

# NPC

Stakeholder Forum

Meeting no. 3 – 17<sup>th</sup> of March, 2021

## NPC Stakeholder Forum Participants

Name	Organisation
Marianne Melton	Chairperson (MobilePay)
Gareth Ellis	ACI
Pasi Miettinen	Bank of Finland
Eva Nässlin-Larsson	Bankgirot
Robert Book	CGI
Morten Fels	DK Ministry of Industry, Business & Financial Affairs
Kristian Ring	Finance Denmark
Pasi Korhonen	Finanssivalvonta FIN-FSA
Philippe Ameil	Finastra
Eduard Stringer	FIS
Andreas Kronblad	Folksam
Ida Marie Moesby	Forbrugerrådet Tænk
Carl-Johan Mårtenson	Försäkringskassan
Anders Holmström	Getswish
Carlos Rodriguez	Independent
Morten Sprange Thomsen	Independent
Heike Strasser	Mastercard ( <i>Richard Jones presenting RTP use cases</i> )
Charlotte Fink Jensen	MobilePay
Claus Kempel	Nationalbanken / Danish Central Bank
Lars Olesen Larsen	P27
Anna Ohlsson Brozek	Riksbanken / Swedish Central Bank
Helena Carnell	Riksgälden /Swedish National Debt Office
Michal Pandoscak	SAP
Helena Stjernstedt	Swedish Bankers' Association
Benjamin Woodcock	SWIFT
Peter Larsson	Volante

## Representing the Nordic Payments Council

Camilla Bäck	NPC Scheme Management Committee
Thomas Bo Christensen	NPC Scheme Management Committee
Åsa Gibson-Lundmark	NPC Scheme Management Committee
Carsten Thaarup	NPC Secretariat - Independent
Jenny Winther	NPC Secretariat
Maria Brogren	NPC Secretariat

# Suggested Agenda

- Introduction
- Approval of Agenda
- Approval of last meeting's minutes
- Appointment of minutes adjuster
- Information and Status NPC
- Denmark and Sweden community update
- Update on NPC Change Management
- Discussions and ideas regarding Request-to-pay
  - Incl. case presentation from MasterCard
- NPC Confirmation of Payee status
- Meetings and work plan 2021
- Open discussion - questions and comments
- Any other business
- Next meetings

