Status update on TIPS-0041-URD change request

TIPS Consultative Group meeting

4 October 2021

Introduction of non-time critical instant payments in TIPS

A draft CR for the introduction of non-time critical IP in TIPS was submitted in March 2021 to the TIPS CG.

The change request increases the **timeframe** in which the Beneficiary PSP can reply to a payment transaction before it is subject to a timeout.

This would allow for a **greater flexibility** for the PSPs, decreasing the number of expired transactions and reducing the negative effects of transaction failures in case of temporary unavailability at the level of the Beneficiary PSP.

Moreover, also institutions not able to always guarantee immediate processing of instant payments could be interested in such functionality.

Open questions after the written consultation

Following the written consultation on the TIPS-0041-SYS, some open questions are still present on the requirements:

1. Non-time critical **timeout** threshold: in the original formulation, the timeout was set to 72 hours. This timeframe would give enough time to cover a weekend. However, it could be seen as in breach of the **PSD2** art.**83.1: "..**_the amount of the payment transaction will be credited to the payee's payment service provider's account by the end of the following business day"_

Possible way forward:

a) Lowering the timeout to **24 hours** – only a single day bank holiday would be covered

b) Timeout to be dependent on the **business date**

Open questions after the written consultation

2. Queuing/retransmission of the messages: in case the Beneficiary PSP is temporarily unavailable, a mechanism could be put in place in order to **re-transmit** the message when the PSP is back online

Possible way forward:

a) The NSP takes care of the retransmission -> to be checked with the NSPs

b) The TIPS platform takes care of the retransmission.

    i.   Need to define a **time parameter for the retransmission** (each 6 hours? 12 hours?) or re-transmission could **depend on a message** of the Beneficiary PSP that communicates to the platform to be back online

    ii. The connectivity **costs** for each message re-transmitted would be **charged to the Beneficiary PSP**

Thank you for the attention!

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