



CHICAGO

PAYMENTS SYMPOSIUM





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Panel:

Global Payments





Australia's Payments Landscape

Adrian Lovney
October 2024



About AP+ and our role in payments in Australia



AP+ was formed in 2022 bringing together **three domestic schemes** (eftpos, BPAY & NPP) into one entity.

Bringing these businesses together enables AP+ to create a more competitive and coordinated Australian payments organisation that is strategically placed to respond to the impacts of regulatory and technological change today, and into the future.

We focus on three purpose pillars:



Ensure the ongoing sustainability of the payments systems



Drive greater trust in the digital economy



Encourage and enable innovation in the payments ecosystem

KEY PRODUCTS



Australia's domestic debit network providing lower cost payments that benefit businesses and consumers



An easy, secure way to stay in control of bill payments from the security of online banking



National infrastructure supporting real-time data-rich payments for the Australian digital economy



An easy way to send and receive money using a mobile number, email address, or company number using the NPP



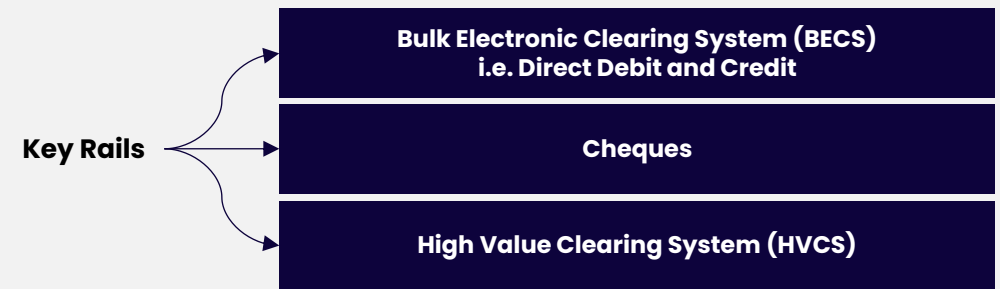
A modern digital payment solution to enables initiation of real-time payments from customers' bank accounts, within a payment agreement



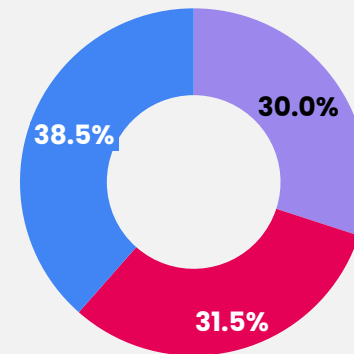
Digital identity solution which improves identity verification while protecting consumer privacy



APN manages and develops **regulations, procedures, policies** and **standards** governing **payments clearing** and **settlement** within Australia.



Debit Cards Market



eftpos Mastercard Visa

In Australia, debit cards are used for ~80% of card transactions.

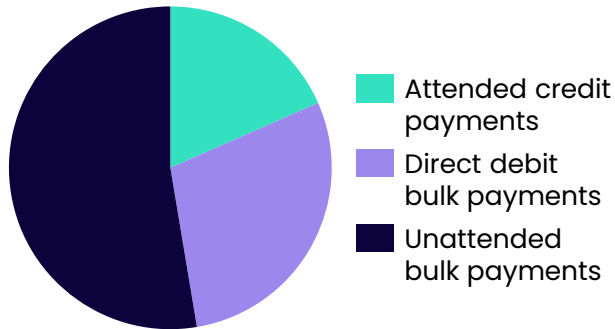
eftpos, Australia's domestic card network operates in debit & pre-paid segments only.

eftpos continues to gain market share, primarily through merchant-driven routing, now available in all form factors e.g. contactless cards, online, and more recently, mobile wallets.

NPP status and roadmap



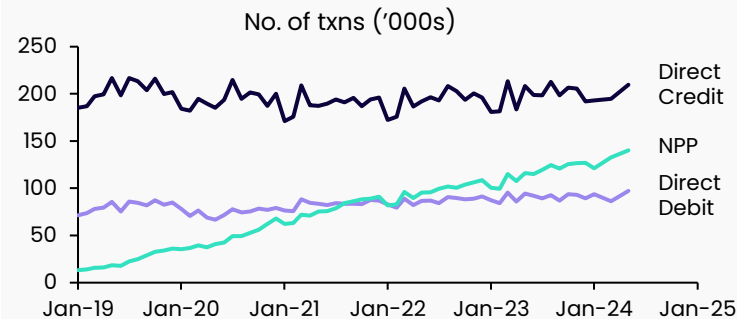
NPP went live in 2018, and now processes 1/3 of all A2A payments in Australia.



- Majority of payments migrated from BECS have been **individual credit i.e. "push" payments**, together with **unstructured data**
- 25% of payments are made to a proxy address (PayID)** which is easier to remember and incorporates Confirmation of Payee to reduce mistaken payments
- Structured ISO20022 payment formats** (e.g. payroll, tax, e-invoicing) have been implemented but are not yet widely used

Pay to	Third-party payment initiation under an approved payment arrangement/mandate
International Payments Service	Domestic leg of an inbound payment originating overseas (with data to support screening)
Some 'debulking' of credit files	e.g. Salary payments; supplier payments

Announcement of target date for closure of BECS in 2030



- Responding to increased prevalence of fraud and scams
- Alignment of ISO20022 Standards (NPP, HVCS and CBPR)
- Potential change to more explicitly support batch processing or whether debulking and use of single payments (as built today) is sufficient
- Exploration of Interlinking of fast payment systems
- Increased regulation of NPP and focus on cyber-resilience as it moves to become a systemically important payment system.
- Contingency in the event that NPP is unavailable for a prolonged period

An increased focus on fighting fraud and scams



2023 – Top 5 scams by losses



Investment
\$1.3b



Remote access
\$256m



Romance
\$201.1m



Phishing
\$137.4m



Payment redirection
\$91.6m

While there has been rapid growth of fraud and scams in Australia, there are some welcome signs of **losses declining from \$3.1b to \$2.7b (2022–23)**



Government / Regulators

- Has released draft legislation that seeks to hold broad ecosystem participants responsible for losses that they contribute to
- Are resisting calls for a UK-style reimbursement code, upon banks alone



Banks and Financial Institutions

- Implemented various frictions including first-time holds, transaction value limits, restrictions on payments to crypto, proprietary confirmation of payee solutions and payment holds to suspect accounts



