

Nordic Payments Council (NPC)

Stakeholder Forum

Meeting no. 17, 14th of November 2024

via Teams



NPC Stakeholder Forum Members

NPC Stakeholder Forum Participants	
Name	Organisation
Peter Larsson	Chair (Tietoevry)
Justin Sylvester	ACI
Daniele Astarita (alternate)	ACI
Timo Livarinen	Bank of Finland
Lindberg Lennart	Bankgirot
Eva Jalrup (alternate)	Bankgirot
Robert Book	CGI
Nikolaj Hesselholt Munk	Finance Denmark
Petri Aalto	Finanssivalvonta FIN-FSA
Galor Uziel	Finastra
Eduard Stringer	FIS
Rolf Høyemann Olsen	Forbrugerrådet Tænk
Carl-Johan Mårtenson	Försäkringskassan
Othilia Österling (alternate)	Getswish
Dan Axelsson	Getswish
Carlos Rodriguez	Independent
Gabriele Leo	Mastercard
Richard Jones (alternate)	Mastercard
Kai Yamaguchi	MobilePay
Bjørn Hørsted Bremholm Hansen	Nationalbanken / Danish Central Bank
Mathilde Bak Møller (alternate)	Nationalbanken / Danish Central Bank
Vivek Kumar Srivastava	Oracle
Hein Wagenaar (alternate)	Oracle
Atousa Rezaei	Riksbanken / Swedish Central Bank
Fredrik Söderlund (alternate)	Riksbanken / Swedish Central Bank
Susanna Pärffjård	Riksgälden / Swedish National Debt Office
Michal Pandoscak	SAP
Helena Stjernstedt	Swedish Bankers' Association
Richard Ross	SWIFT
Johan Egnell (alternate)	SWIFT
Annika Lindgren (alternate)	SWIFT
Heike Strasser	Unifits
Per Strangberg	Visa
Asbjørn Enge	BITS A/S
Brynjel Johnsen (alternate)	BITS A/S
Isak Penttilä	Movitz Payments
Magnus Hedenberg (alternate)	Movitz Payments
Prabanth Mounasamy	Banfico LTD
Kannan Rasappan (alternate)	Banfico LTD
Jayakumar (Jay) Gopalakrishnan	Volanté
Nacoline Lelietvedt	Tietoevry
Annika Gyllström	Utbetalningsmyndigheten
Stig Korsgaard	Techwave
Juha Keski-Nisula	XMLdataion Oy
Anna Anttila (alternate)	XMLdataion Oy

Representing the Nordic Payments Council	
Vacant	NPC Scheme Management Committee
Thomas Bo Christensen	NPC Chair Scheme Management Committee
Johan Arvidsson	NPC Scheme Management Committee
Jenny Winther	NPC Scheme Management Committee
Camilla Åkerman	NPC Secretariat
Maria Brogren	NPC Secretariat
Paulina Kudlacic	NPC Secretariat

Suggested Agenda

1. Introduction
2. Approval of Agenda
3. Approval of last meeting's minutes
4. Appointment of minutes adjuster
5. EPC Directory Service – presentation
6. Information and Status NPC
7. One-Leg Out/Cross Currency
8. Nordic community (NBAs) update
9. Change Management
10. Open discussion - questions and comments
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12. Closing



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EPC Directory Service

Speakers from the EPC:

Giorgio Andreoli, Director General

Valentin Vlad, Manager Cards and Security



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Information from the NPC

General information

- NPC has signed a license to base its own scheme on the EPC OCT Inst (subject to SMC approval)
- Several NCT Inst Scheme Adherence Applications are in the pipeline for approval
- An updated Position Paper for the CoP has been prepared after our last meeting together with Richard Ross, Swift, and Gabriel Leo, MasterCard (please refer to pre-material)
- Results from the survey:
 - Out of the current 28 members, 3 will not continue their membership
- Invitations have been extended to 4 additional members to join the NPC Stakeholder Forum: Tietoevry, Utbetalningsmyndigheten, Techwave and XMLdation

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One Leg-Out and Cross Currency

- A **One Leg-Out transaction** is a transaction that starts or end outside the NPC Schemes
- A cross-border transaction initiated in any currency anywhere in the world
- The first or final leg is processed as an NPC transaction using the “NPC payment rails”
- A **Cross Currency is a transaction** where the two legs are settled in different Scheme currencies (e.g., DKK and SEK)
- The current NPC Scheme rules do not allow One Leg-Out or Cross Currency transactions



