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# What does the New Payments Platform mean for Managed Funds?

Calastone Connect Forum

**New  
Payments  
Platform**

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Platform Australia Limited

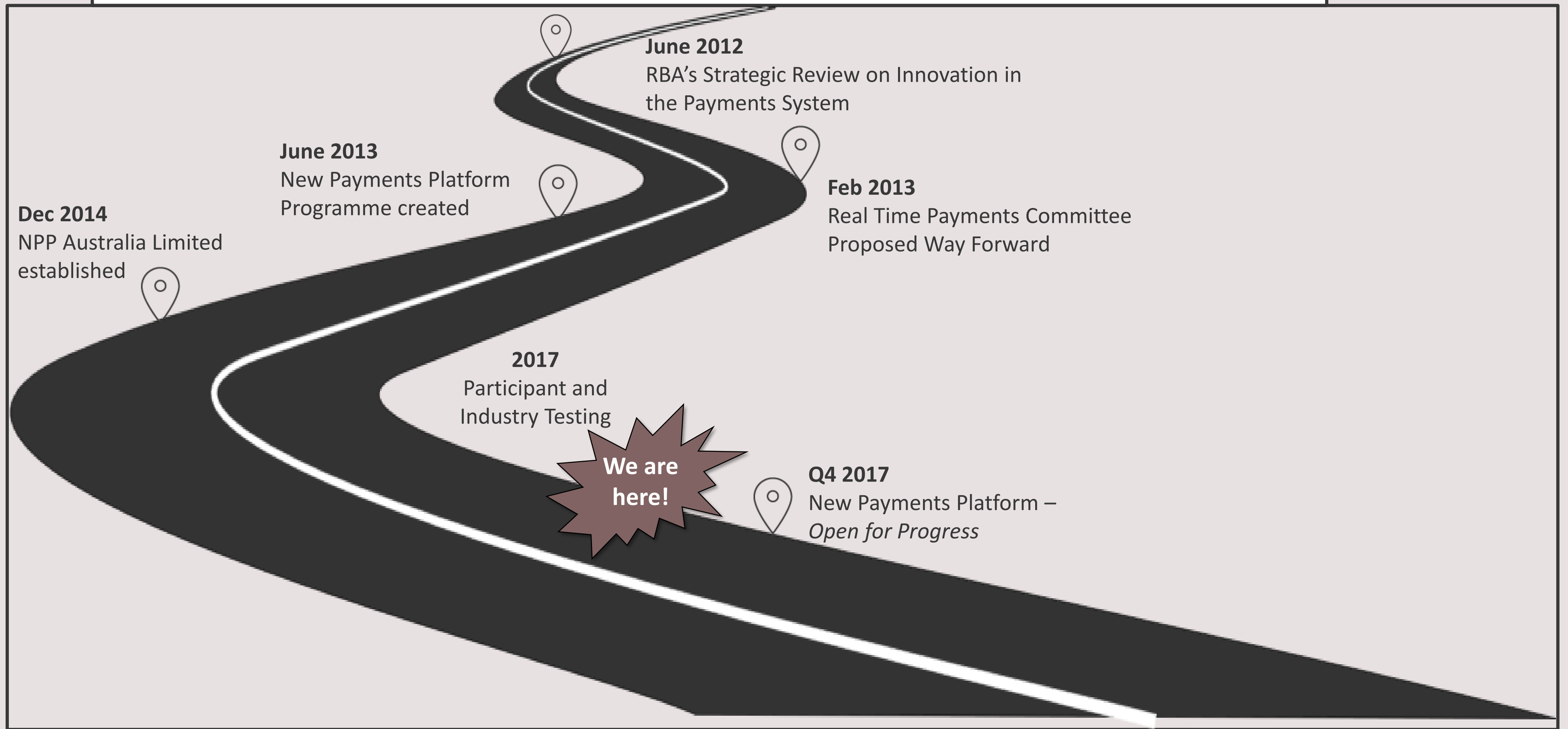
# What is the New Payments Platform?

