

NEWSLETTER

March 2021

BACKGROUND

“Correspondent banking is undergoing a data revolution. In coming years the community will make significant investment in improving the quality and richness of data in domestic and cross-border payments. Together we will reduce manual interventions and costs, improve automation and speed of settlement, better mitigate risks of financial crime compliance, and support our clients with faster reconciliation and business solutions.” – ISO 20022

Status of the programme

A mainframe, backup and storage replacement initiative is currently underway to ensure that, as a central bank, the South African Reserve Bank (SARB) is in a position to respond to such emerging global standards with a resilient, stable and agile system that will accommodate future payment volume growth and reduce the time to market for new requirements. The RTGS Renewal Programme is expected to be deployed over a period extending to 2024/25. Progress on the RTGS replacement has been steady and is continuing as planned. The deliverables in terms of advisory services will include business architecture, conceptual and logical architecture, target operating model (TOM) and system integrator services. However, to ensure that ISO 20022 readiness and compliance is still achieved, the RTGS Renewal Programme will deploy **SAMOS V8** and **SADC-RTGS V4.2** upgrades as well as other supporting technologies and infrastructural enhancements.

The primary objective of the **SAMOS V8 project** is to support the modernisation of payments high-value credit (MoPHVC) industry migration to ISO 20022. The IBM ITX (Translator) will be deployed to facilitate the translation of both incoming and outgoing MT/MX messages to and from the SAMOS RTGS system. Development has started and testing requirements are being defined. The project schedule will be aligned to the Payments Association of South Africa (PASA) MoPHVC timelines, set to go live on 17 September 2022. The current SWIFT Market Infrastructure Resiliency Service (MIRS) system will also be upgraded as part of the SAMOS V8 upgrade to be ISO 20022 compliant.



Real-Time Gross Settlement Renewal Programme

The Real-Time Gross Settlement (RTGS) Renewal Programme aims to ultimately replace the current SAMOS RTGS and SADC-RTGS applications by responding to new technologies, enhancing the current infrastructure, addressing potential operational risks and incorporating new legislations to strengthen the payment system. The programme has been divided into five work packages, namely:

1. Work package 1: Lifespan extension for current RTGS application
2. Work package 2: Payment industry ISO20022 migration
3. Work package 3: Target operating model and architectures
4. Work package 4: Effective integration layer
5. Work package 5: Replacement of the core applications (SAMOS and SADC-RTGS systems)



The primary objective of the **SADC-RTGS V4.2 project** is to enable multi-currency settlement (not limited to US dollars only) and to implement operational enhancements. The project is scheduled to go live in July 2021. The SADC-RTGS Web and core development have been finalised and defects are being addressed. Business intelligence (BI) development is continuing.

The primary objective of the **Golden Copy project** is to preserve and protect the database of the two RTGS systems, in the event that the data is contaminated. The purpose of the Golden Copy solution is to ensure that

there is a trusted source of data that is clean and verified. This will strengthen data integrity in the event of a cyberattack, data corruption or pervasive error. The database stores essential settlement data required to ensure timeous recovery of the SAMOS and/or SADC-RTGS systems. Current service level agreements (SLA) with operators and RTGS participants are negatively impacted as the data recovery functionality and processes do not exist. The project is currently in its initiation phase. The business case and business requirements has been signed off.

Future engagements ... watch this space and book your place!

A series of online engagement sessions will be scheduled from early April to provide you with accurate, relevant and valuable feedback on the programme, while affording you the opportunity to ask questions and raise any concerns. In the interim, should you require any further information pertaining to this programme, kindly send an email to RTGS-Programme@resbank.co.za