

The Nordic Payments Council

Decides on, owns and manages NPC Schemes



17 & 18/03/2020

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





P27 Nordic Payments and/or other CSMs





17 & 18/03/2020

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, nondiscriminatory 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



17 & 18/03/2020

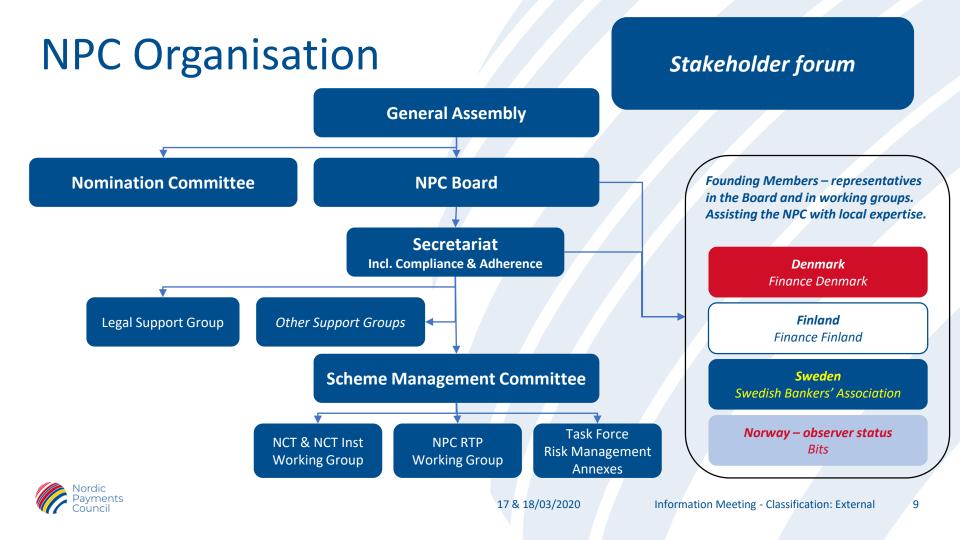
Members of the NPC

- 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









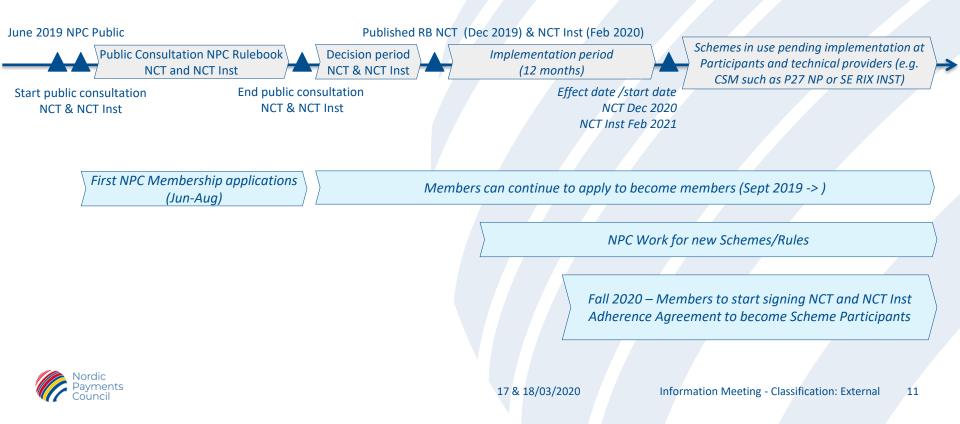
How to become an NPC member

- Fill in the Membership application: <u>www.nordicpaymentscouncil.org/npc-members/</u> 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