NPP / Scheme operator

- Implemented steps to reduce impact of bad actors:
 - Liability shifts for unauthorised and fraudulent transactions
 - Restricting high risk merchants, pending uplift in network controls
 - Increased payer bank visibility of ultimate funds beneficiary
- Aggregating A2A scheme data to support network insights and near real-time scoring of transactions – similarly as AP+ does today for cards

Economy-wide Confirmation of Payee (CoP) solution

A service enabling real-time **account name verification** of a person or business prior to making a payment (when made using the NPP)

Key benefits:



Validate account owner before payment (with account name shown for exact match or close match)



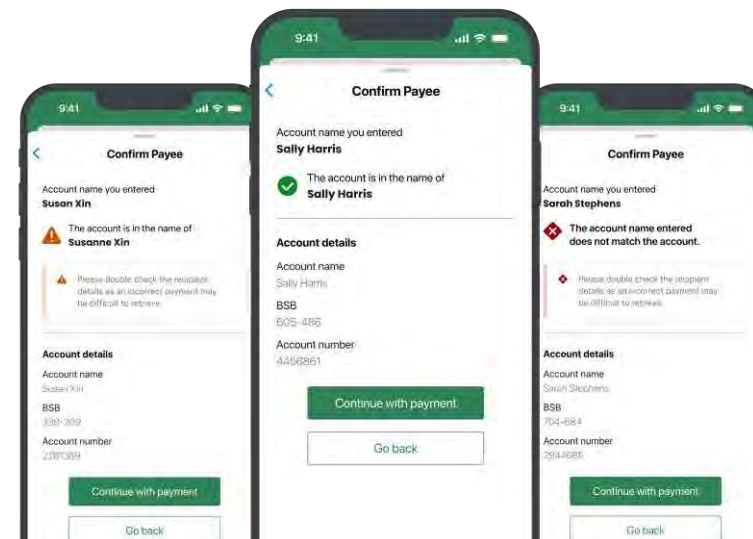
Reduces certain scam types and misdirected funds



Utilised a combination of bank-supplied (KYC) Confirmed Data together with (optional) proprietary Observed Data supplied by data providers

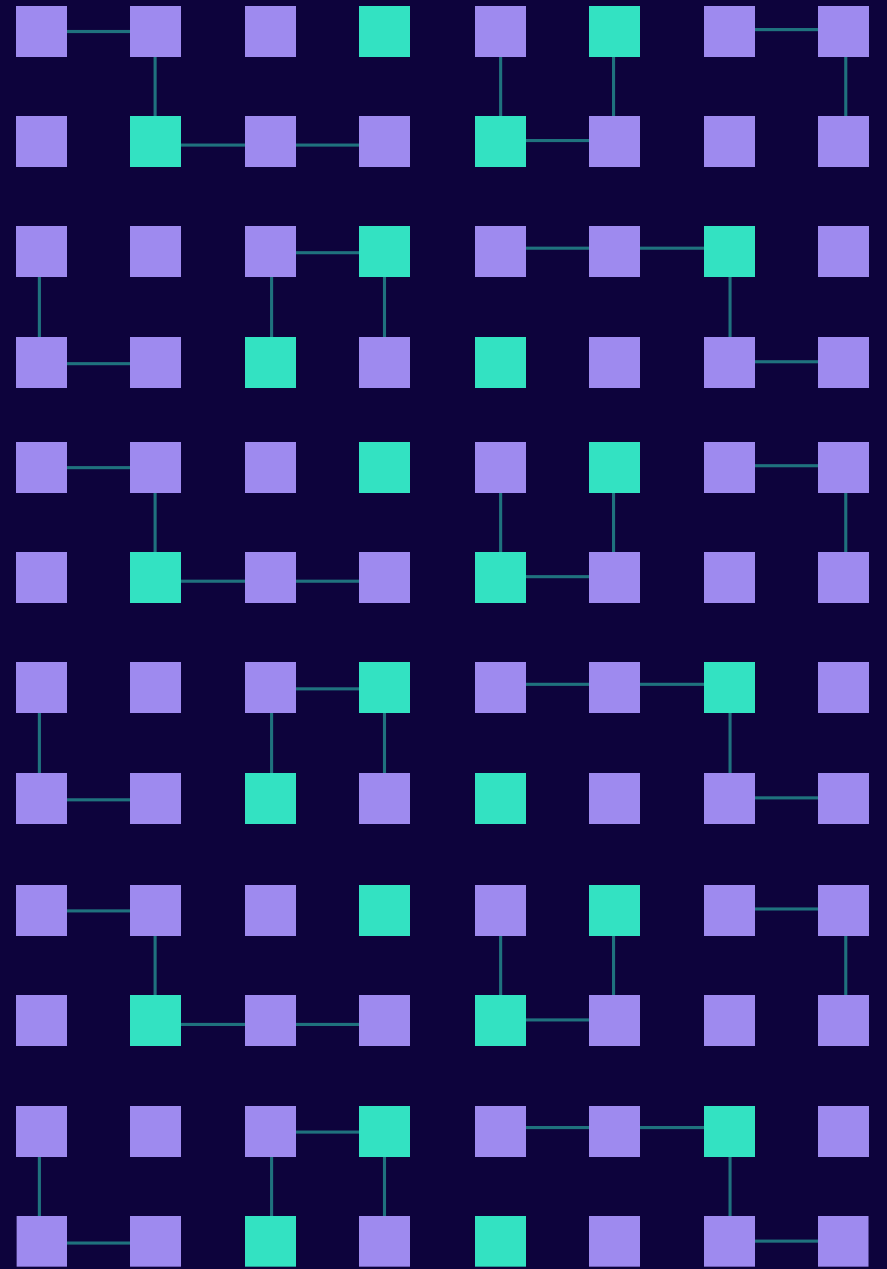


Mandatory participation by all NPP Participants, commencing 2025



Thank you

Adrian Lovney | Chief Payments Officer
Australian Payments Plus





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ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Connecting Payments, Connecting People

Thailand's Journey in Interlinking Fast Payment Systems

Pariwat Kanithasen

Payments & Fintech Department
Bank of Thailand

Global Payments Panel
Chicago Payments Symposium 2024
Federal Reserve Bank of Chicago

