03 June 2024

Summary of the CPMI Cross-border payments interoperability and extension (PIE) taskforce meeting held on 25 April 2024

The Chair, Mr Ulrich Bindseil (European Central Bank), thanked members who joined in person to the sixth meeting of the PIE taskforce hosted by the European Central Bank in Frankfurt and also welcomed those joining virtually. Members agreed on the meeting agenda. The Chair reminded members that taskforce meetings are held under the Chatham House Rule.

Progress of the cross-border payments work

The Financial Action Task Force (FATF) secretariat gave an update on the public consultation regarding Recommendation 16 on payment transparency.

The Chair of the CPMI Central Bank-Operated Payment Systems Community of Practice (COPS) provided an update on the progress made with G20 Roadmap priority actions 1b and 1c. These actions focus on expanding access to and extending operating hours of central bank payment systems, as well as the development of related technical and operational approaches. They emphasised that COPS should continue to serve as a forum for central banks engaged in cross-border payments to exchange information and experiences from an operational perspective.

The FSB secretariat gave an update on the progress made by the Legal, Regulatory and Supervisory taskforce (LRS), Bank and Non-Bank Supervision working group (BNBS) and the Cross-border Payments Data and Identifiers Group (CPDI). The BNBS is developing recommendations to strengthen the consistency of regulation and supervision applying to bank and non-banks in their provision of cross-border payment services (in line with action 4 of the G20 Roadmap). They will publish a consultation report in mid-July, followed by the final report by year-end. The CPDI will follow the same timeline for the publication of their consultative report and recommendations to promote alignment and interoperability across data frameworks related to cross-border payments, followed by a final report.

A PIE taskforce member provided an update on US market stakeholders' viewpoints regarding the adoption and harmonisation of ISO 20022 messaging standards. Another PIE taskforce member presented their recently published white paper on interlinking instant payment systems.

Practical actions to enhance cross-border payments: task teams updates

The leads of the PIE task teams (TTs) presented their proposed work plans and timelines for key deliverables of their respective TT by year-end. The TTs have also started to reach out to other groups engaged in the G20 cross-border payments programme, including the COPS and the CPMI Governance and Oversight (GO) workstream, to exchange views on interdependencies across the groups.

The PIE taskforce discussed how to ensure substantive progress will be made on its agreed deliverables. The Chair invited the TT leads to continually highlight any challenges their members face in pursuing the identified practical actions and to suggest what measures would be needed to overcome those obstacles. Bringing these challenges to the fore and providing practitioner advice on possible actionable measures to address them is seen as an important contribution of the PIE taskforce to the G20 Roadmap.

Updates from the four task teams were as follows:

- TT1 focuses on: i) the benefits and challenges faced by private payment system operators and non-bank payment service providers (PSPs) towards expanding payment system access; ii) the challenges and benefits for all types of payment system participants towards extending operating hours of privately operated RTGS, and the possible alternatives, with a focus on the most affected corridors; iii) the mitigation of foreign exchange (FX) settlement risk and the exploration of solutions for cross-border payments using currencies for which payment-versus-payment (PvP) arrangements are not available.

- TT2 focuses on (i) the design and operational elements of fast payment systems (FPS) that support cross-border interlinking, (ii) the promotion of fast payment schemes that support cross-border payments, and (iii) the industry practices and lessons learned to prevent fraud and foster straight-through processing.
- TT3 focuses on (i) the adoption of the CPMI harmonised ISO 20022 data requirements and (ii) efforts to standardise the use of ISO 20022 messaging to promote efficient payment processing and enhance the cross-border interoperability of payment systems.
- TT4 (i) takes stock of and monitors ongoing industry initiatives to achieve the G20 targets, including possible future dissemination efforts and (ii) plans to highlight the advantages and opportunities offered by the G20 Roadmap to the supply side.

The Chair emphasised the importance to finalise these deliverables by end 2024 and members took note that the Chair will update the CPMI in July on the work underway.

Compilation of industry initiatives and other relevant developments

The Chair invited PIE taskforce members to participate, and keep on promoting participation outside the taskforce, in the PIE taskforce information gathering exercise about industry initiatives with the potential to contribute achieving the G20 targets. The CPMI secretariat compiles the responses on a quarterly basis for discussion in the PIE taskforce and possible publication. Information should be submitted by owners of respective projects/initiatives.

Next meeting

The next PIE taskforce meeting will take place in a virtual format in July 2024.