



### CEO Report – February 2020

Directors noted the key areas of focus, including:

- Upcoming consultation on potential extension of the Consumer Right Data (CDR). NPPA will make submissions to the recently announced Inquiry into Future Directions for the Consumer Right Data by Scott Farrell. NPPA considers that the MPS will enable effective secure third party payment initiation.
- Strategic Plan Q2 Results - Progress-to-date on NPPA's key measures of success.

### Strategic Discussion

Directors endorsed the draft response to the Payment Systems Board's 2020 Review of Retail Payments System Regulation Issues Paper, subject to minor amendments as discussed.

### Reach and Performance

#### **Operational Report**

Directors noted the key areas of progress, including

- Onboarding - Citi consumer inbound, Macquarie outbound, Bank of China customer launch and impending ME Bank ramp up.
- Account reach is now 78% of all reachable accounts
- Incidents – continued rate of incidents highly correlated to changes to notifiable components.
- Major release update – a PIR will be conducted due to fundamental issues identified with implementation of Release 3.0.

### Capability Development

#### **Mandated Payments Service**

Directors noted the progress on the Mandated Payments Service and key activities involving:

- Project status and February 2020 workshop
- Appointment of an external assessor
- Draft budget which will be reviewed in detail at the March 2020 Audit Finance and Risk Committee meeting
- Finalised MPS Capability Definition

### **IFTI Payments**

Directors noted the update and compliance activity undertaken in relation to identified misuse of the NPP for the domestic remittance of inbound international funds transfer instruction in contravention of the NPP rules.

Directors noted that while the business service rules for IFTI Payments (a specific NPP term) exist, the service is not operational as no Participants are subscribed to the service. NPPA will be asking Participants to provide organisational views on the merits and feasibility of mandating receipt of IFTI Payments.

### **[Redacted] Project**

Directors endorsed NPPA's recommendation to discontinue work on the [redacted] initiative, due to the significant complexity. Achieving consensus on the proposed operating and governance model within the next 2-3 months (relevantly, Participants' investment cycle timeframes) would be highly unlikely.

### **Additional Identifiers in Clearing and Payment Return Messages**

Directors noted the update on NPP payment message data elements and the rationale for inclusion of Additional Identifiers as part of Release 3.0.

### Volume



### **Bulk Payments Strategy Paper**

Directors noted the potential future volume opportunities in the migration of Unattended Credit bulk payments to the NPP and the capabilities and activities required to support the efficient processing of these payments via the NPP.

### **Access and Overlays**

#### **Senate Inquiry into Fintech and Regtech**

Directors noted the update on the ongoing process of the inquiry being conducted by the Senate Select Committee on Financial Technology & Regulatory Technology.

### **Legal and Governance**

Directors:

- a) Noted the update on NPP End Point Security Assessment and proposed approach to further testing;
- b) Noted advice on IP issues; and
- c) Accepted the new Undertakings in the Register of Undertakings given under the Deed of Indemnity.

### **Board Committee Composition**

Directors approved the proposed interim committee memberships, pending further consideration by the People and Culture Committee of further appointments at its next meeting in March 2020.

### **Other Business**

Mr McKinnon expressed thanks to Ms Di Challenor for her contribution to the NPPA Board, noting her resignation from the Board in February 2020, and the appointment of Mr Jim Tate as Westpac's nominee director.

Next meeting to be held on 8 April 2020.