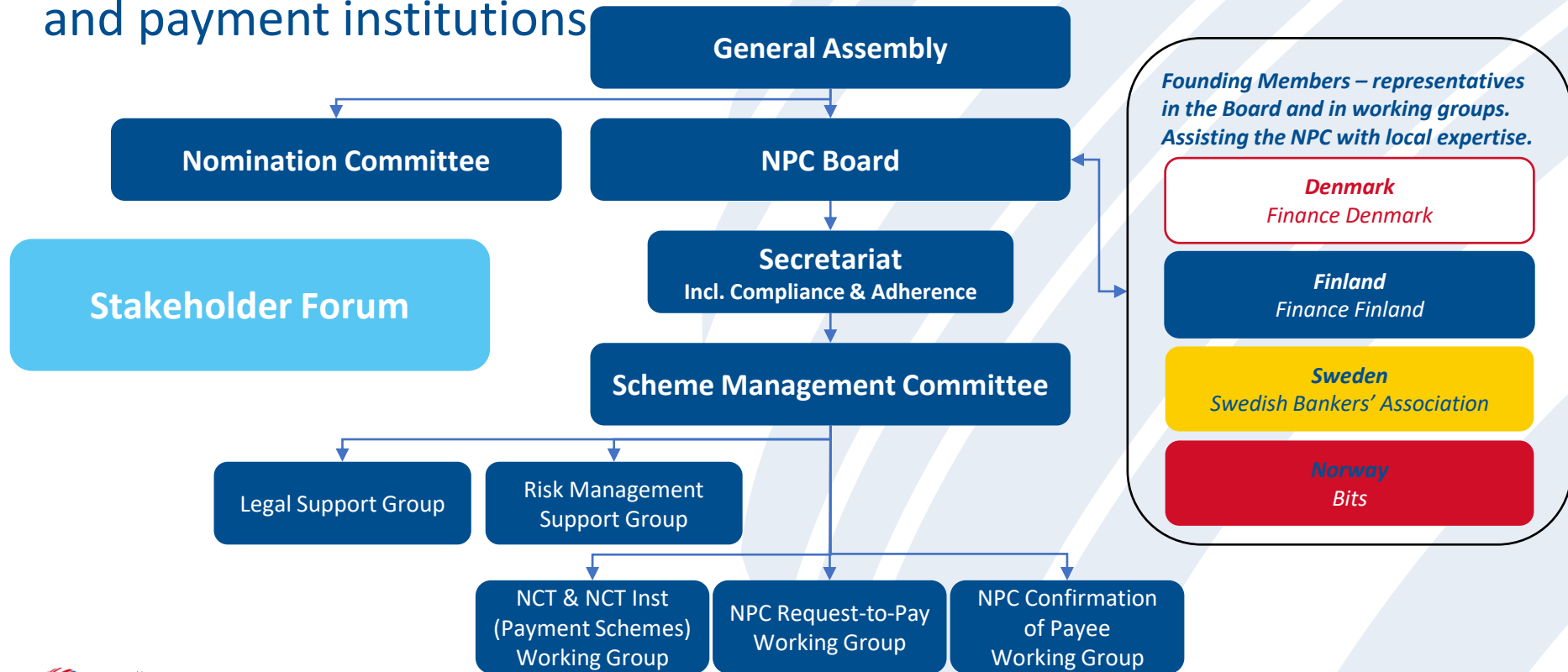


FINANCE
FINLAND



Svenska Bankföreningen
Swedish Bankers' Association

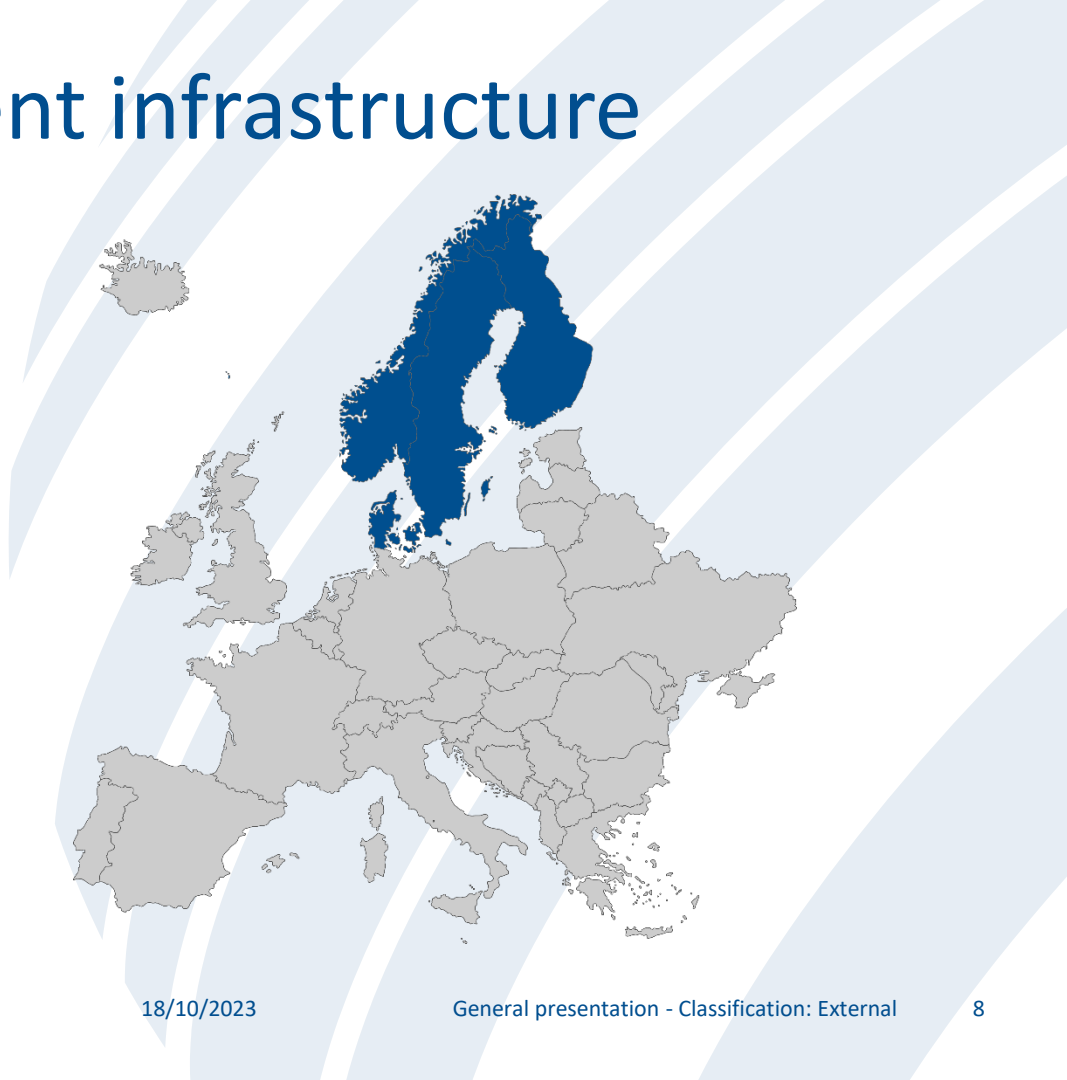
NPC Organisation – non-profit association, open for banks and payment institutions



Harmonising payment infrastructure

Within and cross Nordic
countries and...
towards the Euro-zone

*Efficient and secure payments,
based on ISO 20022 for end
consumers active in the
Nordics*



NPC – our objectives

- **Create, own and manage the NPC payment schemes** for selected Nordic currencies based on the SEPA payment schemes
- **Create and manage additional schemes and rules** in close **dialogue** with the **scheme users** and other **stakeholders**
- Maintain **open forums** for all **stakeholders** regarding the NPC schemes

Overall structure – the different entities



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NPC Credit Transfer Scheme

- Rulebook
- Extended Remittance Information (ERI) option
- Inter-PSP Implementation Guideline
- Customer-to-PSP Implementation Guideline
- Clarification papers



- Recommendation of customer reporting (camt.052, camt.053, camt.054)
- Scheme currencies (DKK, NOK, SEK)

