

Accessing the New Payments Platform

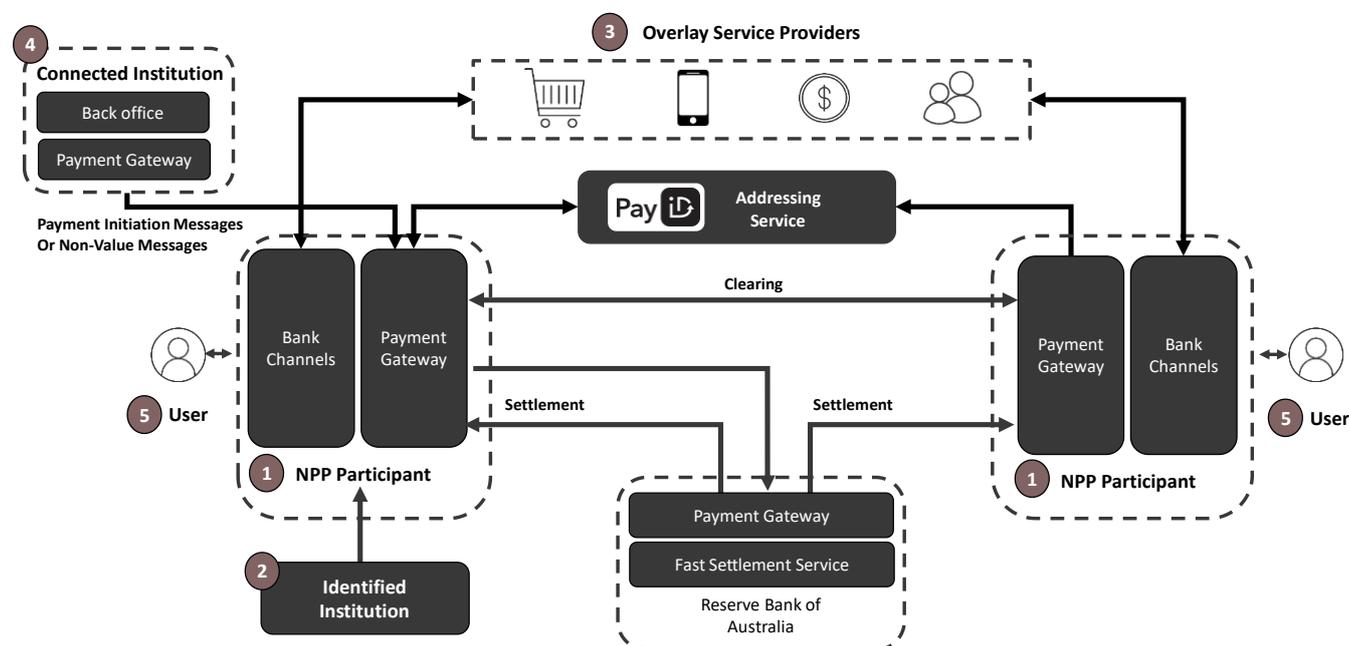
Introduction

The New Payments Platform (NPP) is new infrastructure to support payments between accounts at different Australian financial institutions. It will provide fast, versatile, data-rich payments any time of the day, any day of the year. The NPP's infrastructure will have the flexibility to support multiple tailored payment products and services ("Overlay Services") that will sit on top of the infrastructure.

Ways to Access the New Payments Platform

The New Payments Platform is designed to be inclusive, providing options for different entities to leverage the Platform's functionality in various ways. There are five ways to access the New Payments Platform:

1. NPP Participant
2. Identified Institution
3. Overlay Service Provider
4. Connected Institution
5. User of the platform



1. NPP Participant

Organisations who are Approved Deposit-taking Institutions (ADIs) and who hold an Exchange Settlement Account (ESA) with the Reserve Bank of Australia, can apply to become an NPP Participant. Participants are connected to the NPP basic infrastructure via an NPP payment gateway¹⁾ in order to be able to clear and settle payments.

Organisations who are interested in applying to become an NPP Participant should contact NPP Australia at info@nppa.com.au.

1) Participants can be either directly or indirectly connect to the NPP basic infrastructure

2. Identified Institution

Financial institutions who do not want to connect directly to the NPP basic infrastructure can choose to connect indirectly, as an “Identified Institution”, via an NPP Participant who clears and settles NPP payments on behalf of the financial institution (using that institution’s BSB and BIC but the NPP Participant’s ESA for settlement). A commercial arrangement is required between the NPP Participant acting as the sponsoring direct connector and the organisation seeking indirect access as an Identified Institution.

Organisations who are interested in becoming an Identified Institution should contact any of the current NPP Participants.

3. Overlay Service Provider

The New Payments Platform supports ‘overlay’ payment services that utilise the basic infrastructure of the platform. An Overlay Service can be deployed on the basic infrastructure to provide tailored payment experiences between the customers of NPP Participants. Overlay services can be developed by any party (an “Overlay Service Provider”) who meets the following criteria:

- Is a body corporate, with an Australian place of business;
- Able to demonstrate that the organisation is financially viable/solvent; and
- Has the requisite business expertise and has a comprehensive business plan for the proposed overlay service.

Our Overlay Services factsheet (available on the NPPA website), contains some useful information for organisations who are considering developing an overlay service on the NPP.

The following fees apply to Overlay Service Providers:

- Application fee of \$15,000
- Annual administration fee of \$10,000

Subsequent overlay services being offered by an existing Overlay Service Provider will be treated as a new application and will be charged a \$10,000 application fee.

Organisations who are interested in applying to become an Overlay Service Provider should contact NPP Australia at info@nppa.com.au.

4. Connected Institution

A “Connected Institution” is an organisation who wants to be able to connect to the NPP directly by installing an NPP payment gateway in their own environment. Unlike NPP Participants, Connected Institutions do not need to be an ADI.

A Connected Institution is able to send payment initiation and other non-value messages but has no ability to clear and settle payments. An organisation may choose to become a Connected Institution if they either:

- Want to deliver a new overlay service and require direct connection to the infrastructure in order to optimise delivery of that overlay service²⁾; or
- Want direct access to an existing overlay service.

Becoming a Connected Institution may make sense for an organisation that wants to send high volumes of payment initiation messages into the system and wants to have direct access to all of the NPP payment gateways in a standardised manner. Examples of such organisations could be share registries, payroll providers, B2B payment service providers, etc.

2) An organisation does not have to become a Connected Institution in order to deliver a new Overlay Service

There are certain technical requirements in becoming a Connected Institution, including resilience, 24/7 availability, security and ability to meet performance SLAs, given a Connected Institution is directly connected to the NPP Basic Infrastructure.

Organisations who are interested in applying to become a Connected Institution should contact NPP Australia at info@nppa.com.au.

5. User or Customer of the New Payments Platform

Businesses, like individuals, can use the NPP as end users to make and receive payments via their usual banking channels, provided their bank is participating in the NPP. Businesses can also receive payments via the NPP by providing customers with their organisation's PayID which can be linked to the organisation's bank account. In the event that an organisation has more than one bank account, multiple PayIDs can be created.

Using the platform, as opposed to developing an Overlay Service, is likely to meet the business needs of many organisations and requires a commercial relationship with only one participating financial institution.

Organisations who are interested in finding out more about how they can use the New Payments Platform, should contact their respective financial institution.

Further Information

For further information regarding what will be available from your financial institution, please refer to your financial institution directly.