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

## Key Attributes of the New Payments Platform:

- ✓ New infrastructure separate from products
- ✓ Open access platform
- ✓ Data rich payments via ISO20022
- ✓ Confirmation of payee before payment
- ✓ Real-time central bank settlement
- ✓ PayID Addressing Service
- ✓ “Request to Pay” functionality

# Where are we in the journey?



# Benefits of the New Payments Platform

## Speed & Availability

- Faster funds availability
- 24/7/365 real-time gross settlement with no “cut-off” times
- Account to account payment

## Smart Addressing

- Customers can use simple, easy to remember addresses to direct payments using the PayID Addressing Service

## Richer Payment Information

- More information with a payment
- Information can be embedded into payment messages or links to externally hosted documents

## Workflow Optionality

- Myriad different events or triggers
- Can be 1:many or many:1

# More than Real-time Payments – Data capability



## Value

- Funds settled in real-time

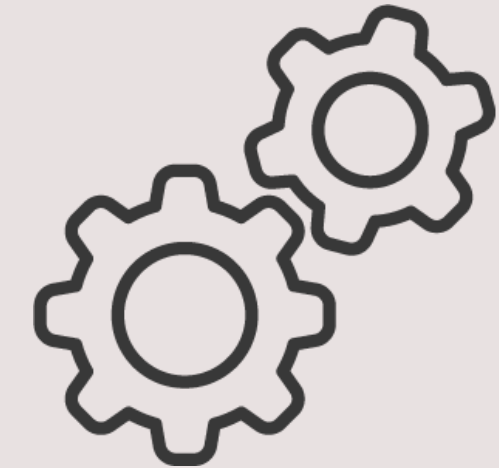


## Information

- Information rich capability
- Incorporation into business processes
- Structured or unstructured
- Link to a document or url link

## Message foundation: ISO 20022 Schema

- Universal industry message scheme:
  - XML based
  - Payment message standards



- Enables ease of back office integration
- Promotes automation and straight through processing for business transactions

