

12 February 2019

NPP ISO 20022 Message Usage

NPPA Webinar

**New
Payments
Platform**

Marnie Ryan

Senior Manager,
Engagement, New
Payments Platform
Australia

Today's Webinar

- About the NPP
- ISO 20022 messaging
- NPP ISO 20022 message usage
- NPPA market consultation
- Questions

New Payments Platform key capabilities



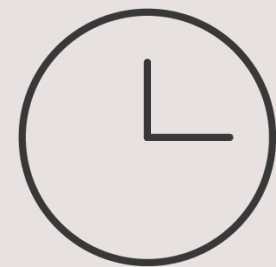
- Real time movement of money, account to account with real time central bank settlement



- Simpler addressing



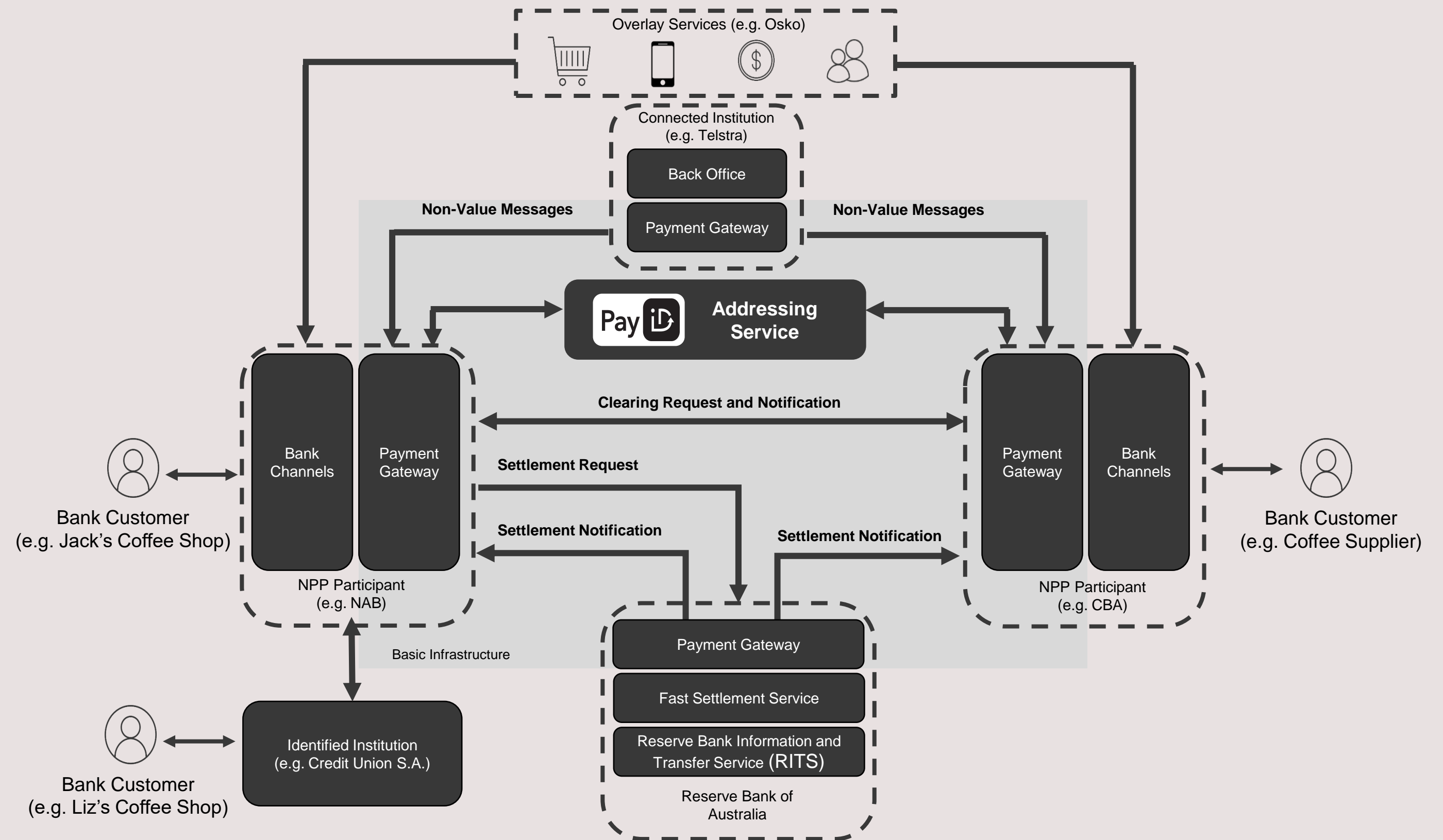
- Data rich capability with ability for data to be carried with the payment



- Always available, 24x7, 365 days

How does the NPP work?

