

May 2019

New Payments Platform and future capabilities

Stone & Chalk Masterclass

New
Payments
Platform

Adrian Lovney

Chief Executive Officer,
New Payments Platform
Australia

New Payments Platform key capabilities



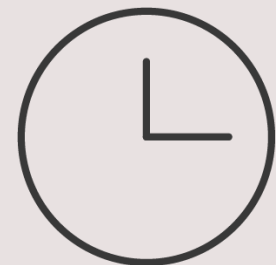
- Real time movement of money, account to account with real time central bank settlement



- Simpler addressing



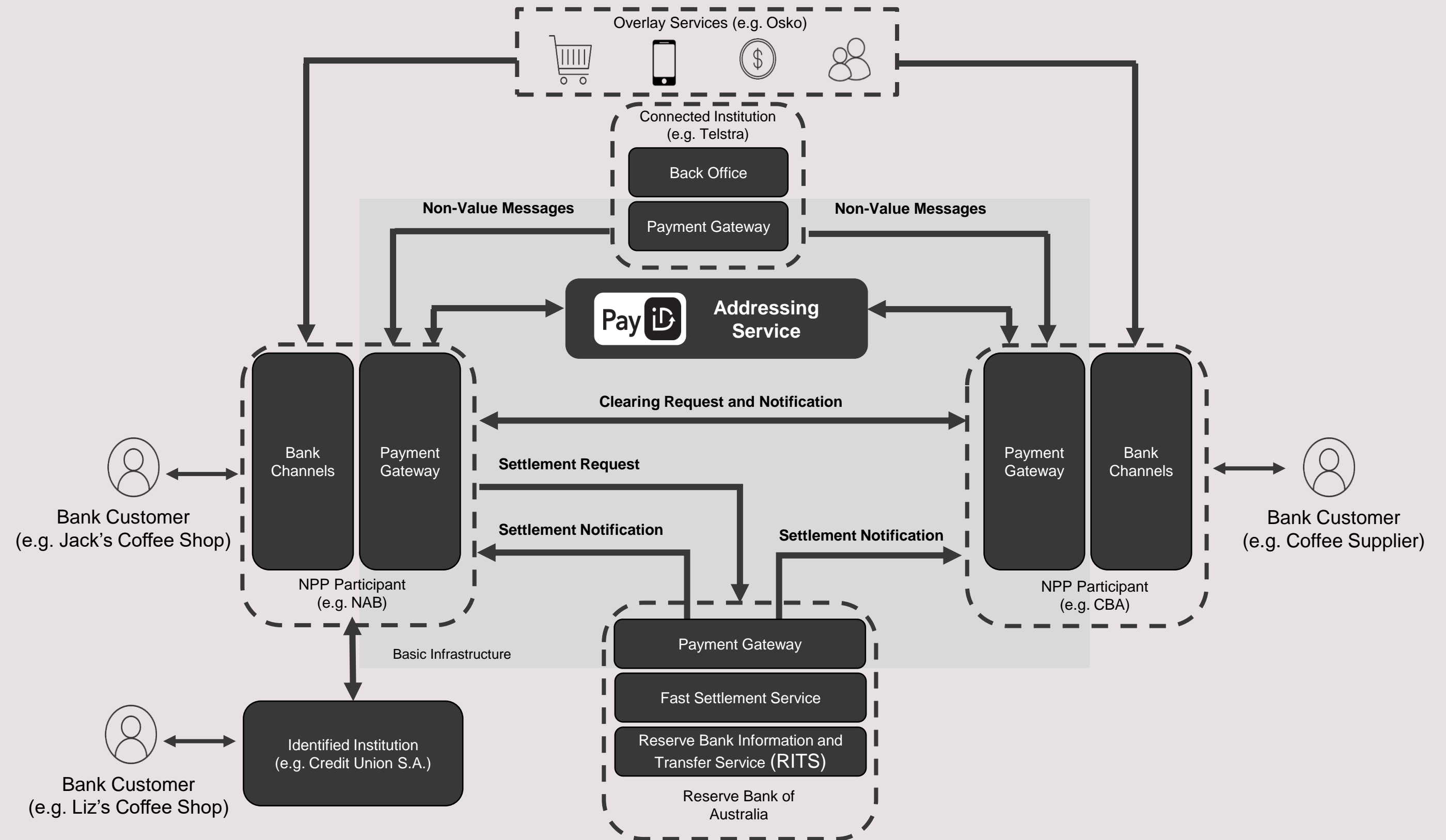
- Data rich capability with ability for data to be carried with the payment



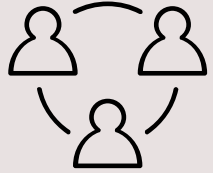



- Always available, 24x7, 365 days

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



<p>75+</p> <p>Participating Financial Institutions</p>	<p>55 million+</p> <p>Accounts can make and receive NPP payments</p>	<p>500,000+</p> <p>Daily NPP transactions</p>
---	---	--

			<p>\$106 Bn+</p> <p>Total cumulative value of NPP payments since launch</p>
<p>2.8 million+</p> <p>Number of registered PayIDs</p>	<p>Pay </p>	<p>New Payments Platform</p>	 <p>\$17 million</p> <p>Largest single transaction across the NPP</p>
			

<p>130 million+</p> <p>Transactions sent across the Platform</p>	<p>Double digit</p> <p>Growth in monthly transaction volumes</p>
---	---

