



**Summary of the 110th PMPG meeting
Conference call
21st December 2017**

Opening, Agenda & Minutes Previous Meeting

The minutes were formally accepted as an accurate record.

Matter arising from the previous meeting:

- The LEI paper has been published on the PMPG website

Membership updates

The German community and the UK community have proposed new representative. In accordance with the PMPG Terms of Reference, support for these nominations had been invited by members; with full support of the PMPG, these representative proposals were formally accepted.

Market Practice Guidelines and White Papers

a) Character Sets

The previous preparation work performed on Chinese character sets was complimented, where the group were invited to provide opinion on whether they wish to expand the character sets topic beyond Chinese character sets.

It was shared that within SEPA, it had been decided not to extend the current character set, but to continue to allow for bilaterally usage. It was stressed this highlights the important consideration in a cross border ISO 20022 world of how this would be addressed. It was discussed that the UK RTG renewal considers extended the existing character set, but details on this are still work in progress.

It was further added the consideration of compliance was an important one when considering character sets sanction checking in both a domestic and cross border environment.

The next step for this group is to arrange a group meeting, with a meeting being considered for early January.

b) FATF Recommendation 16

The latest final draft version of the work group paper was referenced, which had included some recent community feedback and editorials. It was recommended to publish this paper on the PMPG website. The group was invited to support this recommendation, and with fully support it was agreed to publish this paper.

Payment developments

The topic was introduced, which aimed to capture national initiatives with cross board implications which broadly align with the PMPG mandate and which the PMPG may bring value to the global community in the form of a white paper or market practice guidance.

A generic update from Canada was given, but it was not in possible to understand the full cross boarder implications at this stage.

The group reviewed a document summarizing at high level a list of topics occurring in the UK, which were presented in a grid, ranged by the regional impacts.

It was proposed and agreed to use the UK as a template, where members agreed to input their countries initiatives for the February PMPG monthly meeting. It was suggested to add a timeline where possible.

As topics/initiatives are brought forward through this process, the PMPG will determine which initiatives merit further review and conduct a deeper dive into these topics to consider how we want to proceed.

Annual Forum

It was shared that the work group had held their kick off meeting, where the group had taken an initial look at the Annual Forum checklist template. Regular monthly meeting dates have been established and the group have started to consider an Annual Forum topics short list, which could be shared during the next monthly meeting for wider group input.

It was acknowledged that the Deloitte involvement was still work in progress, noting for last year's forum, the engagement was not early enough with the suggested if the engagement cannot be achieved earlier, it may be prudent to not pursue Deloitte's facilitation services.

ISO 20022 Study update

Some slides were presented by way of an update on the study. It was explained that a number of subjects were important to be captured within the community consultation, including readiness of the community, where a strawman proposal of how readiness can be achieved together with consultative questions, would contribute toward a consultation in quarter two 2018.

It was described that the main message was - no big bang, and no like for like; the end state will be full traffic migration. Migration proposals for coexistence, market practice and usage guidance, using HVPS+ group work as the baseline, will be a key part of the consultation.

The group were talked through the three high level coexistence models being considered, emphasising part of the work in progress with these models was to evaluate any technical and legal implications.

It was asked that given the options currently positioned, is there a possibility that some components of the model options may be combined. It was confirmed that a hybrid of these models could be possible, such as starting with a close user group, then moving towards coexistence. It was described how the lessons learnt from the funds migration were also an important consideration.

It was discussed that model approach per business line may potentially varying on timeline and model approach, rather than a one size or one date fits all.

It was asked how the PMPG can help, where it was suggested a deep dive on coexistence models is a critical exercise, which once the models are more mature, a session – probably in the February timeframe - to discuss these at great depth and to consume feedback would be extremely useful. It was agreed some lead time to review any documentation before this exercise would allow representatives to gather input from their communities, to make the exercise more comprehensive.

Change Request SR2020

An overview of the previous discussion on this topic was provided, where an initial paper had been prepared to enable a community discussion, which had been shared with the group.

The paper, explained that the introduction looks to align with the PMPG *Structure Customer Data* paper's next step proposals. The paper then positions a number of open questions which need consideration, and several options for moving forward, including –

- Cancel CR 759 which calls for the structured field requirements in SR 2020 via a new CR

- Postpone the SR 2020 changes to a later date (2023 is one suggestion) when ISO 20022 adoption is more widespread and the market has more information to decide what changes are still required for MT messages.
- Sponsor a CR for MT message changes which align option F with the postal address field in ISO 20022
- Sponsor a CR which expands the MT originator and beneficiary name and address fields to 6 lines

It was acknowledged that previous discussions on the expansion of MT messages to 6 lines had rejected that option.

Discussion occurred with regard to community feedback on the topic of a PMPG sponsored Change Request, where it was positioned that the different opinions within the Group centre around whether the SR 2020 requirement is a necessary database clean-up/restructuring that is required for migration to ISO 20022, or if part of the SR 2020 effort is required for the MT structured field mandate and in effect – a “throw-away” cost. It was suggested that more granular, fact-based information for each position would help advance the PMPG discussion to a point where we can make an informed business decision. Both “viewpoints” are invited to provide this information in advance of the January meeting

AOB and Closing

Being no other business the meeting was concluded.

Next meeting 18th January 2018.