



## RTGS Renewal Programme – External Advisory Body

Monday 25 June 2018

Attendees: **Members:**

**BONYM**  
**Citi**  
**EUI**  
**Independent Challenge**  
**Metro Bank**  
**NPSO**  
**PSR**  
**Paysafe**  
**Worldpay**

**Chair of CHAPS Board Strategic Advisory Forum**  
**KPMG External Assurance**

**Bank of England:**

Apologies: Barclays  
Lloyds

### Welcome and introductions

1. The Chair welcomed EAB members to the meeting. The Chair noted that the Programme's appointed assurance supplier, KPMG, would be observing this EAB.
2. The Chair asked if there was any potential conflict of interest. A previous working relationship with KPMG was noted though this was not considered a conflict.
3. The Chair outlined changes to EAB membership. Becky Clements is leaving Metro Bank and would stand down from EAB. Mitch Pulley from Atom Bank would become a member of EAB from September. Tim Fitzpatrick has left the Bank and will no longer be a member of EAB. The Chair thanked Becky and Tim for their input.
4. An update was provided on the formation of the Bank's new CHAPS Strategic Advisory Forum (SAF) by Kevin Brown, SAF Chair. There was good engagement at the first Forum which covered areas of future discussion and the relationship SAF will have with EAB (and more broadly with the RTGS Renewal programme). A summary of discussions are published on the Bank's website<sup>1</sup>.
5. The NPSO provided an update on preliminary work to shape the New Payments Architecture (NPA) for retail payments. The NPSO and Bank confirmed that communication channels and regular meetings were in place and that ongoing collaboration would continue to be a priority.
6. The Chair noted the record of the previous meeting had been agreed and published on the Bank's website.

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<sup>1</sup> <https://www.bankofengland.co.uk/-/media/boe/files/payments/chaps/chaps-strategic-advisory-forum-april-2018.pdf>



### **Item 1: Review of actions from previous meetings**

7. There were no open actions to be discussed.

### **Item 2: RTGS Renewal programme update**

8. An update on the programme was provided. On 6 June, the Bank published the ISO 20022 consultation. The consultation will close on 18 July and findings will be shared with industry in Q4 2018. There has been a positive level of interest in the consultation with a high number of firms registered to respond.
9. The programme is currently completing stage three of four of the Plan-Analyse-Design phase. Focus for the remainder of the year would be on developing the overall procurement strategy, transition plan and business case. A number of challenges were discussed including balancing the ambitious vision of the programme with constraints such as the overall level of industry change, security and cost. While recognising that the Bank was not yet in a position to share indicative cost estimates, Members noted they would like to engage on this at the appropriate point. Members also noted that when developing the business case, it would be important to consider overall industry cost as well as the costs to the Bank. The Bank confirmed that this was in scope and planned to take an initial view of this to September's EAB.

### **Item 3: Target Operating Model (TOM) – Potential impact on direct participants**

10. One of the key deliverables in this phase of the Programme is developing the Bank's Target Operating Model for running the renewed RTGS service. Noting this work was still at a high level, an update was provided, in particular the key areas that are expected to impact external firms. These included:
  - Access – for example changes to the onboarding process
  - Interoperability – including the introduction of ISO20022 and adoption of the enhanced 'V' model under a network agnostic design
  - Functionality – for example read and write APIs
11. Members noted this impact would be felt beyond CHAPS direct participants and asked how indirect participants would be engaged. Currently indirect participants receive general communications through the bi-monthly round up and workshops. As the programme develops and there are narrower timelines and tangible actions needed, both the Bank and correspondent banks would have a role in communicating changes required. The engagement strategy would be refreshed as we move into the next phase of the Programme and would consider this point. Advice would be sought from both EAB and SAF on how best to deliver this.
12. Members noted it was helpful to view this at an early stage and advised the Bank to review lessons learnt from other industry changes. They also noted the importance of close liaison with Open Banking on API development.
13. It would be important that the TOM could flex and adapt to future change. Kevin Brown noted that SAF would have an important role to play in identifying strategic change and how this is scheduled in a future change roadmap. Timing of when the new approach to change would be implemented was important. The Bank noted that this sequencing would be considered as part of the transition planning. This would also consider any quick wins that could be delivered, in particular any improvements to the current testing approach, if they could be delivered within the Bank's risk appetite.



#### **Item 4: Transition principles and directional decisions**

14. The Bank gave members an overview of the approach to developing a more detailed transition plan. As part of the transition work, the Bank discussed lessons learned with central banks and other organisations that have completed large programmes. The programme has also had extensive engagement with stakeholders through the Transition Working Groups, transition questionnaire and bilateral engagement to understand firm's preferences for delivering the renewed RTGS system.
  
15. The Bank shared the overarching principles for the transition approach which will guide decision making and asked EAB to provide any feedback on these. EAB agreed with the principles and shared reflections from similar transformations. In particular, the importance of managing external dependencies and multiple communications about the change were noted.

#### **AOB**

16. No other business was discussed.