RESERVE BANK OF AUSTRALIA

Payments System Board

Annual Report 2026

In the spirit of reconciliation, the Reserve Bank of Australia acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community.

We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

ISSN 1448–532X (Online)

Payments System Board Annual Report 2026

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Foreword

Australia's payments system is something we can be proud of. It provides efficient and reliable payment services that support households, businesses and governments across the country. At the same time, the payments landscape continues to evolve rapidly, driven by technological innovation, changing user expectations and new business models. Industry is investing in the modernisation of payments infrastructure to deliver services that are faster, safer and more convenient. However, a more uncertain global and operational environment means that resilience remains critical. Against this backdrop, the Payments System Board has continued to focus on promoting the safety, efficiency and competitiveness of Australia's payments system.

A key priority for the Board over 2025/26 has been strengthening the resilience of the payments system. Australia's payments system operates as a highly interconnected network, so disruptions affecting a single participant, service provider or piece of infrastructure can have wider consequences across the system. The Board supports work to identify and address system-wide vulnerabilities, including risks associated with common service providers and critical infrastructure. During the year, the RBA engaged with industry and regulatory agencies on arrangements to support payments continuity under a range of disruption scenarios. The Board also continued to focus on the availability of cash as an important payment option and a valuable back-up to electronic payment systems, particularly during periods of disruption. Supervision of clearing and settlement facilities remained an important component of the Board's work. Throughout the year, the RBA's oversight of domestic and overseas financial market infrastructures operating in Australia focused on governance, operational resilience and financial risk management, while work continued to operationalise reforms to the regulatory framework for financial market infrastructures and strengthen crisis management arrangements.

The Board also focused on promoting a competitive, accessible and innovative payments system. A major milestone during the year was the completion of the Review of Merchant Card Payment Costs and Surcharging. Following extensive consultation, the Board concluded that a package of reforms to remove card surcharging, reduce interchange fee caps and improve transparency of payment costs would be in the public interest and promote greater competition and efficiency in the payments system. The year also marked a step-up in focus on the future of account-to-account payments in Australia. Through its participation in the Account-to-Account Payments Roundtable, the RBA contributed to the development of a common vision for the future of account-to-account payments in Australia. The Board continued to support efforts to improve cross-border payments, which have the potential to deliver faster, cheaper and more transparent payment services for Australian households and businesses. Looking ahead, the publication of the Review of Payments System Regulation Issues Paper provides an opportunity to consider how the regulatory framework should evolve in response to technological change and emerging competition, efficiency and safety issues.

The Board has also focused on shaping the future of money so that it continues to meet the evolving needs of the community, the economy and the financial system. A major milestone in 2025/26 was the completion of Project Acacia, the RBA's joint initiative with the Digital Finance Cooperative Research Centre examining how innovations in digital money and settlement infrastructure could support the development of tokenised asset markets in Australia. The project found significant potential for tokenisation and new forms of digital money to improve the efficiency, resilience and functionality of financial markets, while also highlighting the importance of continued collaboration between industry and the public sector. Building on this work, the Board has supported a broader program of initiatives designed to help support responsible innovation in wholesale financial markets.

RBA staff have continued to support the Board's work with professionalism, expertise and dedication. On behalf of the Board, I thank staff for their outstanding contribution over the past year and for their ongoing commitment to supporting the safety, efficiency, competitiveness and resilience of Australia's payments system.

Michele Bullock
Governor and Chair
Payments System Board
23 September 2026

Chapter 1
About the Payments System Board

The Payments System Board (the Board) has responsibility for the RBA's payments system policy, including policy on clearing and settlement facilities.

Role of the Board and the RBA

The Reserve Bank of Australia (RBA) is responsible for promoting the stability, efficiency and competitiveness of the payments system through the Payments System Board. The Board has a duty under the *Reserve Bank Act 1959* to ensure that the RBA's payments system policy is directed to the greatest advantage of the people of Australia, and that the powers of the RBA under the *Payment Systems (Regulation) Act 1998* and the *Payment Systems and Netting Act 1998* are exercised in a way that, in the Board's opinion, will best contribute to:

- controlling risk in the financial system
- promoting the efficiency of the payments system
- promoting competition in the market for payment services, consistent with the overall stability of the financial system.

Under the Payment Systems (Regulation) Act, the RBA has the power to designate payment systems and to set standards and access regimes for designated systems. The Payment Systems and Netting Act provides the RBA with the power to give legal certainty to certain settlement arrangements to minimise the risks of systemic disruptions from payment systems.

The Board also has a duty to ensure that the powers and functions of the RBA under Parts 7.3 and 7.3B of the *Corporations Act 2001* are performed and exercised in a way that, in the Board's opinion, will best contribute to the overall stability of the financial system. These powers and functions relate to the supervision and crisis resolution of central counterparties and securities settlement facilities, which are key infrastructure supporting the clearing and settlement of transactions in financial markets. The RBA's Payments Policy Department also acts as overseer of Australia's high-value payments system – the Reserve Bank Information and Transfer System (RITS).

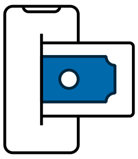
In addition, the Board has a duty to ensure that the RBA's functions and powers under the cash distribution framework (dealing with events that may threaten the continuity of critical cash distribution services) are performed and exercised in a way that, in the Board's opinion, best contributes to the availability of cash in Australia.

RBA Payments Policy Strategy 2025–2027

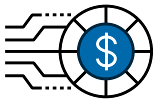
In August 2025, the Payments System Board endorsed an RBA payments policy strategy focused on three strategic objectives, supported by 10 priority initiatives, over 2025–2027. This strategy helps prioritise the RBA's efforts to support the Australian payments system to evolve in line with the public interest over coming years. The Board regularly reviews the RBA's progress on delivering the priority initiatives.

RBA Payments Policy Strategy 2025–2027 | **Strategic Objectives**

Strengthen the **resilience** of the payments system



Promote a **competitive, accessible and innovative** payments system



Shape the **future of money** so it meets the evolving needs of the community, economy and financial system

RBA payments policy strategic objectives

Strengthen the resilience of the payments system

Payments and market infrastructures play a crucial role in facilitating payments and managing financial risk in the financial system. The reliance of the community, economy and financial system on these services means that disruptions can have wide-reaching effects. The RBA is strongly focused on ensuring risks to payments and market infrastructures are managed appropriately.

Promote a competitive, accessible and innovative payments system

Consumers and businesses rely on the payments system every day. Competition and innovation are important to ensuring payment services remain efficient, cost-effective and responsive to the evolving needs of users. The RBA has an important role to play in promoting a payments system that delivers competitive, accessible and innovative payments for consumers and businesses.

Shape the future of money so it meets the evolving needs of the community, economy and financial system

Australians need safe, efficient and cost-effective payment options, both now and in the future. As the payments landscape changes, the RBA is helping to shape the future of money by exploring the case for new digital forms of money, and by ensuring cash remains a viable means of payment for those who need or want it.

RBA payments policy priority initiatives

To achieve its payments policy strategic objectives, the RBA is pursuing 10 priority initiatives over 2025–2027 to:

- identify system-wide risks to Australia's payments system that require attention
- press payments and market infrastructures to strengthen their governance, risk management and operational resilience to meet regulator and community expectations
- deliver a framework for clearing and settlement (CS) facility and cash distribution crisis management and operationalise new powers for supervision
- oversee the industry's efforts to modernise account-to-account payments in a manner consistent with the public interest
- assist payments regulatory reform
- work with the government and industry to reinforce reasonable access to cash across the community
- review the regulatory settings for retail payment systems and support the implementation of adjustments if required
- enhance cross-border payments
- assess how innovations in digital money and existing infrastructure could enhance wholesale payments and settlements
- deepen analysis into the issues associated with new forms of retail digital money, including central bank digital currencies (CBDCs).

Board members as at September 2026

Membership of the Payments System Board is specified in section 25A of the Reserve Bank Act, and comprises up to eight members:

- the Governor of the RBA (Chair of the Payments System Board)
- one representative of the RBA who is appointed by the Governor and who must be either a member of one of the RBA's other boards or a member of the RBA service (Deputy Chair of the Payments System Board)
- one representative of the Australian Prudential Regulation Authority (APRA) who is appointed by APRA and who must be either an APRA member or an APRA staff member
- up to five other members who are appointed by the Treasurer for a term of up to five years.

