



ADVISORY GROUP

Outcome of Meeting #2

Date & Time: Nov 2nd, 2023, 08:30 – 04:00 pm (UAE Time)

Venue: Abu Dhabi (Sofitel Hotel)

Arab Regional Payments
Clearing and Settlement
Organization (ARPCSO)

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المدفوعات العربية

1. Opening Remarks

- Document reference: *Buna Advisory Group - Meeting #2 Agenda*
- The chairperson welcomed the members to the second meeting of Buna advisory group and introduced the agenda.

2. Buna Update

- Document reference: *Buna Update*
- Mr. Faisal Alhijawi – Chief Strategy and Development Officer at BUNA presented a brief update about Buna's latest developments and achievements to the group members.
- Several members expressed interest in learning more about Buna plans to interlink with national instant payment systems to enable cross-border IPS, which will be followed-up separately by Buna teams with interested members.

3. Changes to Buna agreement, rules, and procedures

- Document reference:
 1. *Changes to Buna agreement, rules, and procedures*
 2. *Changes to Buna agreement, rules, and procedures (Comments by Participants)*
- Mr. Manuel Iglesias – Chief Risk and Compliance Officer at BUNA presented a background about Buna's Agreement and Rulebook, and the key comments raised in the past by various participants during onboarding stages.
- He also presented the possible approaches to take forward the handling of these comments.
- There was a broad consensus that the Participation Agreement should not be amended, as there is no evidence of any critical issue in its current content and to avoid the very cumbersome process that any change will trigger.
- As for the Rulebook, the views ranged from members not seeing a need for changes at this stage to other members suggesting substantial additions to the Rulebook, to include currencies specific rules for example.
- The conclusion was to introduce limited changes that are of a critical nature and can improve the rulebook.
- Buna shall take this matter forward and provide an update during the next meeting.

4. G20 Latest Report on Enhancing Cross-Border Payments

- Document reference: *CPMI cross-border payments program - Buna advisory group, 2 Nov 2023*
- Mr. Thomas Lammer, Deputy Head of Secretariat, CPMI (Committee on Payments and Market Infrastructures, Bank of International Settlement), presented the G20 Cross-border payments roadmap: Status and next steps.

- The group members welcomed the report outcome, hailed the progress, and expressed interest in learning more about this global collaborative effort.

5. Agreeing transparent billing model of transaction fees charged by participants to have visibility across the Buna community.

- Document reference: *Agreeing transparent billing model of transaction fees charged by participants.*
- Mr. Faisal Alhijawi – Chief Strategy and Development Officer at BUNA presented the current challenge with beneficiary charges being applied by some participants in the case of transactions with billing code OUR. The challenge is two-fold, first the charges vary from one beneficiary participant to another creating a fragmented practice and second, beneficiary charges are sometimes claimed from the sending participants and in other cases deducted directly from the transaction amount, which creates lack of transparency for the sending participant and its customers about the final cost of the transaction and the final amount to be delivered to the beneficiary. He also presented possible approaches to address the matter.
- The group members agreed on key principles to address this matter, firstly the community should take actions to resolve this challenge due to its negative impact, secondly the solution shouldn't regulate pricing and limit open competition between participants, thirdly the solution should be simple to implement and not require major IT/operational investment from participants side, and finally the charges need to be claimed by beneficiary participants rather than deducted directly from the amount as this goes against the global market practice for OUR transactions and creates a bad client experience.
- In order to help all sending participants to determine their charges to their customers when originating the transactions with code OUR and not be surprised when receiving the charge claims from the beneficiary participants, there was a broad consensus to the recommendation that all participants should transparently disclose their beneficiary charges related to OUR transactions to other participants in Buna community beforehand via a simple mechanism to be introduced by the Buna team.
- Buna will reflect on this recommendation and the possible ways of implementing it.

6. Optimizing Buna portal communication approach

- Document reference: *Optimizing Buna Portal Communications Approach*
- Mr. Ahmed El Hefnawy – Chief Business Services Officer at Buna presented an overview of Buna's portal capabilities including the communications module. He shared usage statistics and raised the question on what enhancements can be made to the portal.
- The group members recommended four enhancements that can increase the value of the portal:
 1. Enable email notification to the user whenever a message is received on the portal's communication module.
 2. Generate SWIFT message notification whenever a message is generated on the portal's communication module.
 3. Integrate Buna portal with SWIFT GPI to get the payment status throughout the entire transaction lifecycle.
 4. Provide a mobile version of the portal to be accessed from mobile devices.



- The chairperson highlighted that the recommendations would go through Buna's demand management process for cost/benefit analysis. Buna will share the outcome with the group members once an update is available.

7. Wrap-up, next steps, and closing remarks

- The chairperson indicated that the next meeting is expected to take place during February 2024 in a physical format in Abu Dhabi. More details on the date, venue and agenda will be shared ahead of time.