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# New Payments Platform

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NEW PAYMENTS PLATFORM  
AUSTRALIA

#RegTech  
#RegTechAus  
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# What is the New Payments Platform?

- World-class payments infrastructure to make fast, versatile and data-rich payments

## Key Features:

-  New infrastructure separate from products
-  Open access platform
-  Built on ISO message schema
-  Confirmation of payee before payment
-  Real-time central bank settlement
-  "Request to Pay" functionality

## Key Benefits:

-  • Real time movement of money, account to account
-  • Simpler addressing
-  • Data rich capability with ability for data to be carried with the payment
-  • Always available, 24x7, 365 days

# Australia's New Payments Platform is world class



## New Payments Platform

## Faster Payment Innovation Index

Under Development

- ✓
- ✓
- ✓
- ✓
- ✓

- Open access
- API interface
- Remittance Information
- Alternative Identifier
- Batch & Individual payments
- Fast Settlement
- Push and Pull Payment capability

Innovation above and beyond simple fast payments

- ✓
- ✓
- ✓

- Universal Access
- ISO standards (20022 or 8583)
- 24x7 Availability

Optional features maximising customer value

- ✓
- ✓
- ✓
- ✓

- Interbank
- Account to Account
- <1min End-to-end
- Irrevocable

Highly desired features enhancing customer value and innovation

Required Features

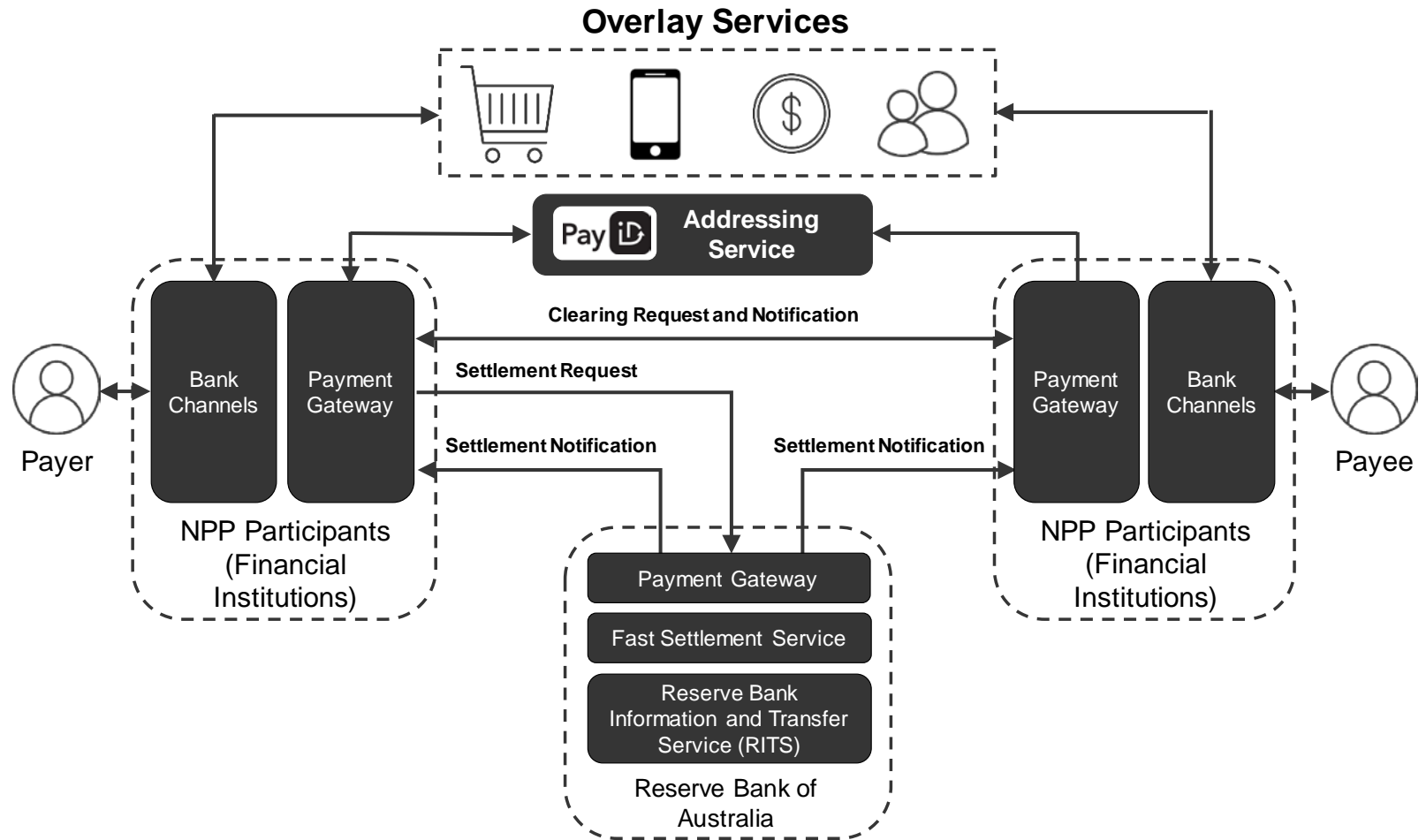
# How does the NPP work?

