



Minutes – Standards Advisory Panel (SAP)

2 December 2019

Location: Bank of England, Threadneedle Street, London, EC2R 8AH.

Attendees:

Members:

Jana Mackintosh	Chair (Worldpay)
Brendan Reilly	Silicon Valley Bank
James Barclay	JP Morgan
Domenico Scaffidi	Volante
Jo Oxley	Government Banking Service
Toby Young	Ebury
James Whittle	Pay.UK
James Southgate	Bank of England

Observers:

Oli Bogaerts	Financial Conduct Authority
Ben Woodside	Payment Systems Regulator

Other attendees:

Bank of England & Pay.UK Secretariat
Presenter from Bank of England

Apologies:

Andrew Cregan	British Retail Consortium
Ralf Ohlhausen	PPRO
Robert White	Santander
Shriyanka Hore	Oracle
David Llewelyn	HomeServe
Andy Young	LV=
Karen Braithwaite	Barclays

Item 1: Approach to Guidance for use of enhanced messages

1. The Bank of England ('the Bank') and Pay.UK set out their approach for producing thematic market guidance by the end of 2020. The guidance will detail how to populate enhanced data ISO messages, dependent on the payment purpose. The Panel was in support of the approach, and noted the need for UK centric guidance in addition to the international. The Panel also noted that the approach would enable industry experts to dedicate a short period of time to their specific speciality.
2. The Bank and Pay.UK envision this guidance being created and owned by industry, with the Bank and Pay.UK playing a convening and coordinating role, and ensuring consistency between different pieces of guidance. The Bank and Pay.UK recognise that industry participants are better placed to understand

the needs of that particular sector, and when guidance may need to be altered. The Bank hopes that the production of guidance for key transactions will catalyse the industry to produce guidance on other transaction types.

3. The Bank has identified a number of high level transaction types for CHAPS that will form the core of the market guidance. It will look to prioritise those that have the largest impact on financial stability and that are most time critical. The Panel questioned whether the transactions could have been more effectively prioritised in order of the benefit they would provide, particularly noting that standardising invoice payments could deliver significant benefit, given the variance in these payments at present. The Bank agreed to consider reprioritisation.
4. The Bank will seek to issue guidance for priority transaction types by late 2020, giving participants sufficient time for implementation ahead of March 2022 when all Direct Participants in CHAPS must be able to receive ISO 20022 enhanced messages. But there are significant uncertainties about the process to create guidance, and production is dependent on industry buy-in and resource. Guidance relating to the other, lower priority, transaction types could be provided on a longer timescale, and may require more industry resource to co-ordinate and deliver.
5. The Panel stressed the importance of use cases and benefits being presented with and alongside the guidance, both to raise interest in developing and owning the guidance, and desire to use it.
6. The Panel also noted the importance this places on correctly identifying the purpose of a payment, and so the importance of having an effective purpose code list.

Item 2: Summary of workshops on straight through processing and financial crime and next steps

7. The Bank and Pay.UK summarised two recent workshops on straight through processing and financial crime.
8. The key outcome from both workshops was the centrality of quality data to delivering benefits. The Panel agreed this would be key for delivering a number of outcomes, including improving straight through processing rates and financial crime detection. The Panel felt that a breakdown of responsibilities for various participants across the payment chain would help identify key areas that require industry effort. The Bank agreed to bring a draft of this to the next meeting.

Item 3: Look ahead to Bank of England December Publication and Pay.UK Standards Consultation

9. In December 2019 the Bank formally announced the change to its ISO 20022 migration approach. At a minimum, all Direct Participants in CHAPS will be mandated to receive enhanced ISO messages from March 2022. It will remain optional to send enhanced ISO 20022 messages, but all Direct Participants must send like-for-like ISO 20022 messages from that date.
10. Pay.UK notified the Panel of their plan to consult on the NPA standards for the core clearing and settlement capability early in 2020. Note: This has since been [published](#).

Item 4: Joint Bank/Pay.UK statement on collaboration

11. Pay.UK and the Bank informed the Panel of plans to publish a joint statement on how the two bodies are working together to deliver interoperable standards for the UK's payments infrastructure. It covers what has been achieved so far and plans for future collaboration. The Panel were very supportive of having a document to refer customers back to, and noted that when Pay.UK and the Bank make different decisions, they should be very clear why. The Bank and Pay.UK agreed this was important. Note: this has since been [published](#).

Item 5: SAP end-of-year review

12. As detailed in the Terms of Reference, the Bank and Pay.UK were due to undertake a review of the Panel. The Bank and Pay.UK asked the Panel for feedback, which they will feed into their review.

Item 6: Any other business

13. Panel members were reminded to register for the RTGS renewal industry event on 13 January at the Bank.

Close of meeting.