PayID – making payments simple

- Enables payments to be directed using an easy to remember alias (a PayID) linked to an underlying bank account
- Four alias types available
- Access controlled, secure repository of proxies and encrypted account details
- Customers register their PayID and their 'display name' via their financial institution
- Registering financial institution responsible for effective, correct, authenticated registration
- PayIDs can be moved between accounts and financial institutions



Forget about your **BSB**
and **account number**

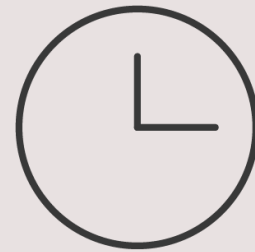
Pay  Simple as.

payid.com.au

ANZ | CommonwealthBank | nab | 200 | W | citi | HSBC | ING | Bendigo Bank | ASL | Cuscal | mdu

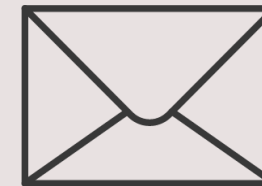
Visit www.payid.com.au for further information

NPP launched with Osko in February 2018



Fast moving money

Money received in less than 1 minute



Flexible addressing

No need to share account details when using PayID



More information

Easier messaging with up to 280 characters, including text and emojis



Confidence in Delivery

PayID name is displayed to confirm the intended recipient



Through your Financial Institution

Osko is in the majority of Financial Institutions' mobile & Internet Banking platforms

Who's involved?

75+ organisations



Simple Use Cases

Australian Government's Centrelink deploys NPP for real time emergency payments

- NPP is used by the Australian government to instantly distribute emergency assistance including Disaster Recovery payments following recent floods and bushfires



Carsales first to put goods on NPP

- Online car yard Carsales.com.au became the first non-financial business to use the NPP. Once a car sale is agreed, payment is made to the seller in seconds, 24/7