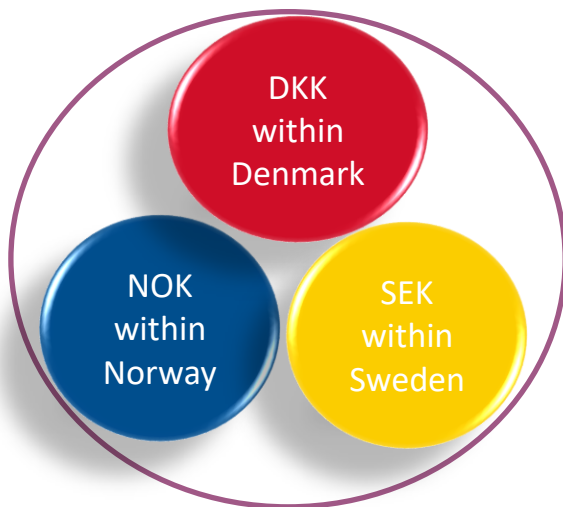
NPC payment schemes – two options

Utilising the same NPC rules and standards while aligning with SEPA

Domestic

Opting out of cross-border payments:

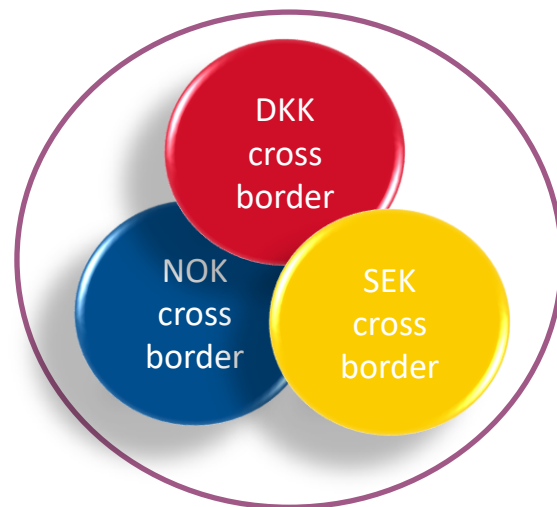
- To modernise current domestic payment infrastructures



Cross border

Opting in for cross-border payments with other scheme participants:

- Introducing a new infrastructure for cross-border payments





Common rulebooks and standards cross the Nordics



Multi-currency platform:
EUR, DKK, SEK, NOK
Instant credit transfers



SEK
Credit transfers



NOK
Credit transfers

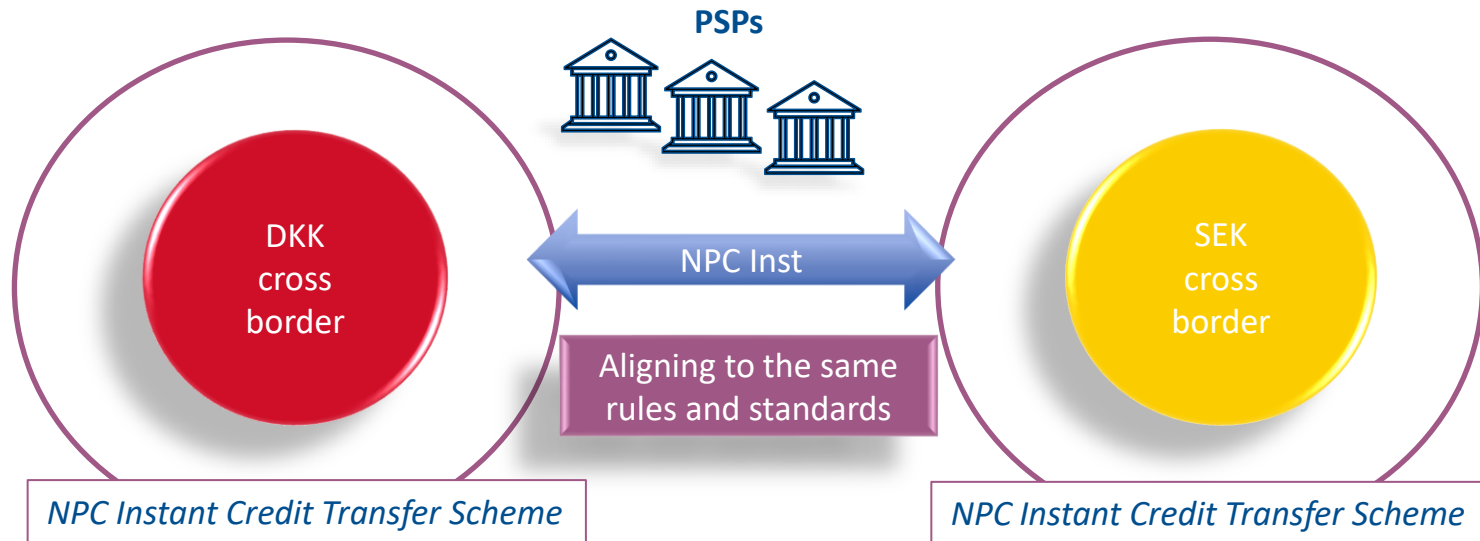


DKK
Credit transfers

Extend instant cross-border payments

New NPC Scheme Rules required to allow cross currency:

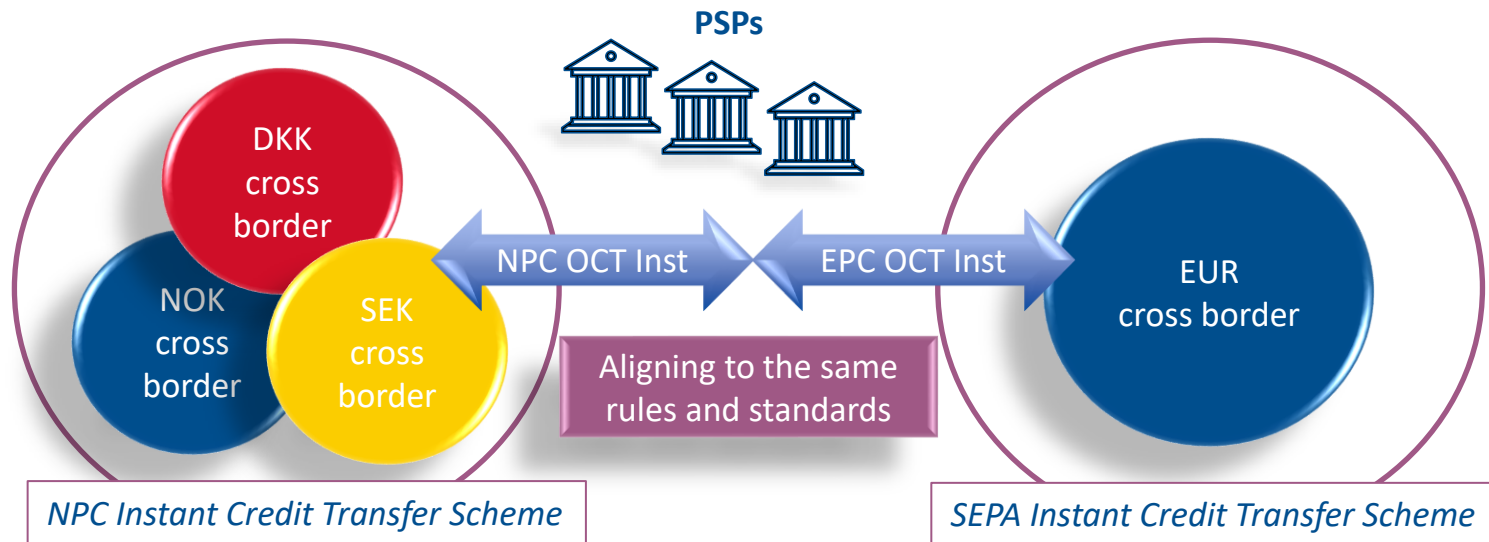
- Extending the reach between NPC Scheme Currencies



Extend instant cross-border payments

New NPC Scheme (rules) required to allow One-Leg Out transactions:

- Extending the reach to OCT Inst scheme participants



NPC One-Leg Out Inst Credit Transfer Scheme

- NPC has for several years followed One-Leg Out
- Formal letters from Riksbanken and Nationalbanken connected to TIPS Cross Currency project

Status:

- Initiated discussions with the EPC about a **license to use** the EPC OCT Inst Scheme
- Commenced drafting a **timeline for the development** of the NPC OCT Inst Scheme
- The formal **approval** to commence the development phase will be made in **February 2025**



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NPC Stakeholder forum

Helena Stjernstedt
Finansiell infrastruktur Svenska Bankföreningen/BSAB

14th of November, 2024



In preparation of a new Swedish payment infrastructure....