Distributed architecture via NPP Payment Gateways (PAGs)

Uses ISO 20022, global standard for electronic data interchange

Processing and routing of transactions between the PAGs and the RBA's Fast Settlement Service

Overlay Services sit on top of the Basic Infrastructure offering different customer value propositions



# What is PayID?



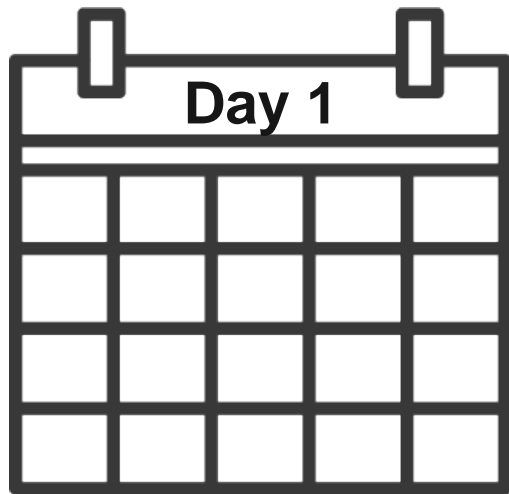
## What is it?

- Addressing service which enables NPP payment direction using an easy to remember alias (a PayID) linked to an underlying bank account
- Access controlled, secure repository of proxies and encrypted account details
- Four alias types at launch – phone, email, ABN and organisation identifier