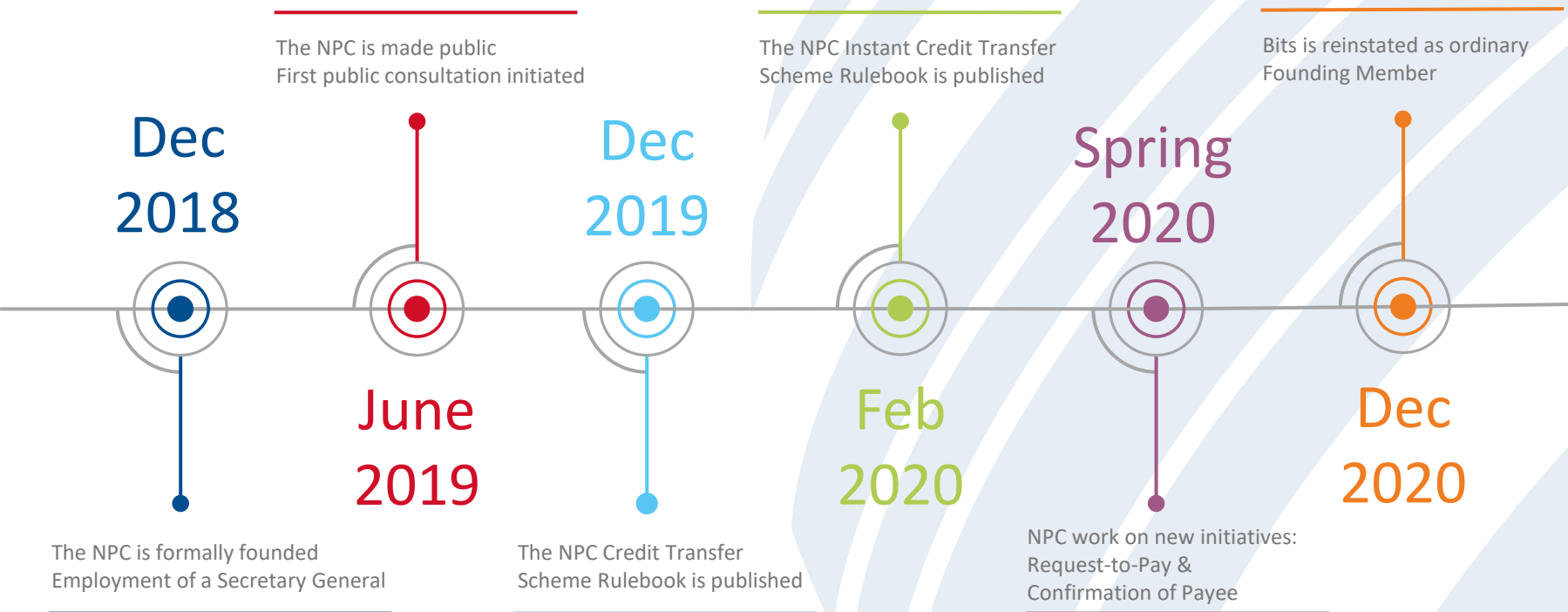


# Agenda

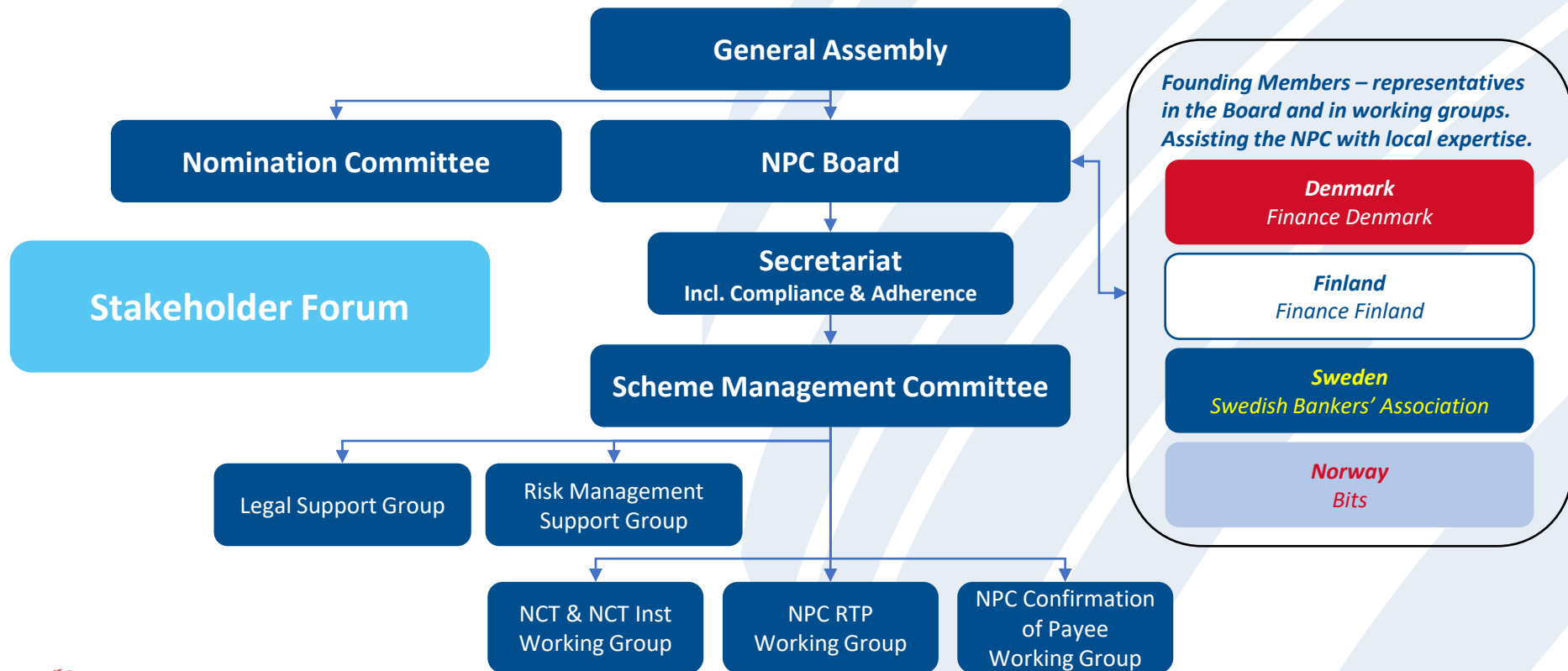
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# The NPC Milestones



# NPC Organisation



# Information from the NPC

## **NPC General**

- Bits reinstated as ordinary founding member December 17<sup>th</sup>, 2020
- General information meeting planned for March 18<sup>th</sup> and March 23<sup>rd</sup>

## **NPC Credit Transfer & Instant Credit Transfer WG**

- On-going work with next change management cycle for version 2023
- Preparing a minor update on NCT and NCT Inst Scheme in April 2021