- ◆ **Bankgirot continues with the plan for the upcoming transformation** from the existing payment infrastructure (Dataclearingen and the Bankgiro system) to Bankgirot's new payment infrastructure which will be based on NPC's schemes and the format standard ISO20022.
- ◆ **The Swedish Transformation Program (scaled down)** continues to be an independent party to ensure the target image decided by the Banking Association's board, that the interests of all banks and actors are taken care of and that the skills developed and existing communication channels regarding the transformation are maintained.
- ◆ **The Program Office (PMO)** is staffed by Lars-Åke Edenfeldt, who is responsible for running various activities related to the transformation such as coordinating issues and being responsible for certain joint communication to the market, e.g. to ERP suppliers and to trade associations.

Central bank initiatives and time plans – The Riksbank

2024 (Nov-Dec):

- ◆ RIX-INST Standard settlement model/SEK (**Nov 2024** all RIX-INST participants must be able to receive transactions and adhere to NCT Inst)
 - The Riksbank: *RIX-INST Evolution Forum*
 - Swedish bankers Association (SBA): Working group on the subject of potential payment flows via RIX-INST
- ◆ Preparation ongoing for ISO20022 migration of the RIX system
- ◆ Investigation into the Riksbank's future settlement services continues (T2):
 - Contract negotiation ongoing with ECB

2025:

- ◆ The Riksbank RIX-RTGS system migration to ISO20022. Planned date for migration **2025-05-16 to 2025-05-18** for all RIX RTGS participants. Start of settlement 2025-05-19.
- ◆ Future settlement services continues (T2):
 - T2 contract negotiation ongoing with ECB until Q4 (Nov) 2025
- ◆ T2 execution phase preliminary start Q4 2025

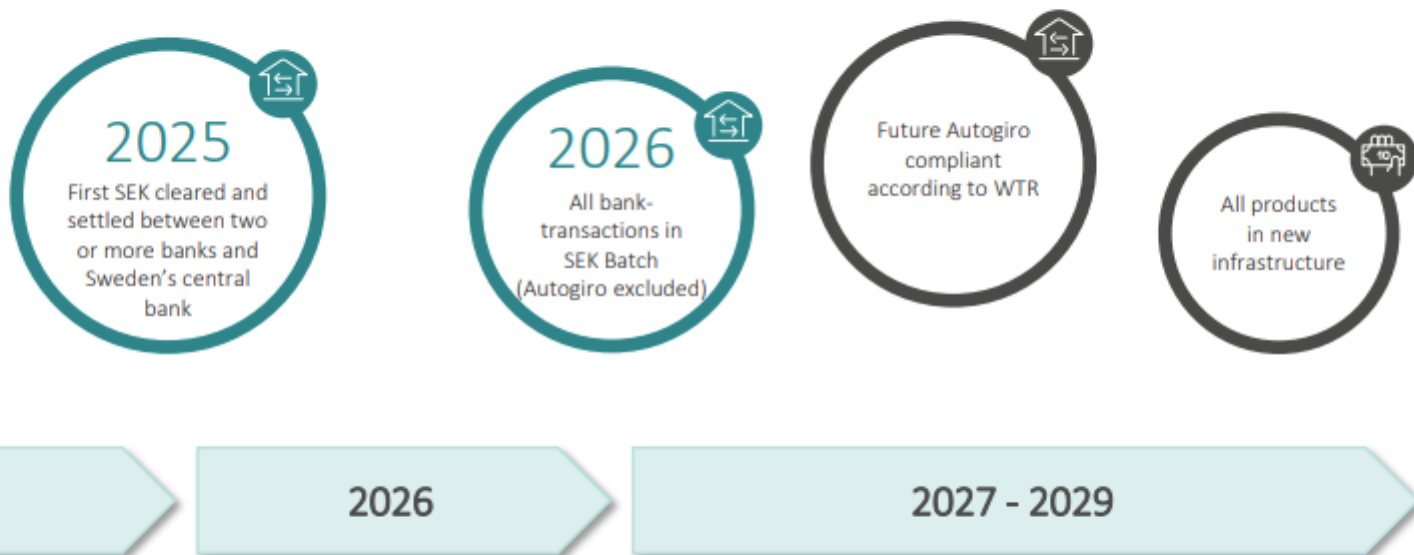
2026:

- ◆ T2 execution phase continued

Potential future initiatives:

- TIPS cross-currency: The Riksbank information session 7th of October & TIPS cross-currency technical session 5th of November. TIPS cross-currency earliest Q4 2025
- E-krona

Strategic objectives for new infrastructure and products



Roadmap is preliminary and subject for change as project progresses.

