



Lessons for Regional and Sub-Regional Integration of Payment and Settlement Systems

Expanding the Horizons of Payment System Development

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Regional and Sub-Regional Integration

- Several regional payment system integration programs either in place or planned
- Initiatives include payment, securities, derivative and FX infrastructures with single regional or multi-currency settlement
- Experience developing and implementing these initiatives allow some lessons to be drawn

Role of the World Bank

- Promotes discussion and supports various integration initiatives in several countries, drawing on a growing body of experience to formulate advice
- Continues to survey on-going initiatives and work with public and private entities to establish guidance for developing and integrating regional and sub-regional systems

Some General Lessons Learned

- Main drivers for integration
 - Forward-looking business case
 - Cost-effective solution
 - Regional policy development

- Critical pre-conditions
 - Common goals and political commitment
 - Harmonization of core institutions
 - Sufficient standardization for infrastructures

Some Practical Lessons

- Wish to go deeper into the practical problems for regional or sub-regional integration of payment and securities system infrastructures
 - Each of our distinguished panellists has practical involvement in different types and aspects of integration initiatives
 - Will provide us a brief description of their initiatives and of lessons learned in the process
- Will open the panel to the audience for questions and comments and to their own observations on the responses

Gerard Hartsink

- Senior Advisor to Board of ABN AMRO Bank responsible for relationships with market infrastructures and industry standards groups
 - Chairman CLS Group Holdings and CLS Bank International,
 - SWIFT Board and Chairman of Dutch National Member Group
 - Chairman of ISO Regulation Management Group 20022XML,
 - Member of Dutch Standards Forum;
- Chairman of the European Payments Council and member of ECB Target2 Securities Advisory Group
- Discuss his experience in development of the Single European Payments Area (SEPA).

Arthur Cousins

- Formerly Director of Treasury, International Banking and Custody Operations of Standard Chartered Bank and involved in several domestic and international payment and securities organizations
 - Past Chairman, Financial Industry Standards Association of South Africa
 - Past Chairman, SA Banks Treasury Operations Forum,
 - Past Board Member of STRATE (SA CSD) and of SWIFT and member of various other committees
- Currently, Chairman of International Payments Framework Association (IPFA) and Member of CLS Board
- Will discuss his experience with IPFA and the role of standardization in regional integration of market infrastructures

Helmut Wacket

- Almost 30 years as a central banker first with the Deutsche Bundesbank and European Central bank
- Head, Stakeholder Management Section, T2S Division of the ECB responsible for harmonization and financial policy for Target 2 Securities
 - Secretary of the T2S Advisory Group
 - Member of CPSS Working Groups for Retail Payments, Core Principles for Systemically Important Payment Systems and Foreign Exchange Settlement Risk
 - Former Member of CLS Cooperative Oversight Forum
- Will discuss experience in development of T2S

Carlos Melegatti Sarlo

- Chief officer of the Sistema Nacional de Pagos Electronicos (SINPE) de Costa Rica, responsible for development and operations
 - Former Chairman of the Working Group for Payment Systems in Latin America and the Caribbean
 - Member of the Technical Committee on Payment Systems of the Central American Monetary Council for the Interconnection for the Payment Systems of Central America and Dominican Republic
- Will discuss experiences with the project for interconnecting payment systems