## **NPC RTP WG**

- Nordic Input to the EPC SRTP work

## **NPC Confirmation of Payee WG, Confirmation of Payee TF IG**

- Drafting Rulebook and Implementation Guidelines

## **NPC Legal Support Group**

- In depth legal assessment of Confirmation of Payee

## **NPC Risk Management Support Group**

- Starting up the work

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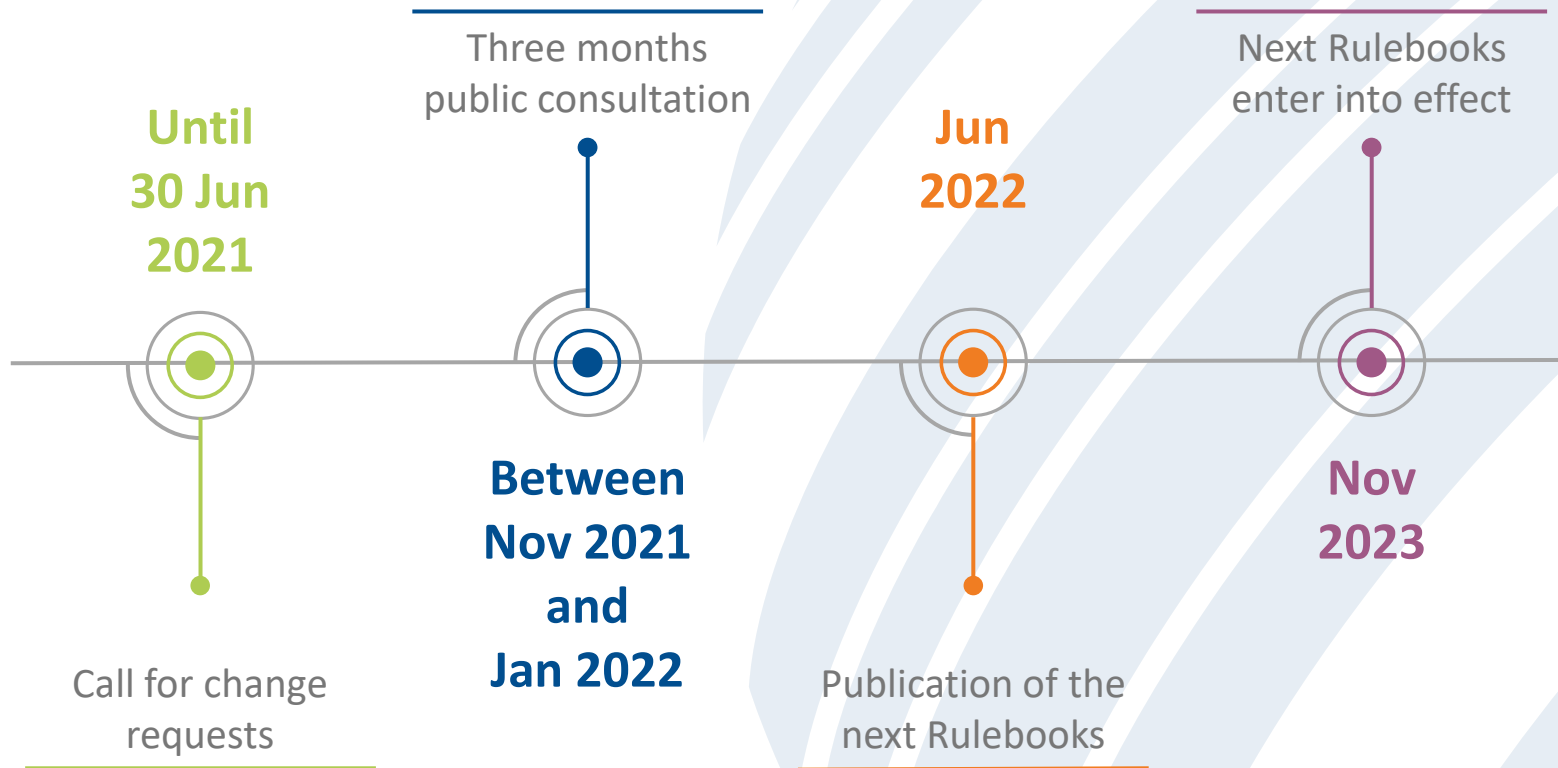


