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PAYMENTS™



The power of the connected platform

September 2017



Welcome

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Chief Executive, Payments NZ



Enabling the platform – the Payments NZ way

What I am going to talk about...

- What we've been doing
- Payments Direction progress
- Payments Direction next year
- The power of platforms

The Year so far...

Making sure payments are simple and secure for Kiwis



On Regulatory Environment

Oversight, retail payments review



Reviewing

Governance Membership Rules



Access

Participants and Members



Payments Intelligence

Digital Platform



Payments Direction

The Future

Continuing to grow - Participants & Members

Participants



Members

Infrastructure



Standards



Industry



Payments Direction update

- This year we have been working on four high priority opportunities:
 - Shared API framework
 - 365 day service availability
 - Proxy identifiers
 - ISO 20022
- Recommendations on next steps for each have been approved.

Next 12 months

Shared API framework

365 day service availability

Proxy identifiers

Speeding up systems

Request to pay

ISO 20022

F18 activity – API framework



Undertake a pilot

Working with a small group of test partners we will explore and develop two API standards and necessary components of the management framework to support that pilot.



Develop standards

Two initial API standards have been identified to be developed as part of the pilot

- Payment
- Account information

These standards were chosen as they offer a wide range of Payments-related functionality.



Recommend next steps

Following a successful pilot, a wider implementation plan will be developed and additional standards identified for development.

Pilot expected to be completed by early 2018.

APIs: Supporting dynamic networks

Our approach: The API as a strategic enabler

In developing an API standards framework we aim to:

- Simplify delivery and enhance consistency.
- Increase speed to market.
- Enhance services and innovation.
- Simplify partnering.

The standards framework is to be principles based.

Initial standards and framework will be developed with Participants, Members and a range of development partners via a pilot initiative.

We are thinking about payment APIs as more than just technical tools.

They are key enablers of strategic value and partnerships within New Zealand's digital economy.

F18 activity – 365 day service availability



Undertake options assessment

Working group to undertake detailed options assessment on two identified service availability scenarios.

Has key links with RBNZ's Exchange Settlement Account System replacement which is currently in-flight.



Develop a pathway

Once preferred scenario is identified, an implementation pathway to 365 day availability will be developed.

This will provide certainty and clarity to stakeholders, industry, and customers.



Recommend next steps

Preferred scenario and implementation pathway to be developed by working group over next six months.

Next steps recommendation due early to mid 2018.

F18 activity – proxy identifier



Assess technical solutions

Working group to assess the range of possible technical solutions to deliver a proxy service.



Develop recommendations

Deliver a recommendation in respect of preferred technical solution.

Recommendation expected early to mid 2018.



Develop proof of concept

Initial working group investigations have suggested that the next step following agreement of the technical solution is to develop a proof of concept for industry socialisation.

To be confirmed mid 2018.

F18 activity – ISO 20022



On hold

In light of other priorities the ISO 20022 initiative has been put on hold pending re-assessment in mid 2018.



Further work

The working group concluded that there was merit in undertaking further investigatory work on ISO 20022 before next steps are agreed.



June 2018

The ISO 20022 initiative will be re-assessed in light of ongoing priority and other opportunities available.

F18 activity – new initiatives

- Two new initiatives will be kicked off in F18.
- Start with an opportunity assessment to scope up a work package.
- Start working group investigations once work package is agreed.



Speeding up domestic systems

Part of our fast (as) payments strategic focus area along with 365 day service availability. This initiative is looking at speeding up our domestic systems as required to meet market need.

Commences late 2017.



Request to pay

Development of a payment instrument which enables a payment request to be sent to the payer. The payer is then able to receive, authorise and execute this payment in one combined step.

Commences mid 2018.

