May 2019

New Payments Platform and future capabilities

Stone & Chalk Masterclass

New Payments Platform

Adrian Lovney

Chief Executive Officer,
New Payments Platform
Australia

New Payments Platform key capabilities

- Real time movement of money, account to account with real time central bank settlement
- Simpler addressing
- Data rich capability with ability for data to be carried with the payment
- Always available, 24x7, 365 days

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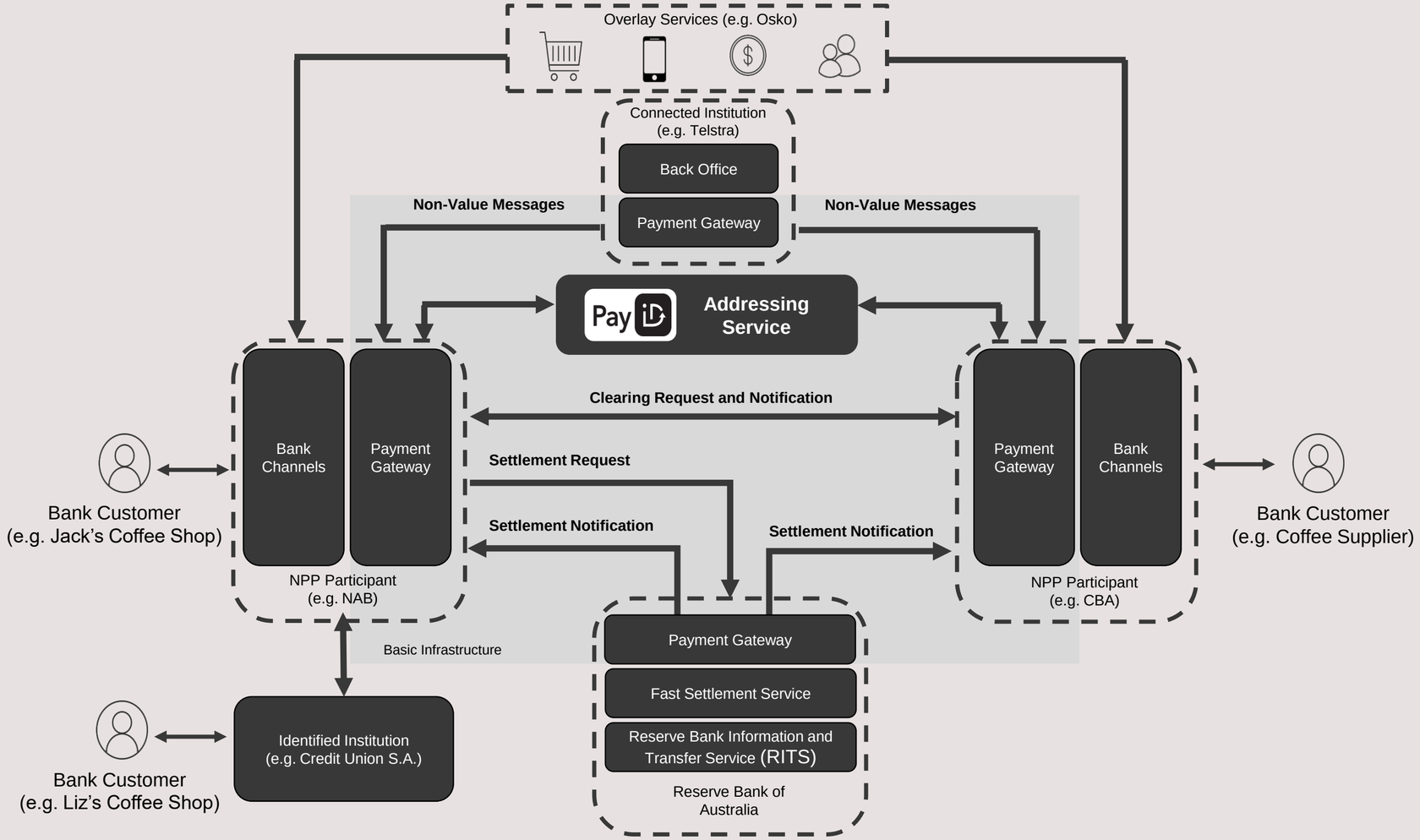
How does the NPP work?