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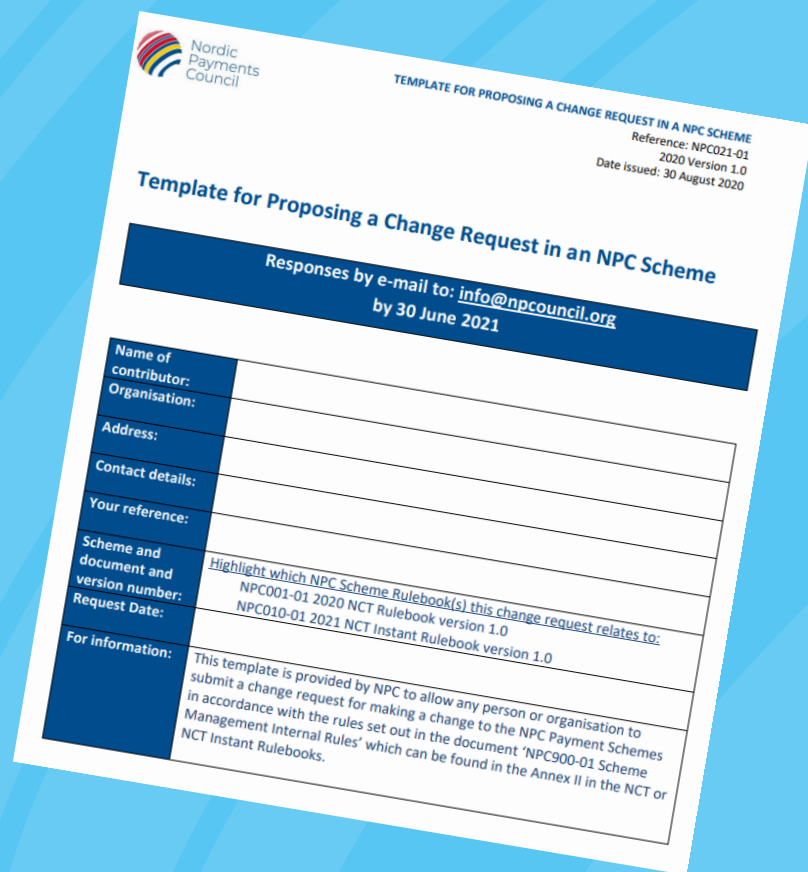


# NPC Payment Scheme Change Management Calendar



# Call for Change Request

- The NPC invites all market actors and stakeholders to submit change requests to the NPC Credit Transfer and Instant Credit Transfer Scheme
- Fill out the Change Request template: <https://www.nordicpaymentscouncil.org/npc-payments-schemes/change-management-cycle/>
- Deadline 30<sup>th</sup> of June 2021



**Nordic Payments Council**

TEMPLATE FOR PROPOSING A CHANGE REQUEST IN A NPC SCHEME  
Reference: NPC021-01  
2020 Version 1.0  
Date issued: 30 August 2020

**Template for Proposing a Change Request in an NPC Scheme**

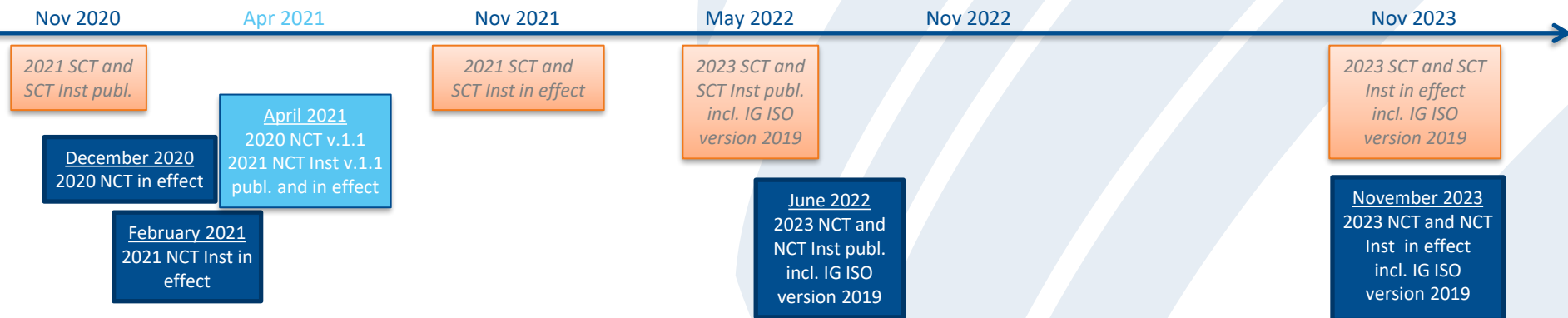
Responses by e-mail to: [info@npcouncil.org](mailto:info@npcouncil.org)  
by 30 June 2021

Name of contributor:	
Organisation:	
Address:	
Contact details:	
Your reference:	
Scheme and document and version number:	Highlight which NPC Scheme Rulebook(s) this change request relates to: NPC001-01 2020 NCT Rulebook version 1.0 NPC010-01 2021 NCT Instant Rulebook version 1.0
Request Date:	
For information:	This template is provided by NPC to allow any person or organisation to submit a change request for making a change to the NPC Payment Schemes Management Internal Rules' which can be found in the Annex II in the NCT or NCT Instant Rulebooks.

