

NPC

The Nordic Payments Council

Decides on, owns and manages NPC Schemes

Agenda

- Information about the NPC
- Information and result of the Public consultation 2019
- Details for the NPC Credit Transfer Schemes
- NPC going forward
- Next steps and meetings
- Questions



A new Nordic payment infrastructure

- Driving forces
 - Changing expectations from customers
 - International standards
 - Rapid technological development
 - Legislation and increasing competition
 - Consolidation and synergies
- New infrastructure
 - Open-access, common infrastructure
 - Account to account payments (batch and real time)
 - Aligning with Single Euro Payments Area (SEPA)
 - Bringing further harmonisation to the European payments landscape



Overall new structure – the different entities



NPC Scheme Participant &
Member



Nordic Payments Council (NPC)



P27 Nordic Payments and/or other
CSMs



Overseer/Supervisors

The NPC objectives

- **Decide on, own and manage** the **NPC payment schemes** for selected Nordic currencies based on the Single Euro Payments Area (SEPA) payment schemes
- **Develop and manage additional schemes and rules** in close **dialogue** with the **scheme users** and other **stakeholders**
- Supporting **Nordic payments competitiveness and innovation**
- **Facilitate for end-users** (individuals and businesses) in using banks' and payment institutions' services through the NPC payment schemes
- **Maintain open forums** for all stakeholders in payments



General principles of the NPC

- A non-profit member association
- Membership requirements are objective, non-discriminatory and proportionate
- Members will be those using the NPC Schemes, i.e. Banks and Payment Institutions
- Member fees are based on usage of NPC schemes
- Influence and voting rights are related to usage of NPC Schemes with the addition of:
 - “All-inclusive” Nordic view
 - Minority protection



Based on the EPC but adapted to Nordic (NPC) circumstances

Members of the NPC

- The NPC has two different membership categories
 - Founding Members
 - Nordic Bankers' Associations, founded the NPC
 - One Board Member per Founding Member
 - Scheme Members
 - Institutions that have applied for membership and been verified
 - In order to adhere (use) the NPC Schemes, the institution needs to be a NPC Scheme Member