- Distributed switch of individual ‘Payment Access Gateways’ hosted by financial institutions who have chosen to connect directly
- These gateways route and exchange financial messages between each other using NPP ISO 20022 messages
- Payment messages are cleared between participating financial institutions and then settled by the RBA’s Fast Settlement Service



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75+

Participating Financial Institutions

55 million+

Accounts can make and receive NPP payments

500,000+

Daily NPP transactions

2.8 million+

Number of registered PayIDs

PayID

New Payments Platform

$106 Bn+

Total cumulative value of NPP payments since launch

$17 million

Largest single transaction across the NPP

130 million+

Transactions sent across the Platform

Double digit

Growth in monthly transaction volumes

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As at 1 May 2019

PayID – making payments simple

- Enables payments to be directed using an easy to remember alias (a PayID) linked to an underlying bank account
- Four alias types available
- Access controlled, secure repository of proxies and encrypted account details
- Customers register their PayID and their ‘display name’ via their financial institution
- Registering financial institution responsible for effective, correct, authenticated registration
- PayIDs can be moved between accounts and financial institutions

Visit www.payid.com.au for further information

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NPP launched with Osko in February 2018

Osko BY BPAY

Fast moving money

Money received in less than 1 minute

Flexible addressing

No need to share account details when using PayID

More information

Easier messaging with up to 280 characters, including text and emojis

Confidence in Delivery

PayID name is displayed to confirm the intended recipient

Through your Financial Institution

Osko is in the majority of Financial Institutions' mobile & Internet Banking platforms

Visit www.osko.com.au for further information

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Who’s involved? 75+ organisations

ANZ
ASL
Bendigo Bank
CommonwealthBank
Cuscal
indue
ING How banking can be
nab
RESERVE BANK OF AUSTRALIA
200 years proudly supporting Australia
Australian Unity
ASSEMBLY
AWA Alliance Bank PROGRESS TOGETHER
bankfirst invested in you
Bankstown City Unity Bank you first always
BankVic
bankwest
bcu
BDCU Alliance Bank
Bank of us.
Broken Hill Community Credit Union Your kind of banking
Beyond Bank AUSTRALIA
border bank
Bank Australia RESPONSIBLE BANKING
Bank of Heritage Isle
the capricornian community owned banking
Central Murray CREDIT UNION LIMITED
CIRCLE Alliance Bank PROGRESS TOGETHER
COASTLINE Where your goals are ours
community first credit union
COMTAX CREDIT UNION
credit unionsa
cua Life rich banking
Defence Bank
DNISTER
easystreet. Where you’d rather be
Endeavour Mutualbank
Family First Caring local banking
Firefighters Mutual Bank Serving those who protect
firstoption CREDIT UNION
G&C mutual bank BANKING ON YOUR COMMUNITY
Geelong Bank Where we grow
GMCU Goulburn Murray Credit Union
GreaterBank
Health Professionals Bank
Heritage Bank
HOLIDAYCOAST credit union
HORIZON Credit Union
Hume Bank
Hunter United Customer Owned Banking
illawarra credit union
imb BANK
ICBC
LCU banking you can trust
Finance with a mission
the mac macarthur credit union friendly, helpful & supportive
MOVE PEOPLE DRIVEN BANKING
The Mutual Bank
MyState
NEWCASTLE PERMANENT
NexusMutual
Northern Inland CREDIT UNION
NOVA Alliance Bank
orange credit union
people’s choice CREDIT UNION
p&n bank
policebank member owned banking
Police Credit Union Better Banking
QBANK POLICE • FIRE • HEALTH • PUBLIC SERVICE • JUSTICE
Queensland COUNTRY CREDIT UNION
RACQ Bank
regional australia bank
Reliance Bank you first always
RURAL BANK
SCU More Generous Banking
SUNCORP
SERVICE ONE Alliance Bank PROGRESS TOGETHER
Security CREDIT UNION
SWSCU BIG ENOUGH TO HELP, YET SMALL ENOUGH TO CARE
SouthWest Credit
Teachers Mutual Bank We put you first
UniBank
Unity Bank your bank at work
up
WARWICK CREDIT UNION
WAW