## How does it work?

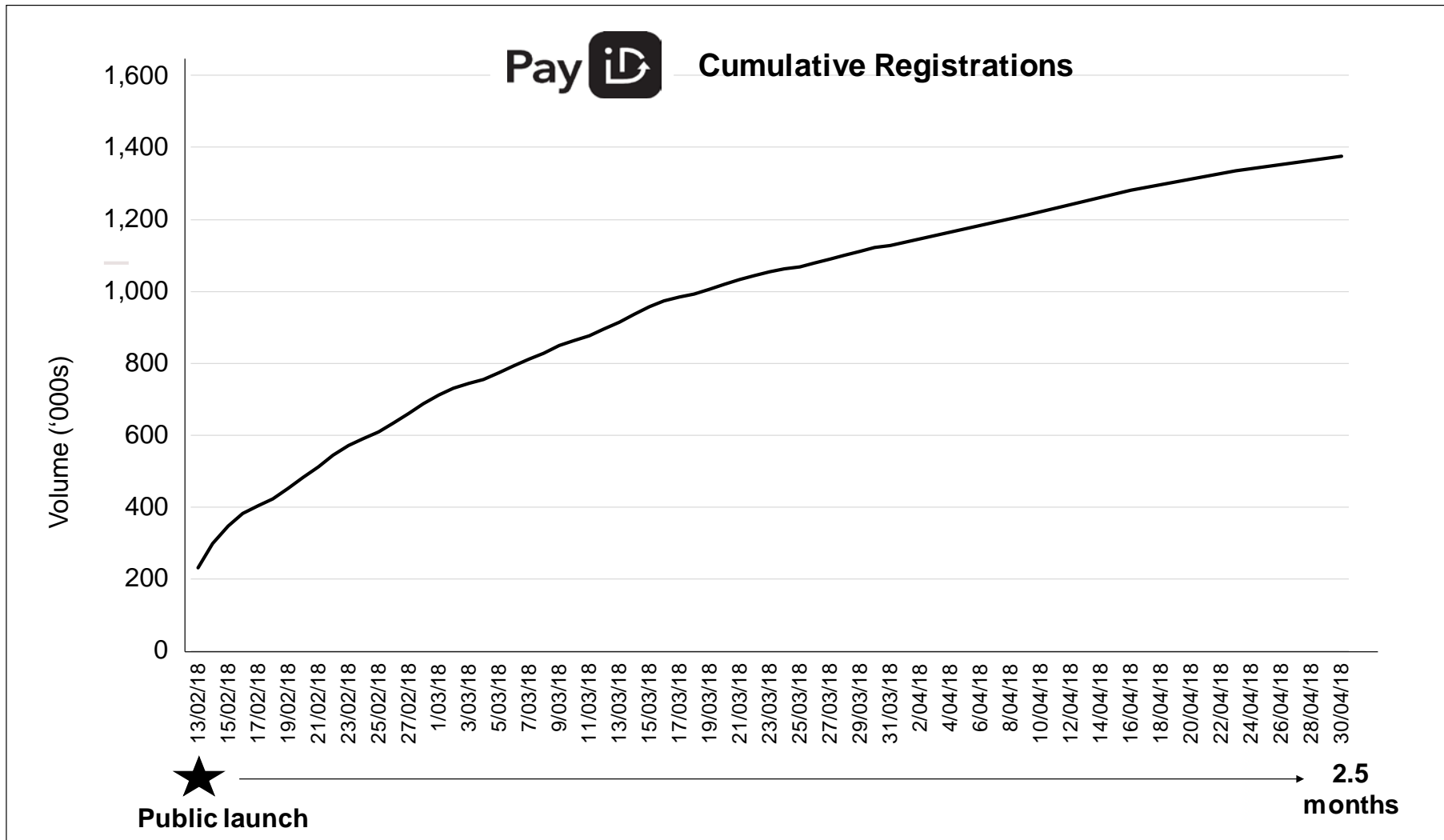
- A customer registers a PayID and their 'display name' in the Addressing Service via their financial institution
- Registering financial institution responsible for effective, correct, authenticated registration
- Payer's financial institution uses recorded data to create clearing message and displays payee name to payer for payment confirmation
- PayIDs can be moved easily between accounts and between financial institutions

# What did the public launch look like?



- ✓ More than 60 participating Financial Institutions (either directly or indirectly)
- ✓ Critical mass in terms of account reach, with an initial focus on retail customer accounts
- ✓ PayID available for registration by customers
- ✓ Osko product launched
- ✓ Financial institutions' proprietary product and service offerings rolled out to consumer and business customers

# PayID registrations





# First Overlay Service - Osko



## Day 1



### Quicker moving money

*Money received in less than 1 minute*



### Flexible addressing

*No need to share account details when using PayID*



### More information

*More explanation with up to 280 characters*



### Confidence in Delivery

*PayID Name is displayed to confirm the intended recipient and customer can receive immediate confirmation*



### Through your Financial Institution

*Osko will be in the majority of Financial Institutions' mobile & Internet Banking platforms*

## Day 2



### More information

*Payment with a document or link to externally hosted documents*

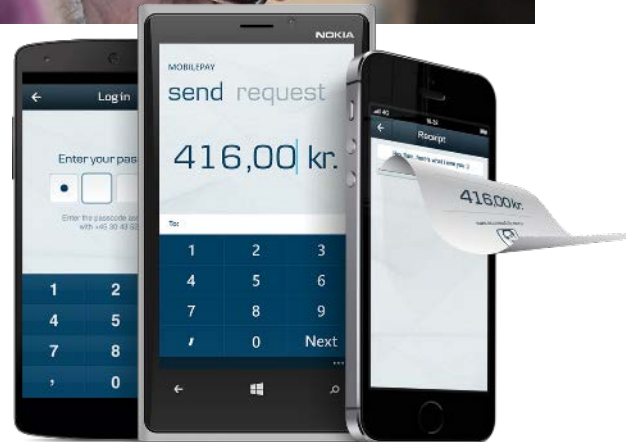
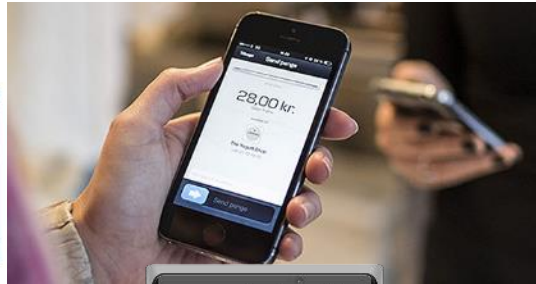


