



## RTGS Renewal Programme – External Advisory Body (EAB)

Thursday 14 November 2019

Attendees: **Bank of England**  
**Atom Bank**  
**Bank of New York Mellon**  
**Barclays**  
**Chair of CHAPS Strategic Advisory Forum & Independent Challenge**  
**PaySafe**

Apologies: **Citi**  
**EPA**  
**EUI**  
**Lloyds Banking Group**  
**Pay.UK**  
**PSR**

### Welcome and introductions

1. The Chair welcomed EAB members to the meeting and noted the apologies, some of which were last minute.
2. The Chair asked if there was any potential conflict of interest. No members declared any conflict of interest.
3. The record of the previous meeting had already been agreed and published on the Bank's website.

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

4. There were no open actions to discuss.

### Item 2: RTGS Renewal Programme Update

5. An update on the Programme was provided. The Programme is in the 'Design, Enable and Procure' phase, which is on track against the published plan. EAB were reminded of the headline timetable for the Programme.
6. It was noted that the procurement continues to progress to plan and is on track for the key milestones, including the appointment of a Technology Delivery Partner (TDP) in May 2020. Bidder dialogue is continuing until the end of the year, ahead of the Best and Final Offer stage. Alongside the procurement, there is a lot of preparatory work to ensure the Programme is ready to work with the TDP.
7. The Bank had a strong presence at SIBOS in September 2019. In particular it engaged widely on ISO 20022. This was part of a wider engagement and communications plan that is being



implemented to develop the ISO 20022 schemas, technical and market guidance for December 2019.

8. In 2018, the Bank consulted on the approach to accommodating enhanced ISO 20022 messaging for Direct Participants (DP). This proposed introducing a separate Closed User Group for DPs who could then send enhanced messages between one another. Other market infrastructures have now published their ISO 20022 transition plans. The Bank has sought feedback on whether it should now change its approach. We will be sharing the decision and next steps on this in December 2019.
9. The Chair added that the potential change of direction for this work was also due to listening to industry feedback. There will be a further discussion on this at the Strategic Advisory Forum and the Bank will also be ensuring alignment with Pay.UK.

### **Item 3: Pay.UK update**

10. There was no update provided, as unfortunately Pay.UK had sent apologies.

### **Item 4: Message Network Agnostic Design**

11. An update was provided on the potential of Message Network Agnostic Design (MNAD) in the renewed RTGS service. This included how new communication channels could be enabled and possible benefits and risks. Benefits might include allowing the RTGS service to be easier and cheaper to access, increasing flexibility for the participants and enhancing resilience. However, there might also be costs involved and additional security infrastructure required.
12. Members felt this was an important topic that the Bank should explore further, with participants benefiting from the availability of more flexible access options. However, if enabled the costs should be minimised. The number of networks connected could be a key driver of this but the optimal number of networks should still remain small, to avoid creating an onerous technical demand. Members cautioned the Bank to explore the liability implications of allowing multiple networks but noted that participants' operational resilience would benefit from having a contingency option for their SWIFT connection.
13. The Bank shared that they are continuing to explore this thinking and would be undertaking further industry engagement. This will include a CIO forum in January, where MNAD will be discussed. A decision on whether and if so how to introduce a Bank PKI was expected in 2020.

### **Item 5: CHAPS As Retail Alternative (CARA)**

14. The Bank provided an update on its work on CHAPS as a Retail Alternative (CARA), including the background, key objectives and principles. In July, the Bank consulted on RTGS/CHAPS acting as a potential retail contingency alternative. This work aims to address the wider interoperability objective, set out in the Blueprint.
15. To date the Bank has been working closely with Pay.UK to consider how the renewed RTGS service could provide a contingency for retail payments and consulted the industry via a working group on the Role of CHAPS in the Payments Landscape. In August 2019, the Bank issued a survey to set out proposals for a file-based retail contingency and sought views on specific features of the potential service proposition.



16. The survey feedback was generally supportive of the Bank's work on retail contingency, but also highlighted areas for further work, including to understand the file aggregation and payment redirections. The Bank will introduce two sub-groups to support the development of this work and further thinking on the service proposition.
17. EAB members noted their support for the Bank's work on retail contingency and emphasised the importance of working together with Pay.UK to understand the future developments of UK retail payments infrastructure

### **AOB**

18. The Chair highlighted that the Renewal Programme's Senior Manager for Engagement and Communications had recently been promoted to Head of Markets & Banking COO. The Chair extended thanks to the Senior Manager for their support in developing the External Advisory Body.
19. Members were also encouraged to suggest future agenda items for the forward planner. Meeting dates for 2020 are now in the diary. If members have any suggestions they should let the Chair or secretariat know directly.