



Interlinking PromptPay and PayNow

22 November 2021

Vision



To enhance customers' **convenience** for cross-border payments and remittances through a switch-to-switch model which is **fast**, **secure** and **cost-effective**. Complies with laws and regulations of each jurisdiction

Mission

Initial Phase: Pilot launch by April 2021, with payment and remittance services by pilot participants.

Future Phases: Expand the number of participants and increase scope

Guiding Principles



1. **Promote ASEAN Payment Connectivity** by adopting Switch-to-Switch Model between NITMX and NETS
2. **Develop open infrastructure and interoperability** to facilitate convenient and cost-saving payment and remittance channels
3. **Encourage competition and innovate services** that leverage on infrastructure linkage
4. **Comply with laws and regulations of each jurisdiction**, including AML/CFT, risk management, consumer protection, etc
5. **Establish a pilot project and use case for other linkages among ASEAN countries**

Target Operating Model - Pilot



No	Item	Description
1	Participants	Singapore – DBS, OCBC & UOB Thailand – Bangkok Bank, Kasikorn Bank, KrungThai Bank, Siam Commercial Bank
2	Available Channels	Mobile App
3	Use Case	Peer to Peer
4	Preferred Proxy	Mobile Phone Number
5	Industry Payment Limit	THB – 25,000 Baht SGD – 1,000 Singapore Dollar
6	Pricing Commercials	Sending bank quotes and execute
7	Settlement Model	“Many-to-one” settlement, i.e. 1 settlement bank for each currency Consolidated out-going payment Local currency – THB / SGD
8	Payment Notifications	Follow Banks’ current practices
9	Others	Refund/Returns are not applicable. Follow existing banks practice for any recalls

Cross Border Transaction Flow (SG->TH)