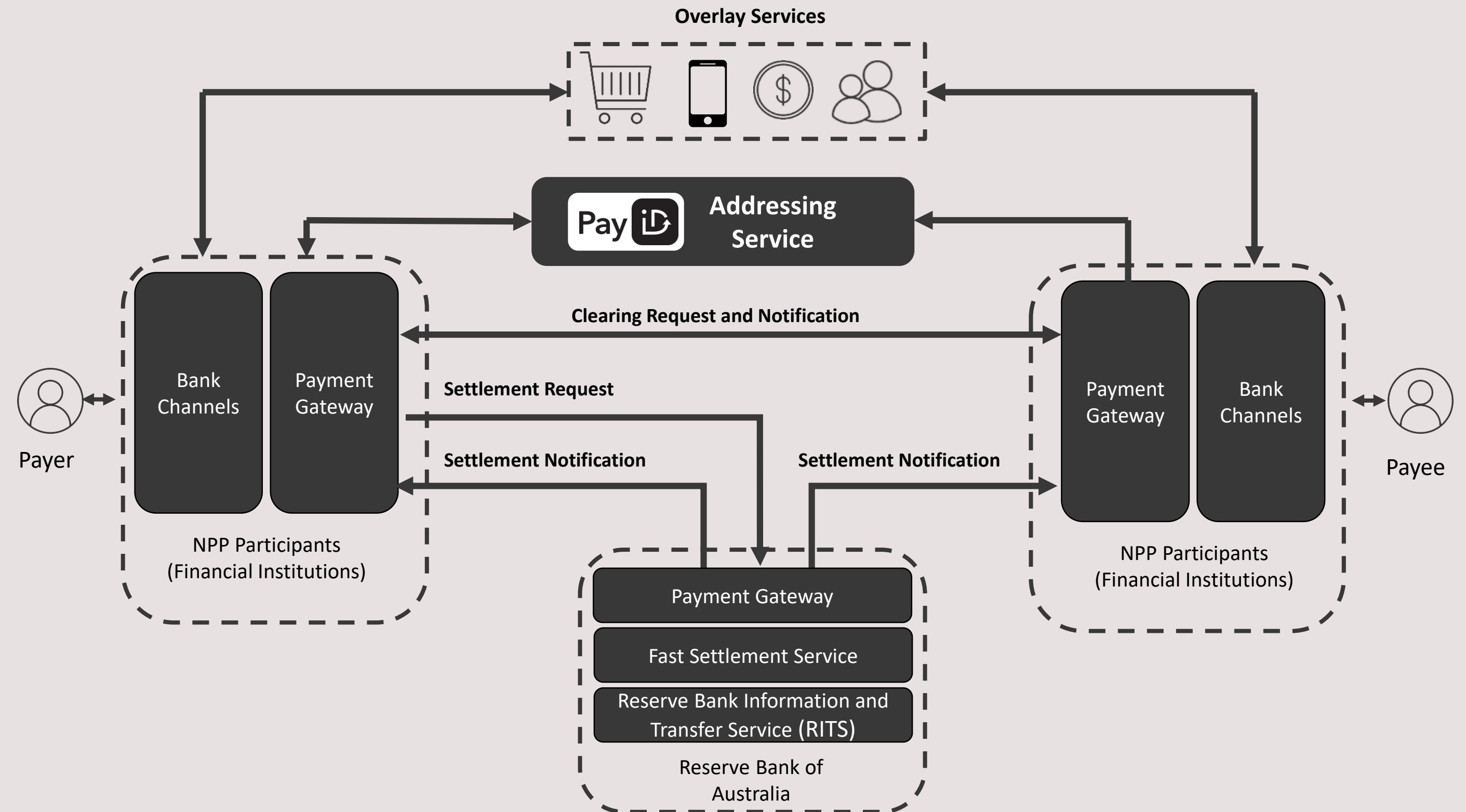
# How does the NPP work?

The NPP uses ISO 20022, the global standard for electronic data interchange between financial institutions.

Connection to the NPP is via Payment Gateways (PAGs).

NPP PAGs are configured to support processing and routing of transactions between the PAGs and the RBA's Fast Settlement Service.

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



# Potential Use Cases for the New Payments Platform



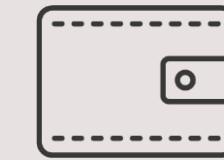
**P2P**

- Real time payments using smart addressing



**P2B**

- Micro-businesses
- SMEs for delivery of products/ services
- E-commerce



**P2G**

- Payment of taxes and fines



**B2P**

- Instant payment to cover insured damages
- Superannuation contributions
- Single touch payroll



