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**Australian Government**  
**Australian Taxation Office**

FILE REF: [G051]

# SUPERSTREAM PAYMENTS USING THE NEW PAYMENTS PLATFORM (NPP)

## PURPOSE

This document provides initial guidance in relation to the use of the NPP for SuperStream related payments.

## BACKGROUND

The NPP is an open access infrastructure for fast payments in Australia. The NPP was developed through industry collaboration to enable payments to be made and received in near real-time. The Reserve Bank of Australia (RBA) built the Fast Settlement Service component of the NPP to allow transactions to be settled in close to real time.

The first product to use the NPP platform (OSKO) became available in February 2018.

## ISSUE

Initial analysis has highlighted some risks, which have the potential to impact the ongoing operation of SuperStream, from the proposed implementation of NPP in early 2018.

SuperStream rollover and contribution functions are designed around automated message and payment reconciliation processes (“straight through processing”) using the existing Bulk Electronic Clearing System Direct Entry System (BECS DE).

The NPP platform uses different payment message structures and different payment identification reference fields.

At present it is not clear which reference fields will be used by NPP products or overlay services and which is the most appropriate to ensure that SuperStream payment reference numbers (PRNs) are passed through unchanged from sender to payment receiver and how the PRN can be automatically extracted from the NPP transaction data by the payment receiver.

***The likely result of existing SuperStream solutions receiving an unexpected NPP payment would be failure of automated (“straight through”) processing and a resulting increase in manual workload to analyse and remediate the payment reconciliation failure.***

At present there is no common approach that has been communicated to industry for a uniform process across the banking system for implementing SuperStream NPP payments with automated payment reconciliation.

## **RECOMMENDED GUIDANCE**

The NPP is not currently a prescribed SuperStream payment method as defined by *Schedule 3 - Data and Payments Standards – Payment methods*.

Until such time as a concise specification which will enable automated reconciliation between SuperStream messages and NPP payments is made available and appropriate changes are made to Schedule 3, the following recommendations should be followed.

### **Sending solutions**

1. A SuperStream sending solution must not send a SuperStream payment using the NPP until NPP is a prescribed SuperStream payment method as defined in Schedule 3.
2. SuperStream sending solutions should request that their banking institution partner does not send SuperStream payments using an NPP transaction without their prior knowledge and approval.

### **Receiving solutions**

1. A SuperStream receiving solution must not send a SuperStream refund payment using the NPP in response to a valid SuperStream payment until NPP is a prescribed SuperStream payment method as defined in Schedule 3.
2. SuperStream receiving solutions which receive an NPP payment which fails automated reconciliation before NPP is a prescribed SuperStream payment method may choose to reject the transaction with an error message (for example *SUPER.GEN.GEN.12 Payment Reference Number cannot be reconciled to a payment*) and refund the payment to the sender in line with current practice for payment reconciliation failures.
3. SuperStream receiving solutions should consult their banking institution about the possibility of providing an interim “translation” service that extracts the required information (especially PRN) from an NPP transaction and passes it to the receiving organisation as a method of dealing with unexpected NPP payments.

### **Alternative payment methods**

Section 2.1.3 of Schedule 3 allows alternative SuperStream payment methods to be used by agreement between sending and receiving parties. The recommendations below must be observed.

1. Early adopters may agree to use NPP in line with section 2.1.3 of Schedule 3.
2. The member’s interest must not be disadvantaged by any NPP alternative payment method solution agreed between sending and receiving parties.
3. As noted in section 2.1.3, the PRN construction methodology specified in section 2.2 would still apply and must be part of any such solution.
4. The solution must be designed to perform automatic payment reconciliation (“straight through processing”) of the SuperStream message and the NPP payment.
5. It should be noted that there is a risk that such a solution might differ from a later common approach agreed by industry and specified through the Standard.

## Guidance and changes to Schedules

1. When processes for implementing automated SuperStream NPP payments and reconciliation become clear, appropriate changes to SuperStream Schedule 3 will be considered to allow the use and give precise specifications for use of the NPP platform for SuperStream payments.
2. Irrespective of the process for implementing automated SuperStream NPP payments there is no intention, at this point in time, to change the rules for construction and formatting of SuperStream PRNs as specified in Schedule 3.
3. All changes to Schedule 3 and any associated guidance will be approved and implemented through the SuperStream Reference Group (SSRG) in accordance with the SuperStream change management process and in a timeframe determined by the SSRG.

<b>Release notes</b>	
<b>Guidance note</b>	<b>G051 – SuperStream payments using the New Payments Platform (NPP)</b>
<b>Message pattern</b>	All rollover and contribution transaction requests and corresponding response messages that have an associated payment.
<b>Relevant Schedules</b>	Schedule 3 - Data and Payments Standards – Payment methods v2.0.
<b>Due date</b>	<b>This guidance applies immediately from the date of issue.</b>
<b>Sending solutions</b>	Sending solutions must not send SuperStream NPP payments before they are a prescribed payment method in Schedule 3 except by agreement between the sending and receiving parties as prescribed in section 2.1.3 of the Schedule.
<b>Receiving solutions</b>	Receiving solutions may choose to reject unapproved SuperStream NPP payments that fail automated reconciliation.
<b>Future action</b>	<ol style="list-style-type: none"> <li>1. When processes for implementing automated SuperStream NPP payments become clear, appropriate changes will be considered for SuperStream Schedule 3 to allow and give precise specifications for use of the NPP platform.</li> <li>2. The SSRG will review and evaluate this topic within 6 months of the issue of this guidance.</li> </ol>