

Terms of Reference for the Renewal Executive Board

1 Constitution

In accordance with the powers delegated by Court, the Governor has constituted the Renewal Executive Board (the “Board”), as a committee of the Bank, chaired by the Deputy Governor for Markets, Banking Payments and Innovation & Resolution (DGMB&R), for the purposes set out in these Terms of Reference.

The Board operates within the Bank’s Executive Governance Structure, reporting to the Governor and ultimately Court. The Board may escalate decisions or considerations to the Governor or Court if it considers it appropriate to do so.

2 Responsibilities

The Board will have responsibility for:

- (a) oversight of the RTGS Renewal Programme (the “Programme”), with a particular focus on issues escalated from Programme Board;
- (b) decisions on the overall scope of the Programme including Transition State 4;
- (c) decisions on the financial management of the Programme, (including the authorisation of funds for specific phases of the Programme, within the overall budget set by Court and ensuring value for money at all levels of programme governance), and for escalating to Court any proposed changes to the budget set by Court;
- (d) decisions needed to provide appropriate resources to the Programme in a timely way, and to address Programme dependencies;
- (e) material procurement exercises required; and
- (f) the final decisions to “go live” with the implementation of, and transition to, the various states of the new RTGS system.

The Board will make recommendations to Court on the overall budget for the Programme.

The Board will regularly report progress on the delivery of the Programme to Court and RTGS/CHAPS Board (“RCB”).

RCB as a committee of the Bank, has delegated authority from the Governor for strategic decisions for the management and operation of the RTGS system and the CHAPS system. It is also responsible for ensuring that the CHAPS system meets the supervisory responsibilities of a systemically important payment system, as supervised by the Bank’s Financial Market Infrastructure Directorate. In the exercise of its responsibilities, the Board will take into account the strategic decisions made by RCB, including the risk tolerance set for the current and future RTGS system and the CHAPS system. The Board will also take into account RCB’s views on industry readiness and any material implications for the Programme arising from industry engagement and industry demand for changes in functionality and new products.

The Board will inform and, where appropriate, consult the RCB on all relevant matters as these pertain to the live service, industry and scope change. This will include sight of the “go/no-go” decision-making process (including any material risks to the live service identified in any recommendation to go live) for the different Transition States.

RCB RiskCo can escalate to the Board issues that it considers are relevant. RCB members also have the right to escalate directly to Court any issue where it considers that the Board’s proposals or decisions would negatively impact RCB’s responsibilities.

3 Membership

The Committee shall comprise: DGMB&R; Chief Operating Officer (COO); Chief Financial Officer (CFO), Chief Information Officer (CIO) and the Executive Director for Payments (ED Payments).

4 Quorum

The quorum shall be three members present, one of whom shall be DGMB&R or the COO. A member who is not present at, but is in communication with a meeting, is to be treated as present at it.

5 Meetings

The Chair may summon a meeting at any time on giving such notice as in their judgement the circumstances may require. In the normal course of events, the Board is expected to meet on a monthly basis.

6 Attendance at Meetings

The following will attend and contribute to the Board meetings, in non-decision-making capacity: Executive Director for Risk. Others may attend by invitation of the Chair.

7 Chair

The Chair of the Board will be DGMB&R. If the Chair is not present at any meeting for any reason, the deputy chair will be the COO.

8 Voting

The Chair must seek to secure that decisions of the Board are reached by consensus wherever possible. Where the Chair forms the opinion that consensus cannot be reached, a decision is to be taken by a vote of all those members present at the meeting. If a vote is necessary, each member present or treated as being present at the meeting shall have one vote and all matters shall be decided on a simple majority vote. In the event of a tie, the Chair of the meeting shall have a second or casting vote.

The Board may also take decisions in writing, including by email. Board members can request for the matter to be discussed at a meeting by responding prior to the deadline. A decision may only be taken in this manner if the members that respond in writing would have formed a quorum at a Board meeting.

9 Conflicts of Interest

If any member of the Board has any direct or indirect interest (including any reasonably likely future interest) in any dealing or business which falls to be considered by the Board, he or she must disclose that interest to the Chair and may be required to withdraw and be absent during the debate on any such dealing or business if the Chair of the meeting decides that in the circumstances this is necessary or desirable.

10 Minutes and Reporting

Minutes of each meeting of the Board will be taken by the Bank's Central Secretariat. After each meeting, and once approved by the Chair, a copy of the Board's minutes will be shared with Governors, Court and with RCB.

11 Court's oversight function

Court is to have access in the discharge of its oversight functions to documents considered, or to be considered, by the Board. One or two members of the Court of Directors may attend any meeting of the Board for the purpose of exercising its oversight functions.

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