

12 October 2021

OUTCOME OF THE TIPS CONSULTATIVE GROUP (TIPS-CG)

4 October 2021

Held via Webex

0. Introductory Remarks

The Chairperson will welcome the participants and present the agenda.

Outcome:

The Chairperson welcomed the participants to the ninth meeting of the TIPS Consultative Group. Afterwards, the Agenda was approved with no amendments.

1. Debriefings

The participants will be debriefed on the latest updates regarding:

- the current status of the cross-currency instant payments EUR/SEK investigation undertaken in collaboration with Sveriges Riksbank and the Eurosystem.

Outcome:

A member of the ECB team debriefed the TIPS-CG about the current status of the cross currently instant payments investigation. The ECB Governing Council and the Sveriges Riksbank have both confirmed that the cross-currency instant payments are aligned with reciprocal objectives. ECB/4CB and Riksbank are expected to present the report on implementing the cross-currency settlement in TIPS to the MIB for approval in summer 2022.

The topic will also be brought to the attention of the AMI-Pay in one of its next meeting, also in order to get feedback on the envisaged technical solution.

2. Pan-European Reachability

The group will be informed on the current status of activities for the pan-European reachability of instant payments.

Document:

- Readiness monitoring for pan-European reachability measures (Presentation ECB)
- Pan-European reachability status update (Presentation ECB)

Outcome:

A member of the ECB team presented the TIPS-CG with the Pan-European reachability status. On the Ancillary System (AS) Migration Update, it was reported that the ECB agreed the migration strategy with all Wave 1 ACHs and that such ACHs have already begun to test the migration process.

An overview of the composition of the ACH Migration Waves was provided, followed by an update on the milestone status.

The TIPS-CG was then presented with the status update on the TIPS Community Readiness. The fourth reporting cycle shows that the confidence level that the PSPs will be able to onboard to TIPS prior to 21 November 2021 is slightly decreasing compared to the previous reporting cycle but remains overall positive; on the ACH side, the confidence level is stable compared to the previous reporting cycle.

3. TIPS release 4.0 testing status

The group will be updated on the status of testing activities for the TIPS release 4.0.

Document:

- TIPS release 4.0 testing status (Presentation 4CB/ECB)

Outcome:

The 4CB and ECB both presented an update on the TIPS release 4.0 testing status. With regards to the Change Request (CR) TIPS-0033-URD: "TIPS adaptation to migrate ACH technical accounts in TIPS", the participants were informed that NCBs have created the AS

technical accounts (ASTAs) requested by the AS, and that the ASs are testing and will ensure that settlement is successful across the ASTAs. Concerning the CR TIPS-0031-URD: “TIPS adaptation stemming from RIKSBANK requirements - Lot 2”, the Riksbank is currently testing the solution. On the CR TIPS-0034-SYS – “Adoption of Ascertia solution for NRO functionalities on TIPS and CRDM TIPS GUI”, all combinations of solutions are being tested and it was reported that in TIPS some participants have experienced timeout issues In CRDM, it was reported that the participants experienced a general issue with the signature. The TIPS-CG was informed that the BILL module will be implemented gradually across the TARGET Services: first in TIPS in November 2021, followed by T2S in June 2022, and T2 in November 2022. The 4CB and ECB also provided an update on the status of other CRs regarding additional test environment EAC (CR TIPS-0020-SYS), Migration to CSLD Legal Archiving (CR TIPS-0024-SYS), and Adaptation to CLM (CR TIPS-0025-URD).

4. Status of TIPS releases

An ECB representative will inform on the current status of TIPS CRs and releases. The group will be presented with the Change Request 43 to add MS Edge to the list of supported browsers for the U2A interactions. In addition, the group will be presented with the detailed assessment of the Change Request 14. A 4CB representative will present the detailed assessment of the TIPS-0011-URD - Liquidity transfers with the transit account.

Document:

- TSWG information on TIPS releases status
- TIPS-0043-SYS Add MS Edge to the list of supported browsers for the U2A interactions
- TIPS.0014.URD - TIPS Broadcasts
- TIPS-0011-URD - Liquidity transfers with the transit account - Detailed Assessment

Outcome:

A member of the ECB presented the TIPS-CG with the information on TIPS release status, and in particular that (i) the TSWG written procedure of TIPS-0043-SYS was completed and is ready to be launched on the CG side, (ii) the TIPS-0014-URD has an ongoing TSWG written procedure, and the detailed assessment is available, and (iii) the TIPS-0011-URD detailed assessment was delivered by the 4CB on the 1st of October..

The TIPS CG members will be invited again to prioritize the change request as per their business value.

5. Single Instructing Party settlement model (tentative – if time allows)

The ECB will present the new Single Instructing Party (SIP) settlement model that was requested by the Swedish market.

Document:

- Explainer on the SIP settlement model (Publication available on the ECB website)

Outcome:

Due to time constraints, this agenda item was not addressed during the 9th TIPS-CG meeting. It was agreed that, together with item 7, it would be presented at a joint workshop on TIPS Restart with a zero balance, with TSWG and CG members.

