



CEO Report – April 2020

Directors noted the key areas of focus, including:

- Continued mobilisation of the Mandated Payments Service project and related activities.
- Deferral of SWIFT's ISO2022 migration for cross-border payments by one year to the end of 2022, due to the announcement of their new strategy involving a new end-to-end solution to enhance domestic and international account-to-account payments.
- Implementation of working from home arrangements for all staff.
- Potential impacts of COVID-19 on deliverables.
- Board Strategy Approach for 20/21 and future capability development.
- Next steps on an approach to digital / remote / in app payments.

Board Discussion – RBA's Review of Retail Payments Regulation

[Redacted]

Reach and Performance

Operational Update

Directors noted the key areas of progress and the summary of the key findings of the NPP Release 3.0 PIR.

Capability Development

Mandated Payments Service

Directors noted a summary of the key activities that have been completed in alignment with the project plan.

Directors acknowledged that the longer-term effects of COVID-19 were still not fully understood and noted that the NPPA Board and Management will continue to be reactive and ensure that the current plan remains appropriate for Participants.

NPPA Capability Roadmap

Directors noted the proposed outline and key messaging for the update on the NPPA Roadmap, due to be published at the end of April 2020. Directors also noted that NPPA will be engaging with Participants and the Board over the coming months to discuss and agree what will be incorporated in the more comprehensive roadmap update in October 2020, which will also address COVID-19 impacts.

IFTI Payments

Directors noted Management's update on the IFTI Payments consultation conducted in February/March and the preliminary findings, including that: the majority of Participants indicate support for mandating the receipt of IFTI Payments via the NPP, although expressed a range of views on feasibility given the significant technical uplifts that would be required from participants on the receive side. Directors noted that NPPA will further consult Participants on timing and develop a resolved proposal for Operating Committee consideration before seeking Board approval later in 2020.

Volume

Bulk Payments Strategy Paper

Directors noted the work that is underway to support unattended/bulk payments on the NPP and NPPA's proposed approach to for DE bulk files, next steps and related activities.

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 Addressing Service End Point Security Assessment;
- b) Approved the *NPP Mandatory Compliance Requirements Enforcement and Appeals Guide*;
- c) Conditionally approved the revised version of the *NPP Operational Governance Framework: Guidelines for Nominating Representatives to Management Committees and NPPA's Ways of Working*;
- d) Approved the proposed approach to standardising stakeholder and market consultation on NPP capability development;
- e) Approved the amended NPPA Financial Control Framework;
- f) Noted the update on implementation of the governance recommendations arising from the independent review conducted in late 2019; and
- g) Accepted the new Undertakings in the Register of Undertakings given under the Deed of Indemnity.

Audit Finance and Risk Committee Report

Directors noted the:

- i. Committee's update on Long-term Financial Model;
- ii. Committee's update on the MPS Budget and Risks and APPROVED the MPS Budget endorsed by the AFRC;
- iii. Budget Process for FY21;
- iv. Revised Risk Register;
- v. Risk Scattergram;
- vi. Board Risk Review Session Plan;
- vii. Participant Breach Report;
- viii. Committee's update on Independent Governance Recommendations;
- ix. Committee's update on the FY20 Audit Service Plan; and
- x. Report from the Audit Risk and Finance Committee.

People and Culture Committee Report

Directors:

- i. Approved the proposed Board Committee memberships;
- ii. Noted the action items and recommendations of the Committee in relation to the 2019 Board Effectiveness Review and Skills Assessment;
- iii. Endorsed the proposed approach to delay the 2020 Board Effectiveness Review and Skills Assessment further and remain an open item to be re-visited once COVID-19 restrictions have been lifted.
- iv. Noted the update on the CEO's performance review.

Next meeting to be held on 7 May 2020.