**NPP –
building
future
capabilities**

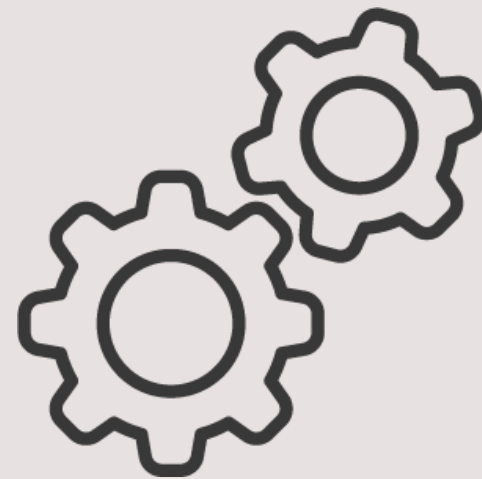
Focus on capability development



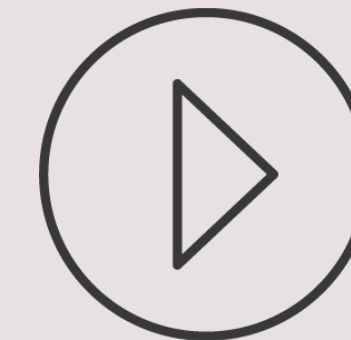
NPP ISO 20022
message standards



QR code
standard



NPP API Framework
and API Sandbox

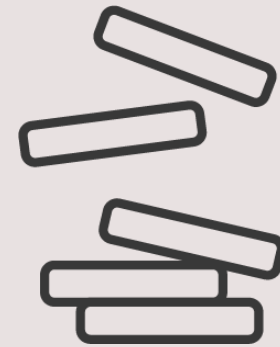


Payment initiation
messages

NPP ISO 20022 messages



Superannuation



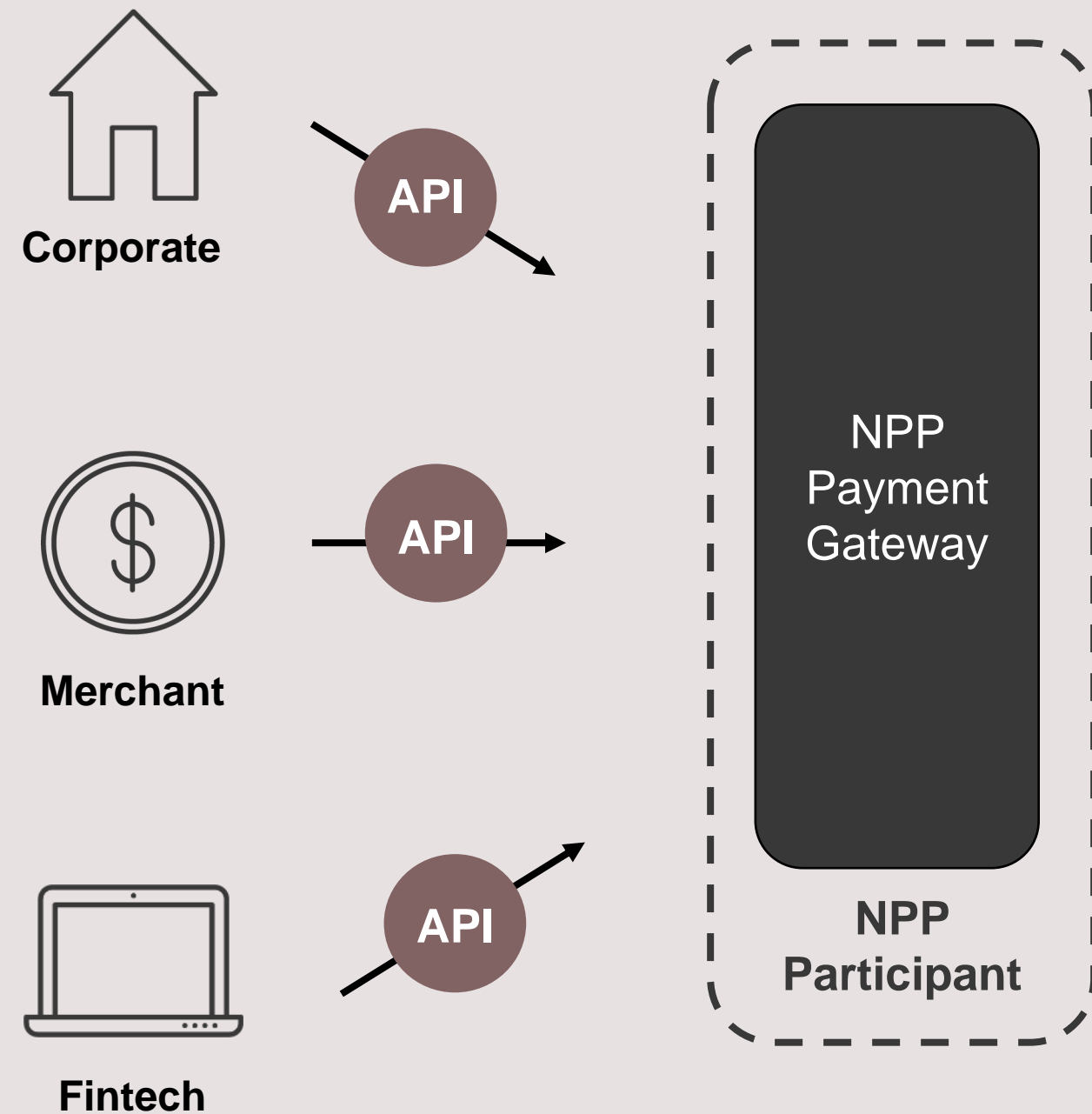
PAYG Tax



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
- API Framework and API Sandbox to align with standards once published
- Future work will focus on invoicing and insurance

Role of APIs critical to expanding use

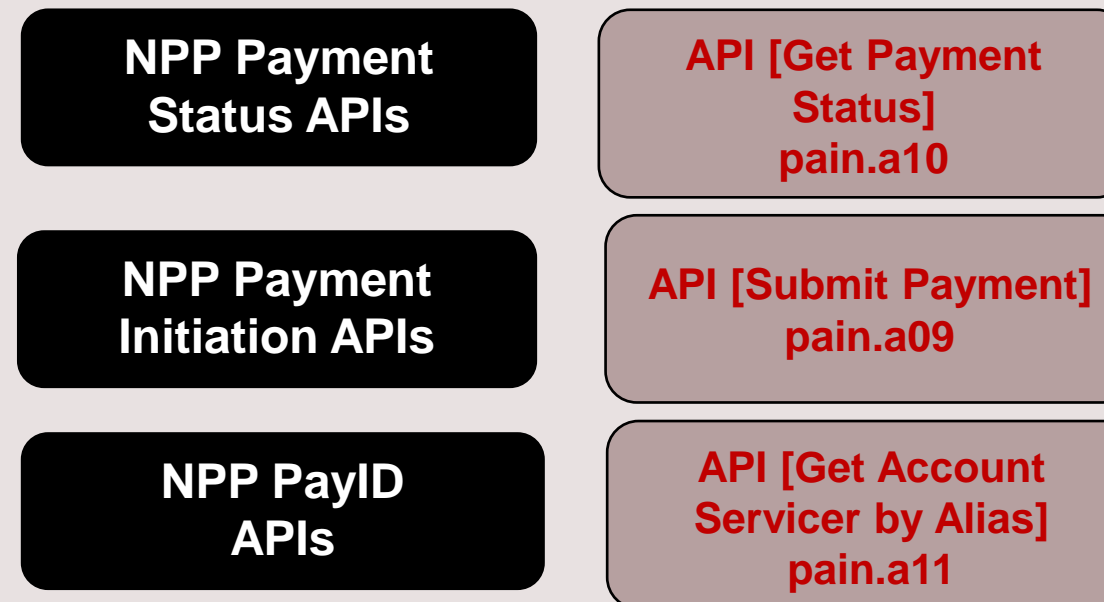


- APIs will play a critical role in helping to expand the ecosystem to third parties and enabling them to interact with the platform
- Focused on standardisation and interoperability with the launch of the NPP API Framework
- APIs made available by NPP Participants

