

RTGS Renewal Programme – Round Up

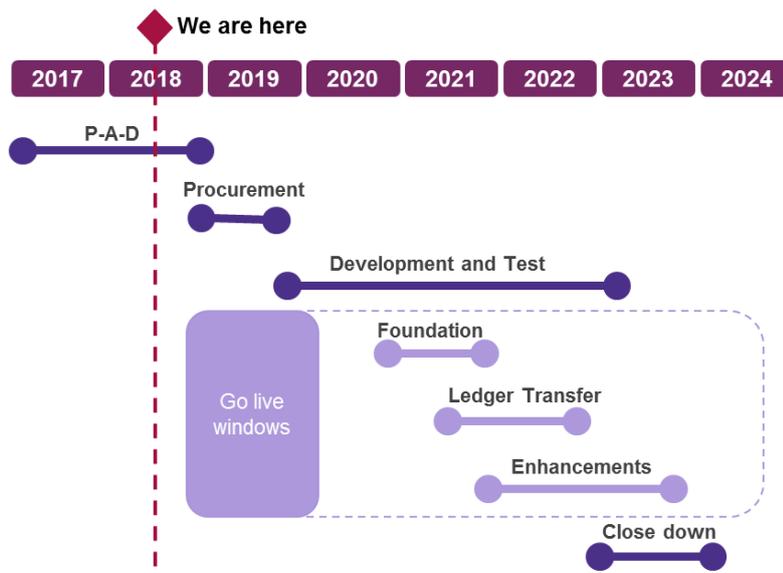
May 2018

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.

Register [here](#) for the ISO 2022 Consultation

Where are we now?

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



Indicative programme timeline (Last updated Dec 17)

Highlights since the March Round-up

- External Advisory Body
- ISO 2022 Data Working Group
- ISO 2022 Interoperability Working Group
- Transition Working Group
- Second round of supplier market engagement completed
- High level scope was baselined at the RTGS/CHAPS Board
- TransferWise became the first non-bank payment service provider (PSP) to directly access a UK payment system
- First meeting of the CHAPS Strategic Advisory Forum (SAF)

Since the last round-up the programme has been focussing on 3 key priorities:

1. Finalising ISO 2022 proposals ahead of the consultation which will be published in early June;
2. Detailed planning on how and when we will transition to the new RTGS service; and
3. Preparation ahead of formal procurement which will commence in

Important update on the RTGS Round-up

As of June 2018, we will be sending our round up through Mail Chimp. If you have any questions or issues surrounding this please contact the RTGS engagement team.

In addition to the above priorities the Bank has concluded the remaining scope studies. This enabled the high level programme scope to be signed-off and baselined at the RTGS/CHAPS board in March. The scope remains in line with what was presented at the industry events in December, one noteworthy change is an evolution in thinking on Message Network Agnostic Design (MNAD). An update on this is provided below.

Programme updates

ISO 20022 Consultation

The UK payments industry is moving to ISO 20022 which is the global standard for payments messaging. This standard creates a common language for payments data across the globe.

Aligning messaging standards internationally and domestically, coupled with better data in payments, promises to deliver significant long-term benefits for the economy. To adapt to the new messaging standard and accompanying data requirements, your organisation might have to make process and technology changes.

In early June we will be consulting on the contents of the new payments message which will be used by CHAPS, Faster Payments and Bacs. We will also consult on how we transition to the new standard for CHAPS.

If you want to find out more and help shape the future of payments in the UK, [please register](#) for the latest updates and our online consultation. The consultation will also be published on our website and written responses will be accepted.

Who should complete the consultation?



Technology providers



Financial institutions



Trade bodies and industry groups



Solicitors and conveyancers



Corporates

Message Network Agnostic Design

As stated in the Blueprint, the Bank's intention is that the renewed RTGS will from the outset continue to use SWIFT as the provider of message services. Importantly, the renewed service will also be designed to be 'message network agnostic' ie capable of sending and receiving payment messages from multiple sources and interfacing with multiple messaging networks.