| DISPUTE RESOLUTION | | Nordic | | |
|--|---|--------------------------------------|--|--|
| Any dispute, controversy or claim arisin breach, termination or invalidity thereo the Arbitration Rules of the first | g out of or in connection with this application, or shall be finally setabled by arbitration in accords nature at the Sockholm Chamber of Common e abstrater. The advantage of Common e abstrater. The advantage of the Soc | Payments Council | No. 1 | |
| a vacual set bound i had the composed of or Sweden. The language to be used in the | e arbitrator. The seat of arbitration shall be thou | About the Nordic Payments Council | MPC Members INTO Band INPC Societonal | |
| FOR AND TH | theorings shall be English. | | Ning | News |
| FOR AND ON BEHALF OF THE APPLICANT | | NPC Paymenta Schemas | EVER Members The Net conserves may arready part in developing and develop an the Net's determines abanda proved instantion and developing instantions and the serve and the property of the serve instantion and the serve and the serve and the serve are and the serve proved and developing process of the Net's the serve and the serve and developing process of the Net's the serve provided the serve and the serve and the serve the serve and the serve and the serve and the serve the serve and the serve and the serve and the serve the serve and the serve and the serve and the serve and the serve the serve and the serve and the serve and the serve and the serve the serve and the serve and the serve and the serve and the serve the serve and the serve and the serve and the serve and the serve the serve and the ser | |
| Signed by (1) | | Open consultation | instructions that fulfile. All banks (enable instructions and decides | The NPC launche |
| the state of the s | By (2) (# necessary) | Neve | part of the decime Scheme Manapare Manaparets | an Open Consultation on in rulebooks |
| Name/Position | | | Schemes, Schemes, and decision process of the Nor. | rulebooks |
| | Name/Position | | The maniference requirements are object on non-discriminatory majority requirement in prestric termination and the institutional and partners. | Among wrong a |
| Date of signature | | | List instancemento requiramenta ana obleci su, non-discriminatory and programmente anti in granno tanno applica tonal tanko (gran instatut dagi ana paymenta instatut dagi su tan site decogrammenta instatut dagi dagi dagi ana paymenta instatut dagi su tan site decogrammenta instatut dagi dagi dagi dagi dagi dagi dagi dagi | |
| Where this application for membership was signed by two s being dated at the later date. | Date of signature | | | |
| being dated at the later date. | Part - | | Mine where the section of the sectio | |
| | protonies at different dates, it shall be many | | suppose consistences and the second s | The NPC was |
| | | | | |
| | | 1 | The Scheme membership will be a scheme being completion | |
| | | ~ | a new bury or with mining and in a scheme shallow address address address address and address a address address add | countries |
| | | | | Rood more + |
| | | | | |
| | | | In of Portective Tests (WPU by a distance of the Article Earlocean Economic Area or Insymmetric restaurs) | |
| | | - | and cases becomers along on the fall water of the memory of the Markowski sectors of the Markows | te news - |
| | | | | |
| | | 0 | versite for eff in Art is for Trinf Ten Operation of an adaption theorem in the transmission of the transmission of the transmission of the transmission interfaced on the transmission of the transmission of the transmission interfaced on the transmission of the transmission of the transmission is not associated on the transmission of the transmission of the transmission is not associated on the transmission of the transmission of the transmission is not associated on the transmission of the transmission of the transmission of the interfaced on the transmission of the transmission of the transmission of the transmission of the interfaced on the transmission of the transm | |
| | | | | |
| | | - 40. | | |
| | | 10.00 | en despendenten Participations an en despendenten Participations an en andere werden en andere en al sederers in desen andererer in de real el abova de an derererar an anderer in datum andererer in de real offer entererer versions ander andere de tetre (desen represent enterer abova de ante tetre enterer anderer ante (desen represent enterer abova). | |
| | | 1.4 | 20,00, Development in the group reprint of the | |
| | | le adda | | |
| | | Thiana NDC | for to their, the Naedia Benkest Associations From Dermark (Norway (Bits) and Solectan are Founding Memory of the | |
| | | NOC. | the orders are nounding previders of the | |
| 242 | | 10.0 m | the NPC | |
| | | become . | Purcepants of the NPC School | |
| | | it will be t | Examplements or three NMC Scherness will be obliged to an evention of the NMC Scherness will be obliged as Parmanoses of the NMC the obliged operation of the data the mean set of the NMC the obliged operation of the data of the cours operations. Reads and provincess | |
| | | "I weat cire | the memory sets of the NBC that work with the development common the NBC shares in Review with the development a are now welcome to become an | |
| | | Territor to be | concerns the value of accession and that concerns the development is any new value of the same framework and the MAC is the of the developments and developments and a MAC is read. | |
| | | NPIC S (P) an | a ana income solution to the second and programments (there in all the descenting means of a second and an and the second and the second and the second second and the second second and the second second and the second second second and the second se | |
| | | | | |
| | | 50 mmarte | LNPC Schemen – NPC Grant Transfer Scheme and NPC BETRINET character - The process at an available well start to Soptemore 2018, To be a not - specific and - specifications | |
| | | Erenazi, seu | | |
| | | Cetato the en | of statements and | |
| | | the second provide a | 1999 day the test | |
| | | · NOC Bylan | i i i i i i i i i i i i i i i i i i i | |
| | | Ninc Interna Norr terring | M Pules | |
| | | | | |
| | | Charles and in part | native in the comming is more than only a store of | |
| | | tra ferning we will have | Privation will react to the made out and send | |
| | | | Contraction of the second second | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 103/2020 | | | - Classification: Exter | |