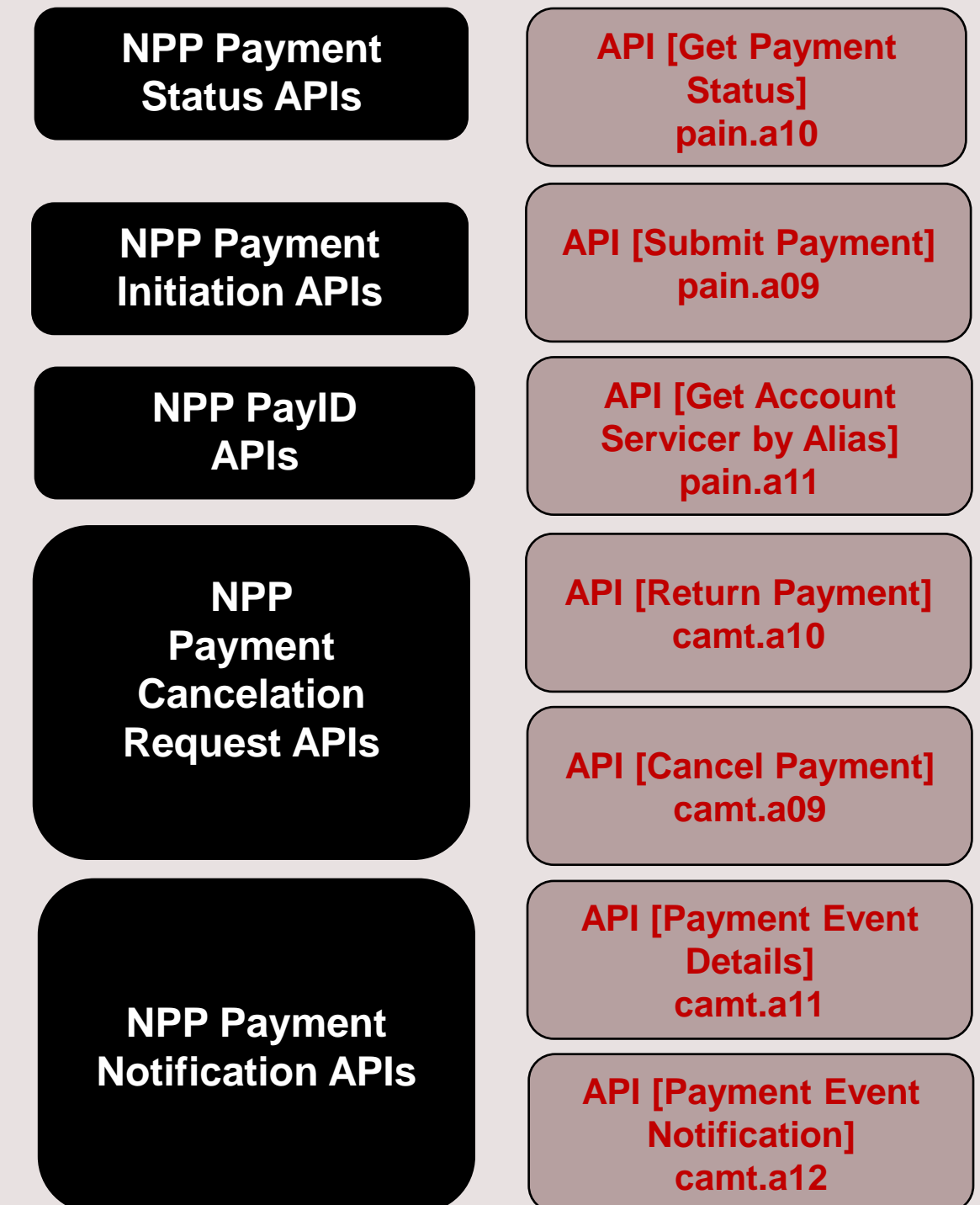
NPP API Framework

- Defines the key technical approach and mandatory data attributes for NPP APIs
- Data attributes aligned to ISO 20022 standards
- Open and published API Framework and specifications, owned and managed by NPP Australia
- APIs developed by NPP Participants and other parties
- Future version to include message standard elements