# Minor update versions of NCT & NCT Inst Scheme

## Updated versions of NCT and NCT Inst Rulebook and Implementation Guidelines

- No impact on business or operational rules
  - Smaller corrections and typos
  - To align writing with EPC SCT & SCT Inst Rulebooks 2019 v. 1.1 and 1.2 & 2021 v1.0
  - To align writing with EPC Addenda & Errata 2019 v.1.0 for SCT and SCT Inst Implementation Guidelines



### Glossary:

-Publ. means published and indicates the date when the Scheme is finalised and decided

-In effect means the date when the Scheme will start being used

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# NPC and Request-to-Pay

*Request to make a payment - used for example in e-invoicing, e-commerce & Point of Sale*

- The NPC's mission is to facilitate payments in the Nordics and interoperability with the euro-zone
  - Aim for same Rulebook is used both for EUR and the “Krona” currencies
- First euro-only EPC SRTP Rulebook published November 2020 is planned to evolve into being currency agnostic. Including the “Krona” currencies in the same common Rulebook as EUR for version 2.0 in November 2021 – no decisions yet.
- NPC investigating a potential AOS (Additional Optional Services) for specific Nordic needs
- If EPC will not have a currency agnostic SRTP Rulebook in due time
  - NPC will see to that there will be an NPC RTP Rulebook when needed for Nordic currencies
  - The NPC will finalise a Nordic version after a request as soon as possible (*6-8 months from request*)

# Discussion and Input from Stakeholder Forum

- Input from Stakeholder Forum regarding Nordic needs for Request-to-pay?
- In order to better understand the use of Request-to-pay to be able to discuss
  - MasterCard has agreed do a short presentation of what they see in the market regarding RTP



# Request to pay update for NPC

March 17, 2021  
Richard Jones



# Contents

1. Use cases drivers
2. Example scheme designs
3. RTP scheme design considerations

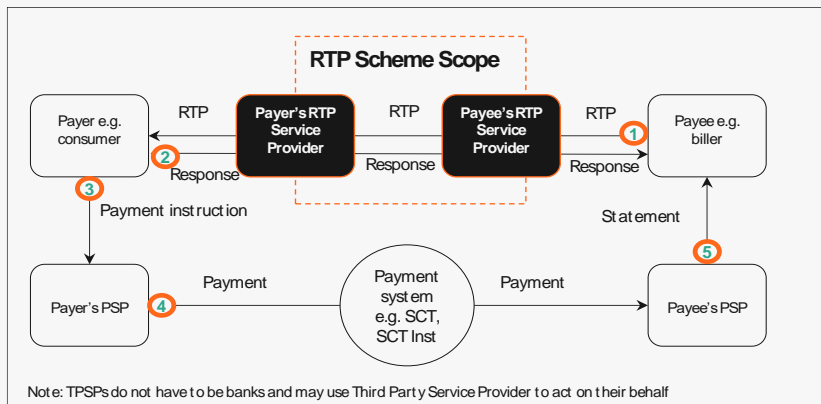


## Use case support based on market needs – some examples...

- Build phase
- Piloting / rollout
- Live operations

Scheme	What the schemes / providers say..	Driver	Use cases
<b>EPC</b>	<i>The RTP is a messaging functionality. It is not a payment means or a payment instrument, but a way to request a payment initiation. The scheme can be considered as a complement to the payment flow because it supports the end-to-end process and lies between an underlying commercial transaction and the payment itself. An RTP as such can be seen as an enabler for digital payments.</i>	<span style="color: red;">●</span> Use case agnostic framework to support pull payments	- C2M POS - C2M e-comm - C2B invoices - B2B invoices
<b>UKRTP</b>	<i>New, flexible way for bills to be settled between people, organisations and businesses.... sits alongside Direct Debit and other existing bill payment methods to give consumers and businesses additional choice and flexibility when managing their finances flexible way to pay bills alongside direct debit to support different working arrangements</i>	<span style="color: yellow;">●</span> Support for flexible employment	- C2B invoices - B2B invoices
<b>TCH</b>	<i>Billers desire a bill pay process that is integrated with cash management, has an easy way to quickly resolve customer bill questions, and has protections from the bank when it comes to unauthorized transactions. Bill payers, on the other hand, are looking for a centralized view of bills each month, immediate acknowledgement of payment receipt, notification of upcoming bills and more.</i>	<span style="color: yellow;">●</span> Improve fragmented bill pay process	- C2B invoices - B2B invoices
<b>BPAY</b>	<i>BPAY is an easy and secure way to manage your bills with one payment method all through your online banking. You can choose when, how much and from which account to pay from - whatever works for you.</i>	<span style="color: green;">●</span> Improve bill pay process	- C2B invoices
<b>UPI</b>	<i>Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing &amp; merchant payments into one hood. It also caters to the "Peer to Peer" collect request which can be scheduled and paid as per requirement and convenience.</i>	<span style="color: green;">●</span> Build new payment ecosystem based on mobile ubiquity	Any e.g. - C2M POS - C2M e-comm - C2B invoices - B2B invoices
<b>iDeal</b>	<i>Ideal iDEAL is an online payment method that enables consumers to pay online through their own bank. In addition to webshops, other organisations that are not part of the e-commerce market also offer iDEAL. iDEAL is increasingly used to pay energy bills, make donations to charities, buy mobile credits, pay local taxes, traffic fines, etc...</i>	<span style="color: green;">●</span> E-commerce platform, background of low card use in NL	- C2M e-comm - C2B invoices