Questions?

Please contact:

helena.stjernstedt@swedishbankers.se

Additional information:

<https://www.bankinfrastruktur.se>

(Subsidiary to Swedish Bankers Association)





FINANCE
DENMARK

NPC Stakeholder Forum

14 November 2024

Updates from the Danish market

- TARGET DKK status update
- NPC on-boarding and adherence to the NCT Inst Scheme for TIPS DKK transactions
- Update on the Upgrade and modernisation of the Danish payment infrastructure

TARGET DKK

Background

Danmarks Nationalbank is replacing its current payment system Kronos2 with TARGET Services, the pan-European platform for payments and securities trading, at Easter 2025.

The project is called TARGET DKK*.

TARGET DKK will thus gather all (CeBM) settlement in Danish kroner at TARGET Services in the future.

TARGET Services consists of three services:

T2, which consists of a payment system (RTGS) and a Central Liquidity Management (CLM) system

T2S (DKK available since 2018), which is the securities settlement system

TIPS, which is the settlement system for instant payments

*) Read more about TARGET DKK in [Danmarks Nationalbank's memo on the project](#) from April 2023.

Project status: Green

The project is on track both in terms of schedule and budget, and are now in the final phase prior to go-live Easter 2025.

Frequent meetings in the external governance structure

Continued close cooperation with the ECB, other European central banks, payment and settlement systems and representatives of the Danish financial sector.

Focus currently

- At this final stage of the project, the focus is changing from testing activities, to the migration and the new settlement platforms for DKK in production.
- Dress rehearsals are taking place for go-live critical participants here in Q4-2024 and for all participants in Q1-2025.
- Participants have completed their static data registration forms for the production environment and agreed to the provisions in the terms and conditions for TARGET DKK.

NPC on-boarding and adherence to the NCT Inst Scheme for TIPS DKK transactions

One of the prerequisites for participating in the DKK Instant Payments in TIPS is the on-boarding to NPC and ensuring adherence the instant scheme. This applies to both direct and reachable/indirect participants.

A two-phased approach

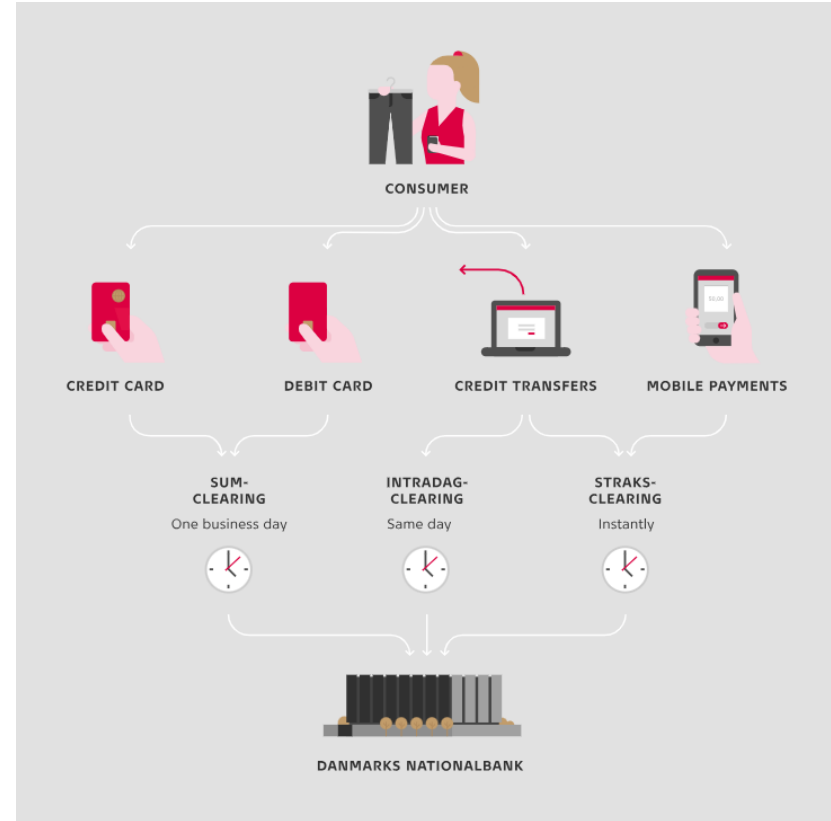
- ✓ Q2 2024: TIPS DKK participants (legal entities) needing to declaring adherence with the NCT Inst Scheme must apply for NPC memberships.
- ☐ Q4 2024: Declare adherence with NCT Inst in DKK by the TIPS DKK migration in Easter 2025.