To deliver this, the Bank's baseline programme scope position is that all existing CHAPS participants will migrate to a V-shaped message topology along with additional security infrastructure to ensure end-to-end message security. Whilst this is the programme's baseline scope position, further work is being undertaken to evaluate the implications for wider sterling payments and the impact on Bank and participant costs.

Supplier market engagement

A second round of engagement with potential technology suppliers has concluded. The purpose of the engagement was to inform our strategy before formal procurement starts in late 2018. There will now be no further dialogue with potential suppliers prior to issuing the OJEU notice which is scheduled for later this year.

Outputs of this process are being used as inputs to both design and transition planning.

Transition

On 15 January 2018 the Bank issued a transition questionnaire to direct members 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.

The programme has undertaken detailed analysis of the responses. The aggregated findings were shared with members of the Transition Working Group on 23 April. Minutes from the meeting, including key themes from the transition questionnaire, can be found on the Bank's [website](#).

Over the summer, the Bank will bring together findings from the questionnaire with other key inputs, such as technical interdependencies and security considerations, to create a consolidated view of transition. The Bank will seek views at a number of touch points from the Transition Working Group (TWG), External Advisory Body (EAB) and the CHAPS Technical and Operations Committee (TOC). The Bank expects to share more information on transition with the wider industry in late 2018.

First non-bank payment service provider (PSP) directly accesses UK payment system

The Bank has reached an important milestone in its work to facilitate greater innovation and competition in the payments industry in order to improve financial stability. On 13 April 2018, the first non-bank payment service provider (PSP) joined a UK payment system settling in central bank money. TransferWise, a Financial Conduct Authority (FCA)-regulated PSP facilitating the international transfer of payments, is now a direct participant in the UK's Faster Payments system. A key component of this work involved the Bank extending settlement account access in RTGS to non-bank PSPs such as TransferWise. For the full press release see the Bank's [website](#).

External Advisory Body and working groups

The **External Advisory Body (EAB)** met on 19 April 2018. The programme provided a general update on delivery and on outcomes from the second round of supplier market engagement. The Bank also shared the latest thinking on message network agnostic design (MNAD) and presented on findings from the synchronisation scope study.

An update was provided on the development of the Bank's public consultation on the transition to ISO 20022, including responses to queries raised in the February EAB, specifically:

- The Bank's thinking on the transition path;
- The extent to which sections of the new message would be made mandatory; and
- How the UK's standard would interact with other global standards.

Additionally, members were introduced to Victoria Cleland, currently Chief Cashier, who will assume the role of Executive Director, Banking, Payments and Financial Resilience from June. As the new programme sponsor, Victoria will take on the role of EAB Chair.

The ISO 20022 Interoperability Working Group met on 18 April. The meeting was used to have a detailed discussion on the common credit message. Members provided comment on both the message structure and content.

The ISO 20022 Interoperability working group has now concluded.

The final ISO 20022 Data Working Group was held on 16 March. The meeting was used to reflect on conclusions and discuss outstanding questions.

The ISO 20022 Data working group has now concluded.

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 met for the first time on 23 April. It is chaired by Kevin Brown, one of the independent members of the RTGS/CHAPS Board and meets four times a year. The Forum has fourteen external members who are senior, experienced executives, drawn from banks, other financial institutions, payment service providers and end-users.

The Bank asked the Forum how it could best engage CHAPS users to ensure a two-way dialogue, and to transmit key information. The Forum suggested a layered approach, drawing a distinction between a) payments professional and b) users outside the industry who used payments to support their business. The Forum encouraged the Bank to work with trade associations and the NPSO, and to limit use of a 'one size fits all' approach given the diversity of interests.

The summary of the meeting can be found on the [Bank's website](#).

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?

Very engaged	10	9	8	7	6	5	4	3	2	1	Not engaged
--------------	----	---	---	---	---	---	---	---	---	---	-------------

To unsubscribe from our mailing list please contact rtgsengagement@bankofengland.co.uk