6. SCT-Inst message type camt.053 – population and usage

The participants will receive explanations on how the SCT-Inst message type camt.053 is populated in TIPS and on the content of Change Request TIPS-0032-URD - TIPS adaptation stemming from RIKSBANK requirements - Lot 3, introducing a new option in the reconciliation process within the TIPS Release 4.1. A representative from Deutsche Bank will present their experience with the reconciliation process and the liquidity management. To address the issues faced, two change requests will be presented to the group; one by representatives from Deutsche Bank and Deutsche Bundesbank, and one by a representative from 4CB. The TIPS Consultative Group participants will be invited to share their own experiences with the usage of the camt.053 message, in particular for reconciliation purposes.

Document:

- TIPS_Reconciliation_enhancements_v1_0_210924 (Presentation 4CB)
- TIPS-0044-UDFS-Reconciliation enhancements_draft_20210924
- 20210921_AK_ZVS_Change Request_DB_eng (Presentation Deutsche Bank)
- Market Infrastructure and Application Change Request form - Report OPBD in CAMT053_DBAGX
- Market Infrastructure and Application Change Request form - Resend TIPS Reports DBAG

Outcome:

A Deutsche Bank representative presented on some current issues faced by their institution, namely the primary reconciliation on pacs.008 – pacs.002 and the emergent issues that have been found concerning missing pacs.002 and matching between pacs.002 and pacs.008 based on ID and timestamp. The Deutsche Bank also informed the participants about the secondary reconciliation on delta camt.053 that Deutsche Bank applies, for those cases when the primary reconciliation fails. Subsequently, Deutsche Bank presented their SCT Inst current scenario with internal accounting and debriefed the TIPS-CG on ongoing issues related to their reconciliation system standard check and the current camt.053 from TIPS, for which the message does not contain a tag for the opening balance. Two change requests which aimed at improving the camt.053 and current reconciliation issues were briefly presented afterwards.

A representative from 4CB (Banca d'Italia) presented the TIPS Reconciliation Enhancements Change Request proposal by highlighting the new reconciliation model's enhancements compared to the standard model. The new model will neutralize, for the calculation of the balance, the effects of concurrent Instant Payment transactions in status 'reserved' or Outbound Liquidity Transfers (LT) in status 'transient' insisting on the same TIPS DCA.

The three CRs will be circulated to the members of the TSWG-TIPS and TIPS-CG for their comments, if any, via written procedure.

7. Pilot for using the Mobile Proxy Lookup functionality in TIPS (tentative – if time allows)

Representatives from the ECB and 4CB will present the Mobile Proxy Lookup (MPL) functionality. In view of the deployment of the TIPS Release 4.0, including the pan-European reachability measures, participants will be invited to express their interest in joining a pilot testing phase.

Document:

- TIPS Mobile-Proxy lookup (Presentation ECB)

Outcome:

Due to time constraints, this agenda item was not addressed during the 9th TIPS-CG meeting. It was agreed that, together with item 5, it would be presented at the next possible opportunity, e.g. at a joint workshop on TIPS Restart with a zero balance, with TSWG and CG members.

8. TIPS-0041-URD – Introduction of non-time critical instant payments in TIPS

The group will be debriefed on the progress of the analysis in view of finalizing the requirements for the TIPS-0041-URD. The participants will be invited to share their comments and suggestions regarding the aspects not yet clarified after the written consultation.

Document:

- Status update on TIPS-0041-URD (Presentation ECB)

Outcome:

The ECB provided a status update on the TIPS-0041-URD change request. With regards to the introduction of non-time critical instant payments in TIPS, it was highlighted that the change request increases the timeframe in which the Beneficiary PSP can reply to a payment transaction before it is subject to a timeout (i.e. it does not time out so quickly), thus representing a greater flexibility for the PSPs and a possible additional business case. It was highlighted by one TIPS-CG member that this CR was intended to support the sending of bulk payments on an instant payments platform, as it would allow to reduce the likelihood of rejections. After the written consultation on the TIPS-0041-URD, some questions were discussed in the TIPS CG for closure:

- 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".*
- 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.*

The participants discussed various options for the way ahead regarding questions 1 and 2. For the non-time critical timeout threshold, it was agreed to lower the timeout to 24 hours. Concerning the queuing/retransmission of the messages, it was agreed that the TIPS platform should take care of the retransmission.

It was concluded that the CR can undergo the detailed assessment.

9. TIPS Roadmap

The participants will be provided with a status update on the work conducted in view of the TIPS Roadmap. Moreover, a 4CB representative will debrief the group on the 4CB feasibility assessment of the change requests not yet allocated to a release with an indication of their earliest release date.