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Simple Use Cases

Australian Government's Centrelink deploys NPP for real time emergency payments

- NPP is used by the Australian government to instantly distribute emergency assistance including Disaster Recovery payments following recent floods and bushfires

Carsales first to put goods on NPP

- Online car yard Carsales.com.au became the first non-financial business to use the NPP. Once a car sale is agreed, payment is made to the seller in seconds, 24/7

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NPP – building future capabilities

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Focus on capability development

NPP ISO 20022 message standards

QR code standard

NPP API Framework and API Sandbox

Payment initiation messages

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NPP ISO 20022 messages

Superannuation

PAYG Tax

Payroll

- Use of structured data fields within ISO 20022 messages
- Ensures uniform approach to data and consistent transmission of data from Payer through to Payee
- Defines specific message elements that should be included
- Use of category purpose codes to identify type of payment
- API Framework and API Sandbox to align with standards once published
- Future work will focus on einvoicing and insurance

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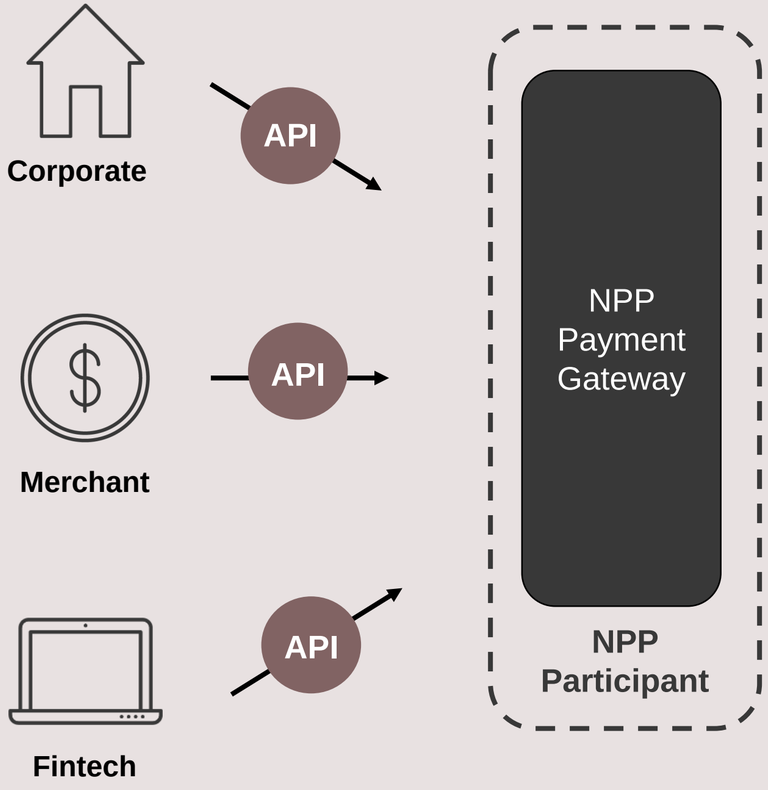
Role of APIs critical to expanding use



- APIs will play a critical role in helping to expand the ecosystem to third parties and enabling them to interact with the platform
- Focused on standardisation and interoperability with the launch of the NPP API Framework
- APIs made available by NPP Participants

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NPP API Framework

- Defines the key technical approach and mandatory data attributes for NPP APIs
- Data attributes aligned to ISO 20022 standards
- Open and published API Framework and specifications, owned and managed by NPP Australia
- APIs developed by NPP Participants and other parties
- Future version to include message standard elements