Version 1.0 Published Sept 2018

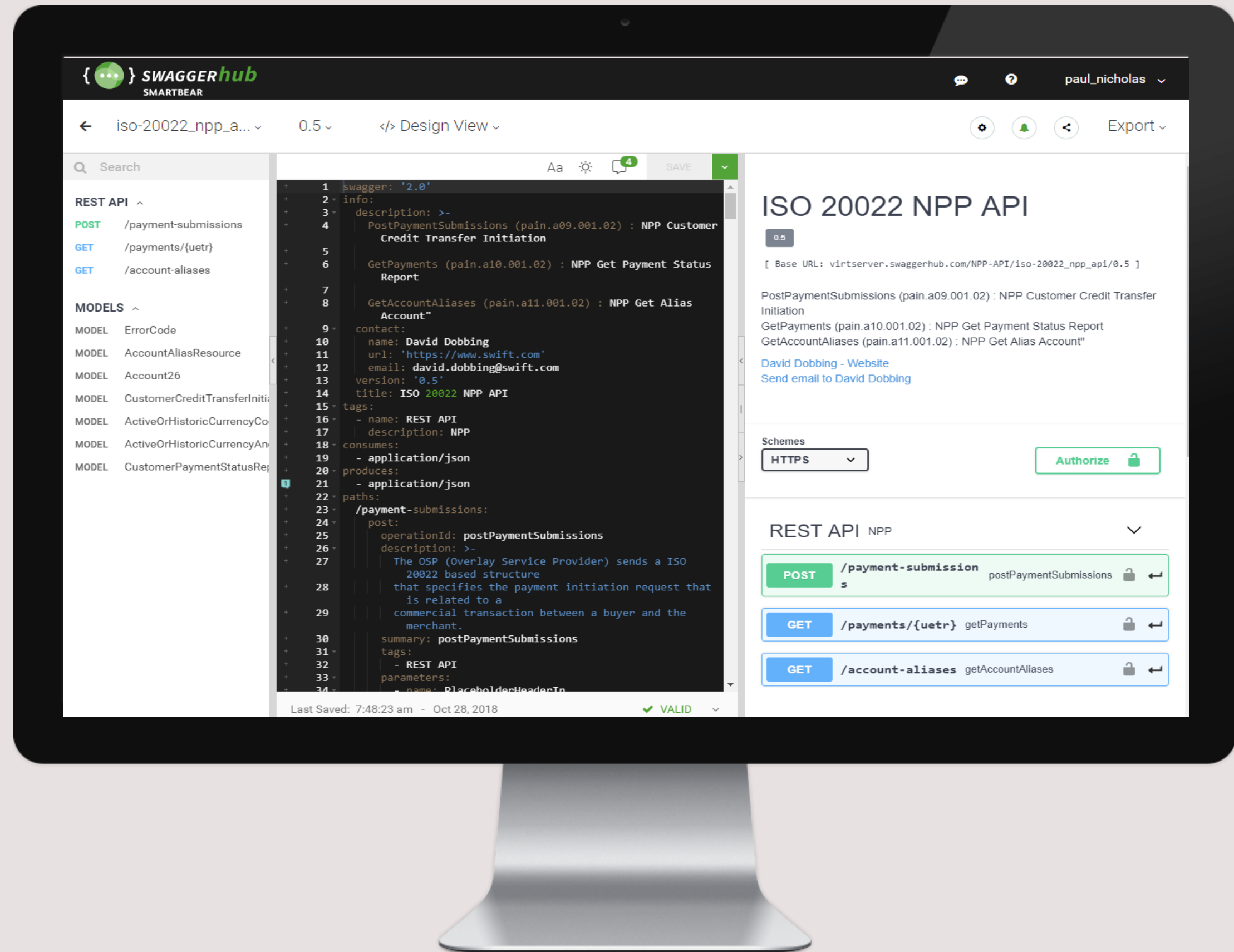


Version 2.0 Being published May 2019



NPP API Sandbox

- Launched in December 2018
- Enables third parties to learn more about the NPP and test different scenarios
- Secure, cloud based facility
- Will continue to evolve over time with expansion of the API framework



QR Code Standards

NPP Australia are developing a QR code standard for NPP payments:



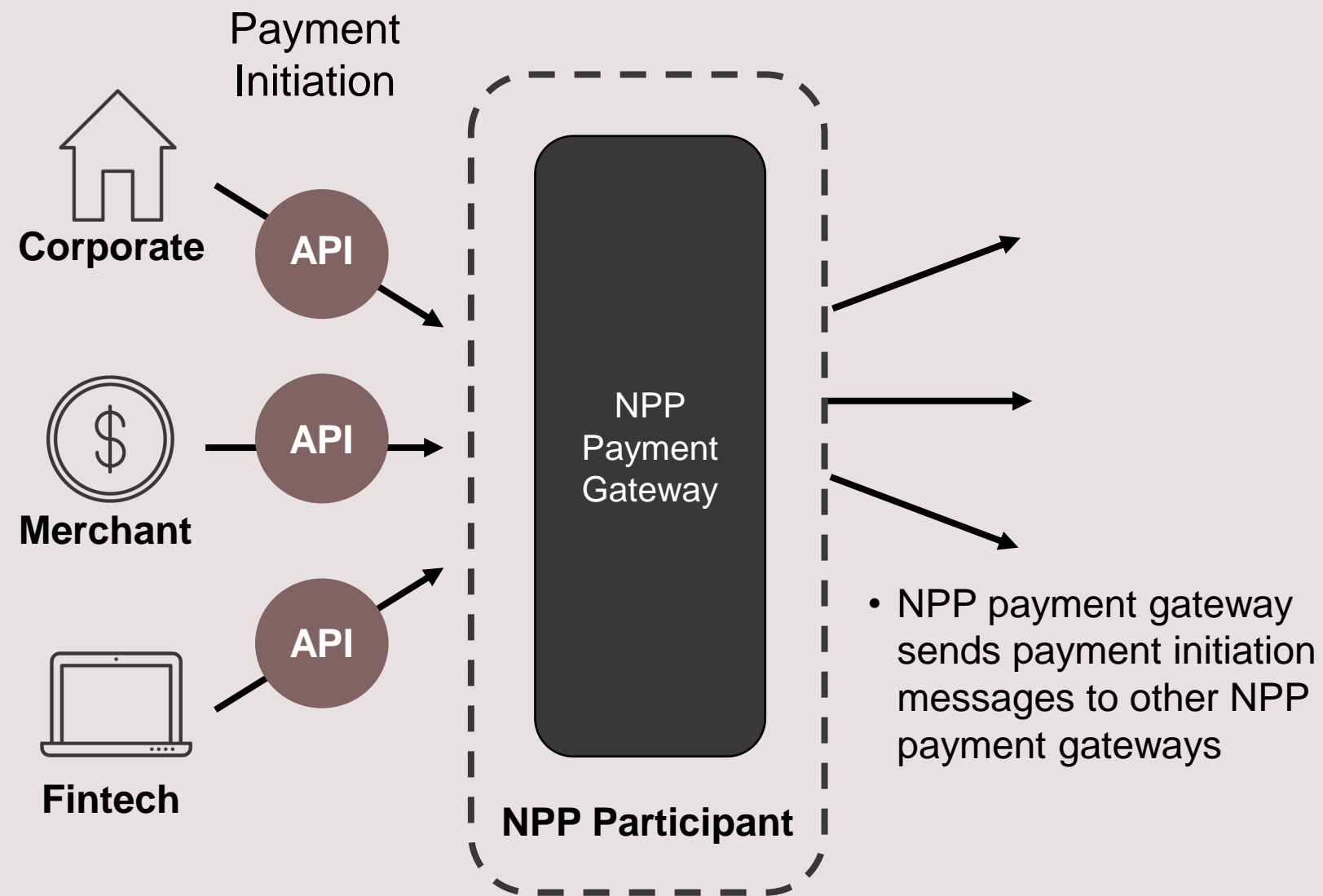
- Based on EMVCo QR Code specifications
- Defines mandatory elements required to ensure consistency of NPP payment
- For static and dynamic QR codes
- Intended to be able to be used for bill payment, invoices, e-commerce and at a later stage, POS terminals
- Due to be published later on this month

