

P27 Nordic Payments



Cross-border payments as simple as texting.

By **Srijan Sharma**, Product Specialist, TCS Financial Solutions

Twenty-seven million people live in the five Nordic countries of Sweden, Denmark, Finland, Norway, and Iceland.

Yet despite their geographic proximity and cultural affinities, each country uses a separate currency: the Danish kroner, the Icelandic krona, the Swedish krona, the Norwegian krone, and in Finland, the euro.

This situation imposes challenges and costs for cross-border transactions in the Nordics, which has high levels of regional trade and travel.

That's why banks in Denmark, Sweden and Finland started P27, a joint initiative by Danske Bank (Denmark), Handelsbanken (Sweden), Nordea (Denmark), OP Financial Group (Finland), SEB (Sweden) and Swedbank (Sweden).

P27 aims to build the world's first real-time, cross-border payment system to support multiple currencies in multiple countries. Within the Nordic countries, P27 will enable integrated payments for domestic and cross-border payments. Also, P27 will support transactions throughout the eurozone in harmonization with Single Euro Payments Area (SEPA) standards.

P27 intends to establish a Nordics Payment Platform (NPP) to be made available to other financial institutions in the region. NPP will be modeled on

similar multi-country platforms that handle SEPA, except that where SEPA platforms support only euro payments, NPP will support multiple currencies.

The initial launch will support payments within Denmark, Finland and Sweden, and the platform will be expandable to allow for payments in other Nordic countries.

The Nordics Payments Council (NPC) is working toward defining the rulebooks and implementation guidelines for P27, based on those created for SEPA by the European Payments Council (EPC). P27 messages will be built using ISO 20022 XML messages, enabling high levels of flexibility, extensibility and straight-through processing, with efficient reconciliation and AML compliance.

Go-live for the P27 initiative, subject to regulatory approvals, is scheduled for mid-2021. The first phase will involve building the underlying clearing platform for NPP to support base-level functionality for the go-live.

Concurrently, additional products and value-added services will be developed to progressively enhance the NPP platform over the next two to three years. P27 will introduce enhancements and new features throughout the development cycle, demanding banks to manage continuous delivery for production roll-out without impacting business as usual.



payments



A few examples of some of the forthcoming value-added services include:

- Request to Pay
- Account Assurance Services
- Common Nordic Proxy Services
- Pan-Nordics Direct Debit

TCS BaNCS for Payments

To meet the visionary goals, significant technical challenges and ambitious timetable for deployment of the P27 platform, banks in the Nordics will find the perfect fit with TCS BaNCS for Payments, a state-of-the-art solution offering extensive capabilities for multi-product payments within a single platform and a modern API-based architecture enabling seamless integration with customer channels, internal systems and market infrastructures.

TCS BaNCS for Payments has been deployed in more than 25 countries for global and regional organizations and supports more than 40 clearing systems.

Built with native support for ISO 20022 standards, TCS BaNCS for Payments includes easy-to-configure configuration options that enables out-of-the-box support and high levels of flexibility for dashboards, pricing structures, reporting, accounting rules and payments routing.

As a proven multi-entity, multi-currency, multi-country solution with extensive experience in SEPA deployments for multiple banks across Europe, TCS BaNCS for Payments is the ideal fit for the P27 deployment.

TCS BaNCS for Payments will be used for end-to-end payments processing for P27, including:

- Receiving real-time payment instructions through web and mobile interfaces
- Handling batch payment instructions through API-based links with participating financial institutions and commercial customers
- Clearing and settlement
- Supporting banking needs for both private and corporate customers



TCS BaNCS for Payments is entirely aligned with the P27 roadmap and ready to meet the migration challenges for participating banks.

Furthermore, the microservices architecture of TCS BaNCS for Payments will enable participating banks to support P27 within the context of their existing application landscapes. Following the initial migration, banks may also enable a centralized hub for payment processing that will support credit transfers, direct debits, and real-time payments for multi-currency, multi-entity payments through a single application, powered by TCS BaNCS.

The modern architecture of TCS BaNCS will allow for rapid rollout of new offerings through continuous delivery, ensuring that participating banks in the Nordics will enjoy fast time-to-market and competitive advantage through the P27 initiative.

"The P27 initiative will trigger many innovative projects and result in phenomenal changes to the operations of financial institutions, corporates, and other key market players in the Nordics ecosystem," said S Prahalad, Head-Europe, TCS Financial Solutions. "TCS is intensely engaged with these developments, and with our latest enhancements to TCS BaNCS for Payments, we are helping market participants throughout the region to rapidly integrate real-time, cross-border payments into their existing channels, operations, and business processes."



FAST FACTS

P27 is a partnership between several leading banks in the Nordic region with the goal of creating the world's first digital platform that will allow businesses and consumers to make real-time, cross-border payments to one another. The platform is intended to serve the 27 million people living in the Nordic region, which is where the name P27 comes from.

P27 is a joint project between six of the largest banks in the Nordics: Danske Bank, Handelsbanken, Nordea, OP Financial Group, SEB and Swedbank. The ownership of P27 is divided equally among these owner banks.

AT A GLANCE

Company: P27 Nordic Payments

Headquarters: Stockholm, Copenhagen, Helsinki

Business Challenge: To build the world's first real-time, cross-border payment system in multiple currencies.

Solution: TCS BaNCS for Payments