New Payments Architecture Design Authority - Terms of Reference

Background

1. The Payments Strategy Forum (the Forum) has concluded its first year of operation and produced a Strategy, 'A Payments Strategy for the 21st Century: Putting the needs of users first', published on the 29 November 2016. [1]

2. The Forum has identified that to fully meet the known needs of users and to create an environment flexible enough to meet future needs requires a New Payments Architecture (NPA). The core principles of the NPA which will underpin the detailed design phase in 2017 are:

    i. A single set of standards and rules, with strong central governance

    ii. End-to-end interoperability (including APIs and a common message standard)

    iii. A thin collaborative infrastructure, allowing multiple providers of overlay services to compete in the market simultaneously

    iv. Secure and resilient, with financial stability a key principle

3. The Forum commenced its implementation phase on 16 December 2016

Design Authority scope and deliverables

4. The Design Authority (DA) will create a work plan based on the high level dates below and coordinate and oversee its work streams, driving their delivery and reporting to the Forum:

    1. **By January 2017,** developed its workplan and identified its resource requirements

    2. **By July 2017**, the DA will design and document its draft NPA "blueprint" for public consultation. This will include:

        i. detailed user requirements and rules for Request to Pay; Assurance Data and Enhanced Data
        ii. results from designed / scripted pilot and transitional arrangements
        iii. an implementation plan and cost benefit analysis
        iv. funding models

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[1] https://www.paymentsforum.uk/final-strategy

3. **By end 2017**, the Forum will finalise its design work and implementation planning and handover to the New Payment System Operator (NPSO). This will include addressing feedback from the public consultation; further design / definition on the above areas, and additional work on API development and standards definition

5. In designing the "Blueprint" and its implementation plan, the DA should take into account all relevant industry initiatives, including the PSR market review into the ownership and competitiveness of infrastructure provision; the Bank of England's strategic review of RTGS; the CMA's open banking remedies and the implementation of PSD2.

6. The DA will engage with the Payments Community to ensure buy-in / support from stakeholders

7. To support the development of the "Blueprint" the DA will create and oversee four work streams. Each will have its own leads selected from the Forum:

   - WS1 - User requirements and rules
   - WS2 - Pilot and transition design
   - WS3 - Implementation planning and detailed Cost Benefit Analysis
   - WS4 - Economic Model and Funding

Design Authority and Work Stream operating principles

Co-Chairs and membership

8. It will be the role of the DA Co-Chairs:
   - To appoint, with support from the Forum secretariat, the members of the DA, some of who are expected to be from the wider Payments Community.
   - To ensure the agreed scope, objectives and deliverables are being met.
   - To initiate and ensure the effective and timely delivery of the individual workstreams
   - To report back to the Forum.

9. To ensure alignment with relevant initiatives the DA Co-Chairs will ensure the relevant organisations are properly represented. This will include representatives from the Payment System Operators (PSOs); the Bank of England's RTGS review project team and API Implementation Entity.

10. Membership of the DA will be open to anyone from the Payments Community who can demonstrate the technical expertise required and are able to actively contribute resources to the work.

11. The PSR, the FCA and Bank of England should be invited to attend the DA and its Workstreams as observers.

Resourcing

8. The DA Co-Chairs will be responsible for identifying and securing the necessary resource to meet its scope, activities and deliverables.   The WG will also be able to call on resource/ meaningful support from a 3rd party consultant selected by the Forum

9. Project Management and secretariat resource for both the DA and its Workstreams will be provided by the 3rd party

10. Production of meeting papers and the key project outputs / documents will be undertaken by workstream members and the 3rd party consultant

11. The DA Co-Chairs and Workstream Leads will, where practicable, provide dedicated resource from their own organisations

12. Additional technical expertise will be drawn from the Payments Community on a voluntary basis. It will be the role of the DA Co-Chairs to identify the technical expertise required and work with the Forum Secretariat to communicate this to the Payments Community

13. Members of the DA will be expected to actively contribute to one or more of the Workstreams. The DA Co-Chairs reserve the right to replace members of the DA if they are not making an active contribution.