Initiating payments on the NPP

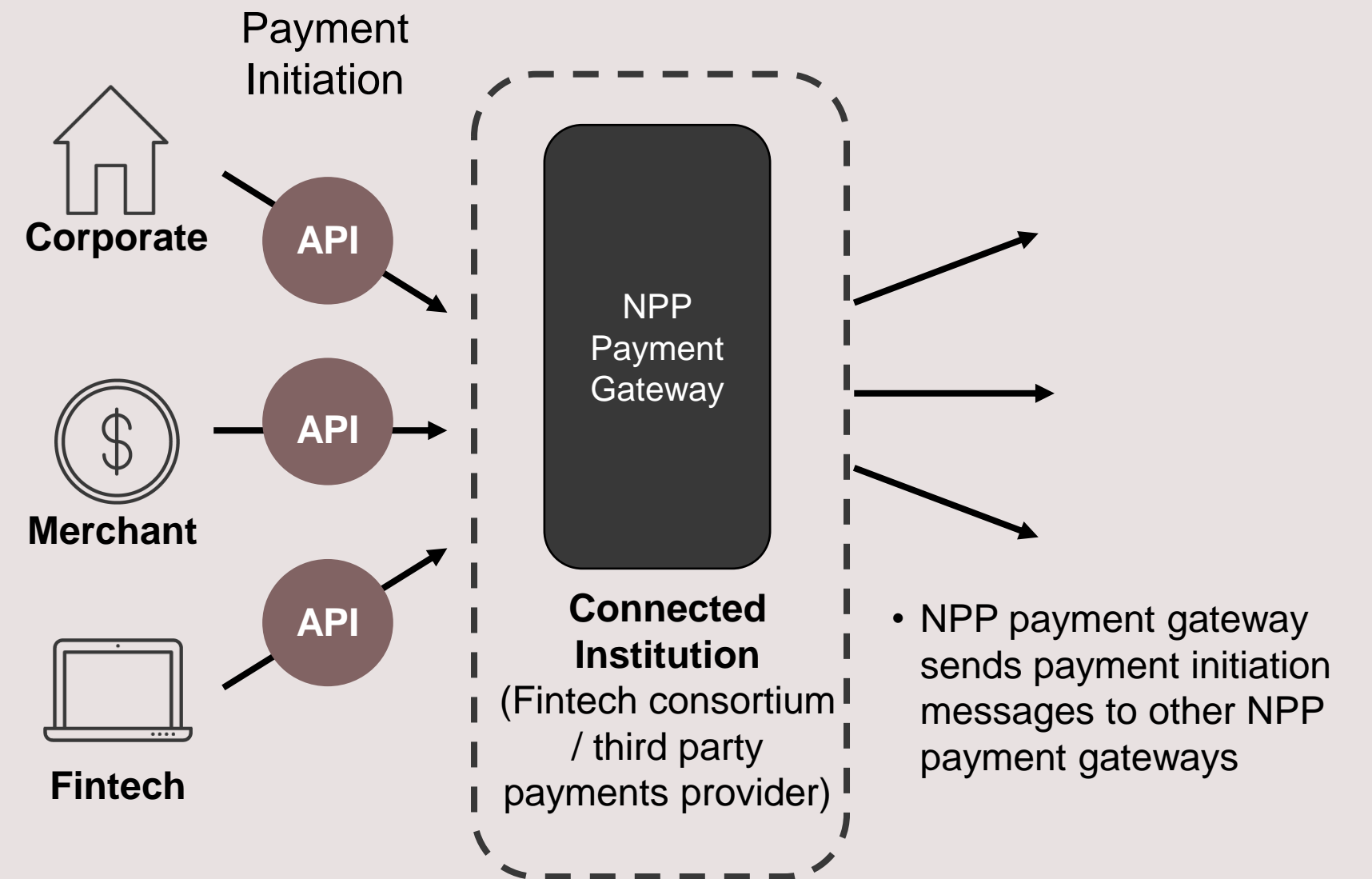


- A non-value message seeking initiation of a payment message
- Can be initiated by third parties
- Requires **authorisation** by the account holder prior to clearing message creation by NPP Participants, which could be via the debtor for each transaction, or perhaps via a centralised mandate database
- NPPAL is planning the development of native payment initiation capabilities to support a broad range of use cases

Options for initiating payments on the NPP



- Third parties submit payment initiation messages via API's to an NPP Participant