Members of the Board as at September 2026 and details of their qualifications and experience are provided below.

Michele Bullock

BEc (Hons) (UNE), MSc Economics (LSE)

Chair and RBA Governor

Governor since 18 September 2023
Present term ends 17 September 2030

Michele Bullock commenced as RBA Governor on 18 September 2023. She is Chair of the Governance Board, Monetary Policy Board, Payments System Board and Council of Financial Regulators.

Prior to her current role, Ms Bullock was the RBA Deputy Governor. She has also held a variety of senior management positions at the RBA. She was Assistant Governor (Financial System), Assistant Governor (Business Services), Assistant Governor (Currency), Adviser for the Currency Group and, before that, Head of Payments Policy Department.

Ms Bullock is a Member of Chief Executive Women and a signatory to the Banking and Finance Oath.

Other roles

Chair – Governance Board
Chair – Monetary Policy Board
Chair – Council of Financial Regulators
Chair – Financial Markets Foundation for Children
Co-chair – Financial Stability Board Regional Consultative Group for Asia; Financial Stability Board Cross-border Payments Coordination Group
Chair – BIS Irving Fisher Committee on Central Bank Statistics
Chair – BIS Asian Consultative Council
Member – Financial Stability Board
Member – Melbourne Institute Advisory Board
Member – Trans-Tasman Council on Banking Supervision
Director – The Anika Foundation

Brad Jones

PhD (Macquarie)

Deputy Chair and RBA Assistant Governor (Financial System)

Deputy Chair since 16 January 2024

Brad Jones joined the RBA in 2018 and was appointed RBA Assistant Governor (Financial System) in 2022. He oversees the RBA's work on financial stability and payments policy, including the future of money and geopolitical risk.

Prior to his current role, Dr Jones was the Head of International Department and then the Head of Economic Analysis Department.

Before joining the RBA, Dr Jones held roles at the International Monetary Fund in Washington DC, Deutsche Bank in London and Hong Kong, and the University of Cambridge Judge Business School.

Dr Jones is a graduate member of the Australian Institute of Company Directors and a signatory to the Banking and Finance Oath.

Other roles

Member – Basel Committee on Banking Supervision
Member – Financial Stability Board Regional Consultative Group for Asia
Member – Council of Financial Regulators
Member – Trans-Tasman Council on Banking Supervision
Member – Institute of Global Finance Advisory Board
Member – Financial Stability Board Standing Committee on Assessment of Vulnerabilities
Chair – RBA Financial Market Infrastructure Review Committee

Ross Buckley

BEcon, LLB (Hons) (UQ), PhD (UNSW), LLD (Melbourne)

Non-executive member

Member since 1 August 2023
Present term ends 31 July 2028

Ross Buckley is a Scientia Professor, School of Private and Commercial Law, at the University of New South Wales and an Australian Research Council Laureate Fellow. His key research areas include the regulation of fintech and tokenised currencies and assets. He has written seven books and over 200 journal articles, book chapters and major reports. He has twice been a Fulbright Scholar, at Yale and Duke universities.

Professor Buckley has consulted to government departments and regulators in many nations and advised and written reports for some 40 international institutions, including the Alliance for Financial Inclusion, Asian Development Bank, Bank for International Settlements, European Commission and United Nations Capital Development Fund.

Other roles

Strategic Research Advisor – Digital Finance Cooperative Research Centre
Chair – Digital Finance Advisory Panel, Australian Securities and Investments Commission
Member – Consultative Panel, Australian Securities and Investments Commission
Member – Public and Private Markets Advisory Group Network, Australian Securities and Investments Commission
Member – Simplification Consultative Group, Australian Securities and Investments Commission
Fellow and Academic Board Member – European Banking Institute, Frankfurt

Gina Cass-Gottlieb

BEc (Hons), LLB (Hons) (Sydney), LLM (Berkeley)

Non-executive member

Member from 15 July 2013 to 14 July 2018
Reappointed from 1 August 2018
Present term ends 31 July 2028

Gina Cass-Gottlieb has extensive expertise in competition law and economic regulatory advice and in the regulation of payments in Australia. She was appointed Chair of the Australian Competition and Consumer Commission on 21 March 2022.

Prior to this, Ms Cass-Gottlieb was a senior partner in Gilbert + Tobin's competition and regulation practice, advising and representing corporations, industry associations, government and non-government agencies. She has over 25 years' experience, including advising in relation to access arrangements in a range of sectors across the economy.

Ms Cass-Gottlieb attended the University of California, Berkeley, as a Fulbright Scholar.

Michelle Deaker

BSc (Hons), MSc (Sydney), PhD (UC)

Non-executive member

Member since 1 August 2023
Present term ends 31 July 2028

Michelle Deaker is a founding partner and the current Managing Partner of OneVentures, a venture capital firm with over $1 billion in funds under management that specialises in technology and healthcare investment. Dr Deaker has over 20 years' experience in the development of high-growth technology companies in Australia and the United States. She has served on the boards of large and small listed and unlisted companies and has a background in Australian research and development as well as expertise in global business expansion.

Prior to establishing OneVentures in late 2006, Dr Deaker established IT enterprise business Networks Beyond 2000 and later E Com Industries, a leading prepaid card and electronic voucher provider in several countries.

Dr Deaker is a member of the Australian Institute of Company Directors and of Chief Executive Women.

Other roles

Managing Partner – 1V Partnership
Director – Buildkite
Director – Vaxxas Pty Ltd
Director – WinVC Limited
Board Observer – Employment Hero

Scott Farrell

BEc (Sydney), LLB (Hons) (Sydney), PhD (UNSW)

Non-executive member

Member since 23 March 2022
Present term ends 22 March 2027

Scott Farrell has more than 25 years' experience in financial markets and financial systems law. In 2016, he was appointed to the Australian Government's FinTech Advisory Group at its formation and in 2018 was appointed its co-Chair.

Dr Farrell has led a number of reviews for the Australian Government, including the Review into Open Banking in Australia in 2017, the Inquiry into Future Directions for the Consumer Data Right in 2020 and the Review of the Australian Payments System in 2021.

Other roles

Strategic Counsel – Mallesons
Adjunct Professor – School of Private and Commercial Law, University of New South Wales
Chair – International Organisation for Standardization TC 307 Blockchain and Distributed Ledger Technologies
Data Standards Chair – Consumer Data Right and Digital ID

John Lonsdale

APRA-appointed member

Chair – Australian Prudential Regulation Authority
Member since 1 November 2022

John Lonsdale was appointed as Chair of the Australian Prudential Regulation Authority (APRA) on 31 October 2022 after joining APRA as Deputy Chair on 8 October 2018. In his Deputy Chair role, Mr Lonsdale was responsible for oversight of Australia's banking sector, as well as oversight of APRA's work on culture and remuneration, building APRA's crisis-resolution capability and strengthening APRA's collaboration with peer regulators.

Prior to joining APRA, Mr Lonsdale worked for the Australian Treasury for over 30 years. He was a member of the Treasury's Executive and, in his role as Deputy Secretary for the Markets Group, he had responsibility for financial system, consumer and foreign investment policy. In 2014, he led the Secretariat for the Financial System Inquiry.

Other roles

Member – Council of Financial Regulators
Member – Financial Stability Board Standing Committee on Supervisory and Regulatory Cooperation
Member – Trans-Tasman Council on Banking Supervision

Deborah Ralston

BEc, Dip Fin Mgt, MEc (UNE), PhD (Bond)

Non-executive member

Member since 15 December 2016
Present term ends 14 December 2026

Deborah Ralston has more than 25 years of board-level experience in education, banking, superannuation and fintech sectors. Her current appointments include Guardian of the Future Fund, non-executive director of the Digital Finance Cooperative Research Centre, and Chair of the Household Capital Advisory Board.

She has held senior leadership and research roles in Australian universities, most recently as the Executive Director of the Australian Centre for Financial Studies.

Dr Ralston's expertise in public policy has been reflected in appointments to the Australian Government's Retirement Income Review Panel, the Comprehensive Income Products for Retirement Framework Advisory Committee and as inaugural Chair of the Australian Securities and Investments Commission's Digital Finance Advisory Board.

Dr Ralston is currently a Professorial Fellow at Monash University Business School, with research interests in financial regulation and superannuation. She is a Fellow of both CPA Australia and the Australian Institute of Company Directors.