# Scheme designs - EPC Request To Pay



## DESCRIPTION

- Roles:** only roles are RTPSPs and payers / payees
- Participants:** will be any organisation that is EPC certified, need not be banks, RTPSPs may outsource to third party providers
- Scope:** the exchange of messages between RTPSPs
- Standards:** based on ISO20022 (pain.013 / 014 + other msg)
- Comments:**
  - Some criticism of model as too bank centric, does not support 3 corner model, and not aligned to open banking
  - APIs still to be developed,
  - Scope excludes payer / payee and their enrolment and is agnostic about payment

## STATUS

Scheme based on rulebook version 1 go live planned June 2021.  
Version 2 dates TBA but interim date is February 2022

## POS

- Merchant presents RTP to consumer RTP followed by an Instant payment
- Merchant sends RTP and customer responds with the amount they guarantee to pay

## e-comm

- Merchant presents RTP to consumer. PSP advises that RTP accepted and various payment options:
  - Payment initiated
  - Payment completed and funds received
  - Payment guaranteed but later in one or more payments
- Merchant sends RTP and customer responds with the amount they guarantee to pay

## P2P

- Payee sends RTP either via messaging or proximity communications to payer who pays by SCT or SCT Inst with possible confirmation

## P2B

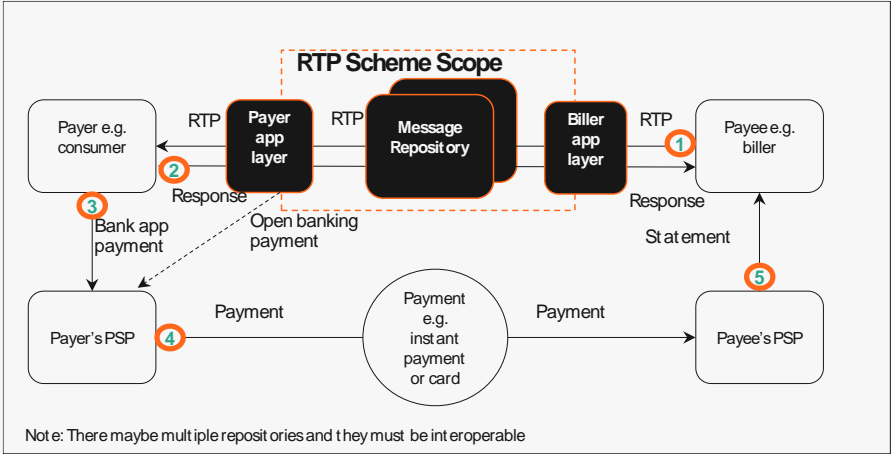
- Supplier presents RTP to consumer including e-invoice, payment by SCT or SCT Inst, payee reconciles. Payment conditions may vary
  - Pay now
  - Pay at a later date
  - With or without guarantee

## B2B

- Supplier presents RTP to customer. Multiple payment options e.g. partial payment, Forwarding, grouped RTPS, optional guarantee



# Scheme designs - UK Request To Pay

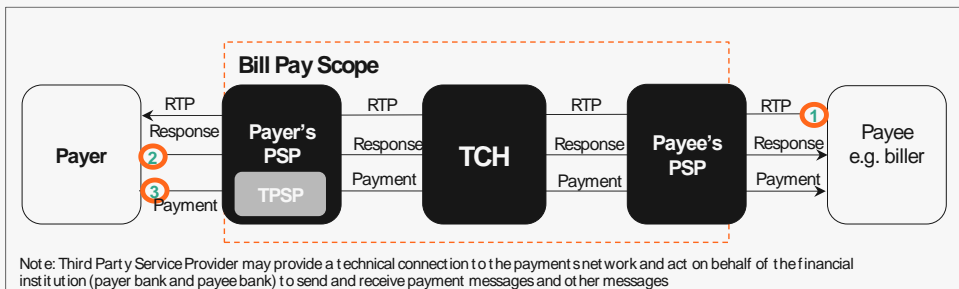


DESCRIPTION	
<ul style="list-style-type: none"><li><b>Roles:</b> two roles defined i.e. message repositories that have to be interoperable (allows payer and payee to use different ones) and end user application providers.</li><li><b>Participation:</b> repositories and end user application providers are certified by the scheme, organisations may provide both roles e.g. PSPs</li><li><b>Scope:</b> open multi layer model allowing single or multiple interoperable “repositories” flows between end user application layer and repository layer</li><li><b>Standards:</b> flows are API not messages based on ISO20022</li><li><b>Comments:</b><ul style="list-style-type: none"><li>Supports open banking i.e. end user application layer can be tech provider with open banking access to payer’s account</li><li>Scope excludes payer / payee and their enrolment</li><li>Allows card as well ACH payment</li></ul></li></ul>	