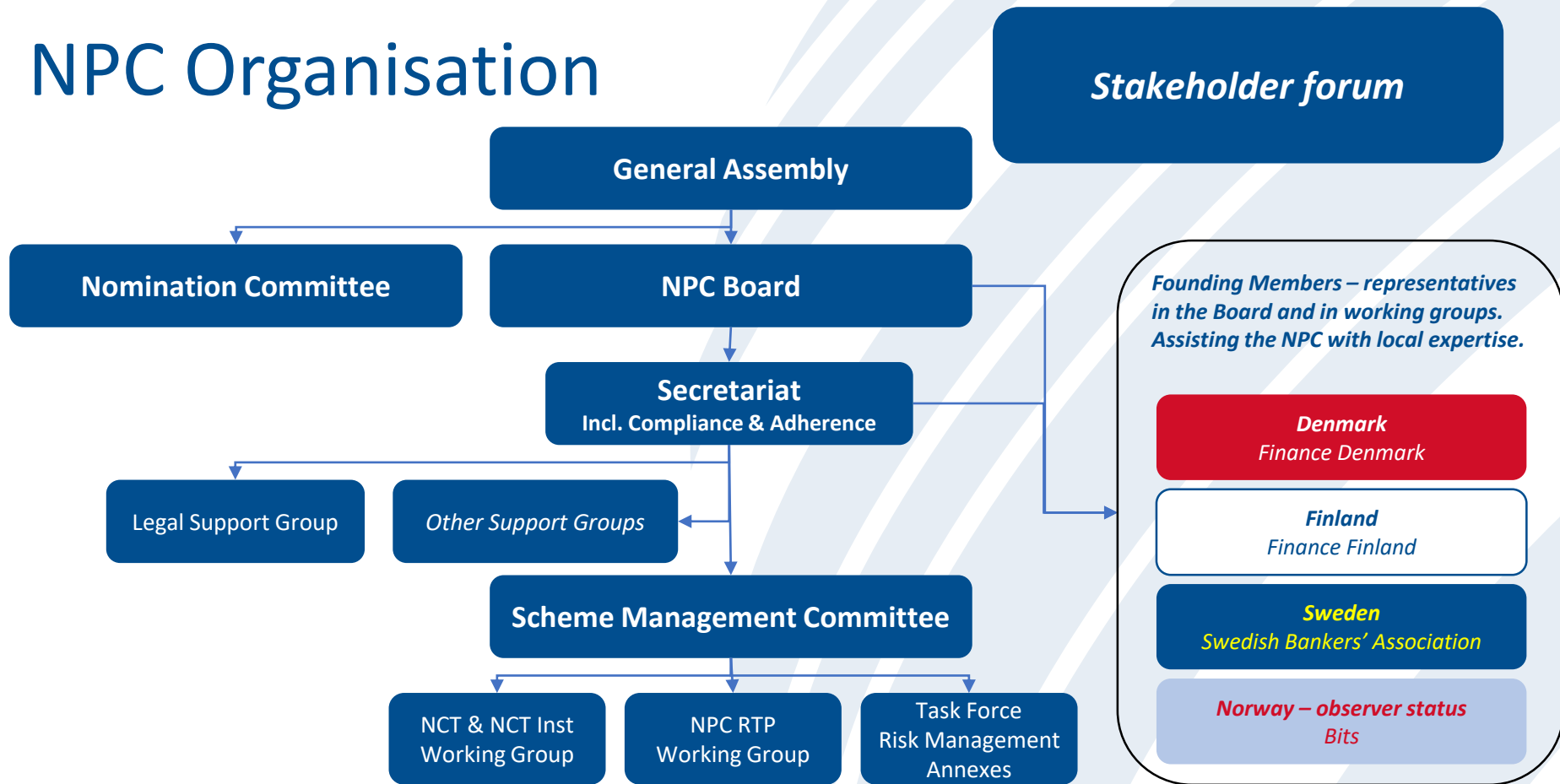
NPC Members



Founding members:



NPC Organisation

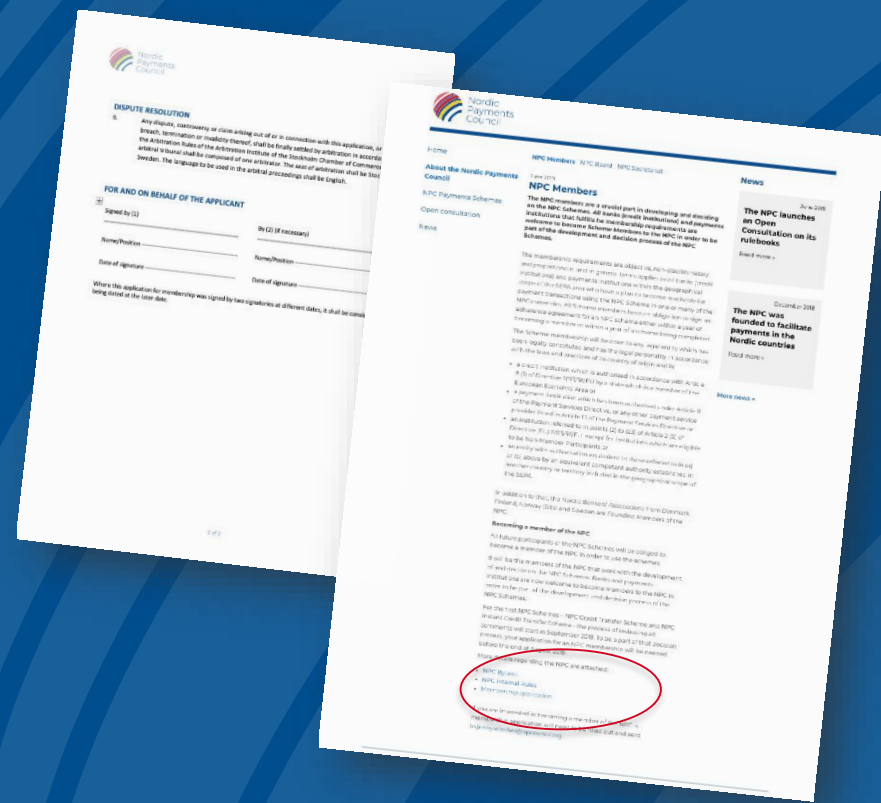


How to become an NPC member

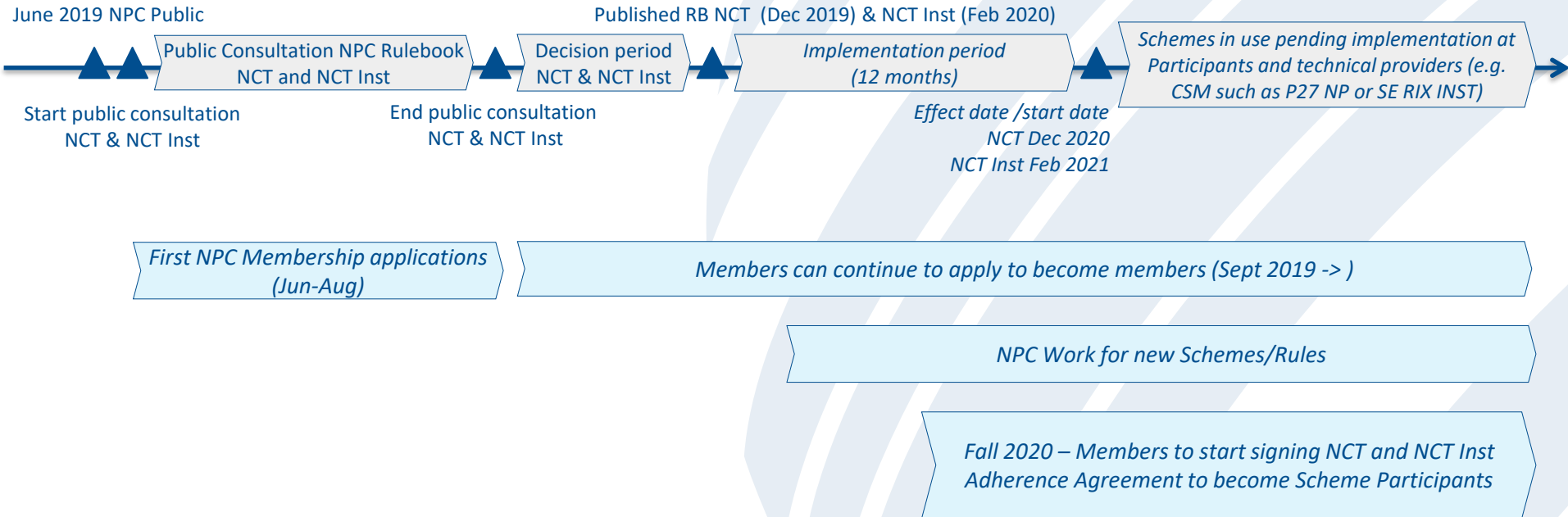
- Fill in the Membership application:

www.nordicpaymentscouncil.org/npc-members/
and send to the NPC

- NPC will evaluate the application and the NPC Board will approve according to the published time table on the website
- Process to become member and participant in NPC Schemes need to start at least 6 months before the intention to start using the Scheme(s)
- Members are categorised according to number of transactions in current clearing systems



Plan for NPC & Credit Transfer Schemes



Overview Public Consultation Comments

- 12 individual responses
 - Approx. 90 comments in total
 - 3 agree with no comments (Danske Bank, Swedbank DK and FI community)
- Major comments
 - Opt-out option
 - ISO-format version
 - Binding or not for Customer-to-bank implementation guideline
 - Information about originator alias/proxy
 - NPC CT Inst flow - turn-around-time/time-out limits and resending functionality

All details regarding all comments and decisions are described in [NCT Rulebook 2019 Public Consultation Change Result v1.0.pdf](#) and [NCT Inst Rulebook 2019 Public Consultation Change Result v.1.0.pdf](#) on the NPC website.

