

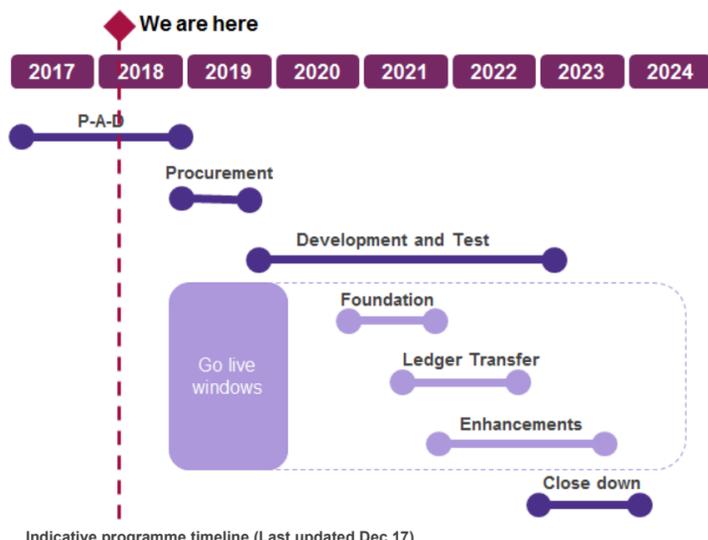
RTGS Renewal Programme – Round Up

March 2018

Our vision is to develop an RTGS service which is fit for the future, enabling resilience, access, wider interoperability, improved user functionality and strengthened end to end risk management of the UK's High Value Payment System.

Where are we now?

The programme is in the Plan-Analyse-Design phase which is scheduled to run until the end of 2018.



Highlights since the January Round Up

- External Advisory Body
- ISO 20022 Data Working Group
- ISO 20022 Interoperability Working Groups
- The transition questionnaire closed on 12 February and detailed analysis is underway
- A second round of supplier market engagement is in progress
- The Bank hosted a number of workshops on ISO 20022 and synchronisation

Since the last round-up the programme has been focusing on 3 key priorities;

1. Early engagement with potential technology suppliers to inform planning and technology design
2. Initiating detailed planning on how and when we will transition to the new RTGS service
3. Completing a number of studies to refine the baseline programme scope

In addition to the above priorities the programme will issue a consultation on ISO 20022 in late spring 2018. Further information on the consultation, programme priorities and industry engagement can be found below.

Programme updates

ISO 20022

Widespread adoption of ISO 20022 has the potential to bring significant benefits for individual firms, and for the financial system as a whole. It can enrich the data carried in payments messages, improve compatibility across payment systems and create opportunities for collaboration and innovation. ISO 20022 has many potential benefits for the UK, but its implementation could mean significant change across the payments industry. Getting the design and approach to implementation right is critical to its success.

To date, the Bank has engaged across the domestic and international payments industry to develop interoperable and harmonised standards. As part of this, the Bank has established two ISO 20022 Working Groups, comprised of representatives from across the industry, to contribute to designing and implementing the new messaging standard. Additionally the Bank has engaged a wider range of stakeholders through bi-lateral meetings and a series of workshops. Outputs of these meetings can be found on the [Bank's website](#).

But, we need broader input to shape the proposals. In late spring 2018 the Bank will run a consultation to inform the data enhancements to the message. Details of the consultation will be shared on the website in the coming weeks.

To register interest early please contact RTGSEngagement@bankofengland.co.uk

Supplier Market Engagement

A second round of engagement with potential technology suppliers is in progress. The purpose of this engagement is to enable the Bank to complete final preparation before the formal procurement process starts in late 2018.

Outputs of this process will feed in to design and transition planning.

Transition planning

To support detailed planning the Bank recently issued a transition questionnaire to direct CHAPS participants, payment schemes and a sample of indirect members. Its purpose was to establish preferences regarding the sequence in which new functionality is delivered and to understand what constraints might impact timelines.

Responses were received 12 February 2018 and emerging themes were shared at EAB on 22 February. Detailed analysis is now underway and the transition plan will be shared with industry in H2 2018.

Update on scope studies

Access for future innovation: A proof of concept

The RTGS Renewal Programme is working with a small number of Fintech firms to understand how a renewed RTGS service could be capable of supporting settlement in systems operating on innovative payment technologies, such as those built on DLT. The Bank has partnered with a range of firms which are developing payment arrangements using innovative technologies. The study builds on previous engagement and focuses on the technical demands on central RTGS infrastructure, rather than assessing firm-specific offerings.

The Bank expects to publish the lessons learnt regarding future RTGS functionality requirements later in 2018. Please see the Bank's [website](#) for further detail.

RTGS Renewal Programme Workshops

Through February and March 2018 the Bank held a number of workshops on ISO 20022 and Synchronisation. The Bank invited representatives from across the payments industry to contribute to the development of proposals, including; Direct and indirect participants of CHAPS, PSPs, challenger banks, smaller financial institutions and members of techUK. Outputs of these sessions can be found on the Bank's [website](#).

External Advisory Body and working groups

The **External Advisory Body (EAB)** met on 22 February 2018. The programme provided a general update on delivery and the current round of supplier market engagement. The Bank also shared that a formal decision, to build the core settlement engine, has been made. This significant milestone enables the programme to narrow options and further progress planning.

Additionally, the Bank shared a view of emerging conclusions from the ISO 20022 data working group around message content and discussed the following findings and themes from the Transition Questionnaire;

- ISO 20022 has emerged as a clear priority, although there are different views on how it should be adopted
- Respondents expressed a preference for a flexible release schedule, even if that means the full suite of benefits would be delivered later in the current programme timeline than might otherwise be the case
- Participants emphasised the importance of notice periods and working across industry when planning transition in detail

The **ISO20022 Data Working Group** met to review a strawman of purpose codes and proposed a number of additions. The updated strawman can be found in minutes from 9 March.

At the recent **ISO 20022 Interoperability Working Group** the Bank presented its proposal for message identifiers, which follows the HVPS+ guidance in this area.

Minutes and papers for EAB and each working group can be found on the [Bank's website](#)

Strategic Advisory Forum

The CHAPS Strategic Advisory Forum will first meet on 23 April. Members are being finalised. We would welcome contact from those interested in attending the open-invite Service User Group in June to chapsenquiries@bankofengland.co.uk

If you would like further information about the programme, have a question about this round up, or have received this email indirectly and would like to be added to the mailing list, please email rtgsengagement@bankofengland.co.uk

We'd love to hear from you...

How engaged do you feel about the RTGS renewal programme, on the scale below?



What would you like to see in future editions of the round up?

Please send your thoughts on the above to rtgsengagement@bankofengland.co.uk