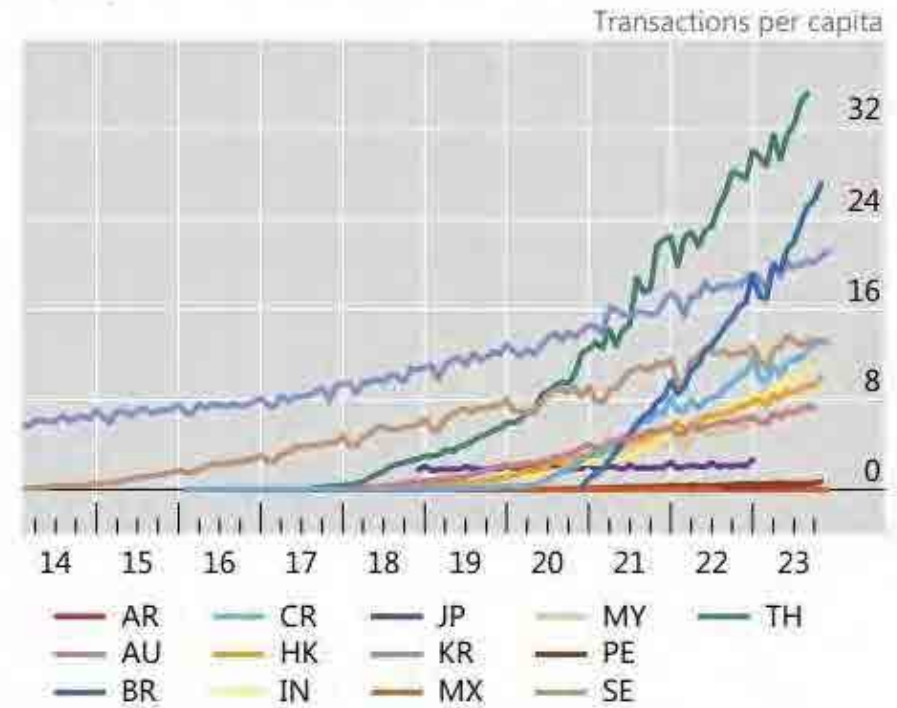
9 October 2024

1. PromptPay: Thailand's digital game-changer since 2016



User-friendly, convenient, and free for major use cases

The volume of fast payment transactions has grown rapidly

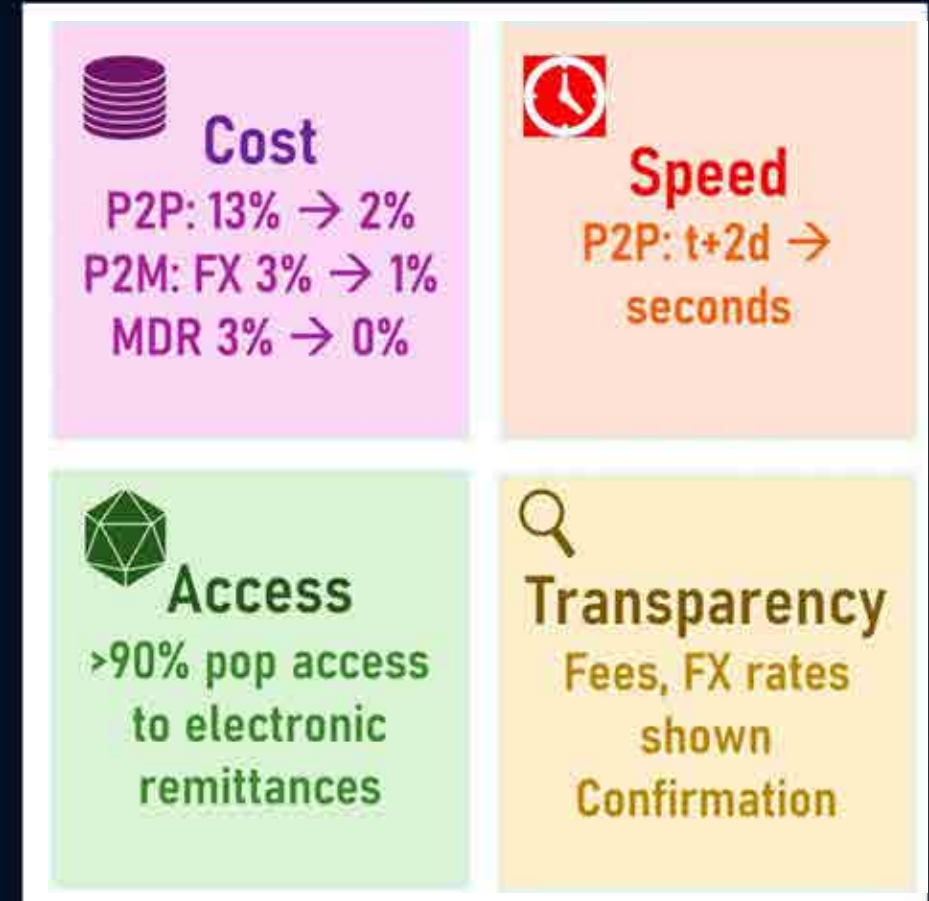


Widespread adoption:
77m registrations
9m merchant acceptance points
538 transactions/person/year

