

Bank of England

RTGS Renewal Programme

Workshops on Roadmap for RTGS beyond 2024: APIs and Reconciliations

16 June 2022

The workshop focused on two elements of the future roadmap for RTGS:

- (i) Continued improvement to our API platform to automate data transfers, as part of new ways to connect; and
- (ii) Providing improved tools to reconcile data with our participants, as part of world-class resilience.

APIs

The Bank outlined key drivers behind the improvement to our API platform, ranging from enhanced communication resulting in simplified liquidity monitoring, to reconciliation and settlement efficiencies. Several use cases were discussed, including liquidity management, reporting and analytics, managing network preferences, submitting payment instructions, account management and reconciliation.

Attendees provided their views on the benefits of APIs, highlighting opportunities such as the improvement of intraday transactions and reconciliation; broadening access to a greater range of participants; advancement of other services, including atomic settlement; and, inclusion within the contingency mechanisms of the renewed RTGS. The Bank provided an update to attendees on the continued alignment with NPA and ISO20022 to the greatest extent possible, and also the international coordination of implementation of new API capabilities.

The links between the future roadmap for APIs and Message Network Agnostic Design (MNAD) were noted. The Bank has a goal to support channel-agnostic APIs, although this will be dependent on the MNAD roadmap. Attendees further discussed the potential for an improved API platform to provide strengthened resilience and greater

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flexibility for participants. In addition, attendees gave their thoughts on the role of APIs in supporting an automated and simplified reconciliation process.

Attendees additionally discussed the implementation challenges of APIs, both current and forward-looking. Some attendees expressed the usefulness of receiving more information, particularly early technical guidance, regarding RTGS APIs prior to testing and implementation. Further discussion pointed to the impact of large volumes of change within the industry on an organisations capacity to implement APIs. Generally, attendees supported longer and more flexible testing windows for participants to accommodate for these challenges.

Reconciliations

The Bank gave an overview of the importance of reconciliations as a tool to detect discrepancies between the data held in RTGS and account holders; and improving the Bank's recovery capability with more frequent last known good positions. The proposals to enhance reconciliation tools are to require positive confirmations and more frequent reconciliation, with the aim of utilising new functionalities.

The Bank invited views from attendees on the extent to which such proposals would provide benefit to their organisations in the industry. Attendees discussed the resiliency benefits of enhancing participant reconciliations, noting the potential in providing a more recent last known good position from which to rebuild the system in the event of an incident, as well as a means of detecting issues in the system at an earlier stage. It was suggested by some attendees that the demand for more frequent reconciliations may increase should the Bank move towards an extension of RTGS operating hours. Some attention was also called to the potential usefulness for account holders of knowing information about payments that are 'in-flight'.

Attendees explored the link between the value of the proposals for reconciliations and the size of the player in the industry, due to potentially large and frequent deviations from reconciled balances. Further discussion addressed the possibilities surrounding

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adaptations to the proposals for reconciliations to provide benefit to a broader range of participants with different business models and account structures.

The Bank asked attendees for their views on the feasibility of timelines for the implementation of this functionality, as well as the extent to which the industry can support such changes. Attendees highlighted that the improved reconciliation tools would be easier and more feasible to support in conjunction with relevant APIs, to aid in the automation of the reconciliation process. The Bank will continue to engage with the industry to ensure the most appropriate solution is delivered as part of the long-term roadmap.