



CEO Report

Directors noted key areas of focus, including:

- Working with Participants to manage impacts of outages, and assessing results of the Quarterly Compliance Survey;
- Mobilisation of [redacted] Project and execution of contract;
- Market consultation for development of NPP ISO20022 message usage guidance for Payroll, PAYG Tax and Superannuation Payments;
- Key feedback from recent Participant bilaterals indicated broad support for the NPP future capability work; and
- Exploring the potential introduction of compliance mandates for certain NPP functionality.

Operations Update

Directors noted the progress in several areas and the ongoing areas of focus including:

- Participant ramp-up roll-out plans, including NPPA hypercare arrangements;
- Review of NPP performance and capacity planning;
- On-going review of Participant remediation plans;
- 2019 Change Releases; including formation of working group to facilitate effective communication with Participant's third party vendors.

Engagement Update

Directors noted the progress on industry standards development and other key engagement activities.

[Redacted] Project Update

Directors noted Managements project update including:

- The project Steering Committee met in January 2019 to review timeline, governance structure, design phase commencement and risks
- Commencement of project workshops in February 2019
- Project risks will be reviewed by the Audit Finance and Risk Committee at its next meeting in March 2019

Legal and Governance Update:

Directors noted the:

- Finalisation of rule amendments to reflect new customer screening requirement, and revised AML and Sanctions Compliance Guidance;
- Message enhancements scheduled in the upcoming Change Release;
- Supplemented Procedures to support NPP International Funds Transfer Instructions (IFTI) business service;
- Participant Compliance Review Program details;
- Update on the NPPA Testing and Certification Tool.

Directors approved:

- Execution of Memorandum of Understanding between RBA and NPPA to codify existing NPPA liaison arrangements with RBA (Policy).

Next meeting to be held on 28 March 2019.