- Distributed switch of individual 'Payment Access Gateways' hosted by financial institutions who have chosen to connect directly
- These gateways route and exchange financial messages between each other using NPP ISO 20022 messages
- Payment messages are cleared between participating financial institutions and then settled by the RBA's Fast Settlement Service





NPP's Addressing Service, PayID



- Enables payments to be directed to an account using an easy to remember alias (a PayID) which has been linked to an underlying bank account
- PayIDs can be easily moved from one bank account to another along with all of the associated payments linked to a PayID – so no need to maintain up-to-date details for a customer's bank account
- Currently four alias types are supported – phone number, email, ABN and an Organisation Identifier
- NPP also continues to support payments using BSB and account numbers

<p>Over 75</p> <p>Participating Financial Institutions</p>	<p>52 million</p> <p>Accounts can make and receive NPP payments</p>	<p>400,000+</p> <p>Daily NPP transactions</p>
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<p>2.5 million</p> <p>Number of registered PayIDs</p>		<p>New Payments Platform</p>		<p>\$75 Bn</p> <p>Total cumulative value of NPP payments since launch</p> <hr/> <p>\$17 million</p> <p>Largest single transaction across the NPP</p>
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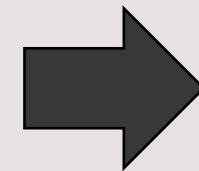
<p>90 million+</p> <p>Transactions sent across the platform</p>	<p>Double digit</p> <p>Growth in monthly transaction volumes</p>
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What the NPP means for Australian payments

BECS/Direct Entry

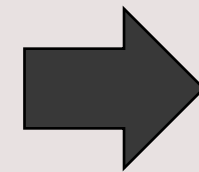
NPP

BECS/aba file format



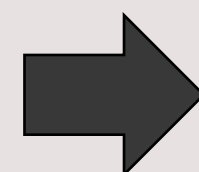
ISO 20022 message

18 characters of data



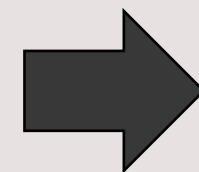
Over 1400 data fields available

1-3 days processing time



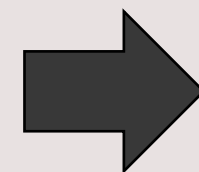
Real-time processing and funds availability

Settlement cut off times; weekdays only



24 / 7 / 365

BSB and account numbers



PayID or BSB and account numbers



ISO 20022 messaging

ISO 20022 messaging

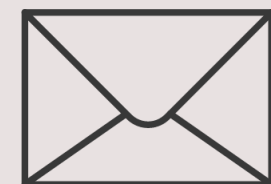
All NPP messages are in the ISO 20022 message standard. ISO 20022 is a standard for financial messaging using XML syntax. ISO 20022 provides a flexible framework to build business transactions by opting for a single, common "language" for all communications as well as the carriage of additional information with a payment.



Global Interoperability



Rich Data Remittance



Uniform and reusable messages

Increasingly, markets around the world are adopting the ISO 20022 message standard for payments and financial transactions.



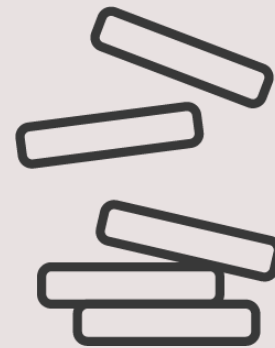
NPP ISO 20022 Message Usage

NPP ISO 20022 messages

Development of NPP ISO 20022 message usage guidelines for payroll, PAYG tax and superannuation payments on the NPP