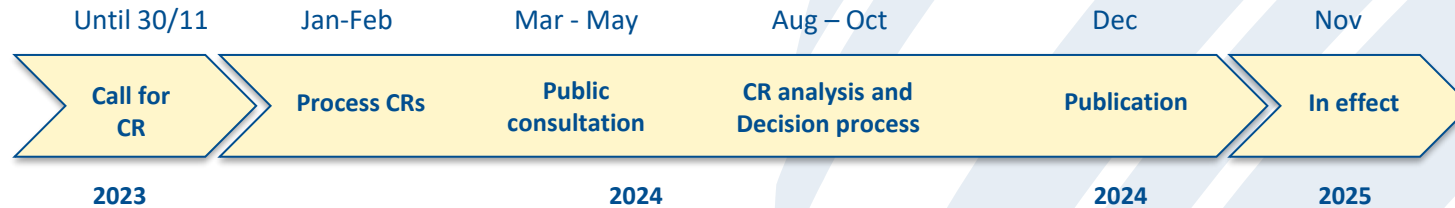
NPC Instant Credit Transfer Scheme

- Rulebook
- Maximum amount
- Inter-PSP Implementation Guideline
- Customer-to-PSP Implementation Guideline
- Clarification papers



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.

NCT & NCT Inst 2025 Change Management Process

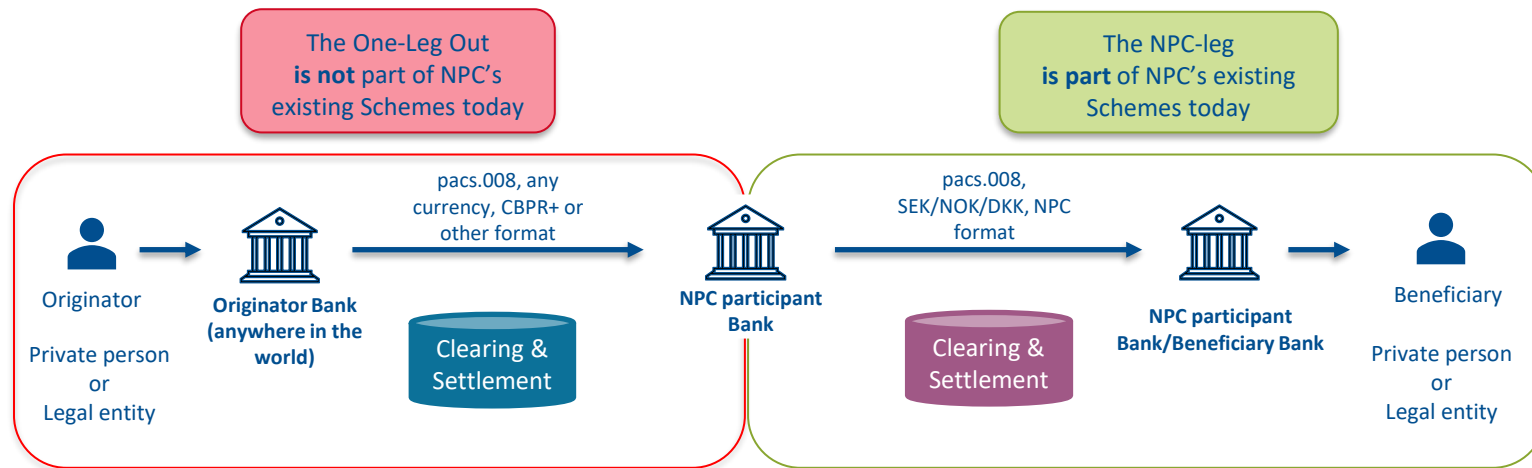


- Change requests from the Nordic market
- Internal change requests from NPC's working groups
- EPC change requests for SCT & SCT Inst Schemes 2025 version
- [Change Management \(nordicpaymentscouncil.org\)](https://nordicpaymentscouncil.org)
- Deadline for submitting change requests November 30th - info@npcouncil.org

NPC Payment scheme versions going forward



Incoming NPC One-Leg Out (OLO) transaction



Cross border NCT & NCT Inst One-Leg Out

- Transactions **starting** or ending outside the NPC schemes
- New possibility - Cross border (low-value payments incoming and outgoing) using the NPC payment rails for the first or final leg of the transaction.
- Sanction screening and other controls are needed for cross border

