



RTGS Renewal Programme – External Advisory Body (EAB)

Thursday 11 September 2019

Attendees: **Bank of England**

Atom Bank

Bank of New York Mellon

Barclays

Chair of CHAPS Strategic Advisory Forum & Independent Challenge

Citi

EUI

Lloyds Banking Group

Pay.UK

PaySafe

PSR

Apologies: **World Pay**

Welcome and introductions

1. The Chair welcomed EAB members to the meeting and noted apologies. The Chair also welcomed the new EUI representative to the meeting.
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 been agreed and published on the Bank's website.

Item 1: Review of actions from previous meetings

4. It had been proposed at the last meeting, that a wider discussion to drive international ISO 20022 harmonisation could take place at Sibos in September 2019. The Bank reported continued efforts to drive international alignment on both the standard design and implementation approach. The Payments Market Practice Group was meeting at Sibos to discuss next steps.

Item 2: RTGS Renewal Programme Update

5. An update on the Programme was provided. The Programme was 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. **Procurement:** procurement continues to progress to plan. Bidder dialogue has recently been undertaken and bids have been received. Bids are now being evaluated before the Bank moves into the 'Invitation to Continue to Participate' stage in October, where a maximum of three bidders will continue. Further bidder dialogue sessions will follow. The Programme remains on track to appoint the bidder by May 2020.
7. EAB asked about the **Financial Markets Infrastructure Division (FMID)** supervision of the Programme and any impact on timelines. The Bank gave an overview of the FMID supervisory process and noted that supervisory activity was incorporated within the published timeline.
8. The first transition state projects have been established. This includes preparatory work for **future transition states**, for example building new technical environments, and development of



ISO 20022 schemas. EAB stressed the importance of wide-ranging communications on ISO 20022 to drive awareness and preparedness. The Bank highlighted that updates were happening at SIBOS, that communications were planned to support the publication of the ISO 20022 schemas in December 2019 and mentioned work planned with trade bodies to ensure further reach of messaging.

Item 3: Pay.UK update

9. Pay.UK provided an update on the New Payments Architecture (NPA) Programme. Following an independent review, the Programme is in a pause and reflect period. The Programme is focused on planning, developing the business case and pricing and participant engagement. The procurement process continues and following the issue of the Request for Information in July, “joint-solutioning” with suppliers has been taking place.

Item 4: ISO20022 migration and implementation

10. The Bank’s 2018 ISO 20022 Consultation proposed *‘introducing a Closed User Group for those participants who wish to use the data enhancements early.’* Since the Consultation Response was published, other infrastructure providers have now announced their ISO 20022 transition plans. In particular, SWIFT (for cross-border payments and cash reporting messages) and the ECB (for the new TARGET system) will require ISO 20022 messages to be sent in an enhanced format from November 2021.
11. Given these developments, the Bank is assessing whether its current migration approach remains optimal. EAB welcomed the further work and industry engagement underway by the Bank to understand the implications. Pay.UK also offered to share findings from the recent FPS transition questionnaire. The Bank will advise before the end of 2019 whether the approach proposed in the consultation will be revised in light of feedback.

Item 5: Planned approach to ISO 20022 testing

12. An update was provided on the planned approach to ISO 20022 testing and the potential options available. The like for like schemas will be published at end of 2019 and the Bank is exploring the use of **simulators to help with testing**. The MyStandard portal is also now available for participants to test their messages. Initial engagement has suggested that the majority of DPs welcome testing tools being available. EAB felt that the idea of a simulator for testing seemed very useful.
13. The Bank updated EAB that it will set out its **testing timetables** in due course, but the final timelines will be dependent on the appointment of the Technology Deliver Partner. EAB stressed the importance of ensuring testing timetables provided sufficient time for DPs to conduct end to end testing with both their FI and corporate customers.

Item 6: RTGS Renewal Engagement - Feedback

14. The Bank provided an update on a **recent survey** undertaken with members of EAB, the CHAPS Strategic Advisory Forum and senior Direct Participant (DP) representatives. The survey aimed to review what engagement the Bank was doing well and capture what could be improved. Feedback was generally very positive with some constructive suggestions for improvement. These include how we communicate findings or outcomes following engagement and doing more to help newer participants build a network of contacts across existing DPs.



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15. DPs have also been recently surveyed on their **readiness for the Renewal Programme**. There was a good response rate and positive results. The overall feedback suggested that although some preparations were in their infancy, this was due to DPs needing more information from the Bank before they were able to prepare further for the programme. EAB were informed this was in hand - ISO 20022 like for like schemas would be published by the end of the year and more granular milestones would be shared following appointment of the Technology Deliver Partner.

AOB

16. There was no other business.