2. Interlinkages to address cross-border payment pain points

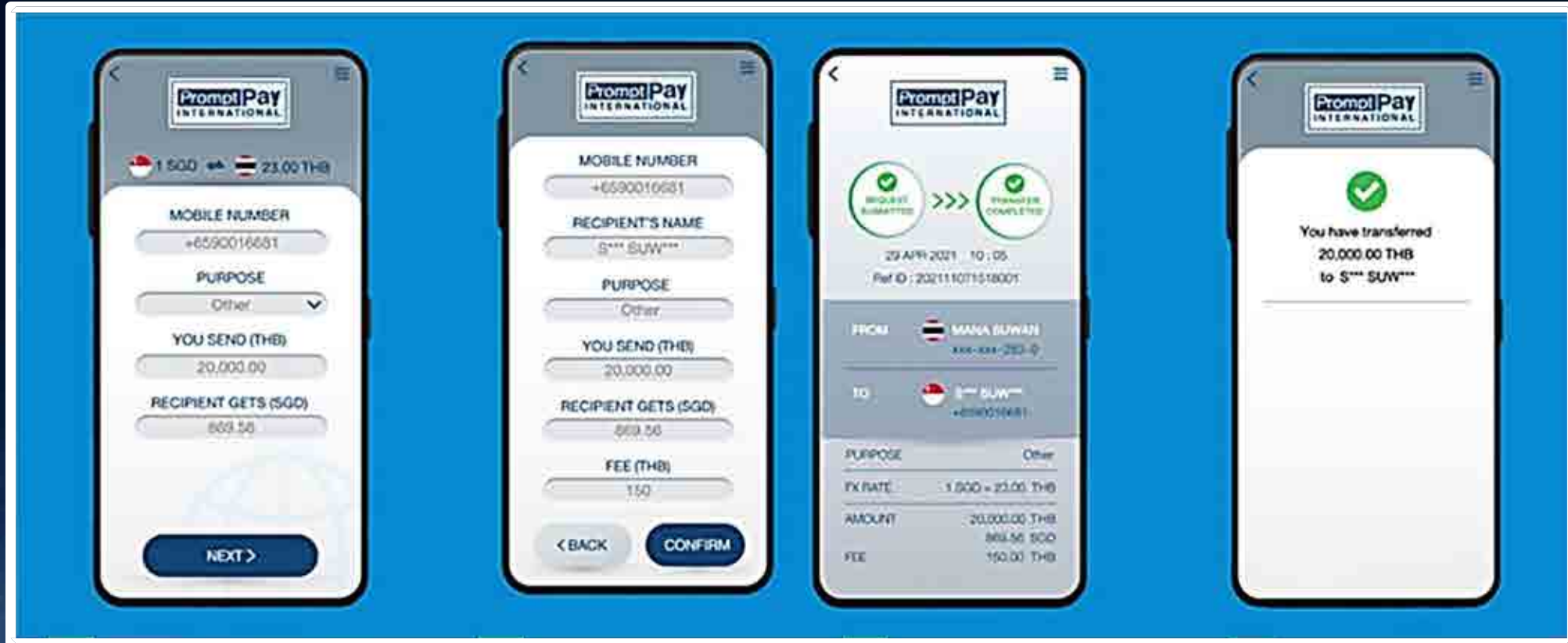


1 bilateral remittance linkage
8 bilateral QR payment linkages



Interlinkages meet G20 cross-border payment targets

3. A global first: PromptPay-PayNow



Only two inputs:
phone number and
transfer
amount

Recipient name
look-up and
AML/CFT
screening

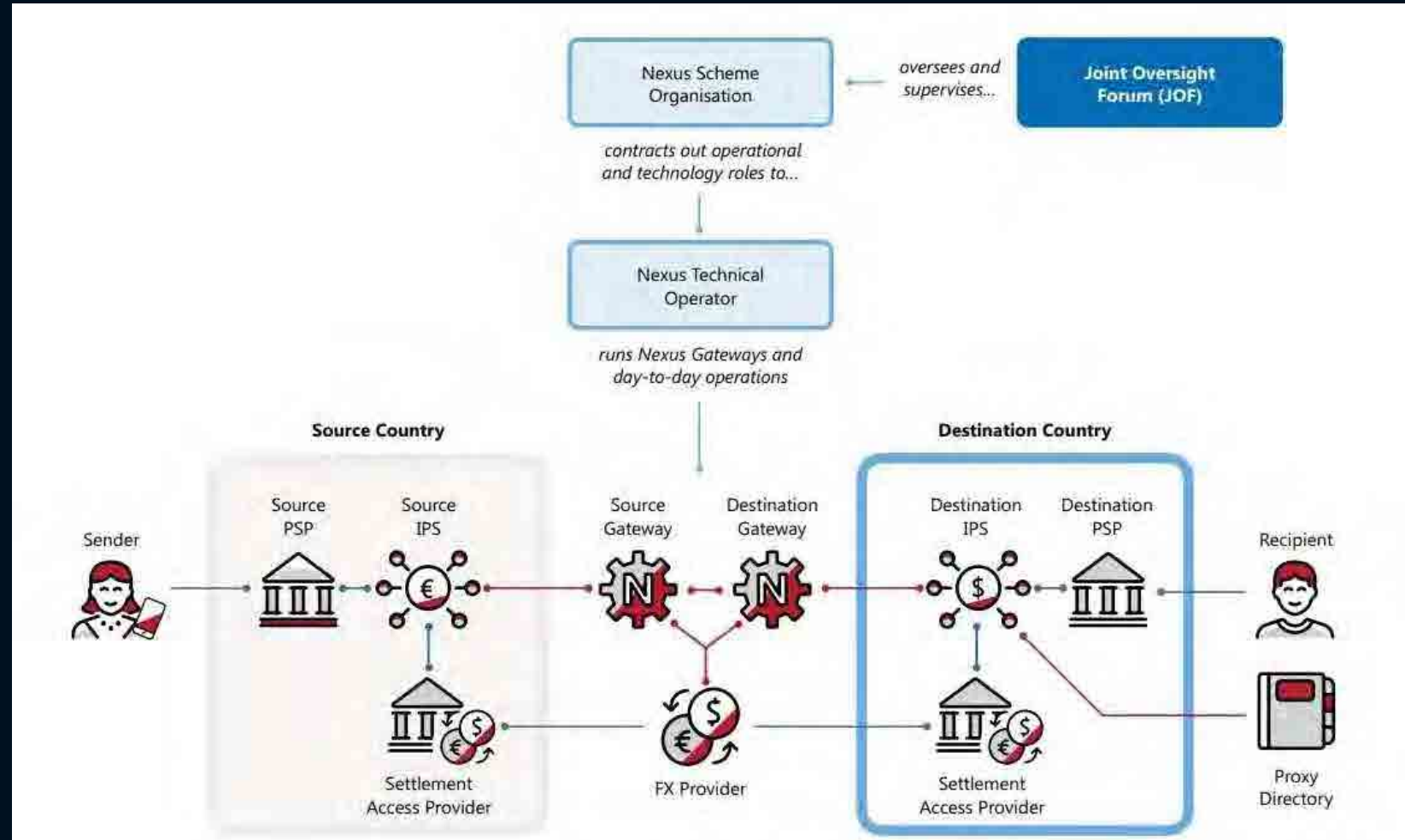
Transparent
display of fee
and fx rate

Confirmation
within seconds

4. Scalable interlinkages with worldwide ambitions: Project Nexus



- Based on PromptPay-Paynow, but multilateral and scalable
- Phase 1: Technical blueprint (2021)
- Phase 2: Proof-of concept (2023)
- Phase 3: Comprehensive blueprint (2024)
- Phase 4: Bringing Nexus to live operation



5. Lessons learned: Connecting Payments, Connecting People



User-centered

Convenient, safe, attractive fees and fx rates, multiple use cases



Interoperable

Avoid fragmentation/ close-loop models



Inclusive

Outreach to migrant workers, users without cards, merchants without card-reading machines



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Buna a Cross Border Payment Solution for Regional Economic Integration and Financial Inclusion