**B2B**

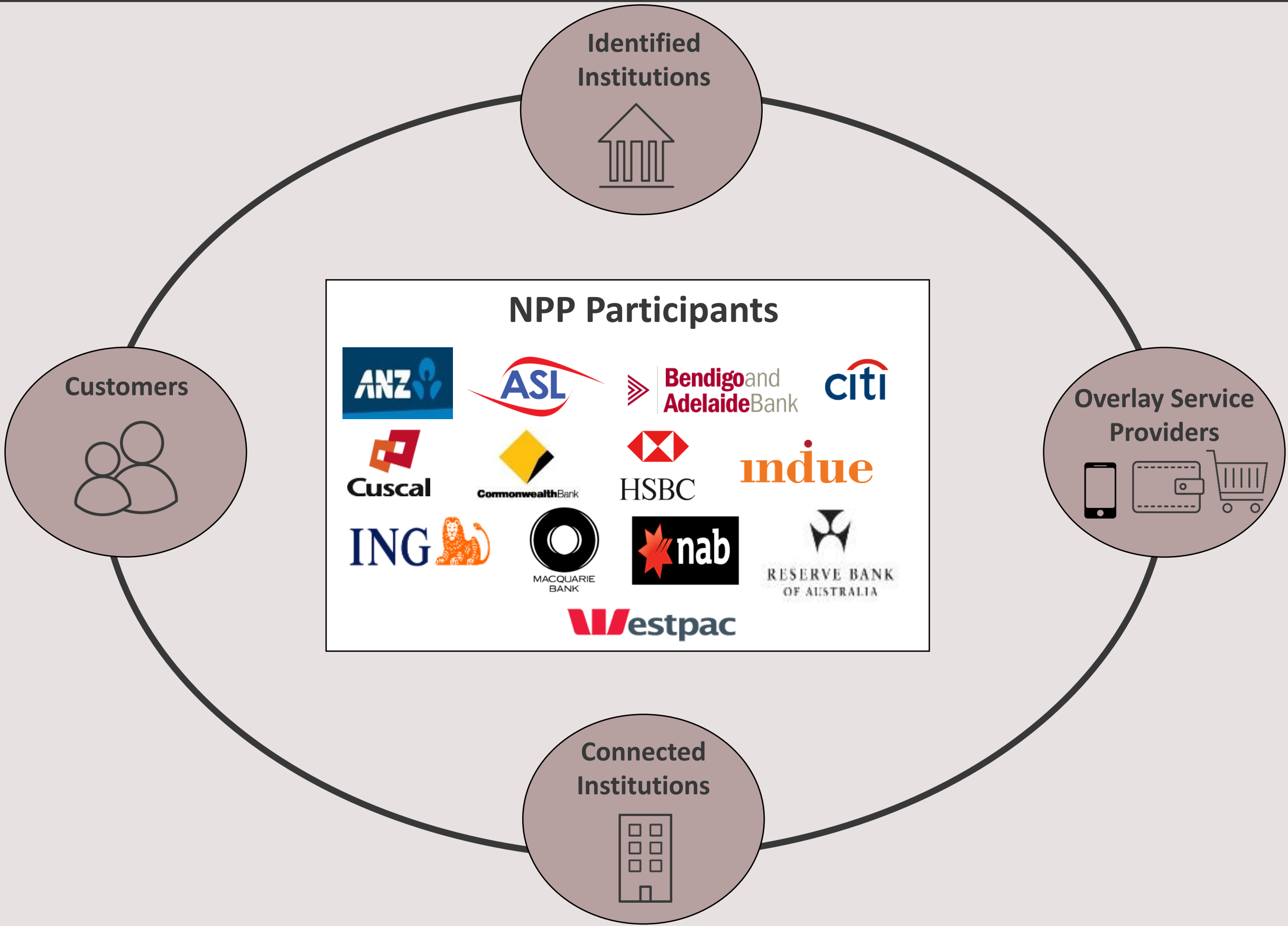
- Transport with delivery of goods versus payment
- E-invoicing