Other roles

Professorial Fellow – Monash University
Chair – Advisory Board, Household Capital
Non-executive Director – Digital Finance Cooperative Research Centre
Member – Advisory Board, Connexus Institute
Member – Future Fund Board of Guardians
Member – Expert Panel – Mortgage Stress Victoria

Meetings of the Board

The Payments System Board met five times in 2025/26, including an ad hoc meeting in January 2026.

Five members form a quorum for a meeting of the Payments System Board. Consistent with the Reserve Bank Act, the Board makes decisions by a majority of the members present, with the Chair having a casting vote, if necessary. Attendance by members is shown in Table 1.1.

Table 1.1: Payments System Board Meetings – 2025/26
Attendance by members

Member	Role	Term	Meetings attended	Meetings eligible to attend[(a)]
Michele Bullock	Chair; Governor	Sep 2023 – Sep 2030	5	5
Brad Jones	Deputy Chair; RBA representative	Jan 2024 –	5	5
John Lonsdale	APRA representative	Nov 2022 –	5	5
Ross Buckley	Non-executive member	Aug 2023 – Jul 2028	5	5
Gina Cass-Gottlieb[(b)]	Non-executive member	Jul 2013 – Jul 2028	3	5
Michelle Deaker	Non-executive member	Aug 2023 – Jul 2028	5	5
Scott Farrell	Non-executive member	Mar 2022 – Mar 2027	5	5
Deborah Ralston[(c)]	Non-executive member	Dec 2016 – Dec 2026	5	5

(a) Eligible meetings during the year include one ad hoc meeting.

(b) Gina Cass-Gottlieb was reappointed for a second term on 1 August 2018 and for a third term on 1 August 2023.

(c) Deborah Ralston was reappointed for a second term on 15 December 2021.

Source: RBA

Payments System Board members at their meeting in August 2026. From left to right: Back row – Anthony Dickman (Reserve Bank Secretary); Ross Buckley, John Lonsdale, Deborah Ralston, Scott Farrell. Front row – Michelle Deaker, Assistant Governor (Financial System) Brad Jones, Governor Michele Bullock, Gina Cass-Gottlieb.

Source: RBA.

Code of conduct

A code of conduct for Payments System Board members supplements statutory requirements and imposes obligations on members to ensure the highest possible standards of ethical conduct. The code received minor updates in 2024/25 and is published on the RBA website.[1]

Conflicts of interest

The RBA has several distinct areas of responsibility in the Australian payments system. It:

- owns, operates and participates in Australia's real-time gross settlement system – RITS
- provides transactional banking services to the Australian Government and its agencies
- is principal regulator of the payments system through the Payments System Board.

This combination of functions is conventional internationally, but their existence in the one institution may give rise to concerns about conflicts of interest. In view of this, the Board has adopted a policy on managing actual or perceived conflicts of interests, which focuses on the interactions between the RBA's Payments Policy and Banking departments. The policy is published on the RBA website.[2]

Details of the steps taken to achieve compliance with the policy, including the minutes of informal meetings between departments, are audited every three years by the RBA's Audit Department, with the results presented to the Board. The most recent audit was conducted in June 2025.

The Board also has a governance role in managing conflicts of interest relating to the RBA's oversight of RITS. While an internal Financial Market Infrastructure Review Committee has the formal responsibility to review and approve assessments of other payments and market infrastructures, the Board retains primary responsibility for approving the staff's periodic assessments of RITS.

Accountability and communication

The Payments System Board seeks to ensure a high degree of transparency and accountability around its actions through regular reporting to the Australian Government and through the RBA's communication program.

Accountability

The RBA has a range of reporting obligations that serve to ensure the accountability of the Payments System Board. Under the *Reserve Bank Act 1959*, the Board is required to:

- inform the government, from time to time, about the performance of its functions and the exercise of its powers, including the determination of any payments system policy (section 11A(2))
- prepare and give to the Treasurer a report that covers certain matters relating to the standards that the RBA determines under section 827D of the *Corporations Act 2001* and developments in the clearing and settlement industry that are relevant to Australia's financial stability (section 25M(1)).

This annual report addresses these requirements and is the primary accountability vehicle for the RBA's payments system responsibilities. The House of Representatives Standing Committee on Economics holds twice-yearly public hearings at which the RBA presents an opening statement on the economy, financial markets and other matters – including payments system matters – related to the RBA's operations, and responds to questions from Committee members. These hearings may include discussion of developments in the payments system and the RBA's payments system policy.

The broader accountability of the RBA includes its obligations under the *Public Governance, Performance and Accountability Act 2013*. The RBA's annual report, including the annual performance statement, covers the RBA's role in the payments system.

Communications

The RBA regularly communicates on payments system issues and its regulatory and oversight work through media releases, speeches, research publications, the RBA website, and community and industry liaison. The RBA also engages in various international forums relating to payments and market infrastructures.

The RBA publishes a media release in the afternoon immediately following each quarterly Payments System Board meeting, outlining matters that were discussed by the Board and foreshadowing any forthcoming documents to be released by the RBA. Media releases also accompany any major announcements following decisions taken by the Board.

During 2025/26, senior RBA staff gave a number of public speeches and participated in discussion panels on various payments system-related topics, including:

- resilience, innovation and the future of the payments system
- the future of account-to-account payments in Australia
- uplifting the functioning of Australia's wholesale markets through the tokenisation of assets and money
- geopolitics and the financial system
- the evolving global payments landscape and challenges and opportunities for the Asia-Pacific region
- stablecoins and the future of money.

Audio files and transcripts of speeches are published on the RBA website.

Submissions and parliamentary appearances

Where appropriate, the RBA makes submissions to parliamentary and government committees, inquiries and regulatory processes on payments and market infrastructure-related topics. During 2025/26, the RBA made a submission to, and appeared before, the House of Representatives Economics Committee Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector. Copies of the RBA's submissions can be found on the RBA website. The RBA also made submissions to the Treasury Consultation on Mandating Cash Acceptance, and the Australian Competition and Consumer Commission in relation to the commencement of a Regional ATM Trial.

Research and statistics

To support the RBA's research and policy work, the RBA collects monthly statistics on retail payments from financial institutions, card companies and other payments system participants. Data on debit and credit cards, mobile wallets, ATM transactions, merchant fees, bulk electronic transfers, New Payments Platform (NPP) transactions and cheques provide insights on how individuals and businesses make and receive payments. These aggregated data are published as part of the statistical tables on the RBA website.

In addition, the RBA completed the next three-yearly Consumer Payments Survey, with results published in the RBA *Bulletin* in May 2026.

Liaison activity

The RBA engages with a wide range of stakeholders in Australia and overseas.

During 2025/26, the RBA engaged with a range of participants in the payments industry to discuss policy issues and market developments. Key focuses of stakeholder engagement were on the Review of Merchant Card Payment Costs and Surcharging and the future of account-to-account payments.

The RBA's meetings with stakeholders on retail payments issues over the past year focused on various issues, including competition in the debit card market, merchant card payment costs and surcharging, improving security, efficiency and competition for online card payments, the development of the NPP, the future of the account-to-account payments system, enhancing cross-border payments, and the future of cash. RBA staff continued to engage with stakeholders about their obligations under the RBA's card payments regulations. The RBA also engaged with payments industry participants on technology and innovation, especially on digital money and the role of new players in the payments ecosystem. There was significant engagement with industry participants as part of a research project, Project Acacia, which explored the role that innovations in wholesale digital money could play in supporting settlement of tokenised assets.

RBA staff meet regularly with senior staff of the Australian Payments Network (AusPayNet), the main industry body for the payments system, to discuss industry initiatives and developments. These meetings take place consistent with a Memorandum of Understanding (MOU) on liaison arrangements between the two organisations, which is published on the RBA website.

RBA staff also meet periodically with counterparts from government agencies, including the Australian Competition and Consumer Commission (ACCC), Australian Prudential Regulation Authority (APRA), Australian Securities and Investments Commission (ASIC), the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Treasury, the Attorney-General's Department and the Department of Home Affairs as part of the cross-agency forum on payments. An MOU between the ACCC and the RBA sets out an agreed basis for policy coordination, information sharing and liaison between the two agencies.

There was significant engagement with the Treasury and other Commonwealth agencies during the past year on issues relating to implementing the government's reforms to the regulation of the payments system.

