



RTGS Renewal Programme – External Advisory Body (EAB)

Tuesday 2 June 2020

Attendees: **Bank of England**
Chair of CHAPS Strategic Advisory Forum & Independent Challenge
Atom Bank
Bank of New York Mellon
Barclays
Citi
EUI
Lloyds Banking Group
Pay.UK
World Pay

Apologies: **EPA**
PSR

Welcome and introductions

1. The Chair welcomed members to the meeting and apologies were noted.
2. The Chair asked whether there were any potential conflicts 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 two outstanding actions from the meeting on 17 March 2020, both related to ISO 20022 Market Guidance. These were to discuss Market Guidance with the Australian Stock Exchange who have implemented similar guidance, and to discuss the potential benefits with SWIFT and further with the Bank's and Pay.UK's Standards Advisory Panel. These actions are on track to be completed by the next meeting.

Item 2: RTGS Renewal Programme Update

5. An update on the Programme confirmed that it was on track against the published plan. The Bank was evaluating the bidders' Best and Final Offer and expected to finalise the contract with the winning Technology Delivery Partner in the summer.
6. The Programme continued to make progress against ISO 20022 migration. Following industry workshops in April, the draft 'enhanced' schemas for the CHAPS ISO 20022 migration had been published.
7. Industry readiness also continued at pace in 2020, with further meetings of the Renewal Testing, Transition and Programme Managers Working Group to support the readiness and monitoring activity. Industry engagement remained a priority for the Programme and was being facilitated virtually.



Item 3: Pay.UK update

8. Pay.UK provided an update on the New Payments Architecture (NPA) Programme. The Programme has been independently reviewed and there had been a subsequent reset. As a result, a number of new workstreams and directorates have been set up to respond to the outcomes of the review. Following the scope questionnaire sent to industry at the end of 2019, the NPA Programme has set up a Senior Participant Group, from across the payments system and this will provide advice and guidance to the NPA Committee and Board.

Item 4: Changes ISO 20022 Timelines

9. An update was given on the migration for ISO 20022, including the international timelines for ISO 20022 migration. The Bank has been holding discussions with the European Central Bank (ECB) and with CHAPS Direct Participants (DPs) on the impact of Covid-19 and SWIFT's decision to move their ISO transition timeline to November 2022.
10. The Programme Managers Working Group also discussed the impact of these changes at its last meeting, which indicated that firms would still be able to meet the Programme's current timelines. The Bank was continuing to engage with the ECB and other central banks to understand whether they are likely to propose changes to their timelines. The Bank explained that the ECB would be undertaking further industry engagement to help clarify their plans.
11. Members highlighted the number of changes that were happening in the industry and the risk of programme congestion if they were all delayed. There was agreement that while there should not be any difficulties in the Bank migrating to ISO20022 ahead of the ECB, there needed to be a sufficient gap between the 2 go-live dates. Industry engagement was still underway, but evidence so far suggested that the Programme could hold the published timelines.
12. Members discussed whether the Programme should continue to proceed on an enhanced basis or start with 'like-for-like' only for ISO 20022 migration in spring 2022. There was agreement this needed to be explored in more detail with DPs.

Item 5: Central Bank Digital Currency

13. An update was provided on the Bank of England's work on Central Bank Digital Currency (CBDC), with a particular focus on the discussion paper, published in March 2020. It was explained that the Bank had taken no decision to issue a CBDC. The paper aimed to serve as a basis for holding discussions on the ways in which a domestic CBDC could potentially play a useful role in delivering the Bank's objectives.
14. CBDC was being explored further with other Central Banks and the Bank was currently encouraging comments and debate on the discussion paper, which closed on 12 June. A key consideration was whether the public would choose to use a CBDC and what the impact would be on financial and monetary stability.

AOB

16. There were no AOB items.