**G2P**

- Emergency disaster payments
- Welfare benefits

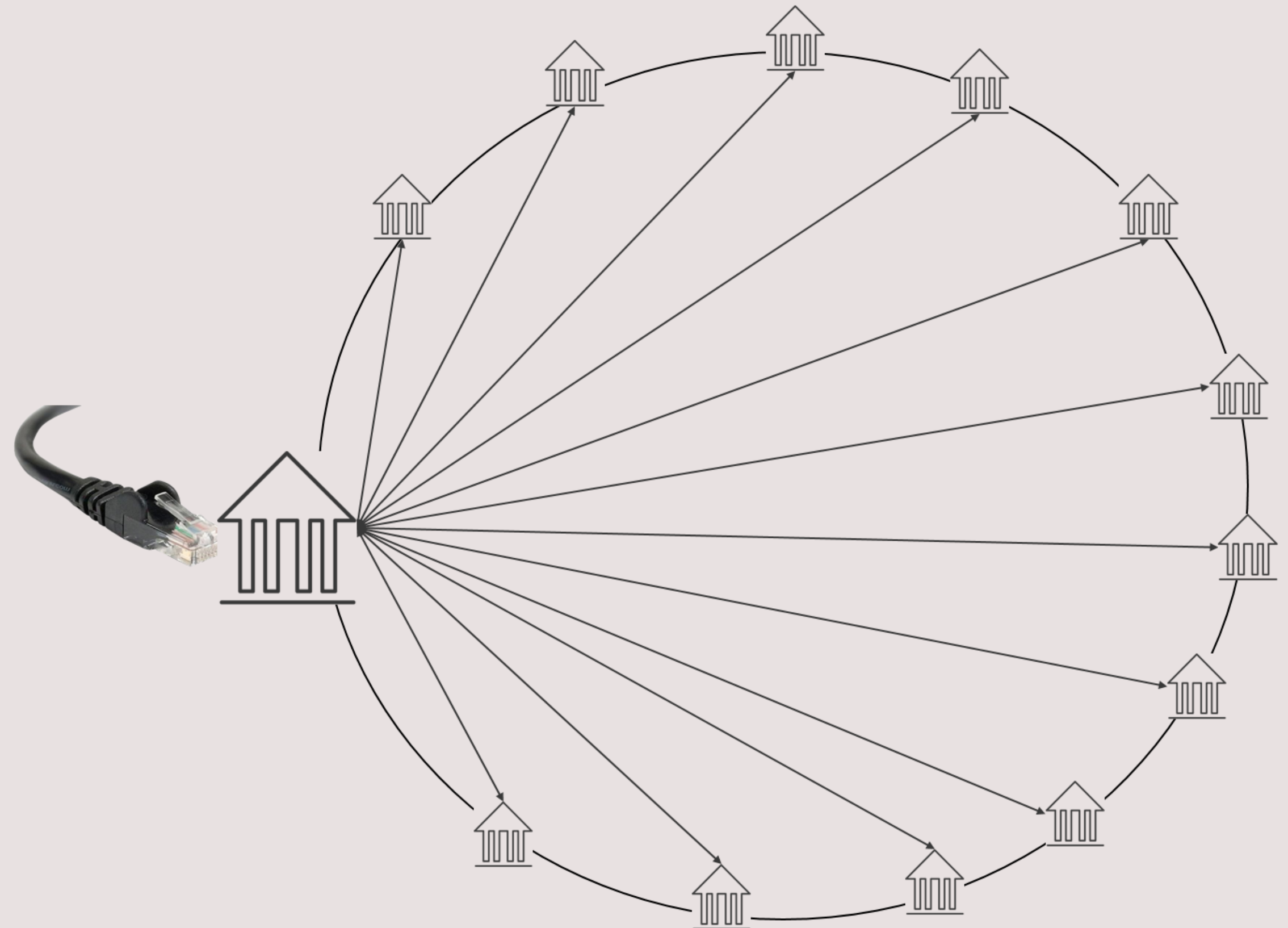
# Options for accessing the NPP



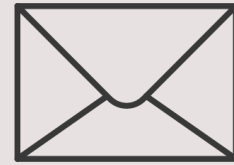


# Using the New Payments Platform

- Send or receive payments using an existing/supported NPP message
- Requires one point of access via one NPP Participant
- Enables reach to customers of all the other Participants
- Enables access to PayID capability



# How does an Overlay Service work?



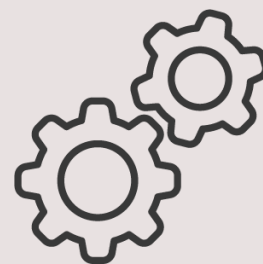
Overlay Service Provider defines the message set and data content to be used and how the flows will work



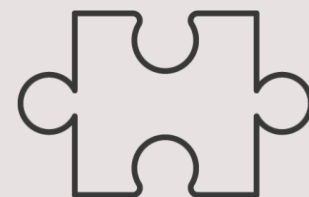
Service is offered to Participants and their customers