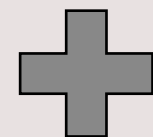


- Third parties submit payment initiation messages via API's to an NPP Connected Institution

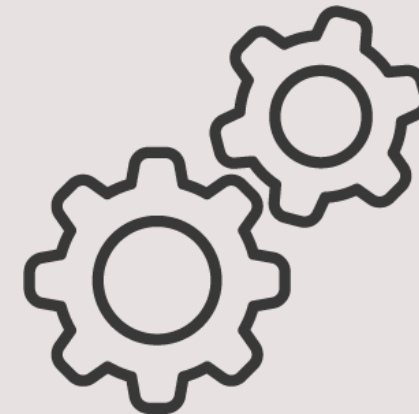
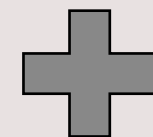
NPP capabilities in an era of Open Banking



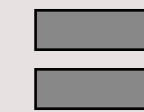
Payment initiation messages



Graduated access regime with multiple access options

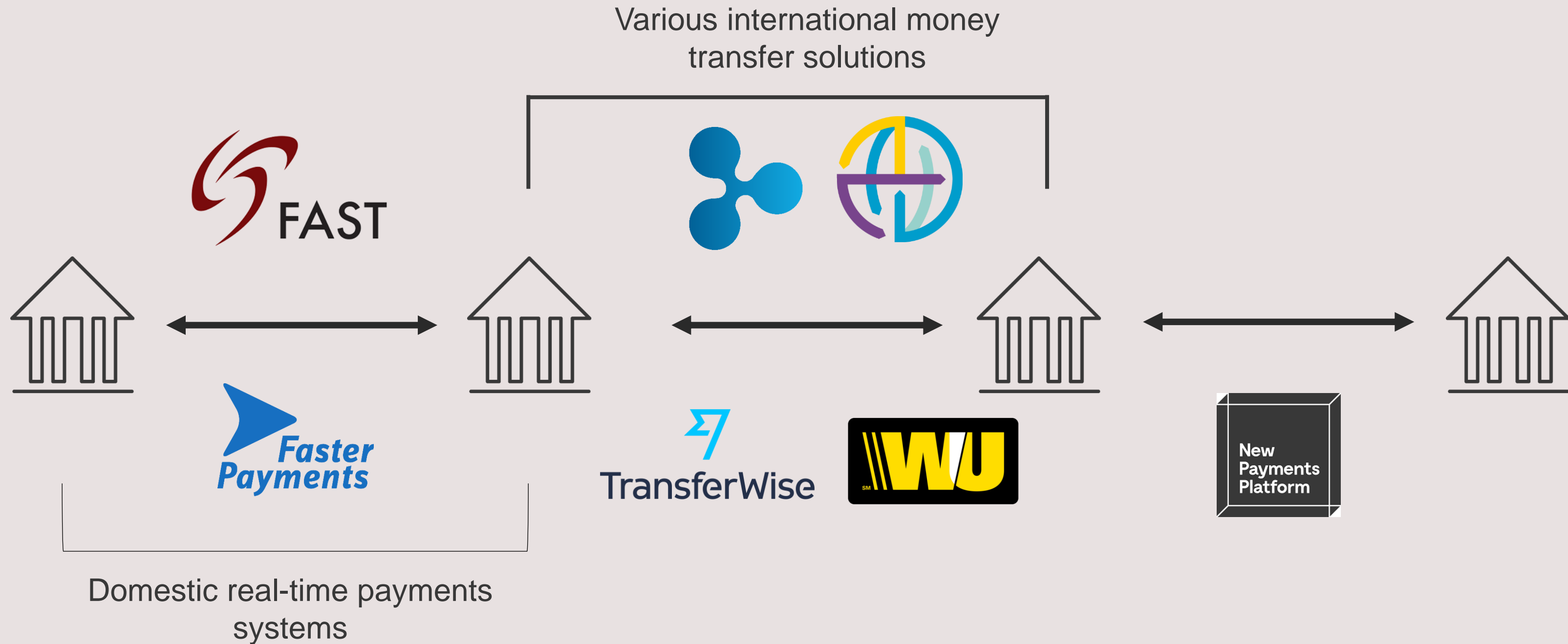


API Framework to drive standardisation



Payment messages initiated by third parties with account holder's explicit authorisation

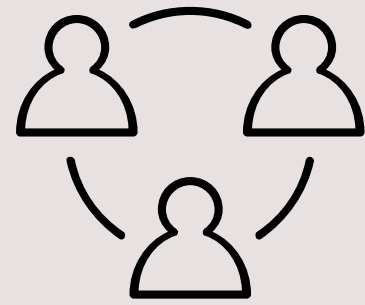
Real-time payment markets going global



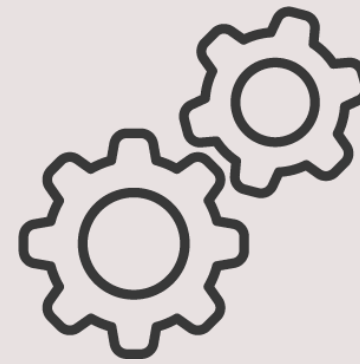
We will continue to see various international money transfer solutions interacting with domestic real-time payment systems to enable real-time cross-border payments

NPP vision

World class payments infrastructure to enable commerce and the Australian digital economy



