



Minutes – Standards Advisory Panel (SAP)

23 November 2020

Attendees: [NB all by phone]

Members:

Karen Braithwaite
Robert White
Brendan Reilly
James Barclay
Domenico Scaffidi
Ralf Ohlhausen
Shriyanka Hore
James Whittle
James Southgate

Chair (Barclays)
Santander
Silicon Valley Bank
JP Morgan
Volante
PPRO
Oracle
Pay.UK
Bank of England

Observers:

Ian Ellis
Oli Bogaerts

Payment Systems Regulator
FCA

Other attendees:

Bank of England & Pay.UK Secretariat
Bank of England & Pay.UK Presenters
Stephan Wolf
Jana Mackintosh

Global Legal Entity Identifier Foundation
UK Finance

Apologies:

Andrew Cregan
David Llewelyn
Jo Oxley
Toby Young
Andy Young

British Retail Consortium
HomeServe
Government Banking Service
Ebury
LV=

Item 1: Welcome and introductions

1. The Chair welcomed members and detailed the agenda.
2. At the previous meeting, the Panel requested to see more alignment between the Bank and Pay.UK laid out. The Bank and Pay.UK acknowledged that much of the joint work over the past year to ensure that both were aligned on standards had been behind the scenes; and are looking to be more open and transparent with SAP going forward. They provided examples, including aligning strategic priorities such as consultation responses that both operators are publishing in the coming weeks, recent work to draft a common list of UK purpose codes for CHAPS and the NPA, and creating a comparison matrix between the two ISO 20022 implementations in the New Year.

Item 2: The Legal Entity Identifier (LEI) Strategy (GLEIF)

3. At the previous meeting, the Panel agreed that it would like to understand more about the usage of LEI, and the Global LEI Foundation's strategic workstreams. The GLEIF CEO, Stephan Wolf, joined the Panel to discuss. He discussed the current state of the LEI, with strong uptake in Europe and growth in Asia, but somewhat slower uptake in the US due to a lack of regulation promoting its use. He noted support from both public and private sectors, with corporates saving on KYC responsibilities, and banks saving time and money onboarding new clients.
4. He announced the first example of a bank (JP Morgan Chase) becoming an LEI Validation Agent, allowing the bank to issue an LEI as part of their regular client onboarding, should the new client not already have an LEI. He also discussed work ongoing at GLEIF to make the LEI verifiable and trustworthy in its own right.
5. The Panel asked what issues have been encountered by GLEIF and whether the Bank and Pay.UK might help overcome these issues. He thought that globally some regulators have been unwilling to mandate the LEI without increased uptake, but noted there are other ways to increase usage. He felt the Bank and Pay.UK introducing the LEI into payments would make a big difference. Stephen also noted that it seems that everyone wants increased uptake of the LEI, but corporates have been somewhat unwilling to take their own action.
6. A presenter from the Bank also joined the meeting to cover the Bank's work to support and promote adoption of the LEI. This included the [response](#) to the Future of Finance report, and actions currently being taken, including involvement in the Financial Stability Board's cross-border work, exploring SME open finance, and payments. He invited the Panel to respond to a survey looking for opinions on the LEI, to be fed into the Treasury's Innovations Working Group.
7. The Panel asked the Bank which institutions would be required to submit an LEI when making a CHAPS payment. The Bank clarified that it will be mandatory for FI to FI transactions from 2024, but that the Bank would be looking to expand this with widening uptake. The Bank and Pay.UK were both publishing policy documents on their approach to implementing the LEI within ISO 20022 messages in the next few days.

Item 3: UK Finance Standards Strategy – UK finance

8. Jana Mackintosh, Managing Director Payments & Innovation, UK Finance, joined the Panel to discuss UK Finance's current work to review the effectiveness of maintenance and governance for standards, particularly with the establishment of a new Standards Strategy Group (SSG).
9. The SSG is designed to take a strategic, long term view on standards across all payment services, and so UK Finance did not feel it encroached on the Panel's remit, but asked for opinions on this. She noted that a number of Panel members sit on the SSG. The Panel agreed there was no unnecessary overlap, instead the SSG could be seen as filling the overarching, strategic space, where SAP focussed on collaboration on standards that are specifically relevant to the Bank and Pay.UK as the UK's two 'automated clearing' operators.

10. The Panel was supportive of this SSG, citing a number of potential benefits. These included an opportunity to bring a number of different standards initiatives across the payments industry together and work more collaboratively, which the Panel felt needed to be done. The Panel also thought it would be positive to have a place to discuss the broad strategic benefits of standards, and their importance for the industry. The Panel also thought it could be used as a place to work through differences across the various standards initiatives.

Item 4: 2021 look forward – Pay.UK

11. Pay.UK stated that the data itself is the key aspect of its move to ISO 20022. The way the data flows and is stored is secondary, be that by XML vs JSON, push messages or API calls, and local or cloud storage. Pay.UK stated that it will continue to focus on delivering the benefits this data poses into 2021, and will be looking to energise the payments ecosystem into positive action.
12. Pay.UK also noted the ongoing work with the Bank on delivering a purpose code list that makes sense for the UK, while also harmonising internationally. [Subsequent to the meeting, the proposed joint [UK Purpose Code list](#) has been published in draft for consultation.]
13. The Panel questioned whether more thought was required on how the NPA programme can deliver benefits for liquidity management. Pay.UK agreed this was important, and felt that needs could be met most notably in business to business transactions.

Item 5: Any other business

14. The Bank and Pay.UK noted they each have a number of events in the coming months, including a workshop on joint policy, and ISO 20022 CHAPS implementation. They invited the Panel to attend.

Close of meeting.