Chicago Payments Symposium 2024

Mehdi Manaa
CEO of Buna

9 October 2024

Background & Overview

Market Landscape



Remittances

More than **\$28 Bn** within the Arab world and **\$134 Bn** with key global partners



Trade

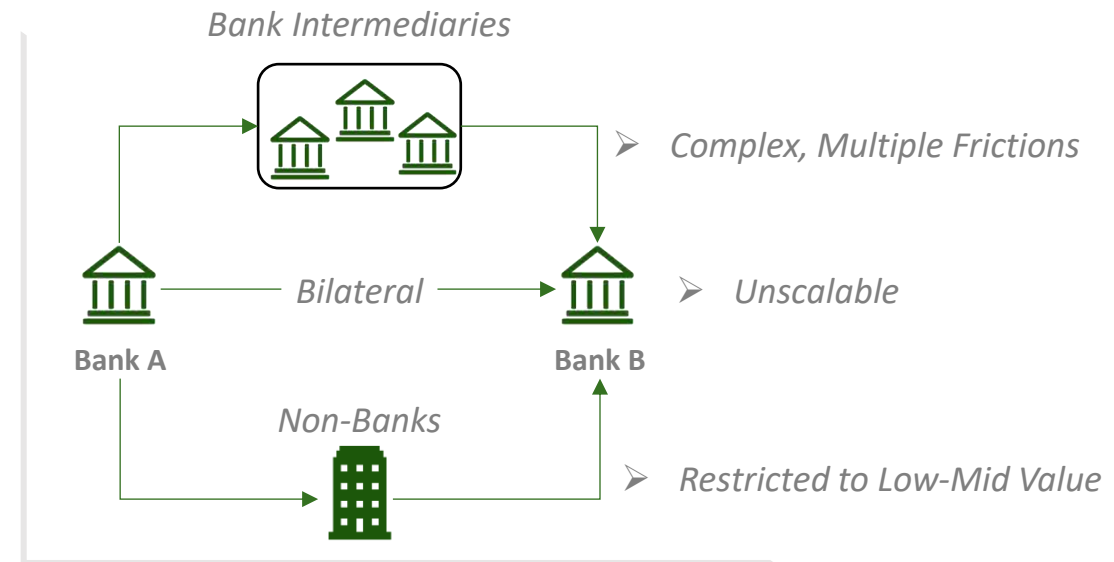
More than **\$271 Bn** within the Arab world and **\$1.28 Tn** with key global partners