STATUS	
Piloting from 2020	
USE CASES	
POS	None
e-comm	None
P2P	None
C2B	<ul style="list-style-type: none"><li>Supplier sends RTP via its bank to the consumer’s bank for presentation to consumer. Customer responds to RTP and / or makes instant payment. Payment options include<ul style="list-style-type: none"><li>Pay immediately</li><li>Pay later</li><li>Do nothing</li></ul>Payee can reconcile based on reference in payment</li></ul>
B2B	<ul style="list-style-type: none"><li>Supplier sends RTP to business – use case then as above</li></ul>



# Scheme designs - TCH Bill Pay



## DESCRIPTION

- **Roles:** the FIs act as channels for RTP messages although Third Party Providers (TPPs) may act on their behalf. Payers / payees are the other actors
- **Participants:** FIs are enrolled into the scheme along with any TPPs
- **Scope:** end to end service including payment
- **Standards:** based on ISO20022 (pain.0013 / 014) messaging
- **Comments:**
  - Not a national scheme, one service offering in a competitive landscape
  - Not open, bank centric model
  - Specific use cases
  - Enrolment via bank

## STATUS

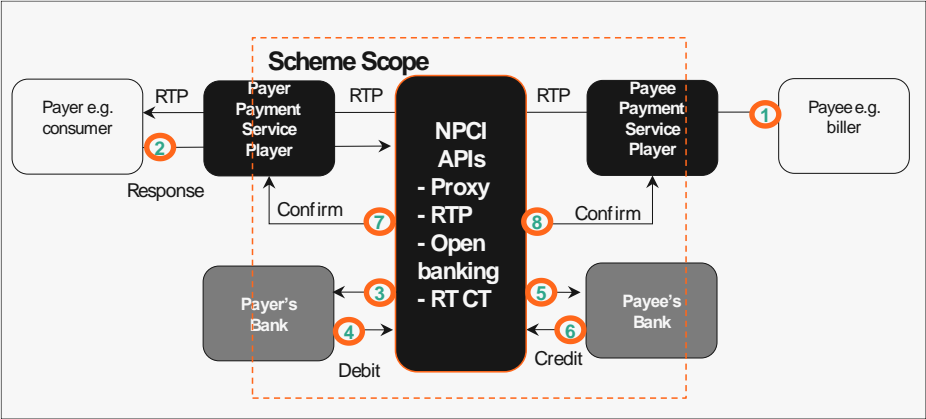
Operational 2020

## USE CASES

<b>POS</b>	None
<b>e-commerce</b>	None
<b>P2P</b>	None
<b>C2B</b>	<ul style="list-style-type: none"> <li>• Supplier sends RTP via its bank to the consumer's bank for presentation to consumer. Customer responds to RTP and / or makes instant payment. Payment options include <ul style="list-style-type: none"> <li>• Pay immediately</li> <li>• Pay later</li> <li>• Do nothing</li> </ul> </li> </ul> <p>Payee can reconcile based on payment reference</p>
<b>B2B</b>	<ul style="list-style-type: none"> <li>• Supplier sends RTP to business – use case then as above</li> </ul>



# Scheme designs - NPCI UPI



DESCRIPTION
<ul style="list-style-type: none"><li><b>Roles:</b> two roles defined, Payment Service Players and Account Holder Banks</li><li><b>Participants:</b> PSPs that will be any organisation that is NPCI certified, need not be banks, and Banks who may play both roles</li><li><b>Scope:</b> all flows between NPCI and PSPs / Banks but total scheme integrating digital ID, proxy look up, RTP, open banking and real time payments</li><li><b>Standards:</b> XML proprietary APIs</li><li><b>Comments:</b><ul style="list-style-type: none"><li>Total ecosystem that integrates multiple ecosystem components to deliver push and pull payments</li><li>Most payments (billions) via third party apps (e.g. Phonepe, GooglePay, Paytm)</li></ul></li></ul>

STATUS	Live since 2019
POS	<ul style="list-style-type: none"><li>Consumer has registered (linked) his payment details in advance with the merchant, merchant sends RTP to consumer, consumer clicks ok, instant payment initiated by NPCI without further confirmation / authentication, merchant and consumer advised when payment complete</li><li>Consumer wants to use wallet or card instead of instant payment is the same apart from payment channel</li></ul>
e-comm	<ul style="list-style-type: none"><li>Buyer enters their virtual address, Merchant sends RTP to payer's phone app, buyer decides when and if to pay (according to T&amp;Cs), after payment payee receives confirmation</li></ul>
P2P	<ul style="list-style-type: none"><li>Payee enters payer's virtual address, payee sends RTP via phone app to payer's phone app, payer decides when and if to pay, after payment payee receives confirmation</li></ul>
P2B	<ul style="list-style-type: none"><li>Bill payments are similar to e-commerce except that the Payer registers their virtual address in advance allowing the biller to send the bill at the appropriate time</li></ul>