The NPP is operated by NPP Australia Ltd, a wholly owned subsidiary of Australian Payments Plus (AP+). Staff from the RBA's Payments Policy Department meet regularly with senior staff from AP+ to discuss developments in relation to the NPP as well as the other domestic payments infrastructure operated by AP+ (eftpos and BPAY).

The RBA meets regularly with each clearing and settlement facility (CS facility) it supervises. These meetings cover a wide range of topics, including developments in financial and operational risk management. As ASIC and the RBA have complementary regulatory responsibilities for the supervision of CS facilities, the two agencies coordinate their liaison with these facilities. ASIC and the RBA also liaise with market participants on a range of topics related to clearing and settlement.

The RBA continues to work closely with other agencies of the Council of Financial Regulators (and, where relevant, the ACCC) on several policy issues. These include the Australian Government's reforms to the regulatory regime for financial market infrastructures and the introduction of a crisis management regime for CS facilities, competition in clearing and settlement of equities, electronic conveyancing and cybersecurity.

The RBA works closely with the Department of Home Affairs in the performance of each agency's respective regulatory responsibilities under the *Security of Critical Infrastructure Act 2018*. This engagement takes place consistent with an MOU between the Department of Home Affairs and the RBA, which is published on the RBA website.

RBA staff also attend various conferences and seminars on issues related to payments and market infrastructures, in some cases as speakers or panellists.

International engagement

The RBA is a member of the Bank for International Settlements (BIS) Committee on Payments and Market Infrastructures (CPMI), which serves as a forum for central banks to monitor and analyse developments in payment, clearing and settlement infrastructures, and the development of relevant international standards. It has members from 28 central banks.

Joint working groups of the CPMI and the International Organization of Securities Commissions (IOSCO) bring together members of these two bodies to coordinate policy work on the regulation of payments and market infrastructures. RBA staff are members of several CPMI working groups, including those involved in the international roadmap for enhancing cross-border payments and the future of payments.

The RBA participates in the BIS Committee on the Global Financial System working group on implications of stablecoins for monetary policy effectiveness and a Financial Stability Board (FSB) working group on central counterparty (CCP) resolution.

The RBA participates in the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) Working Group on Payments and Market Infrastructures. This is a regional forum for sharing information and experiences relating to the development, oversight and regulation of payments and market infrastructures.

In addition, the RBA participates in several multilateral and bilateral arrangements to support its oversight of overseas-based payments and market infrastructures.

Table 1.2 provides details of the RBA's participation in the standing international forums relevant to the mandate of the Payments System Board.

Table 1.2: RBA's Participation in International Forums dealing with Payments and Market Infrastructure Issues

Name of the forum	Organiser/secretariat	Mandate	Membership
Policy-focused forums			
CPMI	BIS	Monitoring and analysing developments in payment, clearing and settlement infrastructures, standard setting	Central banks
CPMI–IOSCO Steering Group	BIS/IOSCO	Providing operational guidance on joint CPMI–IOSCO work	CPMI and IOSCO members
CPMI–IOSCO Policy Standing Group	BIS/IOSCO	Developing supervisory policies and guidance	CPMI and IOSCO members
CPMI–IOSCO Implementation Monitoring Standing Group	BIS/IOSCO	Monitoring of Principles for Financial Market Infrastructures implementation in 28 CPMI–IOSCO jurisdictions	CPMI and IOSCO members
CPMI–IOSCO Operational Resilience Group	BIS/IOSCO	Strengthening the cyber and operational resilience of financial market infrastructures	CPMI and IOSCO members
Financial Market Infrastructure Cross Border Crisis Management Group	FSB	Development of resolution strategies and operational resolution plans for CCPs	Representatives from jurisdictions, major international financial institutions and standard-setting bodies
FSB Cross-border Payments Coordination Group	FSB	Coordination of work under the G20 Roadmap for enhancing cross-border payments	Representatives from jurisdictions and relevant international bodies
EMEAP Working Group on Payments and Market Infrastructures	Rotating chair	Information and experience-sharing on the regulation and oversight of payments and market infrastructures	East Asia-Pacific central banks
Cooperative oversight forums			
CLS Oversight Committee	Federal Reserve Bank of New York	Cooperative oversight of CLS Bank International (CLS)	Central banks representing CLS settlement-eligible currencies
Swift Oversight Forum	National Bank of Belgium	Providing input to cooperative oversight of Swift exercised by the Swift Oversight Group	G10 central banks and additional central banks
LCH Ltd Supervisory College and Crisis Management Group	Bank of England	Cooperative oversight of LCH Ltd	Central banks and securities regulatory authorities from jurisdictions where LCH Ltd operates
Multilateral Oversight Group for the Euroclear Bank	National Bank of Belgium	Cooperative oversight of Euroclear Bank	Central banks from jurisdictions where Euroclear Bank operates

Source: RBA.

Endnotes

1 RBA (2025), 'Code of Conduct for Payments System Board Members', March.

2 RBA (2025), 'Managing Potential Conflicts of Interest Arising from the Bank's Commercial Activities', June.

Chapter 2

Payments System Regulation and Policy Issues

The RBA undertakes regulatory and policy work on payment systems and on the infrastructure that supports the safety, efficiency and competitiveness of the Australian payments system. During 2025/26, the Payments System Board focused on strengthening the resilience of systemically important and prominent payment systems, progressing reforms in the card payments market, overseeing industry efforts to modernise account-to-account payments, supporting work to reinforce access to cash, and examining how innovation in digital money could support the future evolution of the payments system.

Oversight of safety and resilience of payment systems

Individuals, businesses and governments rely on electronic payment systems to make a wide range of critical payments. Disruptions to payment services can impose significant costs on end users, have broad economic consequences and undermine public confidence in the financial system. Effective governance, risk management and operational resilience are therefore essential to the safe and reliable operations of payment systems. The Payments System Board considers it vital that participants continue to invest in resilient and secure infrastructure, systems and customer services to safeguard trust in the payments system.

The RBA oversees systemically important payment systems, which have the potential to trigger or transmit systemic disruptions, and prominent payment systems, where outages could cause significant economic disruption and damage confidence in the financial system. To support this, it conducts an annual review of developments in the payments landscape. The 2026 review confirmed that:

- the Reserve Bank Information and Transfer System (RITS) and CLS Bank International (CLS) are systemically important payment systems operating in Australia
- the New Payments Platform (NPP), eftpos, Mastercard, Visa and the Bulk Electronic Clearing System (BECS) continue to be prominent payment systems.

The Australian payments system functions as an interconnected network, with participants often relying on common infrastructure and service providers. As such, disruptions at a single point can affect multiple participants in the system and have broader consequences for the ecosystem and public confidence. In August 2025, the Payments System Board endorsed a program of work examining interoperability, third-party and concentration risks and vulnerabilities arising from disruption to utilities. The RBA has also engaged with payments industry participants and regulatory agencies on the development of industry-wide responses to support the continuity of payments under a range of disruption scenarios.

The focus on resilience also extends to emerging technology risks, such as potential threats arising from advances in computing capabilities. Consistent with this, the Issues Paper on the Review of Payments System Regulation published in June 2026 included strengthening cryptographic practices across the Australian payments system as an issue for consultation. The RBA reaffirmed that industry should maintain momentum towards their December 2030 target for mitigating quantum-related risks.

Reserve Bank Information and Transfer System

RITS is Australia's high-value payments system. It is owned and operated by the RBA and used by banks and other approved institutions to settle their payment obligations on a real-time gross settlement basis. Following the establishment of the Governance Board in April 2025, RITS operations now fall under the general responsibility of the Governance Board, which governs the management and organisational affairs of the RBA. Arrangements for the Payments System Board to have ongoing oversight of RITS as a financial market infrastructure have been detailed through an MOU between the RBA's boards.

In June 2026, the Payments System Board endorsed the most recent assessment of RITS against the relevant Principles for Financial Market Infrastructures (PFMI). The assessment concluded that RITS observed all relevant PFMIs except for Principle 2 (Governance), Principle 3 (Framework for the comprehensive management of risks) and Principle 17 (Operational risk), which were partly observed.

The assessment acknowledged that while meaningful progress had been made on the program of work established following the RBA's 2022 technology outage, it had progressed at a slower pace than was anticipated. The Board also endorsed a new recommendation focused on improving RITS governance.