Documents:

- TIPS_Roadmap_Status_Update_v1_0_211001 (Presentation 4CB)

Outcome:

The 4CB debriefed the TIPS-CG on the TIPS Roadmap status update. In particular, at its September meeting, the MIB considered the status of the TIPS strategic roadmap. Regarding a possible implementation of the Request-to-Pay (RTP) service in TIPS, the MIB took note that the market is currently not expecting the Eurosystem to develop a RTP service on TIPS, but rather to foster the market efforts to harmonise and promote the service in its catalyst role. An updated analysis of the TIPS platform will be provided for the MIB's attention in Q2 2022.

The 4CB informed the TIPS-CG participants about the set of Change Requests still in the backlog and the possible composition of clusters for the TIPS releases from November 2023 onwards. Also, an overview on the definition and types of clusters was given: in order to optimize the trade-off between development capacity and time-to-market, the identified approach is to partition the backlog of expected changes (i.e. Change Requests and new initiatives) into clusters. The 4CB also showed one example of the potential clustering for the next releases from November 2023 to November 2025.

10. Operational Matters

10.1 TIPS in operation

The participants will be provided with information on TIPS operational matters.

Document:

- Oral update (ECB)

Outcome:

The TIPS-CG was given an oral update on the latest TIPS operational matters. The number of transactions since the last TIPC-CG meeting remained stable. The participants were informed

that the top three markets were Netherlands, Germany, and France while the increase of volumes is expected with an introduction of the Reachability Measures at the end of 2021. Also, the participants were debriefed on the TIPS incident that occurred during the planned downtime for the execution of the Site Recovery test on Saturday 3 July causing issues with the settlement of instant payments between 9:40 and 10:28 AM. In total the 4CB estimated that 79 instant payments were affected as well as some “delta” reports. A representative from 4CB confirmed that the corrective measures were implemented in the CERT and PROD environments to avoid reoccurrence in the future confirmed by the successful execution of the Site Recovery test on 11 September 2021.

10.2 TIPS Restart with a zero balance

An ECB representative will present the feature offered by TIPS in the extreme event of compromised integrity of data (for example caused by a successful cyber-attack). In such scenario TIPS could be restarted with a zero balance.

Document:

- Letter from the Co-Chairs of the TSWG-TIPS on ‘Restart of TIPS with zero balance’
- TIPS Restart with a zero balance (Presentation ECB)

Outcome:

The ECB debriefed the participants on the possibility of TIPS to be restarted with a zero balance. This was reinforced as an important feature offered by TIPS, and, despite the extremely low likelihood that such a worse-case scenario materialises, also due to security and detection tools that Eurosystem has in place, the TIPS-CG was informed that the TARGET Services Working Group in charge of TIPS operations (hereinafter TSWG) has been working on and developing a dedicated operational procedure. In addition, the ECB presented a step-by-step approach together with a communication process to be followed from detection of data being corrupted and actions to be taken after the restart with a zero balance takes place. The limitations of the TIPS restart with a zero balance and how it could affect the AS Technical Accounts were brought up to the discussion, which culminated with a feedback round on potential difficulties identified by the participants. Following the feedback received, it was agreed that a joint workshop on the topic with TSWG and TIPS CG members would be organised on a date yet to be defined.

10.3 Issue of a TIPS participant not being able to credit beneficiaries' accounts

A representative from DNB will describe a scenario whereby a TIPS participant is unable, due to internal issues, to credit their clients' accounts for instant payments settled in TIPS.

Document:

- DNB - What to do when a PSP cannot process Ips

Outcome:

A DNB representative presented a situation in which a Dutch bank sends instant payments to another TIPS participant that faced internal problems and could not credit the final beneficiary customers. The Dutch Bank, in turn, experienced difficulties to contact the TIPS participant via telephone and email to discuss the situation. It was mentioned that a possible solution to solve this issue would be that the TIPS participant rejects the instant payments, and the Dutch bank is consequently informed about these rejections and may route the payments to the beneficiary as normal SCTs. An alternative scenario would be that the TIPS participant informs the other TIPS participants about its unavailability (after implementation of TIPS.0014.URD – “TIPS Broadcasts”).

10.4 Contacting the Service Desk

The participants will be informed where the contact details of the Service Desk can be obtained. Moreover, the group will be informed on what type of operational support users can get outside of business hours.

Document:

- Contacting the Service Desk (Presentation ECB/4CB)

Outcome:

The TIPS-CG was informed about the level of support provided to the TIPS participants by the National Service Desks (NSDs) in normal and abnormal situations. The availability of the TIPS Service Desk in test and production environments was also presented, along with the specific case of contacting the Service Desk in case of connectivity problems. ECB and 4CB representatives elaborated on the upcoming updates to the Infoguide 15.0 and informed the participants that they would receive a letter distributed by their NCB containing the contact details of the TIPS Service Desk.

11. Any Other Business

The participants will be provided with the opportunity to raise further questions and remarks resulting from the discussion.

Outcome:

The calendar for the upcoming TIPS-CG meetings on 2022 will be circulated in the course of October.