

July 28, 2022

Financial Stability Board
c/o Secretariat to the Financial Stability Board
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel, SWITZERLAND

Re: Monitoring Progress Toward Cross-Border Payments Targets

To the Secretariat of the Financial Stability Board:

The Clearing House Payments Company L.L.C. (“TCH”) is pleased to provide this feedback in response to the July 6, 2022, interim report *Developing the Implementation Approach for the Cross-Border Payments Targets* issued by the Financial Stability Board (“FSB”).

By way of background, TCH operates four U.S.-based interbank payments networks that clear and settle more than \$2 trillion each day:

- the CHIPS network – a real-time multilateral netting system primarily used for the U.S. dollar portion of large-value cross-border payments (credit-push payments only);
- the RTP network – a domestic real-time instant payment system designed to ensure immediate funds availability to the payee and real-time confirmation to the payer (credit-push payments only, with an optional request-for-payment capability);
- the EPN network – a batched clearing system with deferred settlement used primarily for domestic consumer and business transactions, though it also can be used for the U.S. dollar portion of certain cross-border payments (both credit-push and debit-pull payments); and
- the Image Exchange Network – a batched check image clearing system with deferred settlement used for consumer and business transactions in which payment is based on a check drawn on a U.S. bank account (debit-pull only).

While TCH has a general understanding of the types of payments that tend to be made over its networks, payments of any variety, regardless of segment, may be made over each of TCH’s networks. Moreover, as previously indicated when the targets were being developed, TCH does not track payment activity over its networks using the segment definitions developed by the FSB. As a result, TCH would not be able to report data based on those segments. Even if TCH were able to distinguish the payments across its network by those segments, TCH does not have a truly end-to-end view of the payments that are made over any of its networks, even the RTP network. Last, as noted above, only two TCH networks currently support cross-border payments, and both of those networks do so through a correspondent banking model—meaning that the payment taking place over TCH’s network is only a portion of the cross-border payment.

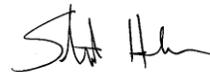
With that as background, TCH does not believe that it would have the data requested by the FSB and submits this response in part to ensure that there is no expectation that TCH could furnish such data. TCH has assumed for purposes of responding to the July 6 interim report that the FSB would consider TCH a “network provider.” Based on this assumption, TCH identified two targets as those where the Interim Report indicates that network provider data might be useful:

Wholesale segment target for speed – the proposed KPIs and metrics focus on the time it takes from initiation of the payment to the time of credit to the payee’s account. TCH does not have this data, however. TCH does not know when a payment has been initiated (which may be different from when a payment message is sent to one of our payment networks) and has no visibility as to when a payee is credited.¹ For cross-border payments (which are, of course, the subset of payments for which the FSB wants to collect data), TCH would only be aware of the U.S. dollar payment activity and only as it relates to the direct participants using TCH’s networks. TCH would also note that it would never have visibility into a preagreed settlement date/time. Finally, even for the portion of a cross-border payment that traverses TCH payment networks, while TCH might have data, TCH would not have an automated means to identify and report the data, making any such reporting costly and resource intensive.

Retail segment target for speed – the proposed KPIs and metrics focus on the time it takes from submission of a payment to the time of credit to the payee’s account. For the reasons stated above, TCH does not have this data.

TCH hopes that this feedback is helpful as the FSB continues to refine its approach to measuring success with respect to the targets it has developed in support of the G20 roadmap for enhancing cross-border payments.

Sincerely,



Stephanie A. Heller
Executive Vice President and General Counsel

¹ Although TCH may have no visibility into when a payee is actually credited, under the rules governing the RTP network, an RTP participant that accepts an RTP message is obliged to make funds available to the customer of that participant (creditor) “upon receipt” of an acknowledgment that the RTP system has received its acceptance message. See THE CLEARING HOUSE PAYMENTS COMPANY L.L.C., [RTP SYSTEM OPERATING RULES](#) (effective June 10, 2022), rule V.E.1.b. In addition, because the RTP network uses an ISO 20022-based message format, there could be an ultimate creditor that under the FSB targets might be considered the payee that is distinct from the RTP participant customer mentioned above. The RTP Rules do not address the relationship between a creditor and an ultimate creditor.