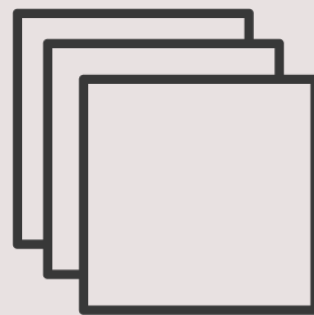
Achieve ubiquitous **reach** with ever transaction bank account in Australia able to make and receive NPP payments



Deliver **capability** that supports innovation, is reusable and extendable across all payment types from P2P payments through to B2B



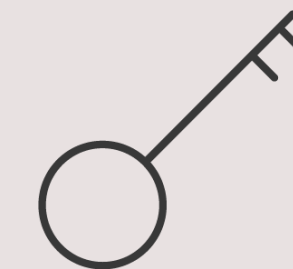
Use **data standards** to support processing and efficiency improvements across the economy, from small businesses to government



Support different payment types (including both credit and debit-like messaging) to maximise volume and utility of platform

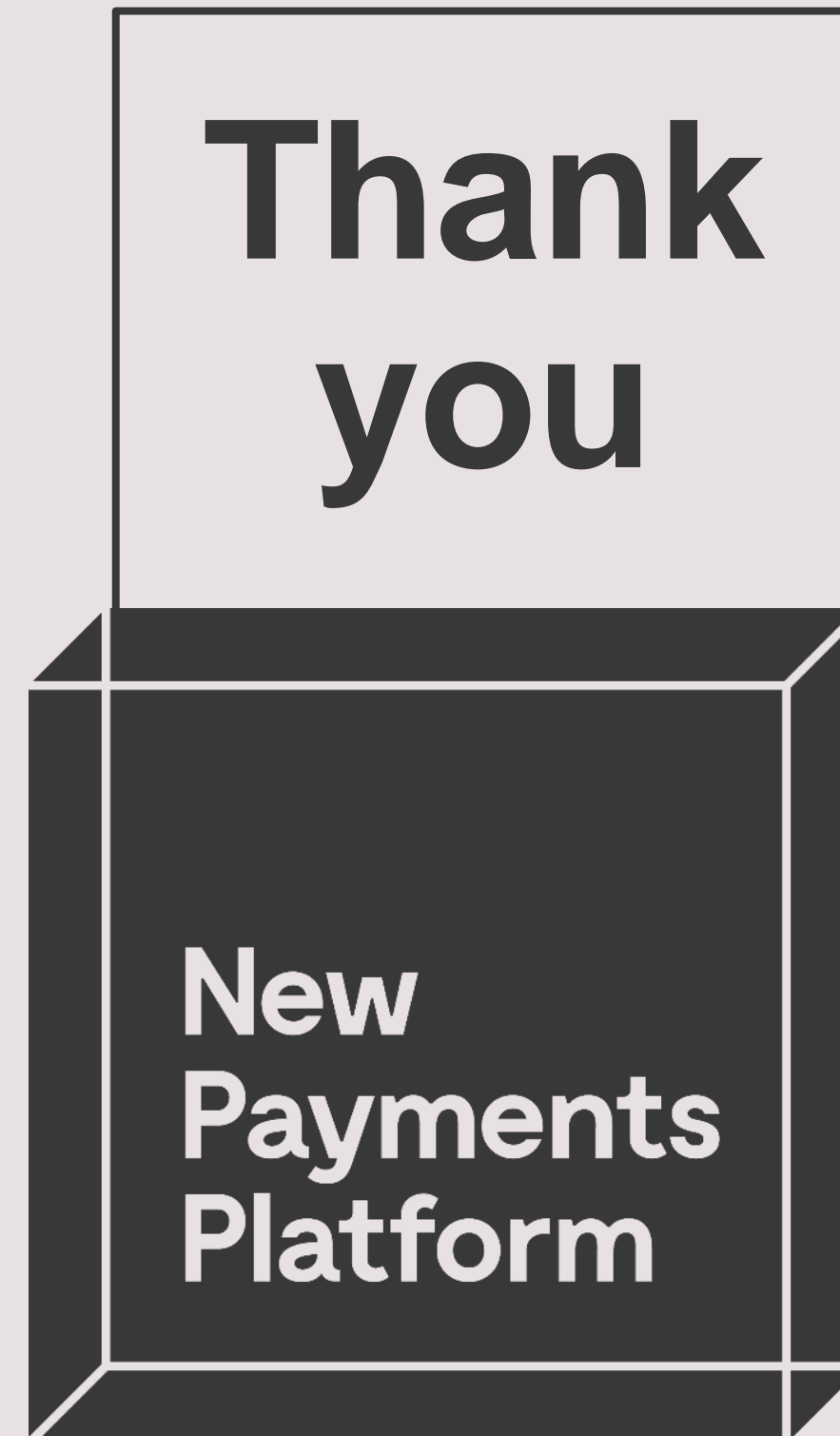


Support the ability for third parties to be able to **initiate payments** in a standardised, consistent and secure way



Provide fair and **open access** to the platform to ensure wide and diverse participation in the NPP

Follow us on LinkedIn for regular updates about the Platform



©2019 NPP Australia Limited (ABN 68 601 428 737)

Disclaimer: This presentation is for general information purposes only. Neither this presentation, nor any information contained in it, shall form the basis of any contract between NPP Australia Limited and any person, nor constitute a commitment by NPP Australia Limited to any person.