New Payments Platform

The NPP is Australia's fast payments system, developed to enable households, businesses and government agencies to make payments with near real-time funds availability to the recipient on a 24/7 basis. In 2025, the RBA conducted an assessment of the NPP under the MOU established between Australian Payments Plus (AP+), NPP Australia Limited and the RBA.[1] At the November 2025 meeting, the Board reviewed the assessment and highlighted that efforts to promote effective governance and risk management remain a priority in light of industry's intended migration of account-to-account payments to the NPP in the medium term.

International payments infrastructure

The RBA participates in cooperative oversight arrangements for two international payments infrastructures – CLS and Swift – to promote the stability of the Australian financial system.

CLS Bank International

CLS operates a payment-versus-payment settlement system (CLS Settlement) for foreign exchange transactions in 18 currencies, including the Australian dollar. CLS is chartered in the United States and is regulated and supervised by the Federal Reserve and the Federal Reserve Bank of New York (FRBNY). The RBA participates in a cooperative oversight arrangement for CLS, facilitated by the FRBNY.

Swift

Swift provides critical messaging and connectivity services to both RITS and CLS, as well as other market infrastructures and participants in Australia and overseas. Oversight of Swift is based on the expectations applicable to critical service providers set out in the PFMI, anchored in a statutory framework in Belgium. The G10 central banks oversee Swift through the Swift Oversight Group. The RBA is a member of the Swift Oversight Forum, which affords a broader set of central banks the opportunity to discuss oversight matters and provide input into the Oversight Group's priorities and policies.

Card payments policy issues

Card payments remain the most common method for Australians to make consumer payments, with cash and cheques used much less frequently than in the past. This was confirmed by the RBA's three-yearly Consumer Payments Survey, which was conducted in late 2025.[2]

New technologies and new participants in the payments system are also providing more payment options to consumers and businesses. This gives rise to new and emerging policy issues in card payments.

Review of Merchant Card Payment Costs and Surcharging

On 31 March 2026, the RBA published a Conclusions Paper which set out the final decisions of the Payments System Board on the Review of Merchant Card Payment Costs and Surcharging.[3] The Board concluded that a package of reforms that includes removing surcharging, reducing interchange fees and increasing transparency would be in the public interest and promote competition and efficiency in the payments system. This followed an extensive public consultation process since the release of a Consultation Paper in July 2025, which sought stakeholder feedback on the Board's preliminary policy proposals.[4]

The Board's key decisions included:

- **removing surcharging on debit, prepaid and credit cards on the designated eftpos, Mastercard and Visa card networks.** The surcharging framework, introduced more than two decades ago, is no longer achieving its intended purpose of steering consumers towards making more efficient payment choices. The increased prevalence of businesses surcharging all cards at the same rate, challenges with enforcing the current surcharging framework, and consumers using less cash have reduced the effectiveness of the surcharging regime. Removing surcharging makes card payments simpler and more transparent, and increases competition among payment service providers. Removing surcharging also aligns with the preference of most consumers for payment costs to be incorporated into advertised prices.
- **lowering the caps on interchange fees paid by Australian businesses.** These changes are expected to lower businesses' costs when they accept domestic or overseas card payments. Small businesses should benefit the most because they tend to pay fees closer to the existing caps.
- **increasing transparency over the fees charged by card networks and payment service providers to strengthen competition.** Improving transparency enhances competition between players within the payments chain, puts downward pressure on card payment costs and makes it easier for businesses to shop around for a better deal.

Most of these changes come into effect on 1 October 2026, including the removal of surcharging and reductions in the interchange caps for domestic card transactions. The introduction of an interchange fee cap on foreign cards and some changes to payment cost transparency come into effect on 1 April 2027 to ensure the payments industry has sufficient time to implement these more complex changes.

Following publication of the Conclusions Paper on 31 March 2026, the RBA lodged variations to its Standards No. 1, 2 and 3 to implement the review's conclusions, with the variation instrument registered on the Federal Register of Legislation on 14 April 2026. The RBA has engaged with designated card networks on their plans to remove surcharging by imposing no-surcharge rules. eftpos, Mastercard and Visa each indicated an intention to introduce 'no-surcharge' rules from 1 October 2026. American Express and UnionPay International, which are non-designated networks and not subject to formal RBA regulation, announced their intention to introduce 'no-surcharge' rules from the same date.

Review of payments system regulation

Following the conclusion of the Review of Merchant Card Payment Costs and Surcharging and amendments to the *Payment Systems (Regulation) Act 1998*, the RBA commenced a Review of Payments System Regulation with the publication of an Issues Paper in June 2026.[5] This review comes at a time of significant innovation and change in the payments landscape, which is reshaping how Australian consumers and businesses make and receive payments. These developments have the potential to make payments more convenient and safer, facilitate the entry of new players, and lower costs for end users. At the same time, they could give rise to potential concerns for competition, efficiency or financial safety in the payments system. The Issues Paper invited stakeholder views and evidence on which payments policy issues should be prioritised by the RBA. The Issues Paper set out potential questions about:

- merchant choice of payment methods and providers
- account-to-account payments and competition with card payments
- mobile wallets, non-designated card networks and buy now pay later services
- cryptography and fraud prevention.

The evidence gathered through this process will inform the RBA's prioritisation of issues and consideration of whether regulatory action may be warranted and, if so, what form that could take. The RBA intends to publish a list of regulatory priorities by the end of 2026 and commence further consultation on prioritised issues by mid-2027.

Compliance with card payments regulation

There was a high level of compliance with the RBA's card payments regulations. The large majority of card schemes, issuers and acquirers certified their compliance with relevant aspects of the regulations, including the RBA's interchange fee regulations, net compensation provisions and access regimes. A limited number of non-compliant instances were identified for individual institutions, and remediation activities are underway to address these. Ongoing monitoring of the surcharging framework suggests that issuers, acquirers, payment facilitators and card schemes are adequately discharging their obligations to provide relevant disclosures to help merchants surcharge appropriately, ahead of changes coming into force in October 2026 as part of the Conclusions of the Review of Merchant Card Payment Costs and Surcharging.

Policy issues in account-to-account payments

Risk assessment of the proposed decommissioning of the Bulk Electronic Clearing System

Following publication of the RBA Risk Assessment on the decommissioning of the Bulk Electronic Clearing System (BECS) in March 2025, the RBA put in place a program of oversight of the intended decommissioning of BECS, Australia's primary account-to-account (A2A) system.[6] In March 2026, the RBA provided an update on the evolving risk profile and progress made since March 2025 by industry against the recommendations in the RBA Risk Assessment.[7]

Overall, the RBA welcomed industry's efforts to implement the recommendations, especially by increasing coordination within industry and undertaking more direct engagement with end users. In December 2025, the Australian Payments Network (AusPayNet) announced that until further progress has been made and a clear roadmap has been developed for the future of A2A payments in Australia, it was removing the target end date of June 2030. The RBA Risk Assessment identified risks that a disorderly transition posed to end users in the A2A payments system. These risks have diminished in the near term with the revised approach to transitioning A2A payments away from BECS.