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



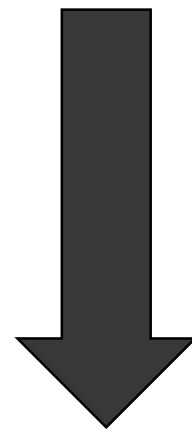
Can be connected or non-connected to the Basic Infrastructure

# Overlay Services – a range of possibilities

- Can cover a broad range of use cases

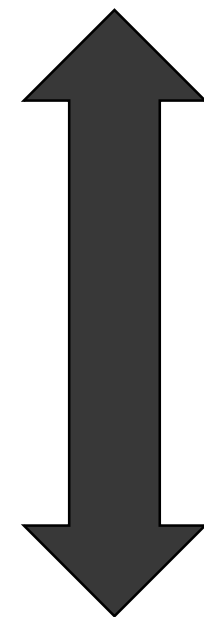
**Customer P2P  
applications**

through to



**Business, Corporate  
& Government**

**Industry vertical  
overlays**



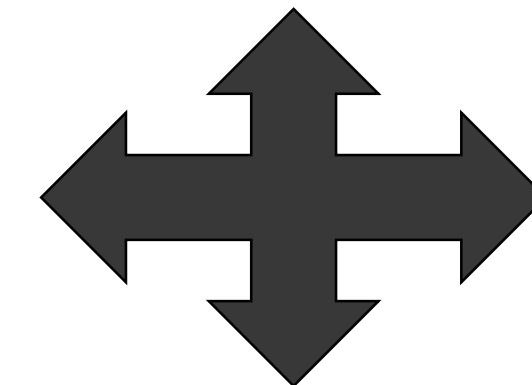
e.g. Securities,  
Insurance and  
Superannuation

**Cross-industry or  
“horizontal”  
overlays**



e.g. e-invoicing and  
remittances

**Utility overlays**

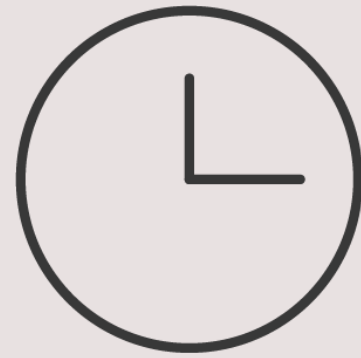


Delivering a specific  
capability, e.g. KYC and  
fraud

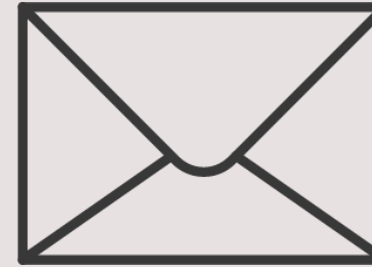
- Can range from simple (e.g. rules based) to complex (e.g. new message orchestration)

# NPP's First Overlay Service





Quicker moving money



Flexible addressing



More information



Confidence in Delivery

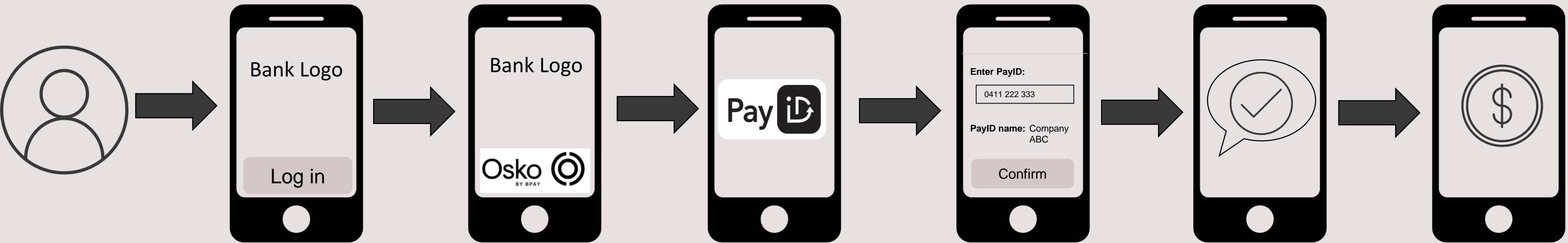


Through your Financial Institution



Make a request to be paid

# Osko by BPAY: Making a Payment



Eva wants to make a payment to Company ABC of \$250

Eva logs into her FI's mobile banking app or internet banking

Eva selects Osko as her preferred payment channel and enters details required for a payment

[Eva's FI could make this choice for Eva, by default]

Eva enters Company ABC's PayID to direct the payment.