Superannuation



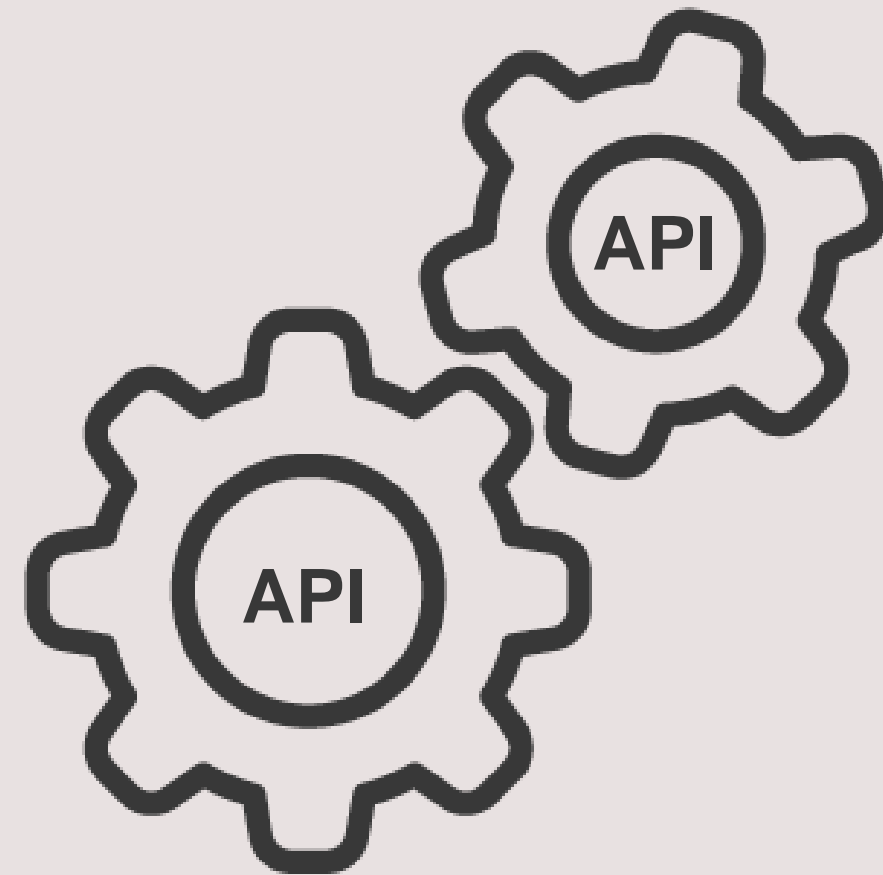
PAYG Tax



Payroll

- Use of structured data fields within ISO 20022 messages
- Ensures uniform approach to data and consistent transmission of data from Payer through to Payee
- Defines specific message elements that should be included
- Use of category purpose codes to identify type of payment

