



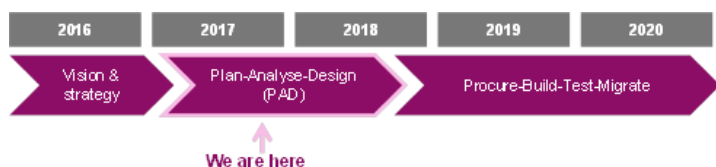
RTGS Renewal Programme – Round Up

November 2017

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 currently in the Plan-Analyse-Design phase, during which we are establishing the priorities, sequence and timetable for transition to new RTGS services.



Highlights since September's round up

- Direct delivery of the CHAPS service by the Bank of England ("the Bank") commenced as planned on 13 November
- Second External Advisory Body held
- First ISO 20022 Data Working Group meeting held
- Attended SIBOS, including discussing the Bank's plans for ISO 20022 on SIBOS TV
- Completed 1st phase of supplier market engagement

Direct delivery of the High Value Payment System

Today (13 November) marks the start of direct delivery of the CHAPS service by the Bank. As announced in May 2017, the Bank is adopting the 'direct delivery' model for the UK's High Value Payment System (HVPS), meaning that the Bank will be responsible for operating both the CHAPS scheme and the RTGS infrastructure. The main benefit of this consolidation will be strengthened end-to-end risk management.

This transition marks a major milestone for the RTGS Renewal Programme. The CHAPS Co team has successfully transitioned to the Bank with no interruption to the live service – this is a result of strong collaboration between the Bank, CHAPS Co and CHAPS users.

The External Advisory Body

The second External Advisory Body (EAB) was held on 5 October 2017. The full minutes are available on the [Bank website's RTGS renewal page](#).

In the meeting, EAB members reviewed and endorsed the methodology that will be used to gain industry input into planning how we will transition to the new services.

In addition, members discussed the framework for evaluating the cost/benefit case for the various parts of the RTGS Renewal Programme.

RTGS renewal industry events in December

The Bank is hosting two industry-wide events on Monday 11 and Friday 15 December. The events will provide an update on the RTGS renewal programme, including the latest thinking on the scope of services, and will give members of the payments industry the opportunity to ask the team questions.

If you have not yet received an invitation to the event and would like to register your interest to attend, please contact us on the following email address:
rtgsengagement@bankofengland.co.uk

Please note that, if the event is oversubscribed, the Bank has reserved the right to limit attendance to no more than two individuals from any firm.

RTGS Renewal Programme Working Groups

Update from Rebecca Hall, ISO 20022 lead on the programme:

“The first **ISO20022 Data Working Group** met on 31 October. The session was used to discuss additional data requirements in payments messages, thinking about the types of data, and the reasons for why we might want to include it. At this early stage, we think that many data needs will be met by improving information on the “identities” involved, and the “purpose” for making payments.

We plan to use the input provided by this group to support the Bank’s understanding of what data would be useful ahead of a wider consultation next year.”

The first **ISO 20022 Interoperability Working Group** will be held on 22 November, and will help the Bank design the detailed message schema, focusing on enhancing interoperability with the domestic retail schemes, and harmonisation with the international high value payment schemes.

The **Transition Working Group** will be held on 8 December, and will focus on obtaining input on transition topics including priority areas for migration, extent of operational impact of migration, planning periods required, and constraints for migration.

The first meeting will be used to review a draft of the transition questionnaire which will be sent to the industry to get their views regarding the topics listed above.

Learning lessons with other central banks

In recent months, the Bank has held discussions with other central bank RTGS operators, focusing on the evolution of RTGS services. These discussions have provided an opportunity for central banks to discuss their lessons learned from similar renewal programmes and to share details about their strategies and policy priorities, including how they are approaching issues such as ISO 20022 implementation, operational resilience, and extended hours. Learnings will inform the Bank’s approach and we will continue to work closely with other central banks.

Supplier market engagement

During October, the Bank engaged with 16 potential technology suppliers, covering a spectrum of products, services and specialisms. This activity is part of the Bank’s supplier market engagement prior to the formal selection exercise. In these meetings, the programme team encouraged potential suppliers to share their insights and ideas as to how the Bank might approach the technology design and the commercial model to be used. The learnings from this engagement will inform the approach prior to publication of the formal OJEU notice.

The engagement has provided the programme team with the opportunity to explore different high-level options at an early stage, and receive input and challenge to the initial assessment of technology design.

Further pre-market supplier engagement will continue during the P-A-D phase.

Migrating to ISO 20022 @ Sibos 2017 conference

Andrew Hauser, Executive Director for Banking, Payments and Financial Resilience at the Bank, attended the annual Sibos conference in October. He was interviewed on SibosTV as part of a panel of experts including the Federal Reserve Bank of New York, Deutsche Bank, and Swift regarding the migration to ISO 20022.

Andrew outlined that the key messages from the UK payments industry to the Bank have been, i) to use the migration as an opportunity to be ambitious in the core data included in the payments messaging as this can provide many benefits, and ii) to coordinate with the other central banks and domestic retail schemes with regard to timelines, the framework, and opportunities for interoperability.

You can watch the full interview on the [sibosTV youtube channel](#) (19 Oct from 33 minutes into the clip).

Sir Dave Ramsden appointed as Deputy Governor for Markets and Banking

Sir Dave Ramsden was appointed as Deputy Governor for Markets and Banking at the Bank on 4 September 2017. He will be accountable for the RTGS Renewal Programme and Chair the RTGS / HVPS Board. In the questionnaire preceding his interview with the Treasury Select Committee, Dave outlined that RTGS renewal is 'the most significant single project [he] is responsible for... [the renewal] will improve the resilience and functionality of this critical piece of infrastructure.'

Sir Dave highlighted that there are several features of the programme which are intended to mitigate any disruption, i) the programme is being designed and built in close consultation with the live operation teams, ii) the programme has a well-defined governance structure and resourcing commensurate to the scale and complexity, iii) we have an ongoing dialogue with our stakeholders – for example through our External Advisory Body.

The full response to the questionnaire is available [here](#).

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

- 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

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