Version 1.0

Published Sept 2018

NPP Payment Status APIs	API [Get Payment Status] pain.a10
NPP Payment Initiation APIs	API [Submit Payment] pain.a09
NPP PayID APIs	API [Get Account Servicer by Alias] pain.a11

Version 2.0

Being published May 2019

NPP Payment Status APIs	API [Get Payment Status] pain.a10
NPP Payment Initiation APIs	API [Submit Payment] pain.a09
NPP PayID APIs	API [Get Account Servicer by Alias] pain.a11
NPP Payment Cancelation Request APIs	API [Return Payment] camt.a10
	API [Cancel Payment] camt.a09
NPP Payment Notification APIs	API [Payment Event Details] camt.a11
	API [Payment Event Notification] camt.a12

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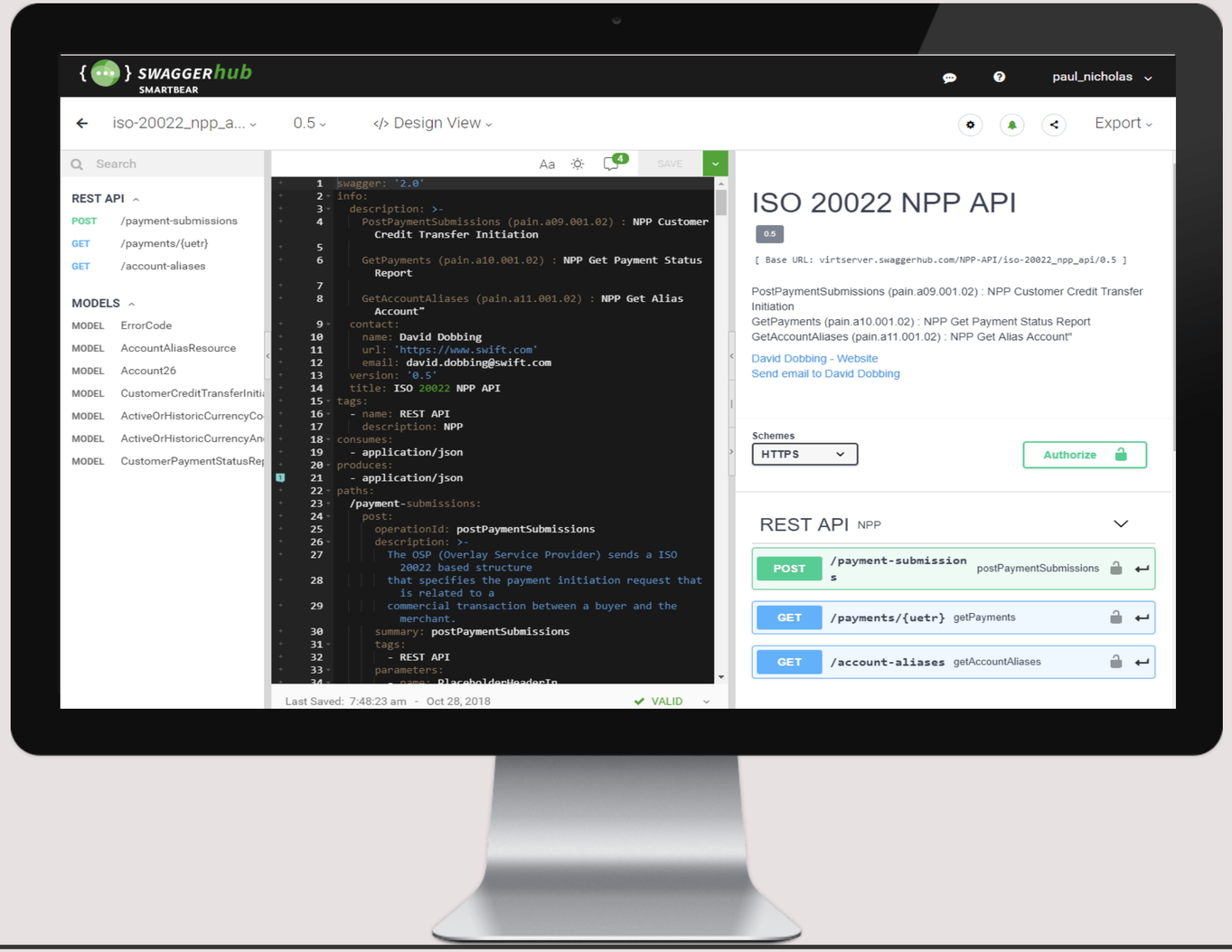
NPP API Sandbox