Eva's FI sends a request to PayID to retrieve the account details

A short name will be returned to help Eva confirm she has the correct recipient.

Eva confirms and makes the payment

The payment is sent via the NPP to Company ABC's bank account.

Eva receives a confirmation that the payment was successful

Company ABC has \$250 deposited into their bank account and the funds are available for immediate use



# Possible Overlay: 'Request to Pay' for capital raising

## Today

1. Paper form
  - Print cost
  - Lead time
  - Postage
2. Manual data input
  - Errors
  - Illegibility
3. Payment via cheque
  - Sorting from post
  - Payment clearing
4. Matching cheque to form
  - Errors with matching payment to form

APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay. You should read the Replacement Prospectus dated October 2016 and any relevant supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Replacement Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

**A** I/we apply for  **B** I/we lodge full Application Money A\$

Number of Shares in  Limited at A\$0.20 per Share or such lesser number of Shares which may be allocated to me/us.

**C** Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s)  Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

**D** Enter the postal address - include State and Postcode

Unit  Street Number  Street Name or PO Box/Other information

City/Suburb/Town  State  Postcode

**E** Enter your contact details

Contact Name  Telephone Number - Business Hours  ()

**F** CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

**G** Payment details - Please note that funds are unable to be directly debited from your bank account

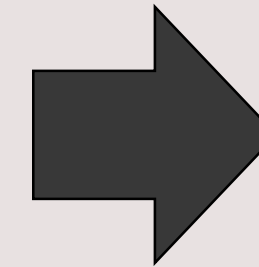
Drawer  Cheque Number  BSB Number  Account Number  Amount of cheque A\$

Make your cheque, money order or bank draft payable to  Limited

By submitting this Application Form:

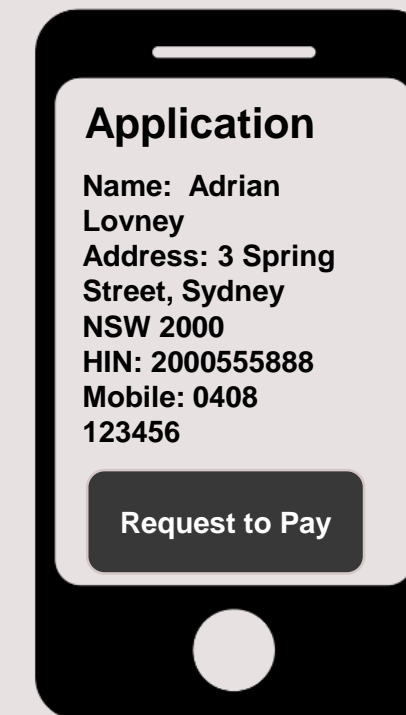
- I/we declare that this application is complete and lodged accompanied by the Replacement Prospectus, and any relevant supplementary Prospectus, and the declarations/statements on the reverse of this Application Form
- I/we declare that all details and statements made by me/us (on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of the Company.

