

Liaison Activity

Liaison with Industry

The Reserve Bank consulted widely on payments, clearing and settlement issues in 2012/13. It met with various stakeholders in retail payments systems – including financial institutions, merchants, payment schemes, payment service providers and consumer representatives – to discuss a range of matters. Many of these discussions related to the Strategic Review of Innovation in the Payments System, including potential arrangements for improving payments system governance. The Bank also consulted widely on its surcharging Guidance Note and implementation and reforms to the regulatory regimes for eftpos and the ATM system. Meetings were also held with stakeholders in financial markets to discuss clearing and settlement issues. These included discussions related to the oversight of the licensed clearing and settlement (CS) facilities, competition in clearing and settlement, and reforms to the over-the-counter (OTC) derivatives market.

The Bank continued to work closely with other regulatory and government agencies. Examples include work undertaken by the member agencies of the Council of Financial Regulators, such as the review of financial market infrastructure regulation, recovery and resolution of Financial Market Infrastructures (FMIs), competition in clearing and settlement (also with the Australian Competition and Consumer Commission), and OTC derivatives reform. The Bank also worked closely with the Australian Prudential Regulation Authority as part of its consultation on possible changes to the access regimes applying to the MasterCard and Visa card systems.

In line with its liaison agreement with the Australian Payments Clearing Association (APCA), the Bank met with APCA management following each APCA Board meeting in 2012/13, as well as with the APCA Board on a number of occasions. The Bank began participating in the New Payments Platform Steering Committee in June 2013.

The Bank participated in a number of public forums on payments system issues. Other staff attended various payments and clearing and settlement industry events, including conferences and forums organised by APCA and the Australian Securities and Investments Commission.

International Engagement

The Reserve Bank was represented on a number of international groups in 2012/13: the Committee on Payment and Settlement Systems (CPSS); the CLS Oversight Committee; the SWIFT Oversight Forum (SOF); the multilateral cooperative oversight arrangement for LCH.Clearnet Limited's SwapClear service; the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) Working Group on Payment and Settlement Systems; and the OTC Derivatives Regulators' Forum. Involvement in the CPSS included participating in a number of working groups and contributing to ongoing joint work with IOSCO via a seat on the CPSS-IOSCO Steering Group, participation in work on recovery and resolution of FMIs, and contribution to a task force monitoring the implementation of the CPSS-IOSCO *Principles for Financial Market Infrastructures*.

The Bank also engages with overseas central banks and regulatory agencies on a less formal basis. Over the past year, this engagement included discussing various issues in retail payments with relevant authorities, assisting overseas regulators with their equivalence assessments of the Australian regulatory regime, and keeping abreast of developments in OTC derivatives regulation around the world via discussions in various forums with other central banks and securities regulators. Engagement with global financial market stakeholders, such as the International Swaps and Derivatives Association, also provided useful information about developments in OTC derivatives markets.