

Overlay Services Fact Sheet



What is an Overlay Service?

The New Payments Platform supports 'overlay' payment services that utilise the Basic Infrastructure of the platform. An Overlay Service is a tailored, value adding payment service or payment-related service owned and operated by a third party, which can be deployed on the Basic Infrastructure to deliver value to a specific group of subscribers and end users.

What is an Overlay Service Provider responsible for?

An Overlay Service Provider has responsibility for determining:

- Specifications for their proposed service such as the content of payment messages, posting standards and customer SLAs
- Branding (if any) of the service
- Ongoing governance of the service
- Commercial arrangements with subscribers¹⁾ to the service

NPPA has defined a range of technical and operational requirements related to the clearing and settlement of payments via the New Payments Platform. An Overlay Service Provider must adhere to NPPA's Regulations and Procedures as they relate to Overlay Services.

What is the criteria for becoming an Overlay Service Provider?

To be able to provide an Overlay Service on the New Payments Platform, an organisation must be authorised by NPPA as an Overlay Service Provider.

An applicant needs to demonstrate that they can meet the following eligibility criteria:

- Be a body corporate
- Have the requisite business expertise to be able to offer the proposed service and have a comprehensive business plan for the proposed service
- Be financially solvent

Key questions for a potential Overlay Service Provider to consider

It may be useful to consider the following questions if you are contemplating becoming an Overlay Service Provider:

- What is the customer experience that you are looking to deliver?
- Which NPP message types do you intend to use? Are any new message types required for your proposed service which are not currently supported by the NPP's Basic Infrastructure?

1) NPP Participants and Identified Institutions

- How are the message flows intended to work?
- What extra data usage requirements (if any) will you require in your messages? What do you expect that subscribers will need to do with this data as part of your service (i.e. present it to customers via specific channels, manipulate it and/or validate it and/or store or forward this data)?
- What authentication, subscription, or know-your-customer requirements are likely to be involved in the sign-up and ongoing use of your service?
- What will subscribers have to do to support your proposed service? What implications will your service have on the back office of subscribers?
- How are you planning to manage ongoing governance of the service?
- What commercial arrangements are you looking to put in place with the subscribers to your service?

Application checklist

The following documentation is required to be submitted with the application form for becoming an Overlay Service Provider:

- ✓ Certificate of Incorporation
- ✓ Company overview
- ✓ Financial records (or if not available, evidence of funding)
- ✓ Business plan for proposed service including:
 - Overview of proposed service and customer proposition
 - Proposed brand (if any)
 - Scheme rules for the service including certification requirements for subscribers and SLA requirements. Details of other requirements for Participants/Subscribers including eligibility
 - Proposed governance model and contracting mechanism
 - Details on proposed Overlay Service's security and resilience
 - Details of key providers/third parties required to deliver proposed service
 - Potential fraud risks
 - If relevant, details of ownership of intellectual (patents, etc.)
- ✓ Technical details including:
 - Technical architecture
 - Proposed message set, data fields and message flows
 - Intended use of NPP messages
 - Proposed integration with NPP Basic Infrastructure including if any customisation is required in the NPP Basic Infrastructure in terms of new message types, etc.
- ✓ Implementation and testing plan for the proposed service with subscribers
- ✓ Application fee

Further Information

For further information, please refer to the following documents, available on the NPPA website:

- NPP Introductory Guide
- NPP Technical Introduction

Or alternatively, please send an email to info@nppa.com.au