High-level milestones and deliveries

- ✓ Q2 2024: Kick off and information events
- ✓ Q3 2024: NPC membership applications
- **Q4 2024:** Adherence Agreements
- Easter 2025: Go-live of DKK in TIPS

Upgrade and modernisation

- In October 2021, a unified Danish banking sector decided to initiate an upgrade and modernisation **of the Danish payments infrastructure**
- In the **Straksclearing** system, the banks' customers can make account-to-account transfers which are received by the recipient immediately after the transfer has been made.
- The **Intradagclearing** and the **Sumclearing** are multilateral net settlement systems, which means that it is not the individual transaction that is settled between the banks. Rather, the banks settle the difference between payments to and from their customers at fixed times of day, called net positions.



Source: Danmarks Nationalbank
[The payments infrastructure in Denmark \(nationalbanken.dk\)](https://nationalbanken.dk)

Upgrade and modernisation: Objectives

The programme has several objectives

- Support that the Danish financial payment infrastructure has robust and stable systems facilitating that Danish kroner may be cleared at any time between the participating banks and can be settled at Danmarks Nationalbank.
- Through this system support and ensure a good basis for the financial sector to develop appropriate payment products for citizens and support the financial stability in Denmark.
- Support the financial sector's participation in the migration from the current Danmarks Nationalbank system Kronos2 to Danmarks Nationalbank's new systems in Target Services, including T2 and TIPS in Easter 2025.
- Support the implementation of the new ISO 20022 formats for payments as decided by the Nordic Payments Council. This makes it possible to use the same payment formats for Danish kroner as for both the other Nordic currencies and the euro. And optimal opportunities are ensured for developing financial payment solutions.

Upgrade and modernisation: By Easter 2025

The sector plan towards the Target DKK implementation by Easter 2025 is:

- **Future instant payments:** The existing Instant Clearing (Straksbetalinger) in Finance Denmark will close at Easter 2025. From Easter 2025, participants who wish to continue using instant payments can send their transactions directly to Danmarks Nationalbank for settlement in the TIPS system via the standard model.
- **Future account-to-account payments (non-instant):** The existing batch clearing in Finance Denmark, called Intraday Clearing (Intradag- og Sumclearingen), will be integrated with Target and the new platform.
- **Payment products of the future:** It is up to the individual actors in the market to decide which payment products to offer in the future. However, the sector plan includes activities related to sector products, which are currently administered collectively in the sector in the electronic sub clearing (Dokumentløs Clearing).

Upgrade and modernisation: After 2025

The sector plan after the Target DKK implementation in Easter 2025 is:

- In late 2026 or early 2027, an **NPC-compliant batch clearing** will be initiated for clearing account-to-account payments. The solution will run in parallel with the Intraday Clearing for a period of time. This parallel period will be used to move clearing transactions from the Intraday Clearing to NPC-compliant batch clearing, after which the Intraday Clearing will be closed.
- Based on the vision for the new Clearing and Payment Infrastructure, it has been decided to write a **'Letter of Intent' with EBA CLEARING** regarding a STEP2 DKK Clearing to replace the Intraday Clearing (Intradagclearingen).

”

Questions?