Domestic NCT & NCT Inst

- Transactions between scheme participants (in Scheme currency) within the same country

Cross border NCT & NCT Inst within the Scheme

- Transactions between scheme participants in different Nordic countries
- New possibility - Cross border within the Nordics (in Scheme currency)
- Opt-out possibility
- Sanction screening is needed for cross border (even in Scheme currency)
- All participants need connection to Settlement for Scheme currency/ies

General information



- Enhancing cross border payments, a priority through G20 roadmap – faster, cheaper, more transparent
- The program focus on; Payment system interoperability and extension, Legal regulatory and supervisory frameworks and Cross-border data exchange and message standards.
- Implementation of ISO 20022 enables interoperability between payment systems
- Swift focus on “extending interoperability to Instant Payment Systems”
- One-Leg Out enables interoperability between payment systems
- EPC’s One-Leg Out Inst Scheme (aligned with CBPR+ and IP+) open the SEPA area and SEPA rails for international credit transfers
- Swedish Central Bank investigates cross currency EUR/SEK in connection to TIPS/RIX-Inst

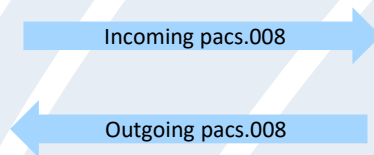
NPC OLO Task Force – the assignment

- OLO Task Force has
 - investigated the need for OLO in the Nordics by
 - analysing how cross border transactions are processed in current infrastructure
 - how they will be processed after implementing ISO20022 and the NPC Schemes
 - investigated the demand time-plan-wise
 - analysed the EPCs One-Leg Out Inst Scheme



NPC OLO Task Force – the conclusion

- The conclusion is that:
 - there is a long-term need to open up NPC's payment schemes for cross-border payments outside the schemes
 - there are different views on when the OLO option should be possible, and this depends on the Nordic country
 - in Norway, the need for OLO will be relevant in connection with the migration to NPC payment schemes as several smaller banks are not SWIFT connected



NPC OLO Task Force - continued work

- OLO Task Force will continue its work and
 - support Norway in its need for OLO in the transition to NCT and NCT Inst Schemes
 - monitor initiatives for cross-border (instant) payments
 - have dialogue with relevant players, e.g., Swift, Central Banks, EPC



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Confirmation of Payee

Confirmation of an account and a 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 – the scope

| Several options available | How they can be implemented | Payer |
|---|--|---|
| Confirmation of Account | Single request in real time & Bulk request via file |  |
| Confirmation of Account and Name | Single request in real time & Bulk request via file |  |
| Confirmation of Account and Id* | Single request in real time & Bulk request via file |  |

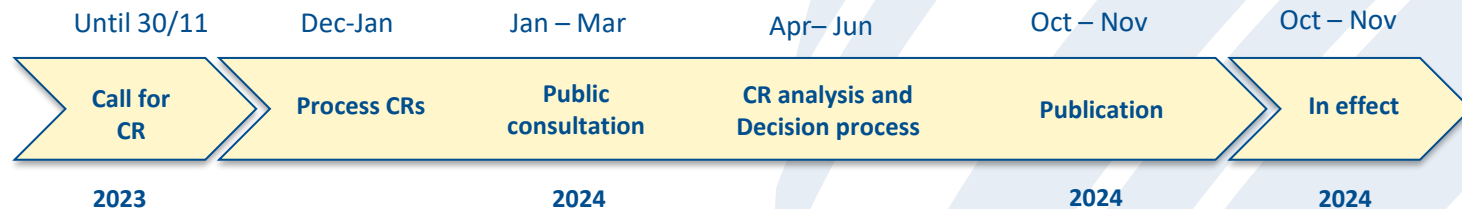
To be used as a pre-step before making a payment!

**Id is a numeric, known and unambiguous identification of a person or a company.*

For example, a social security number, company registration number etc.

