RITS Staffing Requirements for ESA Holders and Batch Administrators

RESERVE BANK
OF AUSTRALIA

Payments Settlements Department

Contents

1   Introduction

The Reserve Bank of Australia (the RBA) requires RITS members to comply with certain operational and staffing requirements which may vary depending on the nature of their participation in RITS. This paper provides an overview of the RITS staffing requirements for ESA holders and Batch Administrators.[1] In some cases additional requirements could also apply. These are specified in the individual RITS membership agreements.

The RBA requires ESA holders and Batch Administrators to annually attest that they meet the RITS staffing requirements as part of their self-certification against the broader *Business Continuity and Security Standards for RITS Members*.[2]

A summary of these requirements can also be found under the 'Staffing Requirements' tab on the RITS Information Facility.[3]

2   Minimum onsite staff presence

ESA holders and Batch Administrators must define and regularly review the minimum number of Key Staff that are required to be physically present at the member's Primary and Alternate Site(s) during the RITS sessions that they participate in.[4] The minimum number defined must be a risk-based decision that seeks to ensure RITS Payment Operations can continue without undue disruption during a contingency. The minimum number could vary according to the contingency scenario. Members should also consider the scenario of a disruption to its remote access technology that prevents Key Staff working from home from being able to conduct RITS payment operations.

Where the minimum number of staff to be present is defined as zero in any scenario (i.e. 100 per cent work from home), the operational risks and mitigations associated with this must be approved as part of the member's business continuity and management strategy and business continuity plan required under the *Business Continuity and Security Standards for RITS Members*.

3   Staffing requirements for Batch Administrators

Batch Administrators are required to comply with the agreed staffing requirements documented in the *Operational and Contingency Procedures* for the batch that they administer.

4   Staffing requirements for ESA holders

4.1   Staff locations

The ESA Policy requires that for any institution settling transactions across its own ESA, responsibility for the account must rest with management located in Australia. These institutions must also maintain

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[1] In this paper, the term 'member' and 'ESA holder' excludes ESA holders approved by the Reserve Bank to use an agent to process all of its RTGS payments.
[2] The *Business Continuity and Security Standards for RITS Members* are available on the private pages of the RITS Information Facility accessible to RITS users.
[3] Refer to: https://www.rba.gov.au/rits/info/staffing.htm
[4] Capitalised terms are defined in the *Business Continuity and Security Standards for RITS Members*.

sufficient resources in Australia to ensure that it can always authorise, execute and settle real-time gross settlement (RTGS) transactions in an efficient and timely manner.

The RBA allows for day-to-day RITS operations and/or administration to be located outside Australia, as long as:

1. management responsibility for the ESA and sufficient contingency resources are maintained in Australia; and
2. offshore operations staff must be available during RITS operating hours (see section 4.3 'Availability of staff').

Where a member has outsourced key RITS operations and/or administration overseas, the RBA requires at least four (4) staff to be based in the Australian office (including at least one (1) member of management who has overall responsibility for the ESA). Local staff must be adequately trained and have the capability and authority to manage the RITS queue, undertake vital cash transactions and operate the ESA at any time. All staff should have ready access to Password and Certificate Administrators and the appropriate level of management to oversee activity and take appropriate actions at all times during RITS operating hours.

Holders of a clearing and settlement (CS) facility license may be eligible to apply for an exemption from the requirement to maintain management and resources in Australia, subject to having appropriate management and operational resources in an approved offshore location available during RITS operating hours. Such exemptions will be determined on a case-by-case basis at the discretion of the RBA.[5]

4.2   Staff coverage

As a prerequisite to joining RITS, the RBA requires members to have in place a minimum number of front and back office users, and password/certificate administrators.[6,7] The requirement for minimum RITS staffing levels is to ensure that there are sufficient users and administrators available at all times to facilitate the smooth operation of RITS.

In terms of base-level staffing, members must have available no less than three (3) front office users, three (3) back office users and two (2) password/certificate administrators during the RITS sessions that the member participates in. Ideally, the password/certificate administrator(s) should not also have front or back office roles. For more information, refer to section 4.3 'Availability of staff'.

For members that do not have traditional front and back office functions, it is permitted for that member to have four (4) active RITS users to source liquidity and complete settlement, and two (2)

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[5] Holders of CS facility licences that have been granted an exemption will be required to meet additional operating conditions relating to that exemption.

[6] Not all members may have traditional front and back office functions. But, generally speaking, front office staff are those staff members that source funding and manage liquidity, while back office staff are those that support RITS operations including entering RITS transactions and completion of settlement.

[7] A Password Administrator is generally responsible for resetting RITS passwords, controlling the status of each user, allocating roles/functions to users, linking users to branches to perform transactions for those branches, and assigning the privilege to authorise. A Certificate Administrator is generally responsible for activating each user's RITS certificate after they enrol, and for revoking a user's certificate.

password/certificate administrators available during the RITS sessions that the member participates in.

Notwithstanding the base-level staffing requirements, it is important that members make assessments of their own staffing needs. Members are required to have a pool of users and administrators based on an assessment of their own day-to-day staffing needs, taking into account participation in different sessions, significant upgrades and projects as well as authorisation requirements,[8] planned staff absences, and contingencies such as unanticipated staff absences.