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Publication of NCT & NCT Inst 2025 versions

Publication November 25th on NPC's website:

- NCT Rulebook version 2025
- NCT Instant Rulebook version 2025
- NCT Inst Maximum Amount version 2.0
- NCT Rulebook 2025 Change Proposal Submission Document
- NCT Inst Rulebook 2025 Change Proposal Submission Document

Documents published later (no date set yet, approx. 1-2 weeks later):

- NCT Inter-PSP IG 2025
- NCT C2PSP IG 2025
- NCT Inst Inter-PSP IG 2025
- NCT Inst C2PSP IG 2025
- Recommendation on Customer Reporting NCT and NCT Inst 2025 version
- XSDs for all IGs

- *MyStandards will be updated later*
- *Clarification papers and Guidance documents will be published later*



Publication of CoP 2024 version

Publication November 25th on NPCs website:

- CoP Rulebook version 2024
- CoP Rulebook 2024 Change Proposal Submission Document
- CoP Inter-PSP IG 2024
- NPC Confirmation of Payee Clarification Paper on the Matching Process
- Clarification paper NPC Confirmation of Payee Scheme Rulebook v2.0 (*suggestions on front-end messages*)

Documents published later (no date set yet, approx. 1-2 weeks later):

- XSDs for CoP Inter-PSP IG 2024 (*first publication of XSDs for the CoP scheme*)
- *MyStandards will be updated later*
- *NPC Confirmation of Payee API Examples to be revised in Q1 2025 with regards to existing and emerging API standards, therefore temporarily no update or re-publication of the current v1.2 that's on the website.*



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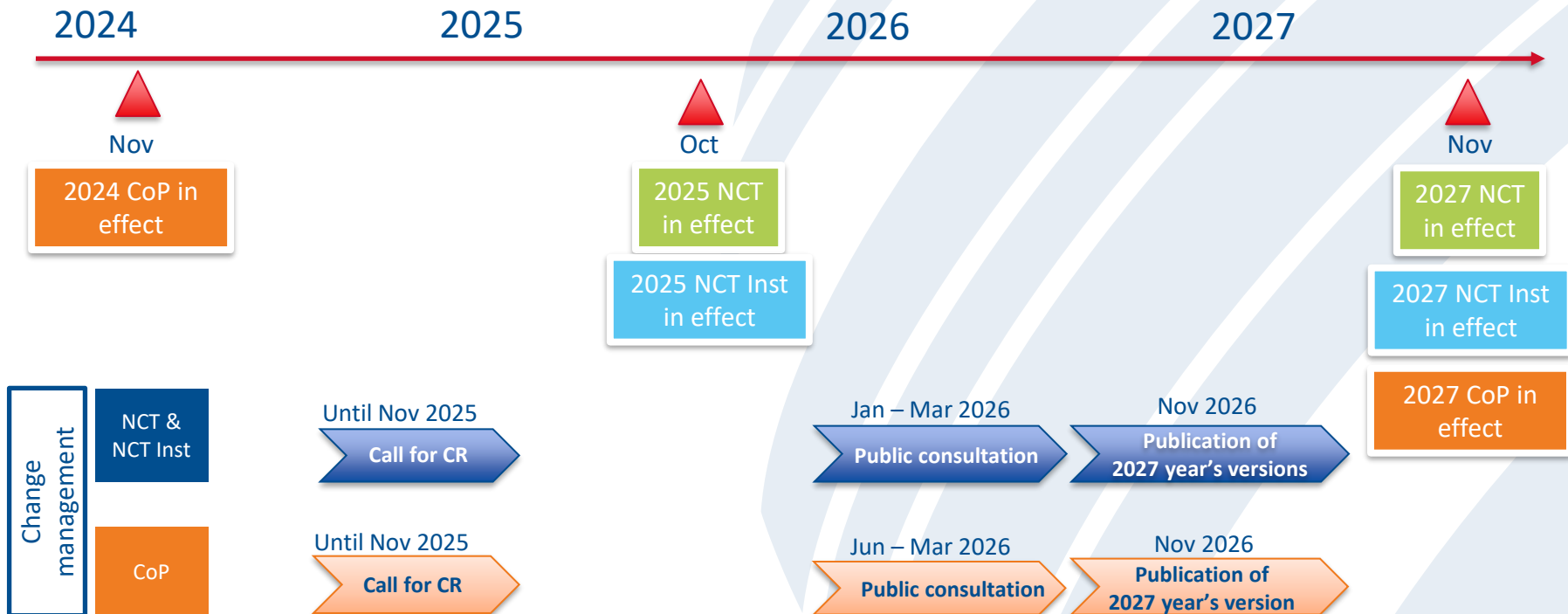
Deliver on Nordics' need for standardisation & harmonisation