***No Bulk requests*

Confirmation of Payee **2024** Change Management Process



- Change requests from the Nordic market
- Internal change requests from NPC working groups
- Upcoming regulatory requirements
- Monitoring EPC work on Confirmation of Payee Scheme
- [Change Management \(nordicpaymentscouncil.org\)](https://nordicpaymentscouncil.org)
- Deadline for submitting change requests November 30th - info@npcouncil.org

NPC CoP scheme versions going forward



Upcoming regulatory requirements

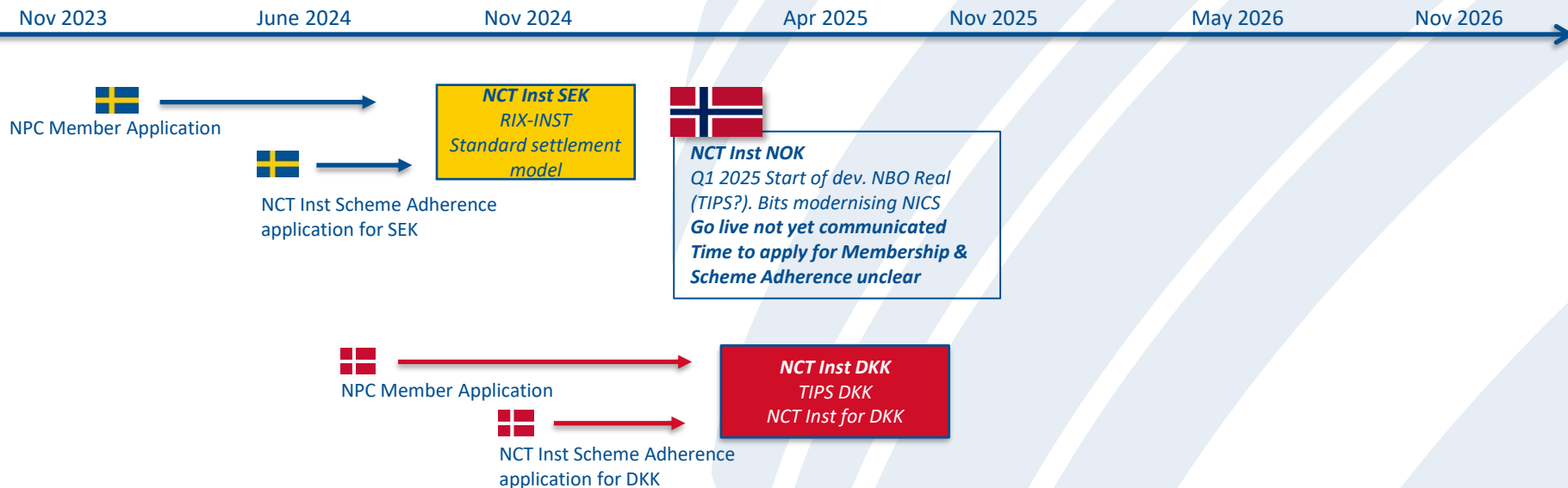
- Amending Regulations (EU) No 260/2012 and (EU) No 2021/1230 as regards instant credit transfers **in euro** “Instant payments regulation”
 - It will be mandatory to offer euro instant payments for those PSPs that already offer euro credit transfers
 - Mandatory with verification of Payee (IBAN/name check) i.e., the payer's PSP must verify that the IBAN and name of the payee match
- PSD3 and Payment Services Regulation (PSR)
 - The PSR mandates that, before initiating **any type of credit transfer**, the PSP must be able to provide a service that verifies that the payee's name and unique identifier (IBAN) align

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NPC Membership & Scheme Adherence to NPC NCT Inst



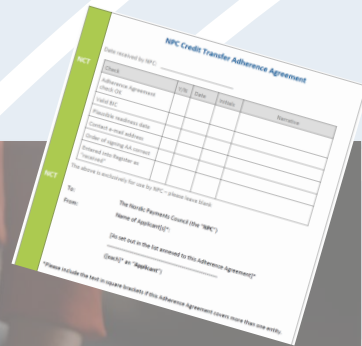
Scheme Adherence to NPC NCT

- Denmark (DKK)
 - Revised sector plan for future market infrastructure
- Sweden (SEK)
 - Bankgirot's plan for future payment infrastructure
- Norway (NOK)
 - Norges Bank's settlement system – NBO next gen. 2030
 - Tentative plan: Q1 2025 Start of development
 - Bits modernising NICS clearing: Standardised- and independent clearing, introduce ISO 20022, and enable NPC Schemes in NICS

