



18 November 2013

Susan Bray
Head of Self-Regulation
APCA
Level 6, 14 Martin Place
Sydney, NSW, Australia

Subject: Establishment of an Australian Payments Council

Dear Susan,

SWIFT welcomes the RBA and APCA consultation process for the establishment of a Payments Council in Australia. As a cooperative, SWIFT knows the power of community and collaboration. A Council like the one envisaged by RBA and APCA will provide a strong foundation for future collaboration, development and innovation in the Australian payments industry.

Over 40 years SWIFT has had an opportunity to observe, experience and support the evolution of payment eco-systems in 212 countries, and believe we can add unique insights and value to the new Council.

SWIFT is interested in becoming a member of the Australia Payments Council.

SWIFT presence in Australia

In Australia we are the backbone of the High Value Clearing System in Australia as well as an option into the Bulk Electronic Clearing System (BECS), and we have been collaborating closely with the industry on its journey towards the New Payments Platform.

In 2012 we celebrated 30 successful years of providing financial messaging services in Australia. During this time we have worked closely with the Australian financial community to introduce many innovative solutions, most notably the FIN Copy RTGS service that has been the stable backbone for the movement of wholesale funds for many years.

Today in Australia we provide services to:

- 137 customers including most banks, other financial institutions and Australian corporates;
- the High Value Payment RTGS Service known as RITS;
- the Direct Entry bulk file payment system; and
- Securities Market Infrastructures such as Austraclear and CHES.

Every day in Australia institutions safely and securely send and receive approximately 700,000 transactions through the SWIFT network, both around the world and within Australia.

With an office located in Sydney, SWIFT is able to assist the Council with local resources and/or draw upon a range of experts across the globe.

SWIFT experience with similar Councils and industry forums

As an industry cooperative, SWIFT is often consulted or is part of similar industry groups around the world.

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By way of example, we are a member of various working groups of the European Payments Council (EPC), who are building the Single European Payments Area (SEPA). We contributed to the EPC Plenary and were a key contributor to the work of the Giovannini Independent Advisory Group to the European Commission on addressing the 15 barriers to efficient EU cross-border clearing and settlement.

In the US, we are a member of the High Value Payment System Operator Group, facilitated by the Federal Reserve of New York and The Clearing House. This group brings together high value payment system operators from around the world.

In Canada, we are a member of the industry working groups and councils working together with the Canadian Payments Association as they shape their vision for the future of the Canadian payments industry.

In Asia Pacific, we participated in the 2013 Sydney Symposium and the work that followed with the Business Advisory Council of APEC (ABAC) to define an Asia Pacific Financial Forum (APFF) that was endorsed by the APEC Finance Ministers this past September. As designated sherpas for the APFF, we are launching a work stream on Financial Market Infrastructures that will present industry views to APEC on the means by which the scope, volume and integrity of cross-border investment and banking services can be enhanced in the region.

In our role as an industry cooperative and champion of standards in financial messaging, we act as Secretariat for the global Payments and Securities Market Practice Groups (PMPG/SMPG). For 40 years we have standardised financial messaging and now act as the Registration Authority for the ISO 15022 and 20022 standards. These standardisation efforts ensure alignment of opinion, avoid unnecessary duplication and help drive collaborative industry outcomes.

Characteristics of successful industry forums

In our experience a number of principles are common in successful forums. These include:

- **Inclusiveness** - open access to wide ranging groups of stakeholders, including large and small industry players. The fee to join the Council or Community should not prohibit smaller or non-commercial organisations from joining the Council.
- **Diversity** – diverse industry perspectives add value to industry outcomes. The current proposed membership profile reflects a diverse group of industry stakeholders.
- **Governance** – a governance model which is neutral, fair and representative.
- **Relevance** – a meaningful charter and set of objectives is important to ensure that the forum is not only a valuable investment of industry time and effort but also leads to tangible, meaningful deliverables. There may be merit in increasing the proposed frequency of engagement between the Payments Council and Payments System Board (currently proposed as one meeting per year), perhaps with informal gatherings and checkpoints.

We could not agree more that the new Council and the supporting Payments Community will prove to be a valuable contributor to Australia's future payments eco-system, and we hope to have the opportunity, as Members, to actively collaborate towards that end.

Yours sincerely



Bill Doran

Head of Oceania