
MINUTES

TO Board
FROM Rachel Langworth, Board Secretariat
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DATE 13 February 2018

MINUTES OF THE BOARD MEETING HELD ON 7 FEBRUARY 2018

PRESENT	David Rigney	Bacs (<i>Chair – conference call</i>)
	Rachel Langworth	Bacs (<i>Secretariat</i>)
	Mike Chambers	Bacs
	Fergus Ryan	Bacs (<i>Attendee</i>)
	Andy Hollingdale	Bacs (<i>Attendee</i>)
	Julie Nash	Bacs Legal Adviser (<i>Attendee</i>)
	Martin Henry	AIB (<i>via conference call</i>)
	Andrew Grice	Bank of England (<i>Observer - via conference call</i>)
	James Meyrick	Barclays (<i>via conference call</i>)
	Melanie Martin	Citi (<i>via conference call</i>)
	Dougie Belmore	Clydesdale
	Sue Yarham	HSBC
	Stuart Bailey	Lloyds Banking Group (<i>Observer – via conference call</i>)
	Mark Nalder	Nationwide (<i>via conference call</i>)
	Ian Smith	TSB
	Resat Bilgin	Turkish Bank
	Kathy Lennon	RBSG
	Alan Duff	Virgin Money (<i>via conference call</i>)
	Ailsa Beaton	INED
	Jo Kenrick	INED (<i>via conference call</i>)

APOLOGIES

ID	ITEM	ACTION
02/18.01	MEMBER DOCUMENT SET & PATHWAY TO CONSOLIDATION Board was advised that, in the absence of A Trolland, S Bailey had joined the meeting on an observer basis; all agreed. The Chair introduced the meeting, noting the purpose being to discuss the amended legal document set relating to Structural Reform, Non-Bank Payment Service Providers (NBPSP) and Consolidation that is to be issued to Members. M Chambers advised that he would take all three agenda items as one.	

ID	ITEM	ACTION
	<p>The documents were originally issued to Members on 20 December 2017, and covered a multitude of changes. Members were given until 31 January 2018 to respond with any comments; a Member briefing was held on 16 January. On 31 January Bacs was invited to attend a meeting with Allen and Overy (A&O); A&O is representing eight Members with respect to Consolidation. Three minor amendments were proposed by the External Lawyers at the meeting, which Bacs agreed with and has included in the revised documentation; however, A&O advised that the act of Consolidation was still being discussed between the Members and the New Payment System Operator (NPSO), and therefore Bacs advised that it would remove the changes from its document set pertaining to consolidation, and only include the 'pre-Consolidation' changes. [DELETED-COMMERCIALY SENSITIVE] NPSO were present at the meeting upon Bacs request and recognised and understood that this would cause a delay.</p> <p>On 1 February, Bacs took the decision to divide the legal changes into two parts: Set 1 (presented at the meeting) includes Structural reform, NBPSP and pre-Consolidation, and Set 2 will include other required changes hopefully including the General Data Protection Regulation (GDPR) changes. This decision was taken due to the fact that Bacs could not afford to delay the signing of the documents included in Set 1, as this would jeopardise the progress and regulatory drivers associated with structural Reform and NBPSP. It was confirmed that, subject to the decisions reached at the meeting, a Member briefing note has been prepared on this basis and will accompany the documents when issued for signing. Bacs advised that there are minor comments from the Bank of England (BoE) regarding Set 1 to be discussed, and it is awaiting feedback from VocaLink [DELETED – COMMERCIALY SENSITIVE]. [DELETED-COMMERCIALY SENSITIVE]</p> <p>Referring to Set 2, M Chambers advised it will include the changes pertaining to the act of Consolidation, Debit Caps, Payment System provider (PSP) compliance and GDPR. [DELETED- COMMERCIALY</p>	

ID	ITEM	ACTION
	<p>SENSITIVE]</p> <p>Referring to the associated timelines, M Chambers advised that if agreed, Set 1 will be issued to Members with the accompanying briefing note for signing by 31 March 2018. Set 2 will be issued anytime from 1 April 2018 onwards; it will be dependent on whether the documents need to be further divided given the GDPR dependencies. Set 2 will be held by the lawyers, and not by Bacs.</p> <p>The Chair invited comments and questions from the Directors; [DELETED-COMMERCIALLY SENSITIVE]</p> <p>S Yarham advised that Members and Directors desires in relation to Consolidation are aligned; all want the transaction to happen in a safe and appropriate manner. Both Directors and Members are clear with regard to the Bacs elements of the transaction. [DELETED- COMMERCIALLY SENSITIVE]</p> <p>J Meyrick [DELETED – COMMERCIALLY SENSITIVE] queried if the pre-Consolidation changes would be reverseable should Consolidation not happen. J Nash [DELETED – COMMERCIALLY SENSITIVE] . J Meyrick queried whether the BoE priority regarding Bacs readiness for Consolidation is now satisfied; F Ryan confirmed that he met with BoE on 25 January whereit has no further questions in relation to the Priority. . D Rigney advised that D Bailey of BoE confirmed he is assured by the Bacs’ approach and readiness.</p> <p>K Lennon queried when and how the NPSO Offer Letter is to be taken forward; M Chambers advised that Bacs has seen drafts of the letter and made comments, however is yet to receive the final version. The NPSO Board will need to sign the letter off before it can be taken to the Bacs NPSO SG.</p> <p>Board agreed that document Set 1, relating to Structural Reform, NBPSP and pre-Consolidation can be issued ot Members for signing; Board agreed to give Bacs the mandate to resolve the outstanding issues with BoE and VocaLink, with the caveat that anything substantial is escalated to</p>	

ID	ITEM	ACTION
	Board. S Yarham and the Directors thanked M Chambers, A Hollingdale, J Nash, F Ryan and the wider Bacs team for their efforts.	
02/18.04	AOB No other items of business were forthcoming.	

Date of next meeting; 13 March at 10:00