Next 12 months

Continuing industry discussions to progress activity:

- API pilot to develop and test - two API standards and components of the framework.
- Identifying a preferred approach and roadmap for 365 day service availability.
- Assessing and recommending a technical solution for proxy identifier.
- Shaping up two new opportunities – speeding up domestic systems and request to pay.
- Taking a step back to look more widely at informative transactions and ISO 20022 outcomes – later in F18.





SERVICES MARKETPLACE

Commoditized Non - commoditized



PRODUCT MARKETPLACE

Commoditized Non - commoditized



PAYMENTS PLATFORM



INVESTMENT PLATFORM



SOCIAL NETWORKING PLATFORM



COMMUNICATION PLATFORM



CLOSED DEVELOPMENT PLATFORM



CONTROLLED DEVELOPMENT PLATFORM



Google play services



OPEN DEVELOPMENT PLATFORM



Google play services



CONTENT PLATFORM

Social

Media



**AUG
2017**

GLOBAL DIGITAL SNAPSHOT

THE LATEST NUMBERS FOR INTERNET, SOCIAL MEDIA, AND MOBILE USAGE AROUND THE WORLD

TOTAL
POPULATION



7.524
BILLION

URBANISATION:
54%

INTERNET
USERS



3.819
BILLION

PENETRATION:
51%

ACTIVE SOCIAL
MEDIA USERS



3.028
BILLION

PENETRATION:
40%

UNIQUE
MOBILE USERS



5.052
BILLION

PENETRATION:
67%

ACTIVE MOBILE
SOCIAL USERS



2.780
BILLION

PENETRATION:
37%

SOURCES: POPULATION: UNITED NATIONS; U.S. CENSUS BUREAU; **INTERNET:** INTERNET WORLDSTATS; ITU; INTERNETLIVESTATS; CIA WORLD FACTBOOK; FACEBOOK; NATIONAL REGULATORY AUTHORITIES; **SOCIAL MEDIA** AND **MOBILE SOCIAL MEDIA:** FACEBOOK; TENCENT; VKONTAKTE; LIVEINTERNET.RU; KAKAO; NAVER; NIKI AG-HAEI; CAFEBAZAAR.IR; SIMILARWEB; DING; EXTRAPOLATION OF TNS DATA; **MOBILE:** GSMA INTELLIGENCE; EXTRAPOLATION OF EMARKETER AND ERICSSON DATA.

JAN
2017

NEW ZEALAND

A SNAPSHOT OF THE COUNTRY'S KEY DIGITAL STATISTICAL INDICATORS



TOTAL
POPULATION



4.59
MILLION

URBANISATION:
86%

INTERNET
USERS



4.08
MILLION

PENETRATION:
89%

ACTIVE SOCIAL
MEDIA USERS



3.20
MILLION

PENETRATION:
70%

MOBILE
SUBSCRIPTIONS



6.19
MILLION

vs. POPULATION:
135%

ACTIVE MOBILE
SOCIAL USERS



2.80
MILLION

PENETRATION:
61%

SOURCES: POPULATION: UNITED NATIONS; U.S. CENSUS BUREAU; **INTERNET:** INTERNETWORLDSTATS; ITU; INTERNETLIVESTATS; CIA WORLD FACTBOOK; FACEBOOK; NATIONAL REGULATORY AUTHORITIES; **SOCIAL MEDIA AND MOBILE SOCIAL MEDIA:** FACEBOOK; TENCENT; VKONTAKTE; LIVEINTERNET.RU; KAKAO; NAVER; NIKI AGHAEI; CAFEBAZAAR.IR; SIMILARWEB; DING; EXTRAPOLATION OF TNS DATA; **MOBILE:** GSMA INTELLIGENCE; EXTRAPOLATION OF EMARKETER AND ERICSSON DATA.

