

# RESERVE BANK INFORMATION AND TRANSFER SYSTEM

## Low Value Settlement Service

### Project Update – June 2011

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#### Project Timetable

The Reserve Bank wrote to RITS 9am settlement participants on 8 June 2011 advising its timetable for industry migration to the LVSS. The expected timeframes advised in this letter are summarised below:

Component	Task/Milestone	Date(s)
BECS	Completion of initial testing with Reserve Bank <sup>#</sup>	By 29 Feb 2012
	Industry-wide testing	1 Mar 2012 - 30 Apr 2012
	Production implementation	In May 2012*
APCS	Completion of initial testing with Reserve Bank	By 30 Apr 2012
	Industry-wide testing	1 May 2012 - 30 Jun 2012
	Production implementation	In July 2012*
CECS/ Cashcard	Completion of initial testing with Reserve Bank	By 30 June 2012
	Industry-wide testing	1 Jun 2012 - 31 July 2012
	Production implementation	In August 2012*
Government Sweep	Completion of testing with Reserve Bank	By 30 June 2012
	Production implementation	Before August 2012

<sup>#</sup> In the RITS Pre-Production environment

\* Agreed Production implementation dates are dependent on the successful completion of the preceding industry test phase.

#### Industry Update

The Reserve Bank and APCA have been working closely on industry issues relating to LVSS. Recent developments have included:

- The Management Committees of APCS, BECS and CECS have agreed to the proposed field usage standards for each type of settlement instruction to be sent to RITS. The industry agreed usage standards are available in the [LVSS FSI Message Usage Standards](#)

document. This document also provides usage standards for Cashcard and Government Sweep instructions. Examples for each type of payment service are also provided.

- The Management Committees of APCS, BECS and CECS have agreed to the proposed order of clearing system migration. This will be BECS followed by APCS followed by CECS. These committees also agreed that each clearing system migration would occur on a 'big-bang' basis (i.e. all settlement participants would migrate to the LVSS on the same date). However, there is some scope for bilateral agreement to migrate ahead of the targeted date.
- Agreement to form an LVSS industry working group comprising of each institution's nominated project manager. The Reserve Bank and APCA will work closely to ensure the agreed objectives of the working group are met. A date for the initial working group meeting will be advised shortly.

The next industry related steps are to develop an agreed LVSS testing approach for each clearing system and to draft the necessary rule changes to the various APCA clearing system Regulations and Procedures.

### **Overview of BCP Arrangements**

Feedback from Members during recent status update meetings indicated that more information on proposed contingency (or Business Continuity) arrangements is required to allow the completion of their design solution for their LVSS internal project.

An overview of proposed BCP arrangements for the LVSS will be provided to Members shortly. In particular, Members are advised that the Reserve Bank will be introducing new RITS functionality to enable the manual entry of LVSS settlement and recall instructions in the event that these instructions cannot be submitted via normal means. This functionality will be made available to members ahead of the live implementation of the LVSS.

### **Revised Member documentation**

The Reserve Bank has made a number of minor clarifications to the Member Information and Technical Specifications issued in November 2010. These changes have been marked up for ease of reference and the amendments are listed at the commencement of the documents:

- the revised Member Information is available [here](#)
- the revised Technical Specifications are available [here](#)

### **LVSS RITS Information**

The Reserve Bank is making a number of changes to RITS to cater for the LVSS. The first round of these changes was implemented to Pre-Production on 31 March 2011 and to Production on 30 April 2011. In particular, the changes allow Members to commence testing the new suite of LVSS messages in the RITS Pre-Production environment (once the necessary administrative arrangements have been completed). A copy of the advice sent to RITS Members is available in Appendix B of the [LVSS Questions and Answers](#) document).

The Reserve Bank is also working on the next RITS release, due in October 2011 to the Pre-Production environment. This release will include 9am settlement changes to cater for the LVSS including the calculation and posting of clearing interest.

To assist Members with their internal communications on the specific RITS implications of this initiative, a number of illustrative screen shots have been prepared to highlight the changes in RITS that users will see. These are available in the [LVSS Enquiry Screen Samples](#) document.

Members should also note that the Reserve Bank is considering making LVSS transaction enquiry access available overnight to RITS users.

### **LVSS Questions and Answers**

A number of questions have been asked by Members during their analysis of the implications of the LVSS for their systems and processes. For the benefit of all Members, an updated document containing these questions and answers is provided [here](#). This document contains questions and answers as at the end of May 2011.

### **Next Participant Status Update**

Members are reminded that the Reserve Bank will be in contact in August 2011 to seek an update on the status of their LVSS project.

### **Enquiries**

LVSS enquiries can be directed to the following Reserve Bank staff:

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Reserve Bank of Australia  
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