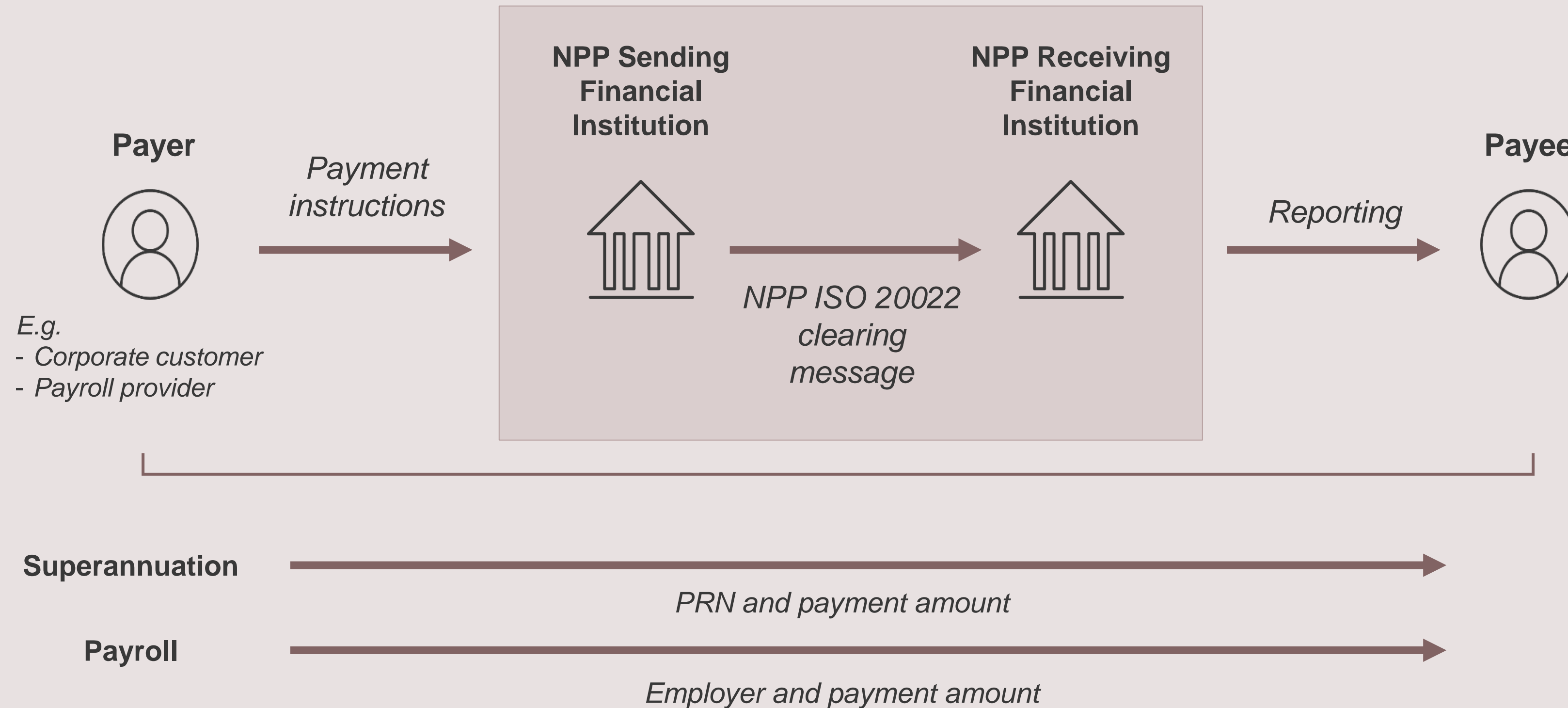
NPP ISO 20022 messages and APIs



- NPP ISO 20022 message usage can also be applied to APIs that have been developed for use on the NPP
- NPPA has developed an API Framework which defines the key technical approach and mandatory data attributes for NPP APIs, aligned to the implementation of NPP ISO 20022 standards
- NPPA will align its message standards work with the NPP API Framework to facilitate the use of APIs for NPP payments
- For more information on the NPP API Framework, visit our website at www.nppa.com.au

E2E transmission of data

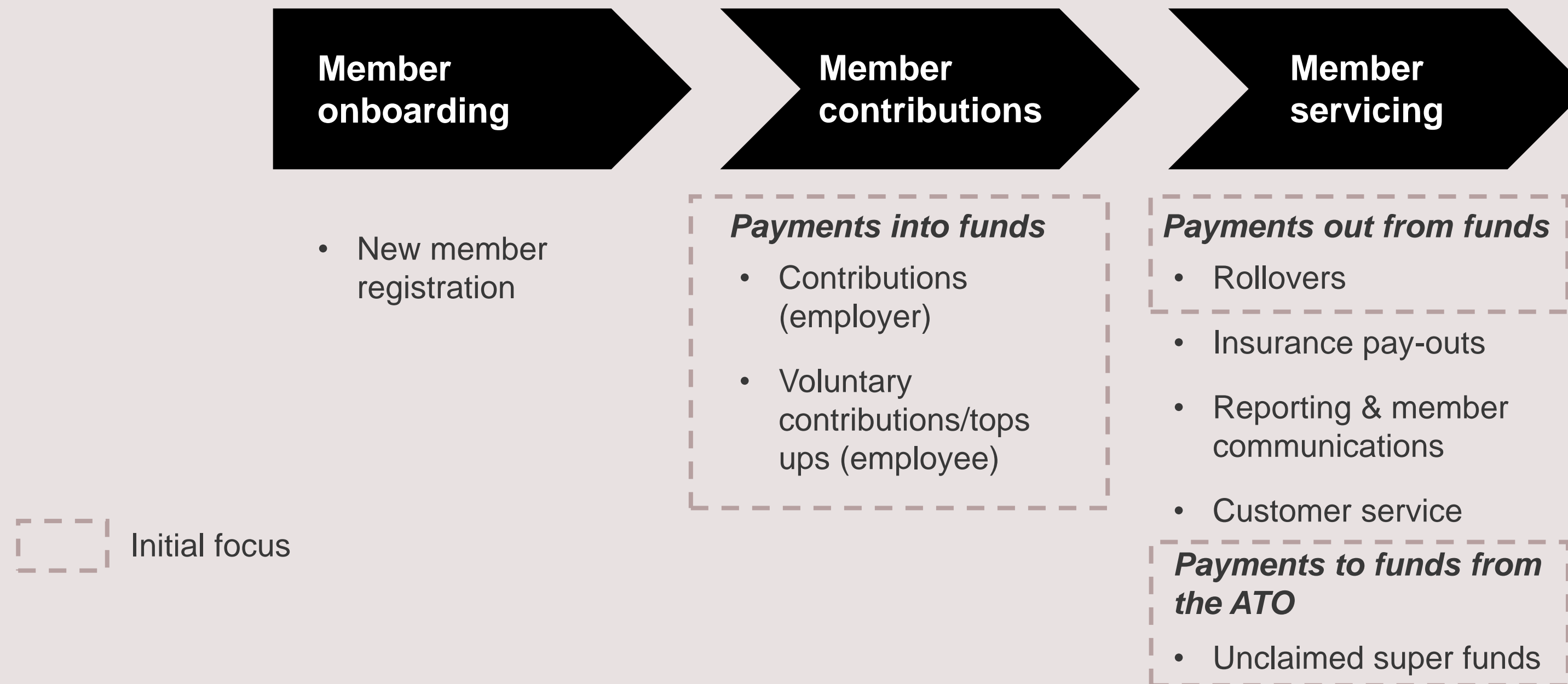
A key objective of the development of NPP ISO 20022 message usage guidelines is to ensure the consistent E2E transmission of data from Payer through to Payee