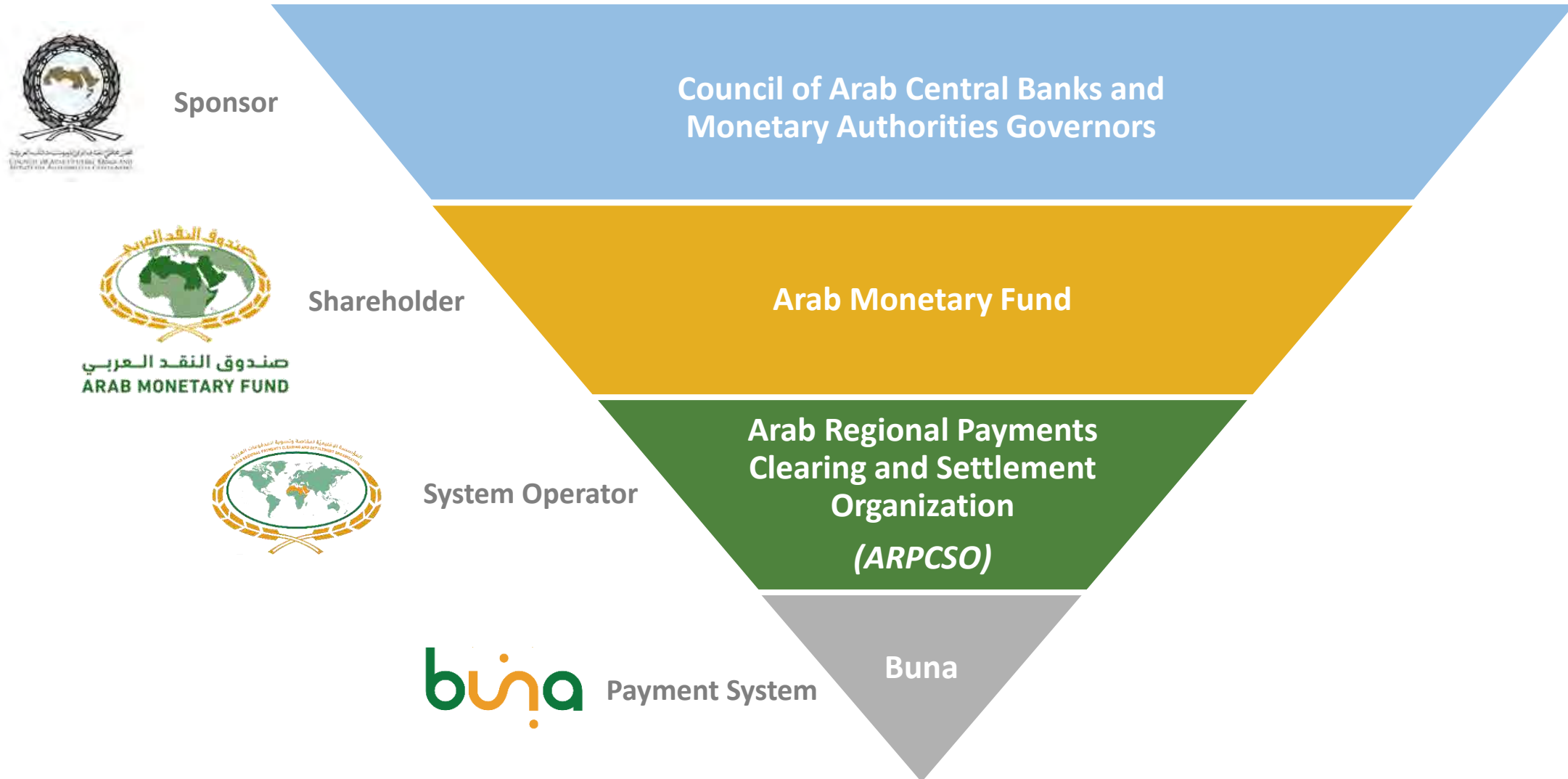
Investment

Foreign direct investment from and to the Arab world is more than **\$127 Bn**

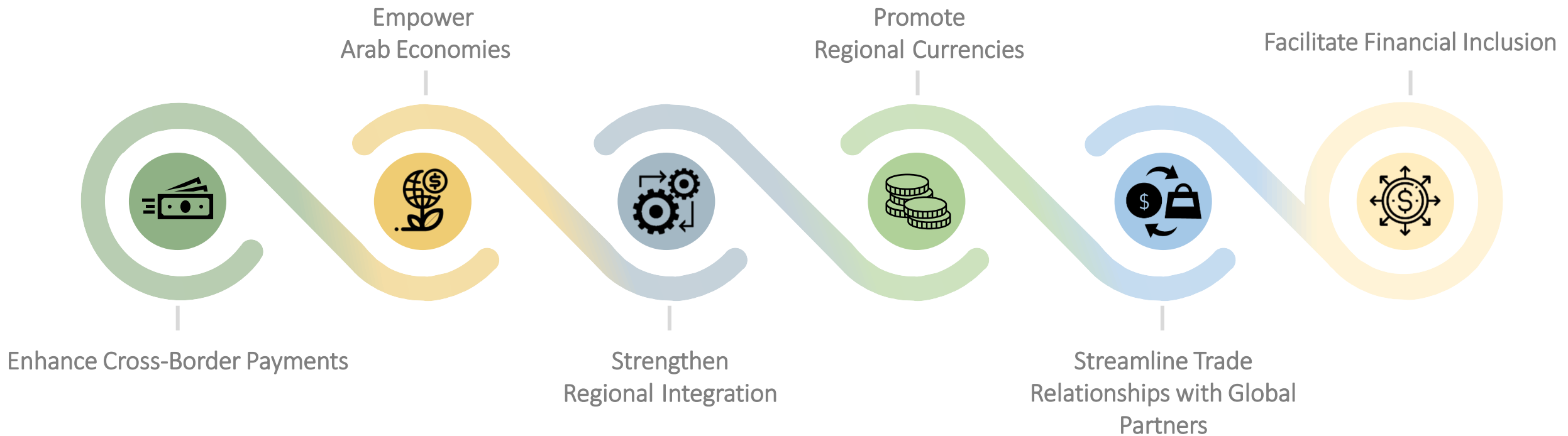
A sizable and vibrant market that needs frictionless way of moving money, but traditional models do not meet the expectation



A Vision Initiated by Central Banks



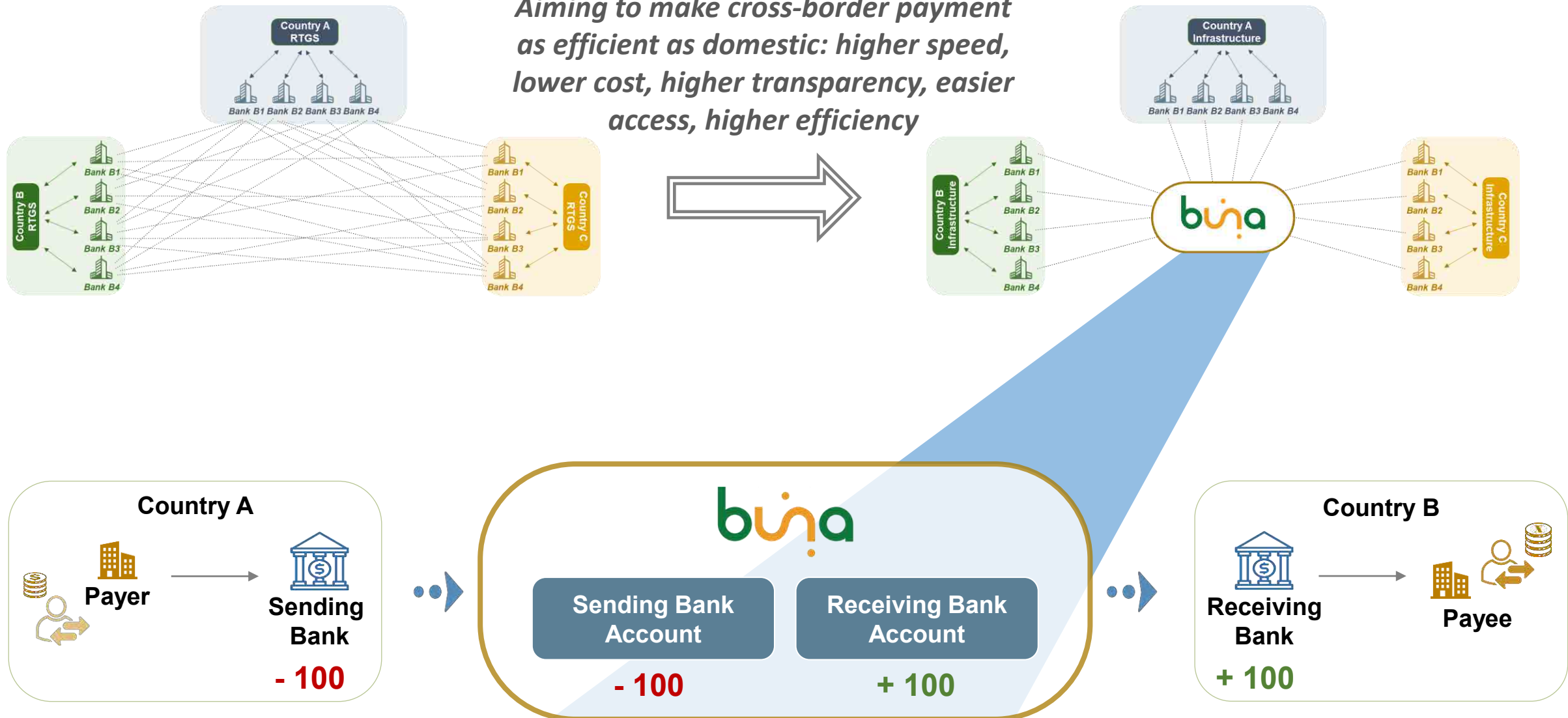
Strategic Objectives



Centralized Cross-border and Multicurrency System



Aiming to make cross-border payment as efficient as domestic: higher speed, lower cost, higher transparency, easier access, higher efficiency



Key Success Factors

Important to Build Trust!

