



RESERVE BANK OF AUSTRALIA



RITS Low Value Settlement Service

Industry Forum Slides

29 September 2011

Agenda

1. Opening Remarks
2. APCA Regulations and Procedures – Update
3. Industry testing documentation
4. Industry testing discussion issues
5. Discussion of Common Industry Issues

Opening Remarks

- Welcome
- Outcomes from today
- Update on RITS upgrade
- Recent Documentation
 - LVSS Participant Setup Guide
 - Test Strategy
- Next 'Project Update' paper
 - Timetable
 - Forthcoming documentation
 - Training

RITS Training

- RBA will conduct training sessions on new RITS functionality
- General sessions in November/December 2011
 - aimed at project managers and teams, operations staff, UAT testers
 - will cover RITS setup, changes to 9am settlement arrangements, changes to transaction management, new LVSS functions
 - sessions will be held in Sydney, Melbourne and Brisbane
- Treasury Operations session early in 2012
 - aimed at cash desk staff
 - will focus on changes to 9am settlement arrangements
- Further training as needed March/April

Agenda Item 2

Update on amendments to APCA's
Regulations and Procedures

LVSS and APCA's Regulations and Procedures

- Expert Group discussed changes to the APCS, BECS and CECS Regulations and Procedures/Manual on 23 August
- Expert Group subsequently reviewed drafts amendments
- Proposed amendments to the BECS Procedures were approved by MC2 at its 27 September meeting
- Proposed amendments to the BECS Regulations will be considered at the Annual BECS meeting on 15 November
- Proposed amendments to the CECS Manual were considered at the MC3 meeting this morning

Agenda Item 3

Industry testing documentation

LVSS Industry Testing Documentation

Test Strategy

- Issued on 9 September
- Available on RITS Information Facility
- Outlines approach to industry testing (as foreshadowed in the July Forum)
- Sets out the objectives of each phase of testing and what type of tests will occur

LVSS Industry Testing Documentation

Test Program

- Currently being prepared by RBA
- Lists all Phase 1 and Phase 2 tests
- Proposes RITS Pre-Production session times
- Some tests are mandatory for all members, others are conditional (mandatory for relevant members)
- Outlines test parameters and success criteria for each test
- Discussion of testing issues today will provide input to that document

LVSS Industry Test Program

Mandatory tests for all members

- Sending FSIs with various entry/payment/settlement date scenarios
- Receipt and processing of mandatory rejects
- Recalling FSIs
- Monitoring of 9am Settlement obligations
- Reconciliation of transactions (including clearing interest)

LVSS Industry Test Program

Conditional tests – mandatory if used

- Receipt and processing of selected optional messages
- Manual or automated management of queued 9am Settlement obligations
- AIF pre-settlement advices and change status commands
- Transaction/account posting from post-settlement advices, ESA statements or Cashlist report

LVSS Industry Test Program

Industry Test Co-ordination

- RBA is contact point for Phase 1 testing
- Phase 1 testing is generally to your timetable
- APCA/RBA will co-ordinate Phase 2 testing
- Phase 2 tests will occur to a schedule

Agenda Item 4

Industry Testing Discussion Issues

Clearing File Exchange – Phase 1

- For FSIs initiated by RBA, do Members need to receive a matching clearing file from RBA?
- If so, can Members create a test clearing file (or pair, in the case of BECS, if required) and provide it to the RBA to be sent back?
- RBA will create an FSI with the appropriate matching details and submit it to the LVSS
- Discussion – do Members need clearing files for this phase of testing?

Community Testing

- Test Strategy envisaged community testing against all other clearing system participants
- Some Members have suggested smaller groups would be more manageable
- Ability to exchange of clearing files might be a factor
- Production reconciliation testing will be with all participants
- Discussion – preference for all or groups in phases prior to Production reconciliation

Production Reconciliation

- Members create FSIs from production data
- RITS would reject an FSI accidentally sent to the Production address
- Discussion – how quickly could FSIs for test purposes be produced from production data?
- Discussion - are Production or Production-like FSIs able to be sent to RITS Pre-Production Environment

Public Holidays

- Members will need to test public holidays
- Propose to have regular pre-defined public holidays on the Pre-Production Environment
- Monday and weekday holidays
- In Phase 1, each member can treat as a national public holiday, or non-national (eg similar to June weekend)
- In Phase 2, each holiday will be designated as either national or non-national
- Discussion - frequency

Industry Testing Discussion Issues

Recap - Summary of discussions

Agenda Item 5

Discussion of Common Industry Issues

Business Issues

- At what time of the day will ANZ and CBA send FSIs to RITS for Visa and Mastercard settlements?
- What will be the date of the underlying transactions and the Payment Date and Settlement Date in the FSIs?
- Will existing details provided by ANZ and CBA regarding Visa and Mastercard settlements continue to be provided?
- Can reconciliation processes handle an FSI advice that arrives before the associated clearing file?

Member Testing

- Do any members wish to conduct bilateral testing during Phase 1?
- Will Westpac be in a position to send BPAY FSIs during BECS Phase 1 testing?
- Has FISERV been engaged to assist in APCS testing?

Project Management

- What challenges are other project managers facing with their projects (technical, process, funding)?

Agenda Item 6

Future Meetings