Nordic deviations from SEPA

- Possible to adhere to any or all of the currencies and to any or all of the schemes
- Opt-out-possibility to receive cross-border payments
- When initiated payment by Alias/Proxy, a new attribute defined for Beneficiary may also be used as information for the Originator's alias/proxy
- Remittance information is transferred according to the new 2019 SEPA Rulebooks, except that sending of extended remittance information (ERI) and "standard" references in the same batch will be allowed.
- Implementation Guidelines Customer-to-Bank recommended
- Mandatory validation of OCR/RF-references
- Scandinavian characters and @
- Amounts can have up to 11 significant digits compared to 9 for SEPA payments
- Minor changes to codes for local instrument, charge bearer and service level

Each market will have local ways of handling payments which is handled by each national Banker's association. E.g. in Sweden salaries and subsidies will be made available on accounts at 00:01 am the day after they have been debited from the payers' accounts.

NPC Credit Transfer Scheme

NPC Credit Transfer Rulebook

NPC Credit Transfer
Interbank
Implementation Guidelines

NPC Credit Transfer
Customer to Bank
Implementation Guidelines

NPC Scheme Currencies

NPC Credit Transfer
Bank to Customer
Recommendation on ISO 20022
customer reporting

NPC Instant Credit Transfer Scheme

NPC Instant Credit Transfer Rulebook

NPC Instant Credit Transfer
Maximum Amount

NPC Instant Credit Transfer
Interbank
Implementation Guidelines

NPC Instant Credit Transfer
Customer to Bank
Implementation Guidelines

+ Local Market Practice (Agreements and Recommendations)

- Possible future schemes owned by the NPC
 - Account Assurance / Verification
 - Alias/Proxy handling
 - Etc.

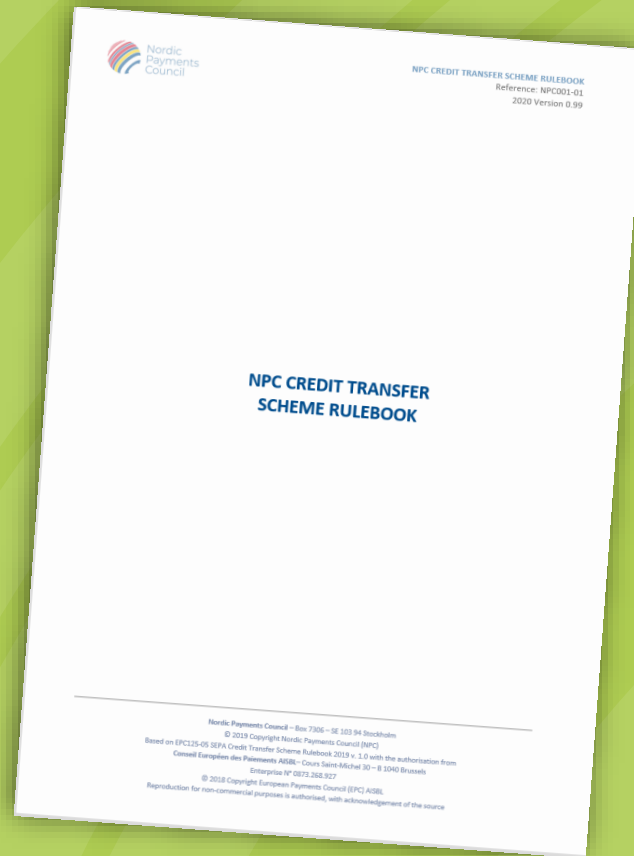
A **payment scheme** is a set of rules which have been agreed upon to execute transactions through a specific payment message (such as credit transfer, direct debit, card, etc). It is different from a payment system, which is a technical infrastructure that processes transactions in line with the rules defined in a payment scheme.

