



CEO Report – September 2020

Directors noted the key areas of focus, including:

- Observations from the interim report of Select Committee on Financial Technology and Regulatory Technology
- Findings of PayID research recently commissioned by NPPA
- Formation of Superannuation Working Group intended to bring together interested stakeholders to extend discussions on how the NPP could be utilised for superannuation payments
- COVID-19 impacts and working from home arrangements.

Board Discussion – [redacted] Update

The details of this item have been redacted.

PayID Usage and Attitudes: Presentation

Market research firm, Snapcracker, presented the key findings of the PayID research recently commissioned by NPPA. Directors noted that management will develop a draft action-plan based on the recommendations of the research to bring back to the Board at a subsequent meeting.

Reach and Resilience

Operational Update

Directors noted the key areas of progress and activities as set out in the Operational Report. This included:

- *Incident Management Framework* - NPPA will engage with IRG members together with Operations Managers to gather to NPPA on the review of the IMF.
- *Incidents and notified changes* – network (not related to specifically to NPP componentry) related incidents are still being reported as the majority cause of all outages.
- *Availability and Resilience Monitoring and Measurement* – From December 2020 planned changes to Notifiable Components exceeding acceptable timeframes will be subject to the MCR enforcement regime.

Capability Development

Mandated Payments Service (MPS)

Directors noted the detailed summary of the MPS External Assurance Report provided by the external assessor.

Capability development roadmap

Directors noted feedback from discussions at the Operating Committee, Participant bilateral discussions and impact assessments in relation to the NPP Capability Roadmap.

IFTI Business Service – MCR Approval

Directors approved:

- (a) the designation of the prospective requirements enacted by the amendments to NPP Regulation 3.5(a)(iii) and to clause 23.1 of the NPP Procedures (relating to the mandatory receipt of international payments via the NPP) as Mandatory Compliance Requirements with an Effective Compliance Date of 30 April 2023; and
- (b) the designation Regulation 6.1(b)(vi) (the prohibition on use of the NPP for international payments without including identifiers and mandatory data elements) as a Mandatory Compliance Requirement with an Effective Compliance Date of 30 September 2020.

ISO20022 standards release – 2020 NPP message version adoption

Directors noted the proposal to migrate MPP messaging version to the standards release 2020 version of ISO20022 messages by December 2023, as endorsed by the Operating Committee in August 2020.



October 2020 Roadmap outline

Directors noted the proposed outline and key messaging for the roadmap to be published in October 2020. It was also noted that there is significant consensus among Participants that there should be a focus on international payments and ISO20022 version upgrade given the level of effort involved and whole-of-industry impacts/benefits and it would be important that the NPPA and the industry continue to demonstrate momentum to the delivery of this capability.

Legal and Governance

Ripple PayID Update

Directors noted the update on the proceedings and interlocutory injunction granted by the Federal Court restraining Ripple from providing payment services to Australia under the brand PayID.

Additional Identifiers in Payment Messages

Directors noted NPPA's ongoing approach to isolated instances of non-compliance with the requirement to include Additional Identifiers in NPP messages.

Notice of Annual General Meeting

Directors approved the draft Notice of Annual General Meeting and Explanatory Statements for issue to members.

Audit Finance and Risk Committee Report

Directors:

- (a) Approved and adopted the financial statements for the 2019-2020 financial year;
- (b) Authorised the signing of the financial accounts for 2019-2020;
- (c) Noted the audit findings report from auditor, Grant Thornton;
- (d) Noted Management letter of representation to the auditor;
- (e) Approved the amendments to the Risk Management Policy;
- (f) Noted the final version of the FY20 Operational Risk Report;
- (g) Noted the revised Risk Register;
- (h) Noted the update on proposed statement of compliance with CPS 234; and
- (i) Noted the MPS Legal Update.

People and Culture Committee Report

Board Committee Charter Review

Directors noted the review of the Board and Committee Charters and approved the amendments to the Strategy Committee Charter.

Representative Director Nominations for Election

Directors confirmed the suitability of the four nominated candidates for the forthcoming election of three Representative Directors.

HR Policies Review

Directors approved:

- (a) amendments to the Work Health and Safety Policy; and
- (b) the Anti-Bribery and Corruption Policy.

Senior Executive Incentive Arrangements

Directors noted the CEO's intended approach regarding senior executive incentive arrangements.

CEO Performance Review

Directors discussed the CEO's draft Full Year Performance Review.

Next meeting to be held on 21 October 2020