***Make your cheque, money order or bank draft payable to***

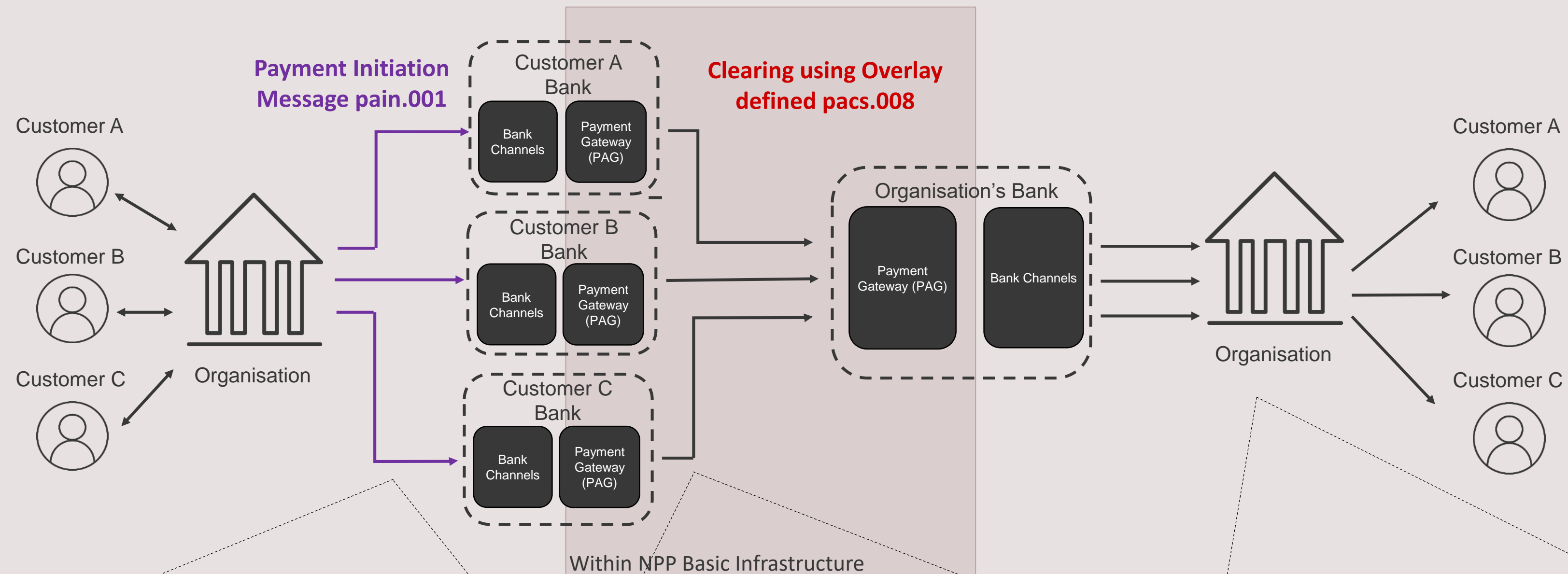


## Tomorrow

1. Send link to application form
  - Hosted securely
2. Pre-populate form with user data and payment data
3. "Request to Pay" pushes a prompt for payment
  - Payment is real time
4. 100% matching of payment with form



# Potential Corporate Actions Overlay Service



- Payment initiation messages could be sent from third parties, containing structured customer data elements, e.g. Member ID, Unit number, Investment amount etc.
- Could be mapped to ISO20022

- These structured investment data elements are carried through into the Clearing message or referenced via a url to an external data source
- Data and message travel the NPP together
- Payments can be cleared and settled in close to real-time, 24x7x365

- Third party would receive both the payment confirmation and customer investment data linked together
- Third party could pass on a corporate statement with investment confirmation



# Opportunity for Managed Funds

- ✓ Data rich payment capability with up to 280 characters using Osko
- ✓ Ability to send payment and data together in one process
- ✓ Real-time payments, e.g. subscription orders
- ✓ Improved automation and operational efficiency resulting in reduced reconciliation effort
- ✓ Easier addressing using PayID
- ✓ Integration into back office processes will promote greater efficiencies and straight through processing
- ✓ Creation of industry-specific Overlay Service could drive additional efficiencies using data fields and use-cases relevant to Managed Funds



# Questions?

For more information,  
please visit:  
[www.nppa.com.au](http://www.nppa.com.au)

**Thank  
you**

**New  
Payments  
Platform**

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