Rulebook Content

- 0. Document Information
- 1. VISION & OBJECTIVES
- 2. SCOPE OF THE SCHEME
- 3. ROLES OF THE SCHEME ACTORS
- 4. BUSINESS AND OPERATIONAL RULES
- 5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS
- 6. NPC SCHEME MANAGEMENT
- 7. DEFINED TERMS IN THE RULEBOOK

ANNEXES

- | | |
|-----------|--|
| Annex I | NPC CREDIT TRANSFER ADHERENCE AGREEMENT |
| Annex II | SCHEME MANAGEMENT INTERNAL RULES |
| Annex III | RULEBOOK AMENDMENTS AND CHANGES SINCE LAST VERSION |
| Annex IV | RISK MANAGEMENT |
| Annex V | EXTENDED REMITTANCE INFORMATION (ERI) OPTION |



NPC Instant Credit Transfer

– Maximum Amount

Danish kroner

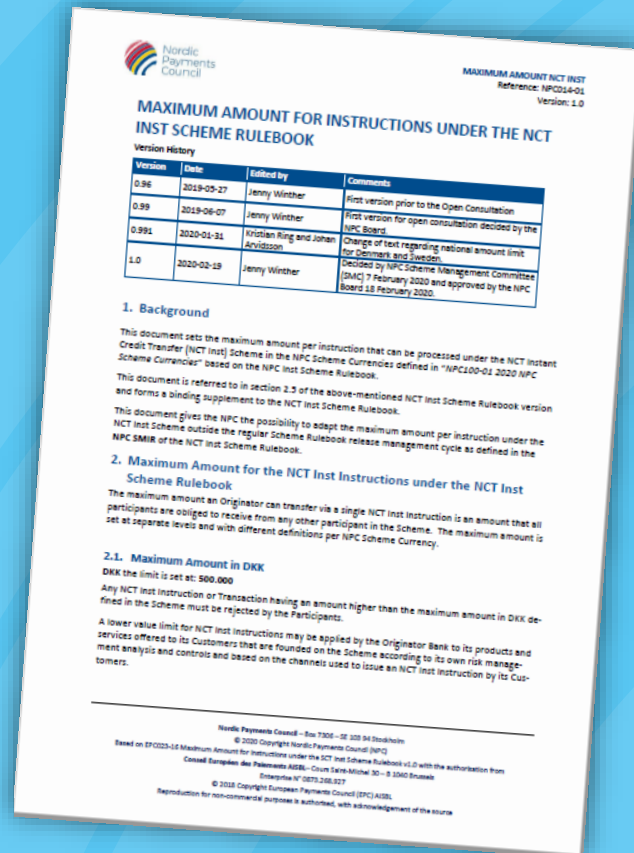
- **DKK** the limit is set at: **500.000**
- Any NCT Inst Instruction or Transaction having an amount higher than the maximum amount in DKK defined in the Scheme must be rejected by the Participants

Swedish krona

- **SEK** the limit is set at: **1.000.000**
- Other value limitations, as higher or unlimited amount, can be agreed on in bilateral agreements between Participants or communities of Participants

For both currencies

- A lower value limit may be applied by the Originator Bank on its offered product and services



NPC going forward

- All Implementation Guidelines to be published end of March
- New scheme Request-to-Pay – work ongoing in parallel with the EPC
- Stakeholder forum will start in May – invitation will come
- NPC Credit Transfer Schemes Change Management Cycle
 - Change management of the Schemes will be as close to EPC as possible.
First NPC Change Management Cycle will start in the fall 2020.

More information and next meeting

- For information – Nordic and local market initiatives
 - P27 Nordic Payments
 - Sveriges Riksbank's RIX INST
 - SE Transformation Committee
 - DK Finance Denmark Settlement Project
- New information meeting in October
 - NPC General Information and Status
 - NPC Membership
 - Scheme Adherence process
 - Information regarding NPC Credit Transfer Schemes Change Management
 - Request to Pay

Questions?

More information:

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