(Embedded compliance program)



- *Traditional approaches will not tackle complexity and existing frictions*
- *Payment systems/cross-border arrangements may need to go beyond usual boundaries and be involved in managing AML/CTF*



Buna to conduct **real-time automated sanctions screening** of transactions against **designated sanction lists**



Common Requirements—International Sanction Lists	Currency-Specific Sanction Lists	Originating FI Sanction Lists	Beneficiary FI Sanction Lists
<input checked="" type="checkbox"/> UN Sanction Lists <input checked="" type="checkbox"/> Interpol lists <input checked="" type="checkbox"/> OFAC <input checked="" type="checkbox"/> EU, etc	<input checked="" type="checkbox"/> Sanctions Lists Relevant to Country of Issuance of Currency C1	<input checked="" type="checkbox"/> Sanctions Lists Relevant to Country X	<input checked="" type="checkbox"/> Sanctions Lists Relevant to Country Y

[Download Buna Compliance Framework](#)

Important to Overcome Inherent Inertia! (Ambitious Roadmap)



Delivering value to prospects with different positioning and needs via multiple products



Real-Time Settlement



- 6-days settlement in 6 currencies (Sunday – Friday, 09:00 am – 09:00 pm)
- Queuing and Liquidity optimization



Instant Payments 24x7



- Available in 6 currencies, with 24x7 settlement
- Use of Account # or Alias
- End to end tracking and immediate confirmation



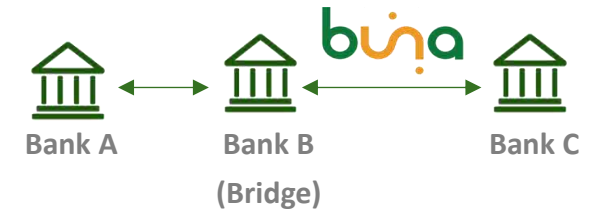
Payment vs Payment (Instant Liquidity)



- Provide option for liquidity sourcing from within the ecosystem
- Banks determine fees & FX rates
- Eliminate risks with Pvp (Payment vs Payment) simultaneous settlement mechanism to eliminate risks



Payment Bridge (Leg-In/Out)



- Link banks' branches, group subsidiaries, or FI clients
- Extend reachability and enable interlinking

Status to date

Current Status

(September 2024)



PLATFORM

Platform delivered
and in operation
since February 2020



LEGAL ENTITY

ARPCSO (Arab
Regional Payments
Clearing and
Settlement
Organization)
established in April
2021



CURRENCIES

4 Arab currencies
(AED, EGP, SAR, JOD)
and **2 International**
ones (USD, EUR)
included to date



PARTICIPANTS

110+ already **signed**
participation
agreement including
100+ already **live**



TRANSACTIONS

Currently **≈12,000**
transactions per
month with and
average growth
around **15%**
monthly



Payment as it should be!



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Bank of England

RTGS Renewal and our Future Roadmap for Innovation in Wholesale Payments

CPS 2024 – 9.10.24

John Jackson

Head, Payments Strategy Division



RTGS – Blueprint for Change in Wholesale Payments

Increased resilience

Strengthened resilience of RTGS to ensure prompt and secure settlement in a world of evolving threats.

Wider interoperability

Enhanced cross-border payments and resilience by increasing harmonisation and interoperability between critical domestic and international payment systems.



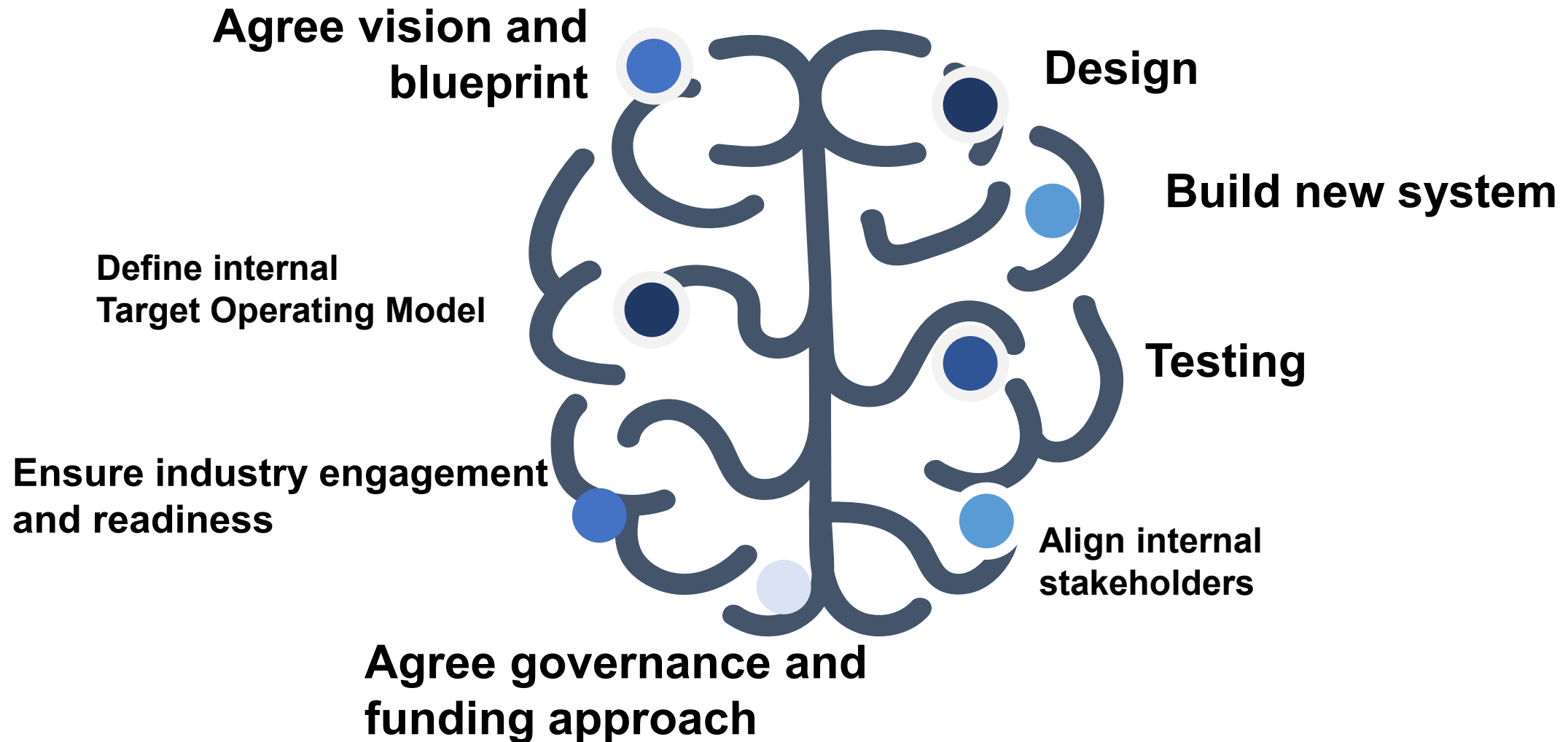
Greater access

Facilitating direct access to central bank money settlement for a wider range of participants. This will help to reduce tiering risk and promote competition and innovation.