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 <u>NCT Rulebook</u> 2019 Public Consultation Change Result v1.0.pdf and <u>NCT Inst Rulebook 2019</u> <u>Public Consultation Change Result v.1.0.pdf</u> on the NPC website.



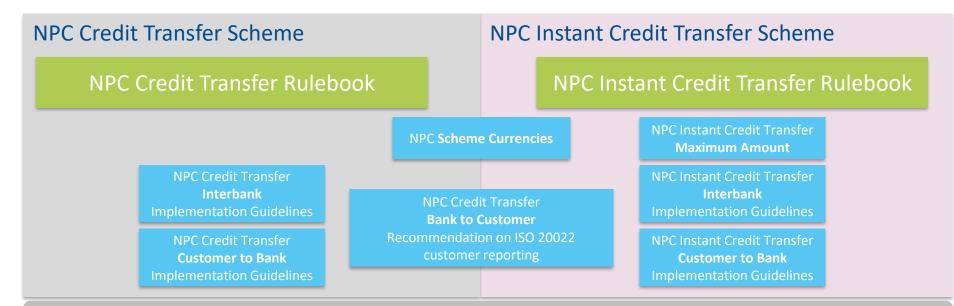
Nordic deviations from SEPA

- 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 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 handle 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.





+ 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 CREDIT TRANSFER SCHEME RULEBOOK Reference: NPC001-01 2020 Version 0.99

NPC CREDIT TRANSFER SCHEME RULEBOOK

Horeis Papanas Courd – Bin 7005 – 51 (10) 54 Directivals D 2013 Confederation Papanas Courd (PRC) Bared on PCI25-05 (2014) And William Matteria Courd Silver Advanced 2014 - 10 (2014) Courd Silver Advanced And Advanced 2014 - 10 (2014) Courd Silver Advanced Advanced 2014 - 2014 - 2014 Courd Courd Advanced Advanced 2014 - 2014 Courd Courd Advanced 2014 - 2014 - 2014 Advanced Advanced 2014 - 2014 - 2014 - 2014 Advanced Advanced 2014 - 2014 - 2014 - 2014 Advanced Advanced 2014 - 2014 - 2014 - 2014 - 2014 - 2014 - 2014 Advanced Advanced 2014 - 201



NPC Instant Credit Transfer

– Maximum Amount

Danish kroner

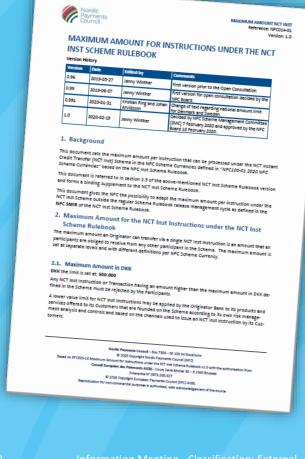
- DKK the limit is set at: 500.000
- Any NCT Inst Instruction or Transaction having an amount higher than the maximum amount in DKK defined in the Scheme must be rejected by the Participants

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:

- Web: <u>www.nordicpaymentscouncil.org</u>
- E-mail: info@npcouncil.org
- Secretary General:

Jenny Winther jenny.winther@npcouncil.org +46 (0)70 648 92 99