Evolving the schemes - Change Management



*NPC change management cycle in sync with EPC and the SEPA payment scheme

NPC going forward



NPC Stakeholder Forum Work plan and activities 2025

- Meeting March 20th (*physical meeting in Stockholm*)
 - Information from the NPC and the NBAs
 - TBD
- Meeting September 23rd
 - Information from the NPC and the NBAs
 - TBD
- Meeting November 27th
 - Information from the NPC and the NBAs
 - TBD

Suggested guest speakers:

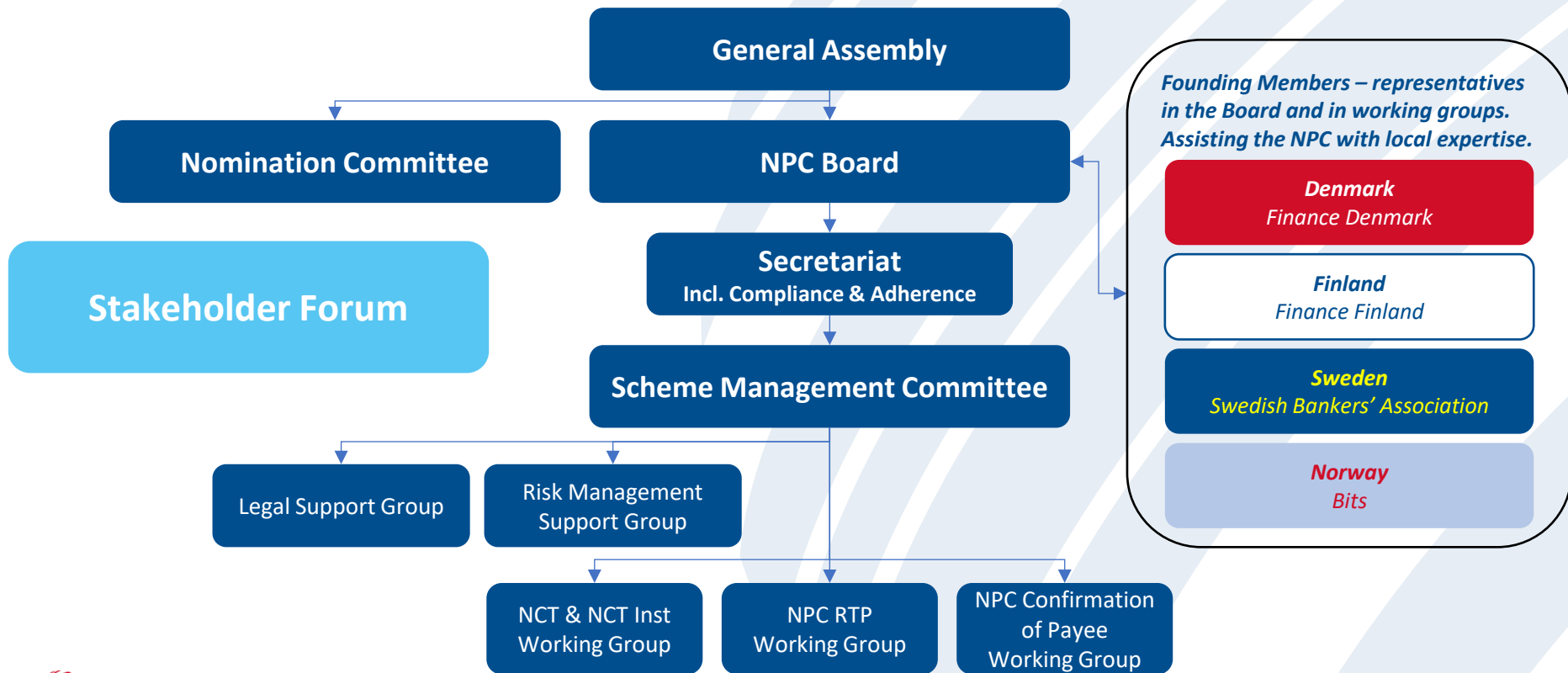
- Bankgirot – transformation plans
- Swift - interoperability vision
- Central Banks – TIPS CCY
- ?

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NPC Organisation



Questions?

More information:

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

- Secretary General:

Camilla Åkerman
camilla.akerman@npcouncil.org

- Scheme Manager NCT & NCT Inst:

Maria Brogren
maria.brogren@npcouncil.org

- Scheme Manager Confirmation of Payee:

Paulina Kudlacik
paulina.kudlacik@npcouncil.org