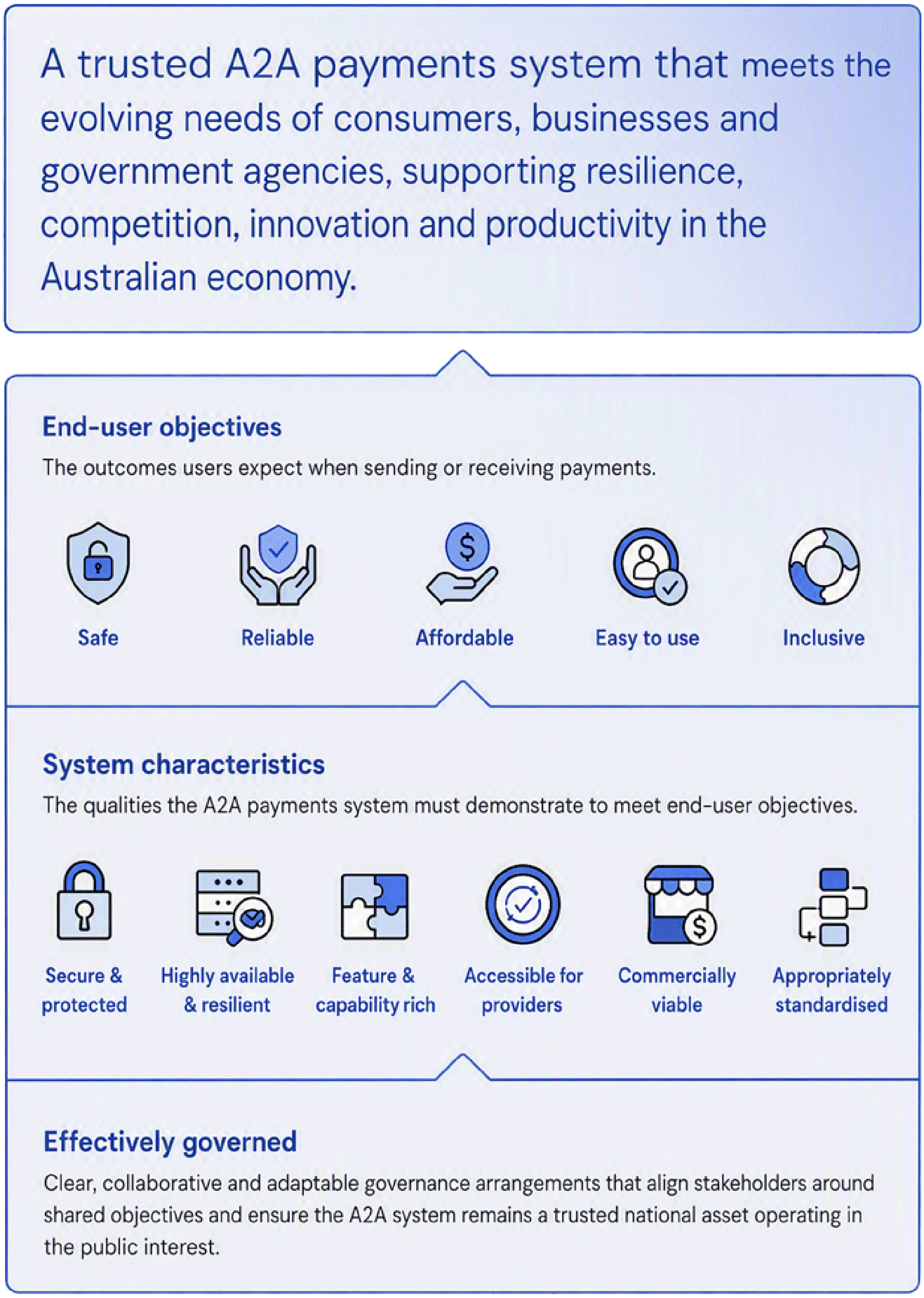
Nonetheless, the update on the RBA Risk Assessment highlighted that several areas of risk persist, and others have emerged to be more prominent. Key stakeholders across the A2A ecosystem have highlighted insufficient consensus within industry about the A2A payments modernisation agenda, particularly on how to best process bulk payments in the future. This is impeding the effective decision-making and analysis needed to establish a path forward for A2A payments. As a result, industry risks losing the necessary momentum to modernise A2A payments. If industry participants are unable to make coordinated progress on modernising A2A payments, the RBA indicated that it would take further action to achieve outcomes in the public interest.

Developing a vision and roadmap for the future of account-to-account payments

Since late 2025, the RBA has participated in an A2A Payments Roundtable together with the Treasury, AusPayNet and AP+. The roundtable's main purpose is to develop a common vision for the future of the A2A payments system and a plan to achieve that vision.

The A2A Payments Roundtable released its vision for the future of A2A payments in Australia on 8 July 2026, incorporating feedback from a public consultation and ongoing engagements with various stakeholders. The vision report is centred on a vision statement, supported by five end-user objectives – outcomes that consumers, businesses and government agencies expect when sending or receiving A2A payments – and six system characteristics as shown in Figure 2.1.[8]

Figure 2.1: A2A Payments Vision – Overview



Source: A2A Payments Roundtable.

Over the second half of 2026, the A2A Payments Roundtable and industry participants will focus on developing a roadmap for achieving the A2A payments vision. The A2A payments roadmap will involve determining priorities for A2A payments infrastructure, capabilities and standards, the sequencing and timing of specific deliverables and the appropriate governance arrangements to deliver these.

Development of New Payments Platform capabilities

Usage of the NPP continued to increase over 2025/26. The Payments System Board has monitored the industry's progress in rolling out NPP payment capabilities such as PayTo, the International Payments Service and planned enhancements to the NPP's messaging based on the harmonised ISO 20022 standards. The RBA continues to engage with a broad range of industry participants to understand the opportunities for, and barriers to, the further development and adoption of NPP functionality.

AP+, the operator of the NPP, launched the industry-wide Confirmation of Payee (CoP) service in July 2025 to help prevent mistaken payments and combat scams. The service complements the NPP PayID addressing service by verifying the entered account details for payments addressed to a BSB and account number, and displaying a match outcome. By the end of June, 99 financial institutions offered CoP lookup capability to their payer customers, while 125 financial institutions were able to respond to a CoP verification request. Nearly all personal bank accounts in Australia are now CoP enabled.

Policy issues in cash

The Board continued to consider the future of cash distribution arrangements and the policy measures needed to support access to cash across the community. In August 2025, members discussed the ongoing challenges in the cash distribution system and the need for industry cooperation to work towards a more durable framework that supports the availability of cash, including in regional and remote Australia. The Board reiterated that cash remains an important means of payment for many Australians and can also serve as a valuable back-up to electronic payment methods in a resilient and inclusive payments ecosystem.

In March 2026, the Board again considered these issues and expressed support for a proposed regulatory framework for providers of cash distribution services. Members noted that such a framework, including crisis powers for the public sector, could assist in managing risks to the continuity of cash distribution services across Australia and support the long-term sustainability of the system. The *Cash Distribution Framework Act 2026* (CDF Act) was passed by Parliament, commencing on 27 August 2026. Under the CDF Act, the RBA has new powers to designate and supervise significant providers of cash distribution services. The CDF Act also provides the RBA with cash distribution crisis management powers.

Cross-border payments

Efficient, competitive and safe cross-border payments are central to economic activity, trade and financial inclusion. However, outcomes for end users of cross-border payments continue to lag domestic payments. In response, the G20 countries (including Australia) have endorsed a roadmap to enhance cross-border payments, including a set of quantitative targets for cost, speed, transparency and access.[9]

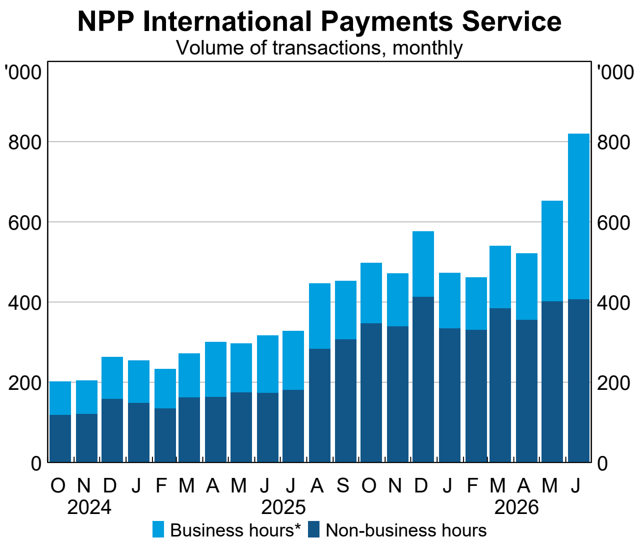
The RBA continues to track Australia's progress against these targets and to work with other regulatory agencies, industry participants and global standard-setting bodies on key initiatives that can help deliver better cross-border payment outcomes for end users. The available data suggest Australia has made gradual progress against the roadmap targets. While costs to transfer money internationally have fallen in recent years, they remain above G20 cost targets for payments to both advanced and developing countries. Bank-intermediated retail payments and remittances also remain slower, on average, than the G20 speed target. A more detailed assessment of Australia's progress against the roadmap targets was provided in the RBA *Bulletin* in February 2026.[10]

Adopting the Committee on Payments and Market Infrastructures' (CPMI) harmonised ISO 20022 data requirements for cross-border payments is a major initiative that will support further progress globally. More consistent use of richer, structured messaging based on the ISO 20022 messaging standard is expected to support faster, lower-cost payments by reducing the need for manual intervention and improving regulatory compliance (including with financial crime and sanctions screening requirements).

