

NPP Superannuation Payments

Guidance for third parties

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NPP Superannuation Payments Guidance

The NPP uses the ISO 20022 payment messaging standard, which provides a set of comprehensive xml formatted messages, rich in both structured and unstructured data.

Third parties that want to initiate a payment by instructing an NPP participating financial institution (FI) to process an NPP payment to a beneficiary party, either from their own account or from a customer's account (where customer authorisation and the relevant agreement from the processing financial institution is in place¹), can do so in a variety of ways:

- Using an ISO 20022 payment initiation message (what is known as an NPP pain.001 message).²
- An alternative file format as agreed with the financial institution processing the file; or
- Via an API hosted by the **processing** financial institution

The guidance provided below is specific to the NPP pain.001 message and does not cater for other forms of proprietary customer to FI payment initiation. NPP FIs' acceptance of pain.001 messages from payer customers is proprietary. The guidelines provided in this document are based on publicly available ISO message schema guidance and are subject to any additional proprietary requirements FIs may determine necessary or appropriate. Nothing in this document should be construed as a representation or warranty by NPPA or any NPP participating FI in relation to payment services offered by NPP participating FIs.

Categories of NPP payments

Just as a BECS Direct Entry record identifies the transaction code of the payment instruction, ISO 20022 messages use category purpose codes that identify the type of payment being made. NPPA has defined the use of specific category purpose codes for NPP messages for certain types of payments. Third parties that want to instruct a financial institution to process a payment to a beneficiary party, either from their own account or from a customer's account, can use these category purpose codes when sending payment instructions.

NPP ISO 20022 Superannuation guidance:

The following guidance outlines the data elements of the NPP message that may be populated when paying a Superannuation payment on the NPP. The identification of the payment as a superannuation payment enables adherence to the SuperStream legislative requirements and facilitates future data opportunities.

NPPA is seeking to have the NPP incorporated as an approved payment method within the SuperStream Data and Payment Standards. Currently the NPP is not a prescribed payment option under the SuperStream Data and Payment Standards and can only be used for SuperStream payments under agreement between the sender and receiver.³ NPPA's focus is on creating a consistent, standardised approach to superannuation payments being processed on the NPP. Critical to this is ensuring that the NPP message contains specific data elements in a structured way and that NPP participating financial institutions can receive a superannuation payment with those specified data elements (primarily the PRN), which can then be used to reconcile the payment with the SuperStream reporting.

¹ Third party payment initiation supported by customer authorisation.

² For further information on the construction of the pain.001 message, please refer to the ISO20022.org website (<https://www.iso20022.org/>) and the NPP Payment Initiation guidance document (https://nppa.com.au/wp-content/uploads/2020/11/NPP-Payment-Initiation-message-guidance_final-31-Oct-2019.pdf).

³ https://softwaredevelopers.at0.gov.au/sites/default/files/resource-attachments/G051_Guidance_SuperStream_payments_using_NPP_v1.0_FINAL_20180524.pdf



NPPA requires that the following elements are populated in the payment initiation message to ensure the correct reporting of Superannuation payments and contributions.

Pain.001 element name	Guidance
End to End Identification	Payment Reference Number (PRN)*
Category Purpose	PENS
Creditor Reference	Payment Reference Number (PRN)*

*Note: the inclusion of PRN in both the End to End Identification and Creditor Reference is to ensure FIs can provide the value in Customer Reporting.

NPPA recommend contacting your Financial Institution to confirm implementation requirements for the NPP pain.001 message or alternative proprietary payment initiation arrangements.

Implementation of NPP message usage guidelines

NPP participating financial institutions will be obliged to **receive** NPP messages with additional defined data elements for superannuation payments by December 2020. Financial institutions can choose whether or not to support **sending** these payment message types according to the needs of their customer base and their individual commercial offerings, and according to agreements being reached between organisations sending and receiving these payments as per the ATO SuperStream guidance⁴.

NPPA will periodically review and update the defined data elements contained within this document for superannuation payments. NPPA will also consider developing additional message usage guidelines for other payment types in the future according to market demand. Further details regarding the NPP message usage guidelines will be made available on the NPPA website at www.nppa.com.au.

⁴ https://softwaredevelopers.ato.gov.au/sites/default/files/resource-attachments/G051_Guidance_-_SuperStream_payments_using_NPP_v1.0_FINAL_20180524.pdf



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Third parties that wish to use this Guidance should consult their financial institution to ensure submission of corporate payment files in ISO20022 format (including via API) is supported by that institution.

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