1. Can the extension of real-time gross settlement (RTGS) systems' operating hours materially contribute to achieving the cross-border payments targets endorsed by the G20, especially in terms of speed? Please explain.

- Yes, the extension of the RTGS system's operating hours in different jurisdictions may eliminate existing barriers and enhance the efficiency of cross-border payments. Thus, increase the speed of such payments and reduce liquidity costs and settlements risks as a final settlement in central bank funds is carried out within national RTGS operating hours.

2. What additional actions would be needed by the public sector and/or private sector entities, beyond those described in the G20 roadmap (see Annex 3 of the current report), to facilitate the extension of RTGS operating hours and realize the benefits that could result from extended RTGS operating hours?

Private sector entities will have to provide the extension of the settlement window (including weekends and non-working holidays) for cross-border payment processing as well as the extension of the operational window on the provision of services after confirmation of their payment.
Public sector represented by central banks and federal executive bodies could conduct with the payment market stakeholders consultations on the extension of operational and settlement windows, develop and agree on the national plan of such extension.

3. What benefits for cross-border payments other than speed do you perceive would accrue from an extension of RTGS operating hours? What additional domestic benefits for a jurisdiction do you perceive?

We believe that RTGS operating hours extension in addition to the speed of settlements will:
1) reduce participant's costs on liquidity support for settlements both at national and international levels as no accumulation of liquidity is needed during weekends and non-working holidays;
2) increase the duration of concurrently working with financial markets which will expand opportunities to complete settlements in central bank money;
3) facilitate the introduction of national CBDC projects working on a 24/7/365 basis.

4. How well do the three identified end states capture key scenarios that individual central banks/RTGS system operators should consider as they assess current RTGS operating hours and plan for the future? What additional end states or refinements to the end states would you suggest?

We believe that three end states cover traditional areas of the central bank's work on the expansion of RTGS operating hours. In addition to the end state 2, we would like to note that settlements on weekends and non-working days could be implemented both with the expansion of the settlement window and without it.
In some cases, settlements in additional days without extension of the settlement window could be less expensive for IT systems and more realizable in a short term.

5. Which end state, out of the three identified or another one you may want to consider, do you believe strikes the best balance between improving cross-border payments and managing the associated challenges?

The end state 3 operations (24/7/365) are similar to FSPs. If all jurisdictions could swiftly implement the end state 3 then there is no need for the realization of the global settlement window concept. Meanwhile, common rules on the determination of value dates for cross-border transactions must be set up. Such rules define the terms for termination of obligations between business entities. At the same time, a swift shift by all jurisdictions to the end state 3 is unlikely to happen. In this regard, the concept of the global settlement window could be the first practical step for the alignment of settlement windows of the interested jurisdictions.

6. If the RTGS system in your jurisdiction has not yet reached the end state signaled in the previous question, what time horizon (number of years from now) would you envision for reaching it?

Discussions on the concrete steps on shifting to the end state 3 are underway at the Bank of Russia. Since this issue is under consideration it's difficult to name the time horizon.

7. As a result of end state 3, which involves 24/7 RTGS operating hours, do you anticipate demand for 24/7 operations of RTGS systems in the future? If so, what do you expect to be the main drivers and over what time horizon do you expect this to happen?

Yes, we do anticipate demand for 24/7 operations of the RTGS system in the future. The main drivers are the following:
- possible CBDC adoption on a 24/7 basis;
- implementation of cross-border transactions using the Bank of Russia Faster Payment System;
- positive growth dynamics in the Bank of Russia Faster Payment System's share in the total volume of transactions in the Bank of Russia Payment System (BRPS);

- elaboration of issues on settlement in financial markets in BRPS in terms of their globalization and indirect participation of foreign participants.

8. Would your organization make use of and/or benefit from extended RTGS operating hours?

- Extension of RTGS operating hours will provide better overlap between the jurisdictions situated in different time zones, thus the clients will get funds more rapidly than before. Currently, the Bank of Russia RTGS system is functioning during some weekends and holidays. RTGS system functioning on a 24/7 basis will allow participants to plan better their operational activities. Thus the efficiency of payments will increase. The Bank of Russia acting as operator of BRPS and possible CBDC platform will be able to ensure interoperability for both platforms provided that the RTGS system operates 24/7/365.

9. How useful do you view the global settlement window as a concept for considering the aggregate implications of extensions to RTGS operating hours in individual jurisdictions? What alternatives or refinements, if any, would you propose in order to consider the aggregate implications of extensions to RTGS operating hours in individual jurisdictions?

We believe that the global settlement window could be a useful and cheaper solution than the alternative implementation of RTGS functioning on a 24/7/365 basis. Such an approach is applicable for certain categories of cross-border payments if they are to be made on fixed and deferred dates for pre-arranged transactions (e.g. final settlement in CLS).

10. To what extent have the operational and risk considerations related to an extension of RTGS operating hours been adequately identified? What additional considerations would you consider relevant?

We believe that there are no any additional risks that the global settlement window could entail provided that the settlements will be swift and on a gross basis.

11. What would you identify as the top five considerations related to an extension of RTGS operating hours in your preferred scenario?

The Bank of Russia identifies the following considerations:

- interest assessment of payment market participants in RTGS expansion and target definition (preferable settlement window);
- cost and risk assessment of central bank and payment market participants;
- financial markets readiness to support the transition to global settlement window;

- central bank readiness to provide liquidity to RTGS participants during closed financial markets;
- readiness of the central bank monetary policy operating mechanism for transition to global settlement window.

12. To what extent do the relevant considerations differ substantially depending on the end state being considered?

Considerations are common and applicable to one degree or another for all of the end states.

13. For the top five considerations that you identified in Q11, what mitigation measures could be taken to address them?

Mitigation measures could be the following:
- preliminary cost planning and risk assessment;
- selection of the suitable scenario for transaction and development of a step-by-step concept;
- expansion of operating time of financial markets;
- extension of tools and regulations for the provision of liquidity by the central bank to stakeholders;
- preliminary elaboration of the central bank monetary policy operating mechanism in terms of RTGS operating mode 24/7/365;
- parallelizing start and end day operations with payment flow;
- parallelizing RTGS maintenance operations and installation of new software and ensuring the continuity of payment flow.

14. In your view, to what extent will the above measures require coordinated action by industry participants and/or support/guidance from authorities, such as central banks, standard-setting bodies and supervisors (as opposed to actions by individual stakeholders)?

For the Russian Federation with its 11 time zones, substantial coordination in transition to new Regulation will be needed not only for the market participants (private entities) but for the Federal Treasury. In this regard, early modification and work schedules synchronization as well as amending payment systems rules and legislative acts are needed. All these changes will be controlled by the central bank and relevant authorized public bodies.

15. If you are a stakeholder of an RTGS system that has extended its operating hours in the recent past, what were the key lessons learnt?

Previous migration experience on RTGS extension of operating hours has shown that the migration process has a step-wise approach (not a leapfrog approach). The migration has to be agreed with the main players and has to be in line with the previously approved plan and foreseen backup solutions. Such solutions have to ensure the continuity of payment system operation in case of any delays during RTGS transition.