High-Level



SG Participant

1. Sends Proxy Lookup request

3. Initiates Funds Transfer

5. Receives a confirmation of success funds transferred



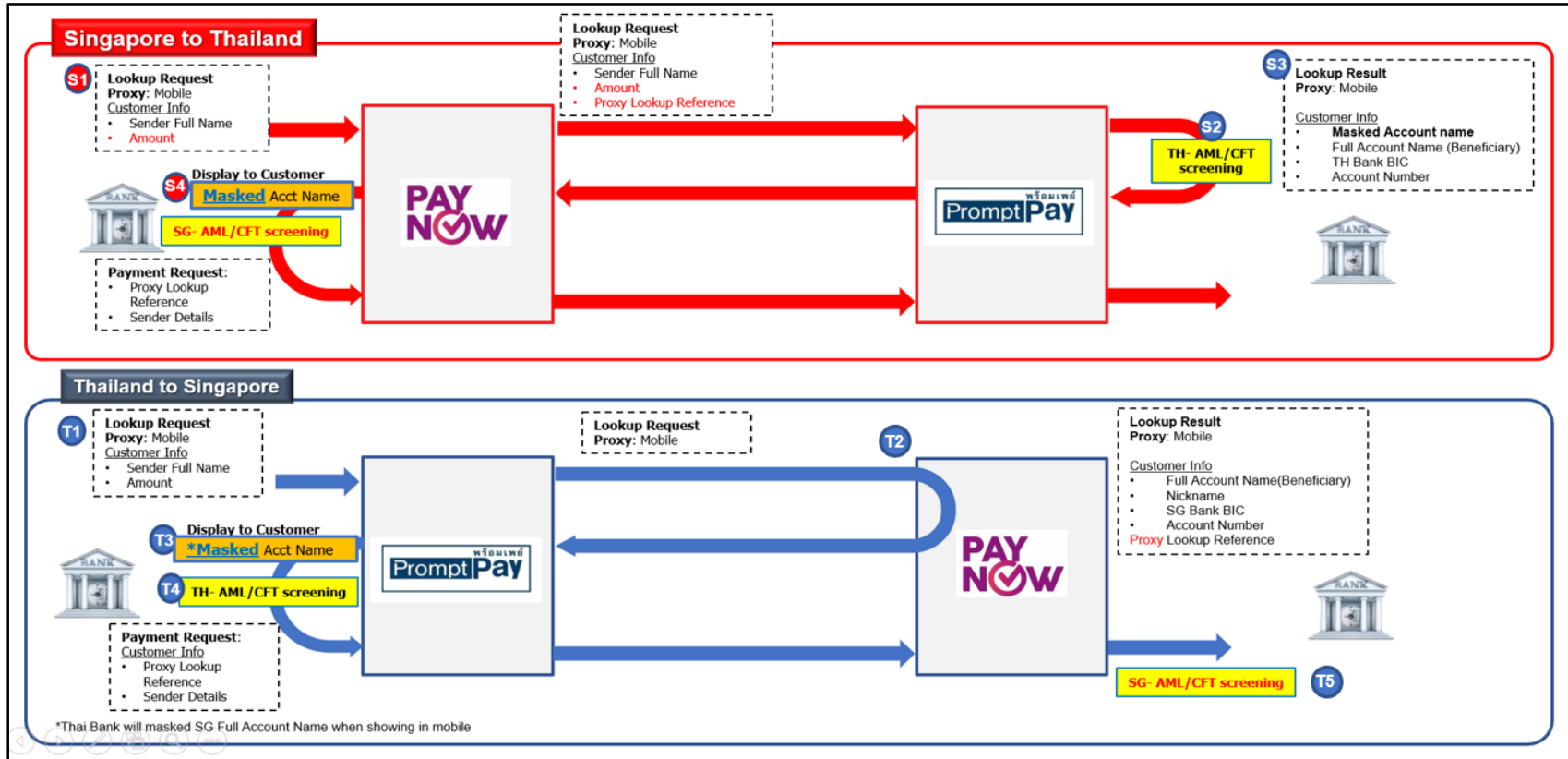
TH Participant

2. Resolve Proxy lookup and provide details

4a. Acts on the Funds Transfer request and process.
4b. Returns a confirmation after acceptance

Sender Bank	Sender Switch	Receiver Switch	Receiver Bank	Post Recon Action	Remarks
Sent	Accepted	Accepted	Accepted	Nil	Transaction will appear in Settlement File

Real-Time Screening performed by all participants



Legal and Governance Framework

Oversight

BAU / Mature Phase
Joint Oversight Panel

Legal Structure

Bank A (Settlement Bank)
Bank B
Bank C
Bank D
Operator



Bank A (Settlement Bank)
Bank B
Bank C
Bank D
Operator

Multi-Party Agreement

covering inter alia:

1. Incorporation of Operation Rules
2. Joint governance matters
3. Appointment of operators
4. Scheme and settlement rules

Parties agree to comply with Operating Rules



Operating Rules

covering inter alia:

1. Roles and responsibilities of Operators, Banks and Settlement Banks
2. Commercial terms
3. Operational service level agreements
4. Dispute resolutions



Thank You



Appendix

Please choose one to use

Existing Domestic Target Operating Model



No	Item	PromptPay	PayNow
1	Turnaround Time	End-to-End: 20 Secs Leg 2 to Leg 3: 15 Secs	End-to-End: 15 Secs Leg 2 to Leg 3: 10 Secs
2	Proxy Lookup	Mostly Decentralised	Centralised
3	Proxy Lookup – Account Name	English, Thai (Double Byte)	English (Single Byte)
4	Direct Debit	Not Available	Available but not offered by all FAST banks
5	Transaction Limits	THB 2,000,000	SGD 200,000
6	Net Debit Cap (NDC)	No NDC set at switch. Banks monitor own limit.	Banks set NDC at switch, in line with amount held in Cash Collateral Account.
7	Collateral	No Separate Collateral Account Leverage on BahtNET SRS	Separate Collateral Account
8	Settlement	Settlement via account in BahtNET	Settlement via RTGS
9	Cancellation Flow	No, handled via T+1 unmatched report	Handles Cancellation for Technical related issue

Cross Border Settlement – Key Principles adopted



No	Item	Description
1	Settlement Bank Selection	RFP Process
2	Term	2 years with option to extend or a call for RFP process
3	Settlement Cycles	Follow domestic real-time switch cycles
4	Source of Settlement Data	Settlement reports generated by domestic operators
5	Pricing	Settlement Bank must offer a fixed and transparent fees for services related to settlement (e.g. transaction / statement fees)
6	Suspension	Rights to suspend participants rest with settlement bank; can be triggered in the event of settlement failures to avoid / manage credit risks
7	Screening	Not required as Settlement bank performs 1 way consolidated settlement