The RBA expects Australia's High Value Clearing System (HVCS) and the NPP to adopt the harmonised messaging requirements by the end-2027 global timeframe. The Board is receiving regular reporting on the industry's progress towards this goal. Industry planning remains broadly consistent with achieving timely alignment with the harmonised messaging requirements.

Making use of the NPP's International Payments Service (IPS) for incoming cross-border payments is another key initiative underway in Australia. The IPS allows participants to process the final Australian dollar leg of inbound cross-border payments via the NPP on a near real-time, 24/7 basis. The IPS also supports safer incoming payments by enabling the transmission of more complete payer data for financial crime screening purposes. Growing use of the IPS is contributing to an uplift in the speed of incoming cross-border payments, with many of these payments being sent outside standard business hours (Graph 2.1). There remains scope for further adoption of the IPS by the Australian payments industry, with the volume of inbound cross-border payments processed through the HVCS still several times larger than those processed through the IPS.

Graph 2.1



* Business hours are 9 am to 5 pm Monday to Friday.

Source: RBA.

The RBA is participating in the second phase of Project Mandala, in collaboration with the Bank for International Settlements and other central banks.[11] The project is exploring opportunities to streamline cross-border compliance for payments made on both existing and new distributed ledger technology-based infrastructure. These efforts reinforce the importance of international collaboration to improve the speed and efficiency of cross-border payments, including through joint research on the potential for automated and interoperable compliance procedures and the use of privacy-enhancing technologies to address existing frictions.

Regulation of purchased payment facilities

Purchased payment facilities (PPFs) are facilities that enable funds to be stored for the purpose of making future payments. Consumers rely on the holder of the stored value backing such a facility to subsequently redeem that value on demand. The existing regulatory regime for PPFs is complex, with APRA, the RBA and ASIC each having regulatory responsibilities depending on the nature and size of the facility. The government's proposed payments service provider licensing reforms will simplify and modernise the regulatory framework for stored value facilities, a term that encompasses PPFs.

In 2025, the RBA committed to reviewing the limited-value threshold below which the Payment Systems (Regulation) Act does not apply to PPFs. This was one of several payments-related initiatives aimed at supporting efficiency and reducing regulatory burden; the limited-value threshold has stood at $10 million since 2006.[12] The RBA subsequently considered this proposal, in consultation with other Council of Financial Regulators agencies, and has decided not to proceed with any change to the existing exemption. The RBA was not satisfied that changes to the current exemption were necessary ahead of the payments service provider licensing reforms, having weighed the expected benefits against the time and expense for the stakeholders concerned.

Research on innovations in digital money

The RBA continued work to examine how innovations in digital money could support the future evolution of Australia's payments system. This work is part of a broader program to assess the potential role of new forms of digital money – including central bank digital currency (CBDC), tokenised bank deposits and stablecoins – in promoting efficiency, resilience and competition in payments.

A major focus over 2025/26 was the completion of Project Acacia, a joint initiative between the RBA and the Digital Finance Cooperative Research Centre to explore how digital money and associated settlement infrastructure could enhance the functioning of Australia's wholesale asset markets through the development of tokenised finance. Overall, the project found strong potential for the tokenisation of assets, alongside digital money and/or enhanced settlement infrastructure, to improve the efficiency, and functionality of financial markets. However, generating these benefits will require ongoing coordinated effort across industry and the public sector.

The Payments System Board supported the establishment of a new multi-stream program of work. A central aim of this program is to better support the ability of industry to safely explore and scale new ideas that could enhance the functioning of wholesale markets. Initiatives include enhanced industry–regulator cooperation, a possible sandbox to support the development of tokenisation-based business models, exploration of the opportunities and challenges associated with tokenised government bonds, and continued industry-led work on interoperable commercial bank deposit tokens.

In addition, the RBA is pursuing several complementary initiatives. These include consulting with industry on how the RBA's settlement services could support the development and growth of tokenised asset markets and tokenised private money; further assessing the potential role of tokenised reserves; and examining how tokenised central bank and private money, alongside enhanced settlement infrastructure, could improve wholesale cross-border payments.

The RBA also continued its work on unmet payment needs through public engagement. Findings from focus groups suggested that while Australia's existing electronic payment systems generally meet the needs of most users, opportunities remain to further strengthen areas, such as payment security. Participants also emphasised their strong reliance on cash as a back-up payment method. There was limited public demand for a retail CBDC as a direct substitute for existing payment methods, with many participants expressing satisfaction with current options. Subsequently, the RBA and Treasury concluded that there is currently no clear public interest case for a retail CBDC in Australia, reaffirming the assessment reached in the 2024 RBA–Treasury White Paper.[13]

Endnotes

1 RBA (2024), 'Memorandum of Understanding – Cooperation Arrangements between Australian Payments Plus Limited, NPP Australia Limited and the Reserve Bank of Australia regarding Observance of the Principles for Financial Market Infrastructures over 2024-2027'.

2 For an overview of the results of the latest Consumer Payments Survey, see RBA (2026), 'Consumer Payment Behaviour in Australia', RBA *Bulletin*, May.

3 RBA (2026), 'Review of Merchant Card Payment Costs and Surcharging – Conclusions Paper', March.

4 RBA (2025), 'Review of Merchant Card Payment Costs and Surcharging – Consultation Paper', July.

5 RBA (2026), 'Review of Payments System Regulation – Issues Paper', June.

6 RBA (2025), 'Decommissioning of the Bulk Electronic Clearing System: RBA Risk Assessment', March.

7 RBA (2026), 'Decommissioning of the Bulk Electronic Clearing System: RBA Risk Assessment Update', March.

8 A2A Payments Roundtable (2026), 'The Vision for Account-to-account Payments in Australia', July.

9 For details about the global cross-border payment targets, see the 'G20 Targets for Enhancing Cross-border Payments' webpage on the Financial Stability Board website.

10 RBA (2026), 'On the Road to Better Cross-border Payments: How is Australia Travelling?', RBA *Bulletin*, February.

11 For more detail about the second phase of Project Mandala, see the 'Project Mandala: Shaping the Future of Cross-border Payments Compliance' webpage on the Bank for International Settlements website.

12 The RBA has previously granted class exemptions for certain low-value and limited purpose PPFs under section 9(3) of the Payment Systems (Regulation) Act. RBA (undated), 'Declarations and Exemptions for Purchased Payment Facilities'. See also Council of Financial Regulators (2025), 'Better Regulation Roadmap – Implementation Plan', December.

13 RBA and Treasury (2024), 'Central Bank Digital Currency and the Future of Digital Money in Australia', White Paper, September.

Chapter 3

Developments in the Clearing and Settlement Industry

The RBA supervises and oversees licensed clearing and settlement facilities (CS facilities) to ensure they conduct their affairs in a way that is consistent with financial system stability. Over the past year, the RBA completed and published assessments of the ASX CS facilities and LCH Ltd's SwapClear service, with a focus on governance, operational resilience and financial risk management. The RBA also published guidance for the use of its crisis resolution powers over domestic CS facilities and continued work to operationalise reforms to the regulatory framework for financial market infrastructures.

Clearing and settlement facilities operating in Australia

CS facilities play a critical role in making financial transactions more efficient and in managing risk within the financial system. These facilities support the processing of transactions in securities such as bonds and equities, and in derivative instruments such as options and futures. There are two types of CS facility that operate in Australia:

- Central counterparties (CCPs) act as the buyer to every seller, and the seller to every buyer. This process centralises the counterparty credit risk exposure of all parties to the CCP, rather than between the counterparties to the original trade.
- Securities settlement facilities (SSFs) provide for the final settlement of securities transactions and maintain records of transfer of title. Settlement typically involves the transfer of the title to a security and transfer of cash between counterparties.

The Payments System Board has determined policies for the supervision and oversight of CS facilities in accordance with its powers under the *Reserve Bank Act 1959*. The RBA holds powers related to the supervision and oversight of CS facilities. This includes the power to determine financial stability standards for CS facility licensees. The RBA may also assess how well licensees have complied with the standards as well as their obligation to do all other things necessary to reduce systemic risk. The RBA has determined two sets of Financial Stability Standards – one for CCPs and one for SSFs. The Financial Stability Standards are based on the Principles for Financial Market Infrastructures – international principles developed by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions. Day-to-day oversight and supervision are undertaken by the RBA's Payments Policy Department. In carrying out these activities, the RBA works closely with the Australian Securities and Investments Commission (ASIC), which has separate, but complementary, responsibilities for the supervision of CS facilities.