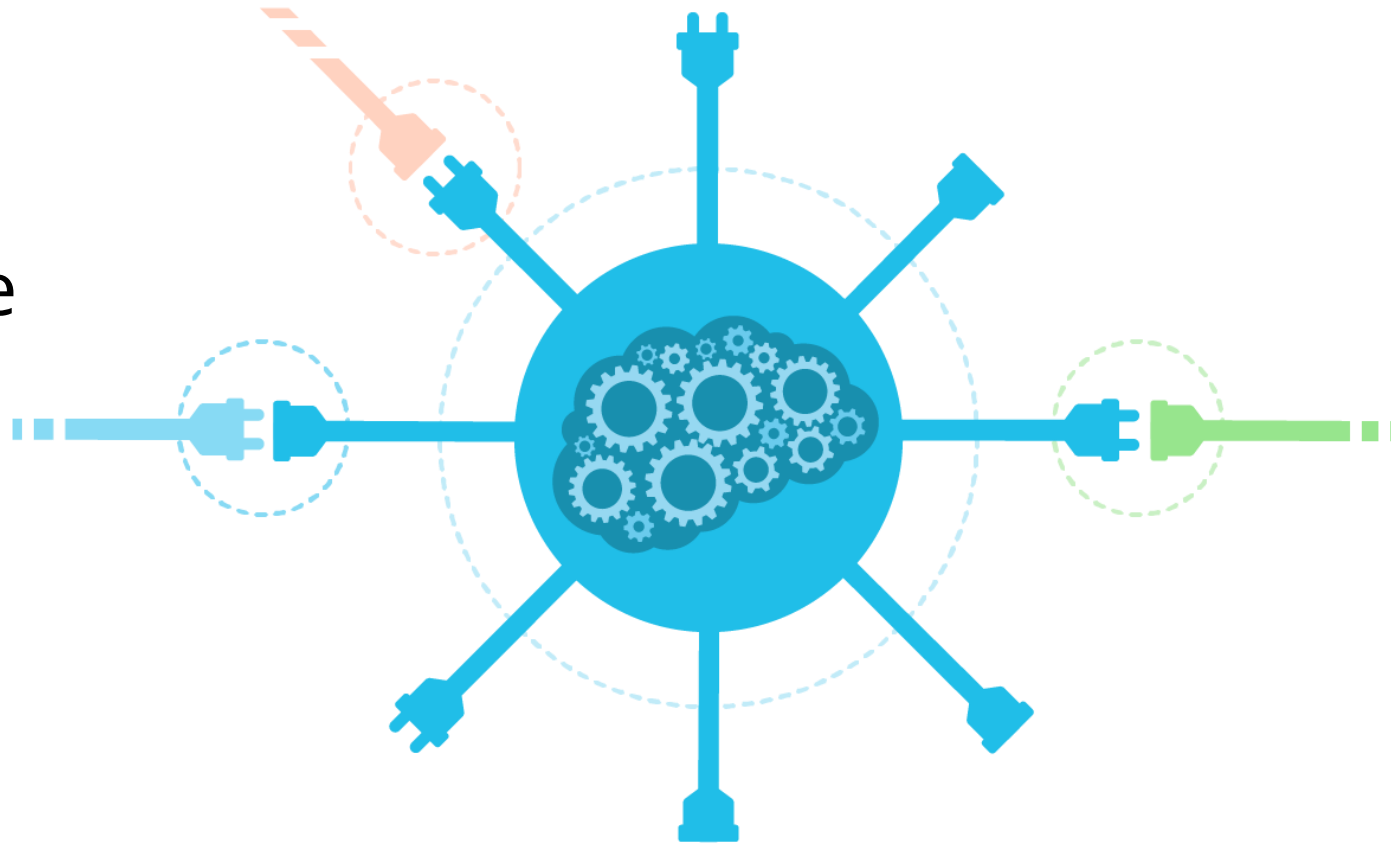


Hootsuite™

**we
are
social**

So what's helping to enable all this...

APIS...
the ultimate
digital
middleman



“APIs enable end-to-end customer journeys through the integration of data and digital services from different partners”

David Beardmore, Commercial Director,
Open Data Institute