## Scheme design considerations

- **Enrolment:** how does payer discover RTP enabled billers and vice versa?
  - Biller directory enables payer pull
  - Payer directory for billers more complex because of multiple banking relationships, possibly add consumer permissions to proxy service to enable biller push
- **Flexible integration for providers:** APIs not messaging and supporting as broad a range of scenarios as possible in initial design e.g. bill splitting, bill forwarding, instalments, payment guarantee, currency support, etc.
- **Open participation:** open to suitably accredited banks and non banks
- **Integration with broader ecosystem:** should enable integration with other ecosystem components e.g. national ID, proxy look up, multiple payment rails (instant A2A, wallets, cards, etc.), open banking (supporting merchants and other payment platform providers)
- **Push v pull (RTP):** some systems (BPAY and UPI) support push and pull using some of the same components
- **Biller / consumer dialogue and messaging:** as well as reject, pay now / later, pay full / partial amount, RTP may support biller / payer “chat” e.g. payer spots that electricity bill is too high and wants to query bill and potentially provide meter reading over chat interface



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# Benefits – NPC Confirmation of Payee






*Confirmation of an account and payee before making a payment*

- Enable enhanced end-user experience
- Prevent fraud
- Prevent misdirected payments
- Encourage account payments instead of money orders, checks or cash etc.
- Modernisation of current services
  - Used of international standards
- Creating interoperability
  - Common rules, processes and format descriptions






# NPC Confirmation of Payee – Use Cases

## Single request real-time

- |  |   |   |
|--|---|---|
|  |  | 1. Confirmation of Account - <b>account number</b> of the payee<br><i>Before initiating a single payment to verify that the account is correct and open for deposits</i>  |
| Consumer   | Company*  |   |
|  |  | 2. Confirmation of Payee - <b>account number</b> and <b>name</b> of a payee<br><i>Before initiating a single payment to verify correct payee</i>  |
| Consumer   | Company*  |   |
|  |  | 3. Confirmation of Payee - <b>account number</b> and <b>id**</b> of payee<br><i>To update customer register in real-time when the customer is onboarded.</i><br><i>Payment will be done later for example tax refund once a year.</i> |
|  | Company*  |   |



## Bulk requests

- |  |   |   |
|--|---|---|
|  |  | 4. Confirmation of Account – a file with <b>account numbers</b><br><i>Before initiating a bulk payment file to verify that the accounts are correct and open for deposits</i>   |
|  | Company*  |   |
|  |  | 5. Confirmation of Payee – a file with <b>account numbers</b> and <b>names</b> of payees<br><i>Before initiating a bulk payment file to verify correct payees</i>   |
|  | Company*  |   |
|  |  | 6. Confirmation of Payee – a file with <b>account numbers</b> and <b>ids**</b> of payees<br><i>To update customer register as a bulk process verifying correct payees.</i><br><i>Payment will be done later for example tax refund once a year.</i> |
|  | Company*  |   |



\*Company means either a company or an authority

\*\*Id is a numeric, known and unambiguous identification of a person or a company. For example a social security number, company registration number etc.

# NPC work and status Confirmation of Payee

- Drafting a Confirmation of Payee Scheme with a Rulebook and Implementation Guidelines
- In-depth legal assessment



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# NPC Stakeholder Forum Work plan and activities 2021

## Meeting May 26<sup>th</sup>

- NPC status Request-to-pay & Confirmation of Payee
- Status Call for Change Requests for NPC Credit Transfer and Instant Credit Transfer Rulebook
- Introduction to Stakeholder Forum's position paper regarding change proposals for NPC Credit Transfer and Instant Credit Transfer Rulebook

## Meeting September 15<sup>th</sup>

- Status and plan for change management for NPC Credit Transfer and Instant Credit Transfer Rulebook incl. Stakeholder Forum's position paper
- NPC status Request-to-pay & Confirmation of Payee

## Meeting November 11<sup>th</sup>

- Status and plan for change management NPC Credit Transfer and Instant Credit Transfer Rulebook incl. Stakeholder Forum's position paper
- NPC status Request-to-pay & Confirmation of Payee
- Work plan Stakeholder Forum 2022

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- **Next meetings – May 26<sup>th</sup> 9-11 CET**





# More information

- For information – Nordic and local market initiatives
  - P27 Nordic Payments
  - DK Central Bank project to migrate Danish Kroner to Target Services and TIPS
  - DK Sektorafklaringsprogram for betalingsinfrastrukturen
  - SE Central Bank project RIX-INST
  - SE Transformation Committee
  - NO Bits A/S

# Questions?

## More information:

- Web: [www.nordicpaymentscouncil.org](http://www.nordicpaymentscouncil.org)
- E-mail: [info@npcouncil.org](mailto:info@npcouncil.org)
- Secretary General:  
Jenny Winther  
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+46 (0)70 648 92 99
- Payment Scheme Manager:  
Maria Brogren  
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