### Make a request to be paid

*Simple requests with up to 280 characters using PayID. Easily track and reconcile which payment requests have been paid in part or in full*

# Beyond P2P – MobilePay Case Study

## Typical Faster Payments Product Evolution



## MobilePay Product Offerings

- P2P payments
- Online and AppSwitch (payments within apps)
- Point of Sale (POS terminal integration and mobile POS)
- Invoicing
- Payouts (B2C payments)
- Subscriptions (recurring payments)

## Key Facts About MobilePay

- Over 3.6 million users
- 55,000+ stores receive payment via MobilePay
- Online payments in more than 7,000 Danish online stores
- More than 214 million transactions per annum

# I want to...

1. Receive payments via the NPP

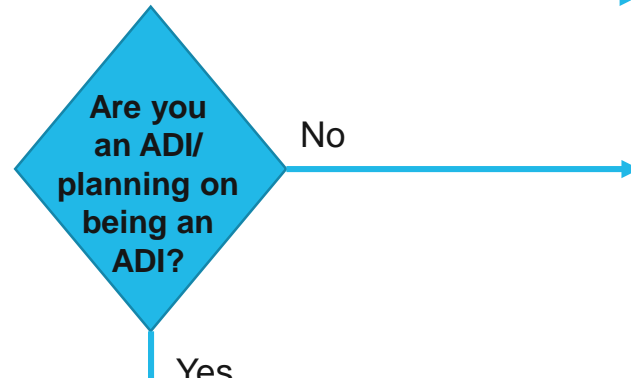
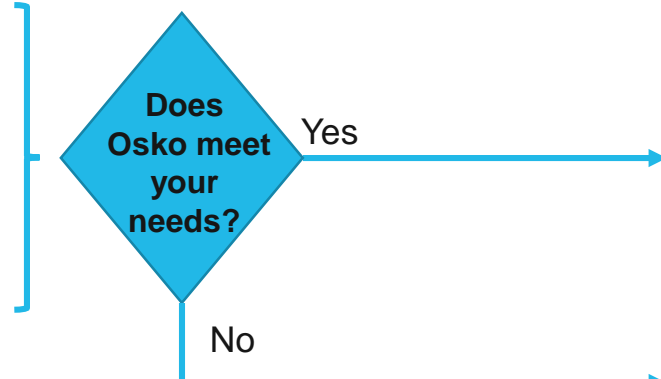
2. Make payments via the NPP

3. Send data with a payment

4. Provide a different customer experience to what is there currently

5. Provide access to others and/or submit payment initiation messages

6. Provide payment services to my customers



## Suggested access option

User of the platform (using PayID or BSB / account details to receive payments)

User of the platform

Overlay Service Provider

Connected Institution

NPP Participant if want to be able to clear and settle on own behalf and provide access (significant technical effort)

Identified Institution if prefer to have directly connected Participant settle on your behalf ("light" touch)

# What is an Overlay Service?



Overlay Service Provider defines the message set and data content to be used and how the message flows will work



Service is offered to Participants and their customers



Once approved by NPPA, overlay service will be added to a closed user group with those Participants who choose to subscribe to the service



Overlay Service Provider manages ongoing governance and membership of service



Can be connected or non-connected to the Basic Infrastructure

# Possible Future Overlay Services (Products)



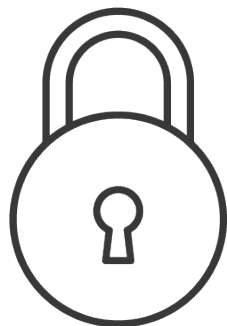
## E-Invoicing

- Combine complex structured data with payment
- Solutions could range from simple, mobile based solution to more complex ones using accounting software or ERP systems



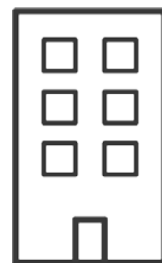
## Stock Markets

- Faster payment of dividend payments, 24x7
- Streamlined and efficient corporate actions with electronic data capture, request for payment and no batch cut-off times



## Compliance

- Deployment of new technology and capabilities to enhance and supplement current compliance processes
- Could be in areas such as KYC, AML and cybersecurity

