



FINANCE
DENMARK

Technical changes to instant payments

Online information meeting Wednesday 20 September 2023

Agenda

- 14:30 Welcome and Introduction
- 14:35 Competition law framework applicable for the meeting
- 14:40 The Future Payments Infrastructure
- 14:50 Technical changes to instant payments at Easter 2025
- 15:30 Dialogue and process going forward
- 15:45 Wrap-up

Competition law framework

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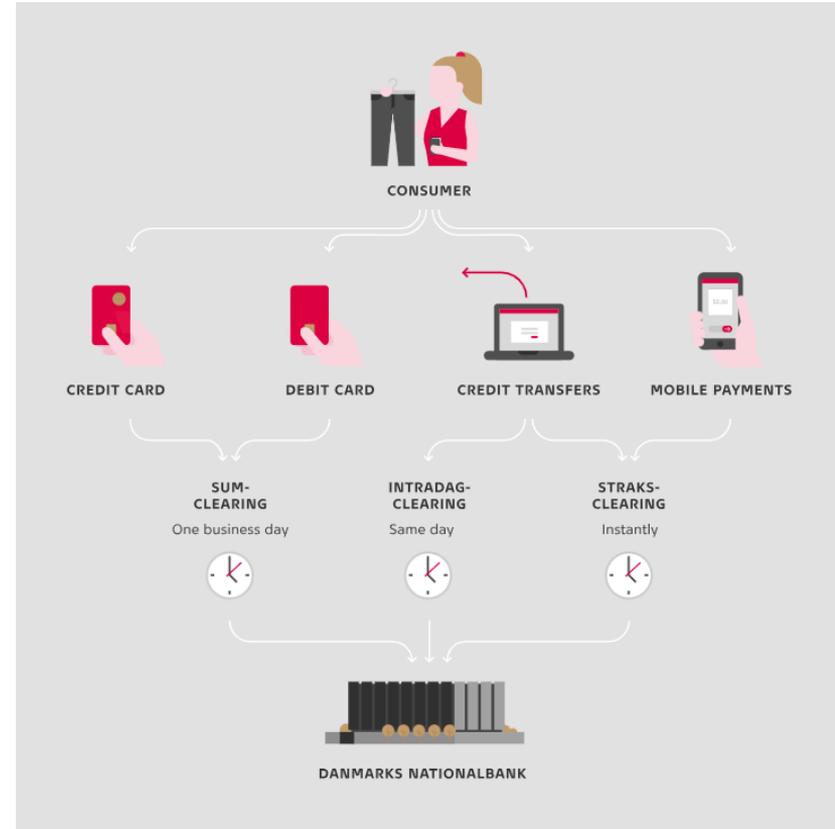
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Short introduction

The Future Payments Infrastructure

Upgrade and modernisation

- In October 2021, a unified banking sector decided to initiate an upgrade and modernisation of **Danish payments infrastructure**
- In the **Straksclearing** system, the banks' customers can make account-to-account transfers which are received by the recipient immediately after the transfer has been made.
- The **Intradagclearing** and the **Sumclearing** are multilateral net settlement systems, which means that it is not the individual transaction that is settled between the banks. Rather, the banks settle the difference between payments to and from their customers at fixed times of day, called net positions.



Source: Danmarks Nationalbank
[The payments infrastructure in Denmark \(nationalbanken.dk\)](https://nationalbanken.dk)

Objectives

The programme has several objectives

- Support that the Danish financial payment infrastructure has robust and stable systems facilitating that Danish kroner may be cleared at any time between the participating banks and can be settled at Danmarks Nationalbank.
- Through this system support and ensure a good basis for the financial sector to develop appropriate payment products for citizens and support the financial stability in Denmark.
- Support the financial sector's participation in the migration from the current Danmarks Nationalbank system Kronos2 to Danmarks Nationalbank's new systems in Target Services, including T2 and TIPS in Easter 2025.
- Support the implementation of the new ISO 20022 formats for payments as decided by the Nordic Payments Council. This makes it possible to use the same payment formats for Danish kroner as for both the other Nordic currencies and the euro. And optimal opportunities are ensured for developing financial payment solutions.

Next steps

The sector plan towards the Target DKK implementation by Easter 2025 is:

- **Future instant payments:** The existing Instant Clearing (Straksbetalinger) in Finance Denmark will close at Easter 2025. From Easter 2025, participants who wish to continue using instant payments can send their transactions directly to Danmarks Nationalbank for settlement in the TIPS system via the standard model.
- **Future account-to-account payments (non-instant):** The existing batch clearing in Finance Denmark, called Intraday Clearing (Intradag- og Sumclearingen), will be integrated into Target DKK.
- **Payment products of the future:** It is up to the individual actors in the market to decide which payment products to offer in the future. However, the sector plan includes activities related to sector products, which are currently administered collectively in the sector in the Documentless Clearing (Dokumentløs Clearing).

Presentation and Questions

Technical changes to instant payments at Easter 2025

NPC-standards

The new common Nordic payment standards from the Nordic Payments Council (NPC) for instant payments will be implemented at **Easter 2025** and will lead to a number of changes in **Instant Payments**.

This is an official requirement from Danmarks Nationalbank for settling DKK instant payments in TIPS.

Aligning with internal standards will also have the potential of strengthening the position of local solutions and augment benefits of further harmonization towards international standards.



- In the following slides the general and generic consequences will be presented.
- **Analyses and mapping of the full extent of changes, and systems or solutions affected, are ongoing.**
- Changes and amendments due to individual set-up and solutions are not covered in this presentation, and need to be addressed as part of a bilateral dialogue with each supplier, bank and/or datacenter.
- The **Fact Sheet available at Finance Denmark website(*) will be updated with new findings**, sector clarifications, etc.
- Once there is further clarity on the plan for implementing the NPC-standards for **intraday payments (batch)**, there will be further updates.

(*) Link: [Fremtidens betalingsinfrastruktur \(finansdanmark.dk\)](https://finansdanmark.dk)

Recipient name

- **Recipient name must always filled in** with recipient name
- For all account-to-account transfers as Instant Payments, the recipient name must from Easter 2025 be filled in with recipient name.
- Relevant validation rules implemented at the level of each bank and/or datacenter are currently being considered and discussed among market participants.
- Today, given the current payment standards, it is not mandatory to fill in the recipient name when creating an account-to-account transfer. However, some banks and datacenters have already implemented a similar requirement as a result of other market standards (such as CGI).

Shorter notification text

- For account-to-account Instant Payments, the voluntary notification text to the recipient will be changed from the current 41 lines x 35 characters to **1 line x 140 characters**.
- Short notification text of 20 characters disappears.

Above changes apply to Instant Payments

- These changes will apply to instant payments as of Easter 2025.
- The plan for the corresponding adjustments to intraday payments (Intradagbetalinger) has not yet been finalised.
- Once there is further clarity on the plan for intraday payments (batch), there will be further updates.

NPC standards are a DKK TIPS requirement

- If the NPC standards are not complied with, bank customers risk having their payment rejected.
- The NPC standards will lead to changes at field level, which banks and customers will have to implement in their own solutions

Planning

Dialogue and process going forward

Thank you for participating

Wrap-up



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