

Liaison Activity

Liaison with Industry

The Reserve Bank engaged extensively with stakeholders in the Australian payments system during 2013/14. A major focus of the Bank's engagement related to the New Payments Platform (NPP; see 'New Payments Platform' in the chapter 'Strategic Review of Innovation'). Two senior staff from the Bank are members of the NPP Steering Committee; a number of other staff represented the Bank at meetings of the design authorities and working groups contributing to the implementation of the NPP. In collaboration with the Australian Payments Clearing Association (APCA), the Bank also continued its discussions with industry about the formation of the Australian Payments Council.

The Bank consulted with industry on its proposed reforms to the Access Regimes for the MasterCard and Visa systems. Having published an initial consultation document in May 2013, the Bank received submissions from a range of interested parties in July 2013, and met with most of these to discuss the scope for reform and the issues raised. Following this process, the Bank published a set of proposals for reform in December 2013 and conducted a further consultation in January and February 2014.

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 facilities, 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, continuing work on recovery and resolution of financial market infrastructures (FMIs), and OTC derivatives reform. The Bank also engaged with the Australian Prudential Regulation Authority regarding its proposed reforms of the Access Regimes applying to the MasterCard and Visa card systems, and with the Commonwealth Treasury in relation to the Government's deregulation agenda. Officials from the Bank also met with counterparts at the Australian Competition and Consumer Commission on a periodic basis to discuss areas of common interest in retail payments.

Members of the Financial System Inquiry Committee met with Bank executives in April in relation to the Inquiry, while Bank staff hosted a number of discussions with the Inquiry's Secretariat and provided a range of additional data and information to the Inquiry.

In line with its liaison agreement with APCA, the Bank met with APCA management following each APCA Board meeting in 2013/14; Bank staff also attended meetings with APCA on a range of payments topics, including fraud statistics publication and industry efforts to ensure a smooth transition to the National Broadband Network for ATM and eftpos terminals.

The Bank participated in a number of public forums on payments system and FMI issues. The Head of Payments Policy delivered two speeches in 2013/14, focusing on the NPP and the Bank's study on the use of

payment methods by consumers. 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 2013/14: the Committee on Payment and Settlement Systems (CPSS; now the Committee on Payments and Market Infrastructures); the CLS Oversight Committee; the SWIFT Oversight Forum; 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 contributing to ongoing joint work with the International Organization of Securities Commissions (IOSCO) via a seat on the CPSS-IOSCO Steering Group. The Bank also participated in a number of CPSS working groups encompassing: work to establish guidance on recovery and resolution of FMs; a task force monitoring the implementation of the CPSS-IOSCO *Principles for Financial Market Infrastructures*; a working group developing a public disclosure framework for FMs; a report on the range of collateral management services currently being offered; and a report on non-bank involvement in retail payments systems and the implications of their role for risk, efficiency and competition.

The Bank also engaged 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 and industry views on recovery and resolution of FMs.