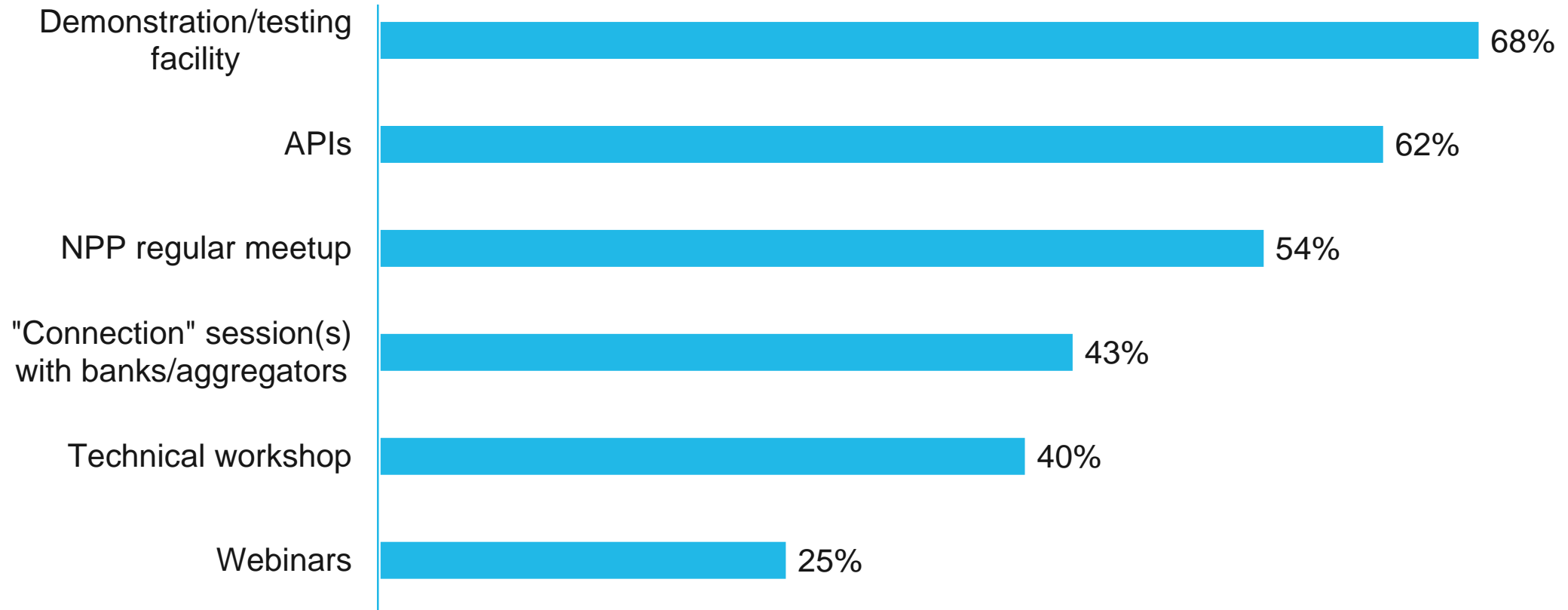


## Payroll

- Specific payroll product could incorporate data fields explicitly tailored to the industry's needs
- Payroll payments could be made real-time, 24x7 together with disbursements for tax or superannuation

# Fintechs & New Payments Platform Australia

What Fintechs tell us they are looking for



Source: NPPA Survey of fintechs – Sydney Start up Hub, Stone & Chalk and York Butter Factory Ventures, March 2018

# Introducing #COLLABNPP

- Collaboration between NPP Australia and RegTech to explore the potential for compliance related overlay services
- Structured market engagement over a three month period
- Will enable interested RegTech organisations to learn more about the NPP and engage with some of the NPP participating financial institutions

## Use Case #1 - AML and Sanctions Screening

The monitoring and screening of domestic electronic account to account transaction (retail payments) is critical area of compliance activity and focus. Screening mechanisms in a real-time environment require smarter monitoring screening, reporting and systems.

## Use Case #2 – Fraud and Scams

The very nature of fraud and scams means there will always be a need to refine, adapt and advance tools and capabilities to identify and respond to fraud and scams. This is particularly the case in a real-time environment.

# #COLLABNPP – key dates

- Register your interest By 11<sup>th</sup> May
- NPP Technical workshop Week commencing 21 May
- Q&A call Week commencing 4 June
- Submit your proposal By Friday 22 June
- Pitch your proposal Early July





For more information,  
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