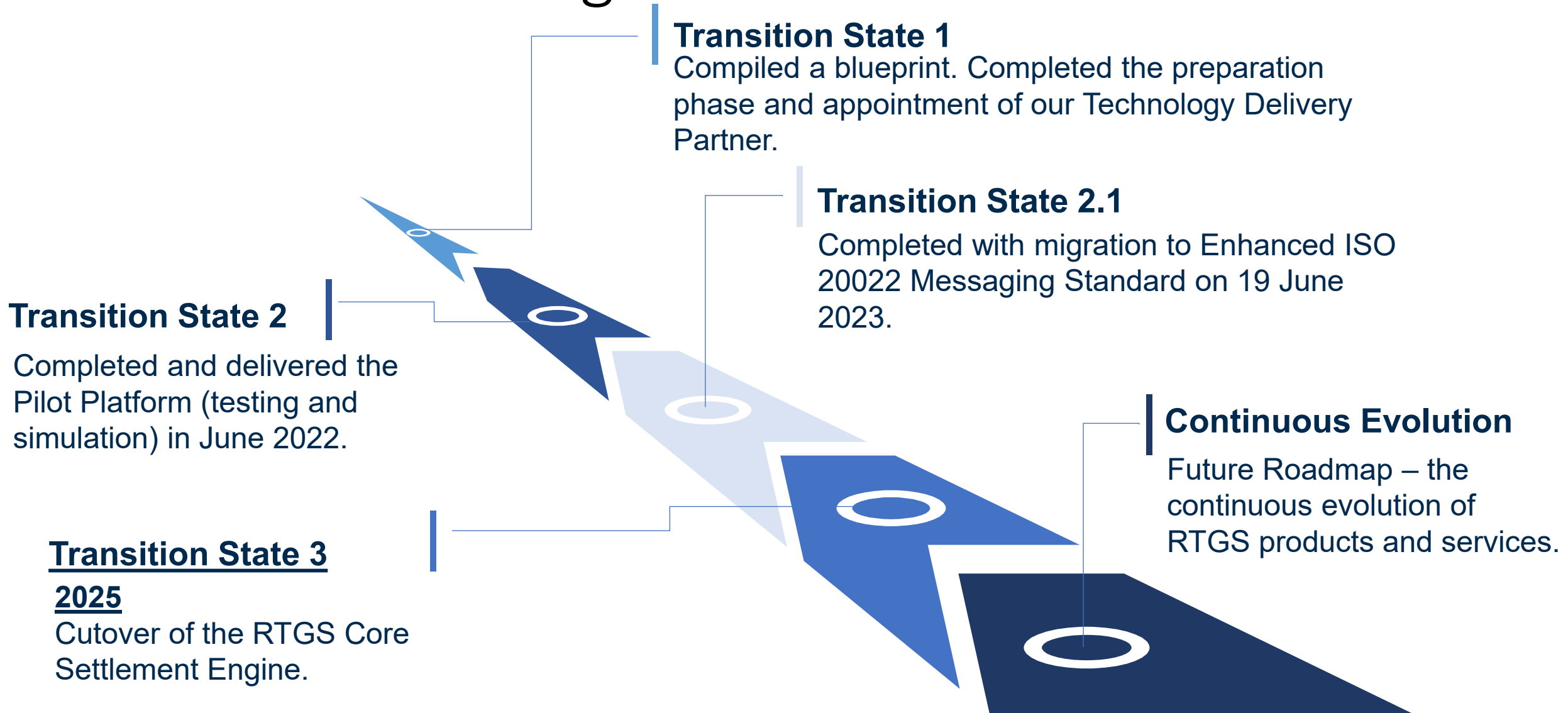
Improved user functionality

Support emerging user needs in a changing payment environment.

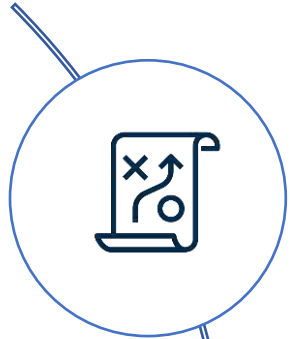
RTGS as a large-scale transformation programme



RTGS Renewal Programme milestones



Future RTGS roadmap at a glance



Scope: What innovative features should we introduce after the new core ledger goes live?



Vision: RTGS to act as an open platform for the UK finance industry to **facilitate innovation** and support **safe and efficient settlement** in central bank money.



Strategic relevance:

- (i) Directly supports Bank's Strategic Priority 4 'to shape and deliver the future of payments'.
- (ii) Key element of Bank's work on payments strategy and wholesale innovation.

RTGS – the Vision for the Future

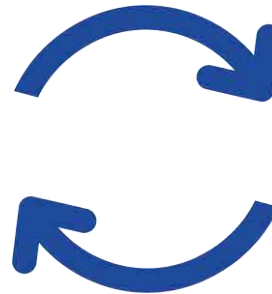
The new core settlement engine will also provide a strong foundation on which to build further functionality. **Once it is live we will continuously evolve the service to meet the changing needs of the industry**

Ever higher degrees of resilience

Continuing to meet the highest standards of resilience to address evolving threats and new services.



- New ways of accessing RTGS (via another network or APIs) would strengthen resilience and **reduce reliance on third parties** for settlement.
- More choice for connectivity would **make participation in CHAPS more economical**.
- Improved connectivity and other enhancements would **improve the usability of our contingency for settlement**.



Facilitating innovation and competition

Supporting industry's innovation which would lead to cheaper, safer and faster domestic and cross-border payments.



- A synchronised settlement interface would allow **RTGS to interoperate with other ledgers (e.g. overseas RTGS and other assets such as land registers) and technologies**. It would reduce settlement risk and liquidity costs for a wide range of markets.
- Extending operating hours would improve efficiencies for domestic and cross-border payments. It would create **opportunities for quicker payments and better customer experiences**.
- Non-payment APIs would improve **transparency, risk management and analytics**, and **reduce participants' costs** due to more automation.