No time-plan communicated for any of the NCT batch currencies and hence the time plan for applying for Membership & Scheme Adherence to the NPC NCT Scheme is unclear today

Benefits of becoming a member

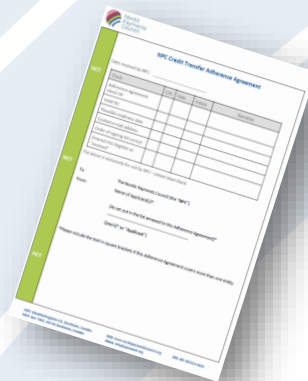
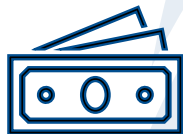
- NPC payment schemes are already published and in effect. Banks and CSMs use them for development as they adapt to the new payment infrastructure
- As NPC Member you are welcome to take part and influence the development of the NPC Schemes and the creation of new schemes
- NPC Secretariat facilitates cooperation and development of schemes and coordinates Nordic input to the EPC
- NPC is dependent on its members; through them, we ensure that our schemes match the needs of the market



The image shows a document titled "NPC Credit Transfer Adherence Agreement". It is a form for banks and CSMs to use. The form includes sections for "Bank/CSM", "Adherence Agreement", "Date of signing", "Number of signing", "Name of signing", "Signature", and "Date of signing". There is also a section for "The above is acknowledged for use by NPC" and a section for "Name of Applicant(s)". The form is tilted and appears to be a physical document.

- NPC is a Nordic market driven initiative and a member organisation
- To be a Scheme participant and use the NPC Schemes you need to be an NPC member

Adhering to NPC Payment 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
and ERI* Option***

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, ERI*
Option
Need to present a **readiness
date**** to sign the agreement

* ERI = Extended Remittance Information (option in the NCT Rulebook)

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



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NPC and SEPA Request-to-Pay (SRTP)

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

- In recent years, NPC has analysed and provided Nordic input to the EPC SRTP work
- The EPC SRTP Scheme is **currency agnostic**, which means that payments in any currency can be requested under the same common Rulebook as the euro – and can be used for the Nordic region
- **Ongoing SRTP Scheme change management cycle**
- Nordic banks must adhere to SRTP in order to make Request-to-Pay for euros
- No decision (yet) for a Request-to-Pay solution for Nordic currency(ies) based on EPC SRTP Scheme



SRTP Scheme evolution calendar:

- **Between 1 December 2022 and 29 December 2023**
Call for change requests to version 3.0 of the SRTP Scheme Rulebook
- **Q2 2023**
 - Publication of the SRTP related API specifications based on the version v3.0 of the SRTP scheme rulebook
 - Publication of the version 3.0 of the SRTP scheme Clarification Paper
 - Launch of three new homologation types
- **Q3 2023**
Launch of the homologation with APIs
- **Between March and June 2024**
Three-month public consultation
- **November 2024**
Publication of the SRTP Scheme Rulebook (version 4.0)

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NPC going forward

- NPC Stakeholder Forum meetings November 16th – minutes and presentation deck will be published
- NPC work 2023:
 - Payment schemes: start Change Management for 2025 versions
 - Monitor One-Leg Out
 - Confirmation of Payee: start Change Management for 2024 version, and monitor EPC work with a new scheme for IBAN/name check
 - Analyse and agreeing Nordic positions for EPC SEPA Request-to-Pay next version (4.0)
- New information meeting in March 2024
 - 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 projects for: RIX-INST, T2/T2S & ISO-migration
 - SE Transformation Program

Questions?

More information:

- Web: www.nordicpaymentscouncil.org
- E-mail: info@npcouncil.org

- Secretary General:

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- Scheme Manager NCT & NCT Inst:

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- Scheme Manager Confirmation of Payee:

Paulina Kudlacik
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