Table 3.1 provides an overview of the CS facilities most relevant to the Australian market, the products they clear or settle, and their home regulator.

Table 3.1: Clearing and Settlement Facilities Most Relevant to the Australian Market

Facility	Products relevant to the Australian market[(a)]	Home jurisdiction (regulator)
Central counterparties		
ASX Clear[(b)]	Cash equities, debt products, warrants and equity-related derivatives traded on Australian exchanges or over-the-counter (OTC).	Australia (RBA/ASIC)
ASX Clear (Futures)[(b)]	Futures and options on interest rate, equity, energy and commodity products traded on the ASX 24 market, as well as Australian dollar and New Zealand dollar-denominated OTC interest rate derivatives (IRDs).	Australia (RBA/ASIC)
LCH Ltd	SwapClear service: OTC IRDs and inflation rate derivatives.	United Kingdom (Bank of England)
Chicago Mercantile Exchange Inc. (CME)	Interest Rate Swaps service: OTC IRDs, and non-Australian dollar-denominated IRDs traded on the CME market or the Chicago Board of Trade.	United States (Commodity Futures Trading Commission)
Securities settlement facilities		
Austraclear[(b)]	Debt securities, including government bonds, and repurchase agreements.	Australia (RBA/ASIC)
ASX Settlement[(b)]	Cash equities, debt products and warrants traded on Australian exchanges.	Australia (RBA/ASIC)
FinClear Pty Ltd (FCX)	Cash equities and trust vehicles traded on the FCX market.	Australia (RBA/ASIC)
Euroclear Bank SA/NV[(c)]	Debt and equity securities, including government bonds, and repurchase agreements.	Belgium (National Bank of Belgium)
Clearstream Banking S.A.	Debt and equity securities, including government bonds, and repurchase agreements.	Luxembourg (Banque Centrale du Luxembourg and Commission de Surveillance du Secteur Financier)

(a) Including service name if applicable (e.g. for overseas facilities that only provide some services relevant to the Australian market).

(b) ASX Group entities.

(c) Temporarily exempt from the requirement to hold a licence as at 30 June 2026.

Source: RBA.

Oversight of clearing and settlement facilities

All CS facilities licensed to operate in Australia must meet the Financial Stability Standards unless otherwise exempt. They also must do all other things necessary to reduce systemic risk in Australia, to the extent that it is reasonably practicable to do so. The RBA seeks to calibrate the intensity and scope of its oversight and assessment of CS facility licensees to the degree of the licensee's systemic importance to the Australian financial system.[1] Where a CS facility is based overseas, the RBA relies on supervision and assessments undertaken by the home regulator, where appropriate. The key developments from the past year are summarised below.

Assessment of ASX clearing and settlement facilities

The RBA's annual assessment of the ASX CS facilities to 30 June 2026 concluded that ASX has addressed the most serious deficiencies identified following the December 2024 Clearing House Electronic Subregister System (CHESS) batch settlement incident. However, issues remain regarding governance, operational resilience and risk management capability. ASX must deliver sustained improvements in these areas through its transformation, without compromising the safe and reliable operation of its critical infrastructure. The full assessment was published on the RBA website.[2]

Assessment of LCH Ltd's SwapClear service

LCH's SwapClear service is considered to be systemically important in Australia. It is used by banks and corporations to manage interest rate risk and to take speculative positions. The SwapClear service clears around 90 per cent of the cleared Australian dollar over-the-counter (OTC) interest rate derivative (IRD) market. It has six Australian direct participants, including the four major banks.

The RBA conducted its annual assessment of the SwapClear service. This assessment is based on the RBA's bilateral engagement with LCH, information from the Bank of England (LCH's home regulator), and developments in relation to the RBA's areas of supervisory focus. As at 30 June 2026, the RBA had not identified any significant non-compliance with the Financial Stability Standards. Table 3.2 provides a summary of the RBA's areas of supervisory focus, with further detail provided below.

Table 3.2: Areas of Supervisory Focus for LCH Ltd's SwapClear Service

Area of supervisory focus	Description	Status	Relevant Financial Stability Standard(s)
Operational resilience and operational risk management	The RBA will monitor LCH's work to embed the lessons from operational outages experienced in January 2024 to strengthen its operational resilience and operational risk management. This includes its oversight of third-party providers and service support arrangements. The RBA will actively engage with the Bank of England and LCH on the progress of this work.	Ongoing	Framework for the Comprehensive Management of Risks (CCP Standard 3) Operational Risk (CCP Standard 16)
Cyber risk management	The RBA will continue to monitor LCH's work to enhance its cyber risk management.	Ongoing	Operational Risk (CCP Standard 16)

Operational resilience and operational risk management

In January 2024, the SwapClear service experienced two serious operational incidents that affected the registration of new trades. Following an independent review into these incidents, LCH commenced a program of work to enhance its operational resilience and incident response practices. Another operational incident occurred in November 2024 that prevented the SwapClear service from opening on Monday morning in time for the start of the Australian week. LCH's incident response processes functioned more smoothly during this incident. Following these incidents, LCH has worked to improve its major incident handling processes, strengthen the oversight of its third-party providers, and tighten its access management controls for critical systems. LCH is expected to complete this work in late 2026.

Cyber risk management

LCH continues to strengthen its cyber risk controls and capabilities in response to an evolving threat landscape. This includes risks associated with frontier AI. LCH regularly tests the effectiveness of its cyber controls through independent reviews. The RBA will continue to engage with LCH on its management of cyber risks and response to review findings.

Euroclear Bank's connection to the Australian financial system

In May 2026, ASIC exercised new powers to declare that Euroclear Bank has a material connection to Australia through its Australian activities.[3] These activities include settlement services that Euroclear provides through links that it operates to ASX Settlement and Austraclear. The declaration triggers a requirement for Euroclear to become licensed in Australia and follows an assessment by ASIC and consultation with the RBA.

ASIC expects Euroclear to transition to the licensing regime and lodge a CS facility licence application by 26 May 2027. To avoid any disruption for market participants during the transition, ASIC has granted Euroclear a temporary exemption while a licence application is progressed.

Guidance for the Australian CS facility resolution regime

In February 2026, the RBA published guidance on the Australian CS facility resolution regime. The guidance provides further information about when and how the RBA would generally expect to use its resolution powers over Australian CS facilities. It aims to assist CS facility participants and other stakeholders to understand the RBA's general approach to resolution and the potential impacts on them if the RBA decides to use a resolution power. Publication of the guidance forms part of the RBA's ongoing work to operationalise the reforms to the regulatory framework for financial market infrastructures in Australia. The guidance is available on the RBA website.[4]

Endnotes

1 RBA (2025), 'The Reserve Bank's Approach to Supervising and Assessing Clearing and Settlement Facility Licensees', December.

2 RBA (2026), 'Assessment of ASX Clearing and Settlement Facilities', September.

3 ASIC (2026), 'ASIC Moves to Bring Euroclear Under Australian Licensing Regime, Strengthening Market Resilience', 27 May.

4 RBA (2026), 'Guidance for the Australian Clearing and Settlement Facility Resolution Regime', February.

Abbreviations

A2A	account-to-account
ACCC	Australian Competition and Consumer Commission
AP+	Australian Payments Plus
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATM	automated teller machine
AusPayNet	Australian Payments Network
BECS	Bulk Electronic Clearing System
BIS	Bank for International Settlements
CBDC	central bank digital currency
CCP	central counterparty
CDF Act	*Cash Distribution Framework Act 2026*
CLS	CLS Bank International
CoP	Confirmation of Payee
CPMI	Committee on Payments and Market Infrastructures
CS facility	clearing and settlement facility
eftpos	electronic funds transfer at point of sale
EMEAP	Executives' Meeting of East Asia-Pacific Central Banks
FSB	Financial Stability Board
HVCS	High Value Clearing System
IOSCO	International Organization of Securities Commissions
IPS	International Payments Service
IRD	interest rate derivative
MOU	Memorandum of Understanding
NPP	New Payments Platform
OTC	over-the-counter
PFMI	Principles for Financial Market Infrastructures
PPF	purchased payment facility
RBA	Reserve Bank of Australia
RITS	Reserve Bank Information and Transfer System
SSF	securities settlement facility