- Launched in December 2018
- Enables third parties to learn more about the NPP and test different scenarios
- Secure, cloud based facility
- Will continue to evolve over time with expansion of the API framework



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QR Code Standards

NPP Australia are developing a QR code standard for NPP payments:

- Based on EMVCo QR Code specifications
- Defines mandatory elements required to ensure consistency of NPP payment
- For static and dynamic QR codes
- Intended to be able to be used for bill payment, invoices, e-commerce and at a later stage, POS terminals
- Due to be published later on this month

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Initiating payments on the NPP

- A non-value message seeking initiation of a payment message
- Can be initiated by third parties
- Requires **authorisation** by the account holder prior to clearing message creation by NPP Participants, which could be via the debtor for each transaction, or perhaps via a centralised mandate database
- NPPAL is planning the development of native payment initiation capabilities to support a broad range of use cases

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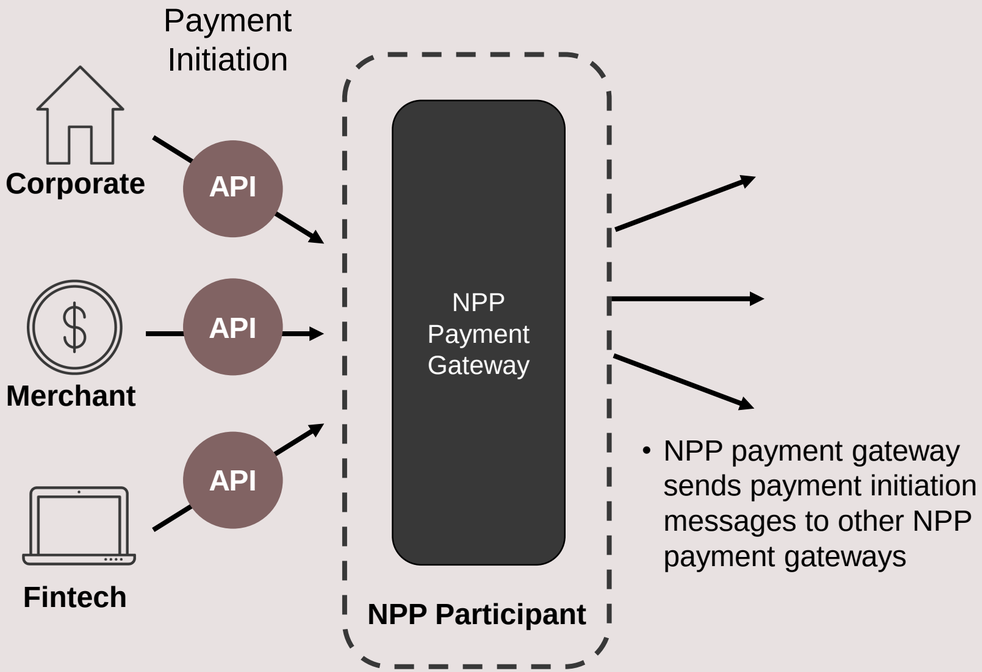
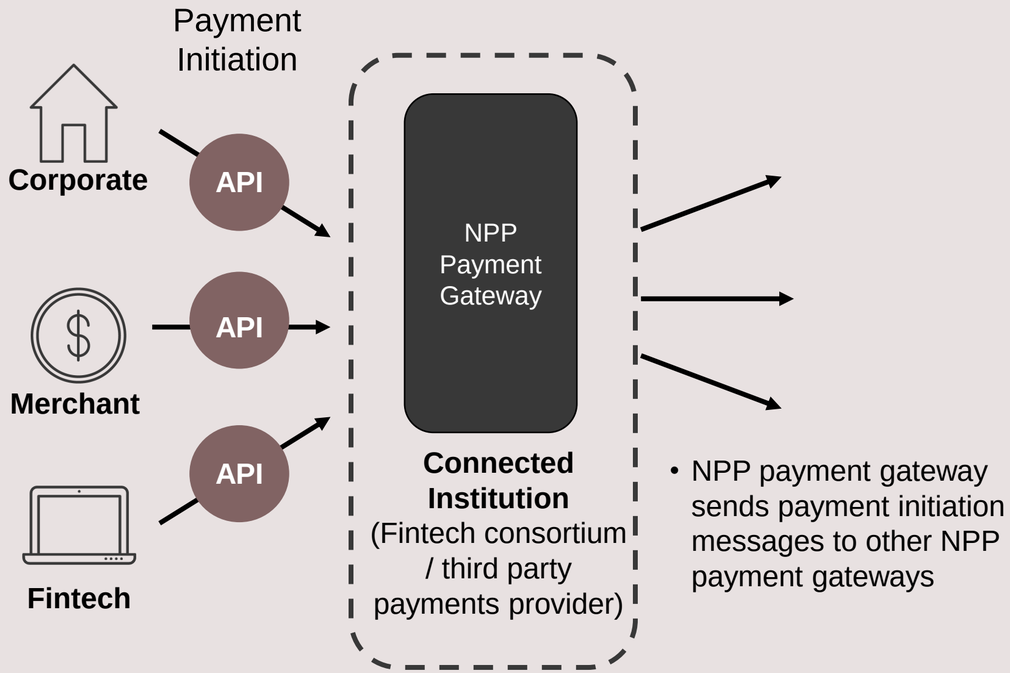
Options for initiating payments on the NPP