Initial focus

Our initial focus is on payments and the data required to support efficient payment processing and reconciliation

Example – Superannuation payments



Longer term roadmap


With a view to starting the journey towards a longer term roadmap

Today

\$ Payments

- Market participants can choose to incorporate NPP ISO 20022 data elements into their product and service offerings
- Adoption will be driven by choice

Future

\$ + 

Payments and information

- Additional data carried in the NPP ISO 20022 message can be incorporated into organisation's systems and processes
- Adoption will be determined by operational readiness

Use Case: Future NPP Process - Payroll



1. Organisation ABC processes their payroll via their payroll provider's software



2. Payroll provider submits file to organisation ABC's financial institution. The file contains employees' PayIDs, salary, tax information and superannuation details



3. Financial institution looks up employees' PayIDs to direct salary payments to the correct bank accounts



4. Financial institution sends messages for salary payments to be made along with messages for superannuation disbursements and tax payments



5. Organisation ABC's employees receive their payroll and payslip data in real time.

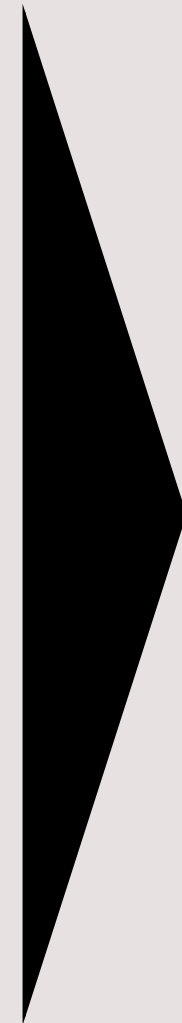


6. Organisation ABC gets confirmation that payroll payments have been made

NPPA market consultation

Objectives

- Obtain feedback from industry and stakeholders on the proposed mandatory data elements in the NPP ISO 20022 message
- Ensure that the proposed approach will meet industry needs
- Provide a forum for any relevant issues or considerations to be raised by stakeholders



Expected outcomes

- Define what is transmitted across the NPP platform from Financial Institution to Financial Institution
- Publication of NPP ISO 20022 message usage guidelines for specific payment types
- Extension of NPP ISO 20022 message usage guidelines to the NPP API Framework

NPPA market consultation



Roundtable Discussions

- SYDNEY – Friday, February 22
- MELBOURNE – Tuesday, February 26
- Other Locations if required

Register to attend via <https://www.NPPA.com.au/the-platform/iso-20022-message-usage/>

Written Submissions

Written submissions from organisations wishing to provide input are invited to email info@nppa.com.au by March 8

2019 MARCH						
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**Thank
you**

**New
Payments
Platform**

For more information please contact
the NPPA team on info@nppa.com.au

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