



RTGS Renewal Programme – External Advisory Body (EAB)

Tuesday 17 March 2020

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

Apologies: **Atom Bank**
Barclays

Welcome and introductions

1. The Chair welcomed members to the meeting and apologies were noted.
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, which is on track against the published plan. EAB were reminded of the headline timetable for the Programme. The Bank is now evaluating 'Best and Final Offers' from the bidders, and expects to award the contract to the preferred bidder in the summer.
6. The Bank published the like-for-like ISO 20022 schemas on 17 December 2019, along with an update to Reserve Account Holders and the revised ISO 20022 migration approach. Since then the Programme's principles for monitoring industry readiness have also been agreed. The Deputy Governor for Markets and Banking has written to all Chief Executive Officers within the Direct Participants to update them on this approach.
7. Industry engagement has continued in 2020, with an all industry event in January focused on updating the wider payments industry on ISO 20022. In February, the Bank held a Chief Information Officer forum with CHAPS Direct Participants to discuss the Programme's delivery model and engagement approach. The Bank has set up three different industry working groups



to support the readiness work.

8. EAB members discussed SWIFT's recent announcement, that it would delay the start of the migration to ISO 20022 for cross-border payments from November 2021 to late 2022. The Bank confirmed that its initial view is that this will not have an impact on the planned migration approach or timelines for the CHAPS migration to ISO 20022.

Item 3: Pay.UK update

9. Pay.UK provided an update on the New Payments Architecture (NPA) Programme. The Programme has set up a Senior Participant Group, which is providing advice and guidance to the NPA Committee and Board. The Programme also continues to engage the wider industry on emerging views on scope.

Item 4: Message Network Agnostic Design

10. An update was provided on Message Network Agnostic Design (MNAD) in the renewed RTGS service. Since the Bank presented on MNAD at the last meeting, further engagement has been undertaken with the industry. There is general support from CHAPS Direct Participants (DPs) but they would also like to understand what robust participant assurance will be undertaken to ensure resilience. The Bank has also engaged with suppliers to understand the potential Public Key Infrastructure solutions available that will be able to meet requirements. The decision on whether to proceed with MNAD will be taken by the RTGS Renewal Committee in late March 2020.

Item 5: ISO 20022 Market Guidance

11. Members were reminded that in December 2019, the Programme published its ISO 20022 migration approach and a joint statement with Pay.UK on priorities for 2020. An update was provided on the change to the migration approach. It was confirmed that SWIFT will continue to support Central Banks on their published timetables for ISO 20022.
12. An update was provided on the timelines for the ISO 20022 enhanced message schemas. The Bank aims to publish the final ISO 20022 enhanced message schemas by September 2020. The Bank is also exploring how it can maximise the benefit of ISO 20022 within the industry through its Market User Guidance (MUGs) work to ensure consistency and drive benefits within sectors. The Programme will be engaging more widely on the potential benefits.

ACT 1: The Bank to discuss MUGs with the Australian Stock Exchange who have implemented similar guidance.

ACT 2: The Bank to discuss potential benefits with SWIFT and discuss further with the Standards Advisory Panel (SAP), who have been reviewing this topic with members.

13. The Bank is also looking to host a number of workshops with particular sectors, such as housing, to develop the MUGs. The first set of MUGs is due to be published by the end of 2020. Members discussed how to ensure industry engagement and the key organisations that would support this work within the housing sector. The Bank confirmed this needed to be looked at sector by sector and that discussions had started with UK Finance. Pay.UK have since picked this up and advised it would be on the agenda at a future UK Finance Payments Board.



Item 6: Industry Readiness

14. An update was provided on industry readiness and the Programme's approach to monitoring and assurance. The approach undertaken will be trust and verify or trust, verify and inspect. The inspect stage would be undertaken by a third party auditor for those participants with systematic importance.
15. The Bank confirmed it would be issuing a questionnaire to all CHAPS DPs to assess industry readiness. This is similar to ECB who are publishing a roadmap of milestones and asking DPs to assess where they are in relation to this. There will be three relationship management teams with the Programme, working across the CHAPS DPs and wider financial infrastructure.
16. Members were updated on the three new industry working groups. The Programme Managers Working Group, supporting risk management across the industry. The Testing Working Group, chaired by Barclays, initially focused on ISO 20022 testing. The Transition Working Group, reviewing the business and technical changes being introduced by the Programme.

AOB

17. The Bank gave an update on the cross border payments work. The G20 has set enhancing cross border payments as a key priority for 2020. This work will be delivered in three stages: assessment, building blocks and a roadmap for implementation. The building block work is being undertaken by a Committee on Payment Market Infrastructure taskforce chaired by the Bank's Executive Director for Banking, Payments and Innovation.
18. The Chair thanked members for joining the meeting amid Covid-19.