- Third parties submit payment initiation messages via API's to an NPP Participant



- Third parties submit payment initiation messages via API's to an NPP Connected Institution

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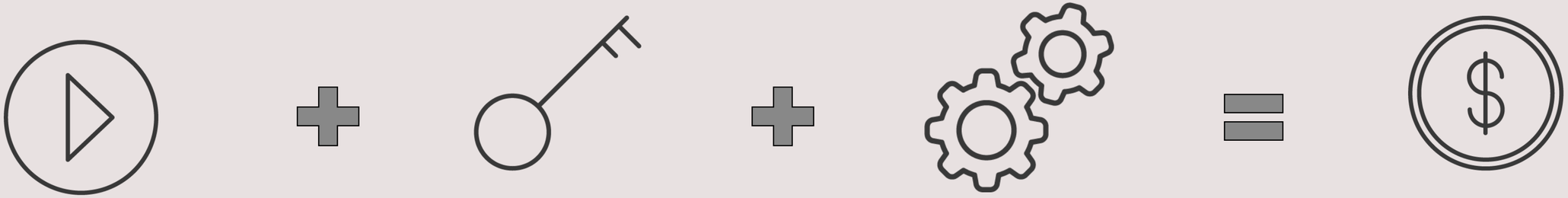
NPP capabilities in an era of Open Banking



Payment initiation messages

Graduated access regime with multiple access options

API Framework to drive standardisation

Payment messages initiated by third parties with account holder's explicit authorisation

