

Policy



Cheque &
Credit
Clearing
Company

OPENDISCLOSURE
POLICY

January 2018

Version Control Sheet:

Revision Date	Version	Changes Made By	Summary of Changes
August 2015	1	C&CCC Governance Manager	Creation of new Observer Policy
January 2017	2	C&CCC Governance team	Reviewed and updated to reflect change from CPSS to CPMI, and to ensure that definition of Rules, Key Procedures and Market Data is clear and that the information is appropriate for the intention behind Principle 23.. No change required other than formatting (document classification and version number in footer)
January 2018	3	C&CCC Governance team	Document classification section updated to include participants.
January 2018	4	Executive Committee	Description of members and participants included in footer to demonstrate the difference. General direction 1 included.
January 2018	5	Board	Addition of sentence in Introduction to the effect that C&CCC is committed to being open and transparent in its dealings.

1 Introduction¹

C&CCL is committed to being open and transparent in its dealings and this is embedded within the company values. In addition, C&CCCL is the operator for the paper payment systems (cheque and credit) that are regulated by the Payment System Regulator (PSR) and as such C&CCCL (the Company) is required to comply with a number of disclosure requirements.

The Board of C&CCCL has also agreed that the Company should follow principle 23 of the Committee on Payments and Market Infrastructures (CPMI) - International Organisation of Securities Commissions (IOSCO) Principles for Financial Market Infrastructures (FMIs) as a matter of good governance although C&CCC is not currently subject to formal oversight by the Bank of England.

This policy sets out principles for the Company's disclosure requirements under both these obligations. There is a separate policy document for ICS.

1.1 Payment Systems Regulator (PSR)

The PSR makes a number of directions in accordance with the Financial Services (Banking Reform) Act 2013.

General direction 1 states that a participant must deal with the PSR in an open and cooperative way and must disclose to the PSR appropriately anything relating to a participant which could materially adversely impact on the advancement of the PSR's strategic objectives and duties.

General Direction 2 states that a regulated payment system must have objective, risk-based and publicly disclosed access requirements which permit fair and open access to the regulated payment system.

General Direction 6 states that an operator of a regulated payment system must, as soon as reasonably practicable, publish minutes of its governing body.

1.2 CPMI IOSCO

Principle 23 (disclosure of rules, key procedures and market data) states that an FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

1.3 Document Classification

¹ This document may need to be amended again to reflect any disclosure obligations to NPSO Ltd when C&CCC becomes a wholly-owned subsidiary of NPSO.

The Company operates a document management approach where we use:

- Controlled Distribution (Members²) - when a document may be circulated freely within a member organisation but not outside it
- Controlled Distribution (Participant³) - when a document may be circulated freely within a participant organisation but not outside it
- Restricted - where a document is intended for the circulation list only
- Public – Where a document may be circulated freely

This policy focuses on documents that are public or should be made public and that can then be published on the website www.chequeandcredit.co.uk.

2 Principles for Open Disclosure

2.1 Payment System Regulator

2.1.1 In relation to General Direction 1

The Company will:

- a) engage meaningfully and constructively with the PSR;
- b) endeavour to bring to the PSR's attention the most important information the Company believes the PSR may need; and
- c) will exercise judgment to determine what information to provide to the PSR in order to strike a balance between providing enough, but not too detailed, information.

2.1.2 In relation to General Direction 2

The Company must have objective, risk-based and publicly disclosed access requirements which permit fair and open access, which shall include:

- a) Providing copy of such access requirements in a prominent, easily accessible position on the Company website;
- b) Providing the PSR with a link to the relevant website; and
- c) Providing a copy of such access requirements to the PSR.

2.1.3 In relation to General Direction 6

The Company must, as soon as reasonably practicable, publish minutes of its governing body, in accordance with its **Redaction Policy**, as follows:

- a) A copy of the redacted minutes must be made available in a prominent, easily available position on the website;
- b) The PSR will be provided with a link to the redacted minutes on the company

² Members are organisations that have signed the agreements for the cheque and/ or paper clearings. They are shareholders by requirement.

³ Participants are organisations that have signed the ICS contractual framework or that have a Letter of Intent formally agreed by the ICS PSO (C&CCC)

- website; and
- c) A copy of the redacted minutes will be provided to the PSR.

2.2 CPSS IOSCO

2.2.1 Principle 23

Any information that is on our website is in the public domain.

Information on Rules, Key Procedures and Market Data should be made readily available on the company website provided the integrity of the clearings is not compromised by putting the information on the C&CCC website and the information meets at least one of the following criteria:

- a) It is already in the public domain. Examples include:
- The company's articles of association, the company's report and accounts
 - Names of board directors
 - Clearing data
 - Publications (including newsletters)
 - Key Bank Procedures and Guidelines used by all banks
http://www.chequeandcredit.co.uk/resources/publications/bank_procedures_and_guidelines/;
- b) If the information is on the rules, they are legally binding rules i.e. the System Rules; and
- c) If the information is on members' financial obligations it does not mislead and gives as full a picture as possible of the level of commitment that is required of clearing members, which goes beyond the cost of joining and the annual charges.

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