Depending on the volume of activity in particular, members may feel it necessary to operate with higher levels of RITS staffing. Indeed, the RBA expects that members with higher volumes of RTGS payments will have a significantly larger pool of active users than smaller members. The RBA will monitor members' RITS staffing levels to ensure that an appropriate number of users are available at all times (see section 5 'Compliance').

The RBA strongly recommends that members set dual authorisations on RITS functionality that could adversely impact a member were the settings or transactions to be entered incorrectly. By way of guidance, this may include setting authorisations on cash transfer entry, cash account limits, some Fast Settlement Service (FSS) functionality, Low Value Settlement Service (LVSS), bulk uploads, manual File Recall Instruction (FRI) entry, unsolicited advices, and user privileges and role maintenance. However, members should make an assessment as to their own needs when it comes to setting authorisations.

All RITS users are required to receive sufficient training, which must be refreshed on a regular basis. members are reminded that users/administrators can access online user guides available on the RITS Information Facility.[9]

4.3   Availability of staff

The RBA expects that appropriate users and administrators will be available during RITS operating hours. For the avoidance of doubt, the RBA's expectations are that users:

- can monitor RITS activity and be informed of incidents in a timely manner, such as logging into the RITS User Interface (UI) or setting up relevant advices and alerts (e.g. by making use of the Automated Information Facility (AIF) unsolicited advices, and FSS notifications and alerts);
- can promptly take necessary actions relating to their ESA (including executing, authorising and settling transactions, or resetting user passwords, depending on the staff member's role) and respond in a timely manner to incidents or issues as they arise; and
- are contactable by the RITS Help Desk during the relevant operating hours.

A staff member must meet all three conditions to be considered 'available'. For example, if a staff member was in transit, it is unlikely that they would be able to monitor RITS activity or promptly undertake actions relating to their ESA and would therefore not be considered 'available'. However,

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[8] Authorisations refer to the requirement that a second staff member approve/authorise a transaction entered by another staff member.

[9] See: https://www.rba.gov.au/rits/info/training.htm

it does not necessarily mean that staff need to be physically 'at desk' to be considered available, depending on the circumstances.

4.3.1 RITS operating hours

During the RITS business day, staff must be available until at least the close of the Settlement Close Session (normally 17:15). Members participating in the 9am Settlement must have these staff available in the Morning Session to enable timely funding of any 9am debit amounts. Members should aim to complete any funding activity by 08:30 to allow time for unanticipated difficulties. All members should have staff available to verify online access to RITS and the operation of internal systems for RITS (e.g. SWIFT CBTs and associated systems) well ahead of the opening of the RITS Daily Settlement Session at 09:15. At a minimum, members should aim to do this before 08:30.

Evening Agreed Members must ensure that sufficient staff are available until all settlements are completed in the Evening Settlement Session (ESS) on all days that RITS is open. As discussed above, staff do not necessarily need to be 'at desk' to be considered available. However, Evening Agreed Members must continue to monitor their ESAs via RITS, in order to handle any unforeseen transactions that may arise. Members must also notify the RBA of alternate contact arrangements for the remainder of the ESS, if regular contact numbers will be unattended.

All members with an outstanding RBA Repo who have not made arrangements with the Reserve Bank Dealing Room for taking the RBA Repo overnight must have staff available until the RBA Repo is reversed.

If RITS sessions are extended, the RBA expects that members' staff will be available and contactable (for those sessions that they participate in) for the duration of the extension.

4.3.2 eftpos and Mastercard batches

The obligations of Batch Administrators to monitor the settlement of their batches in RITS are incorporated in the respective Operational and Contingency Procedures for those particular batches. The RBA also expects that participants in the eftpos and Mastercard batches (regardless of whether they are expecting a net credit or net debit) will actively monitor batch transactions during the respective sessions when they are tested for settlement, until settlement is completed.

4.3.3 Fast Settlement Service

For those members that participate in the NPP/FSS, the RBA's expectation is that staff will be available to respond to operational incidents and take appropriate measures to conserve liquidity (such as imposing transaction limits) outside of Austraclear opening hours and cash market hours. Available staff can use FSS settlement notifications and alerts in their FSS monitoring.

4.3.4 Reservation batches

To ensure that members have appropriate liquidity at all times to facilitate settlement, the RBA's expectation is that member's liquidity management staff will be available to monitor property reservation batch activity until the member's last batches have settled. It is particularly important that staff monitor activity towards session cut-off times to resolve any issues that may arise. For members that use the full Reservation Batch timeline, this would be until 18:30 AEST (or 20:30 AEDT). Staff do not necessarily need to be 'at desk' but must be available to respond to any issues that arise.

## 5	Compliance

The RBA expects ESA holders and Batch Administrators to familiarise themselves with the operational requirements outlined in this paper. The RBA will continue to monitor members' RITS staffing levels, availability of staff and general operational procedures on an ongoing basis to ensure that members are in compliance with these requirements. In addition, the RBA requires an annual attestation from members that they meet the RBA's operational and staffing requirements, which forms part of the member's annual self-certification against the *Business Continuity and Security Standards for RITS Members*.

## 6	RBA Contact Information

Members should contact the RITS Help Desk if they have any questions in relation to the staffing and operational arrangements outlined in this paper. Contact details are as follows:

Phone: 1800 659 360

Email: rits@rba.gov.au