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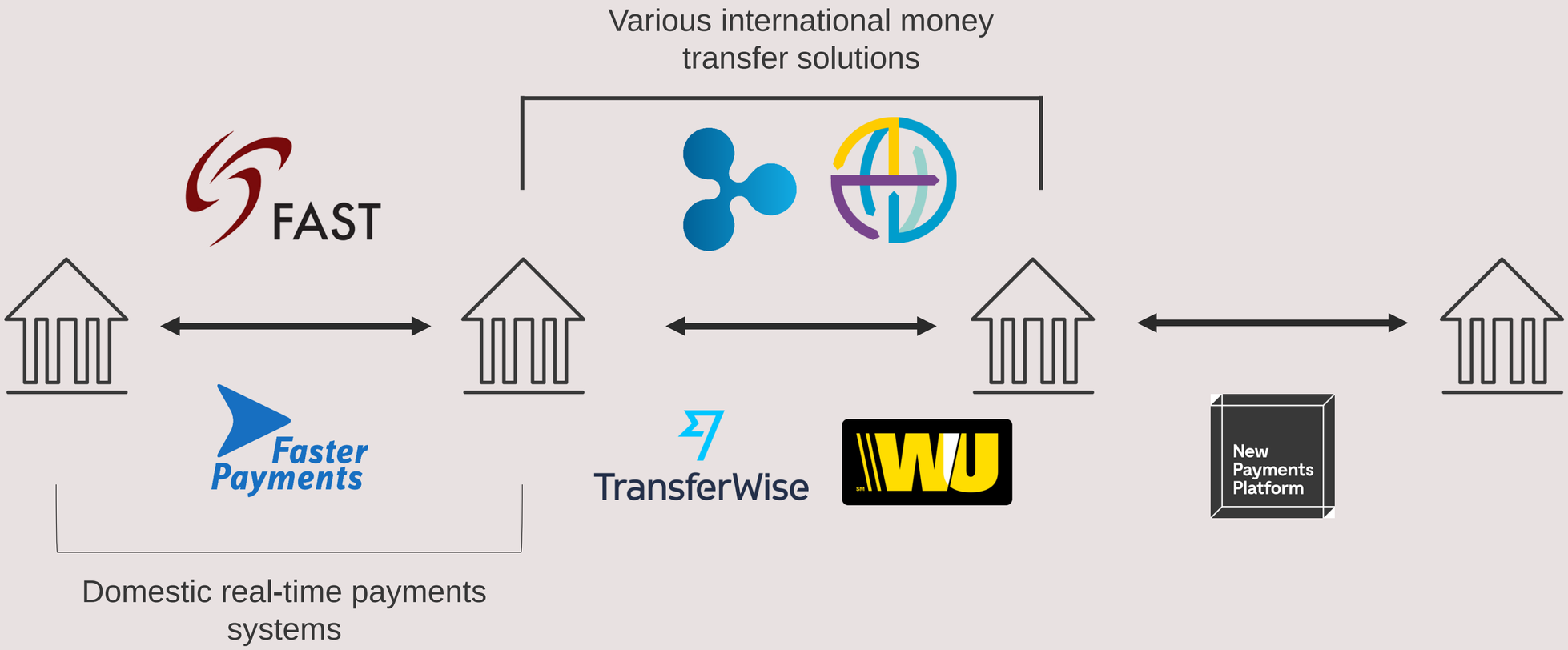
Real-time payment markets going global



We will continue to see various international money transfer solutions interacting with domestic real-time payment systems to enable real-time cross-border payments

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NPP vision

World class payments infrastructure to enable commerce and the Australian digital economy

Achieve ubiquitous **reach** with ever transaction bank account in Australia able to make and receive NPP payments

Deliver **capability** that supports innovation, is reusable and extendable across all payment types from P2P payments through to B2B

Use **data standards** to support processing and efficiency improvements across the economy, from small businesses to government

Support different payment types (including both credit and debit-like messaging) to maximise volume and utility of platform

Support the ability for third parties to be able to **initiate payments** in a standardised, consistent and secure way

Provide fair and **open access** to the platform to ensure wide and diverse participation in the NPP

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Follow us on LinkedIn for regular updates about the Platform

Thank you

New Payments Platform

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