

3 May 2023

TIPS CONSULTATIVE GROUP (TIPS-CG)

17 April 2023, 14:00 – 15:30 CET

Via TEAMS

OUTCOME OF THE AD-HOC TIPS-CG MEETING

0. Introductory Remarks

The Chairperson will welcome the participants and briefly introduce the agenda.

Outcome:

The Chairperson welcomed the participants to the ad-hoc TIPS Consultative Group (TIPS-CG). Afterwards, the Agenda was approved.

1. TIPS Yearly business value assignment/prioritisation

The participants will be presented with the outcome of the yearly business value exercise of the TIPS Consultative Group.

Document:

- Outcome of the TIPS yearly business value exercise (Presentation ECB)

Outcome:

An ECB representative provided an overview of the yearly business value exercise following the feedback received by the TIPS-Consultative Group members. The Chairperson thanked the TIPS-CG members for their input to the prioritisation of the TIPS change requests (CRs) not yet allocated to a release and initiatives. The ranking of the different change requests & initiatives as well as the way forward regarding the definition of the initial and final scopes for JUN and NOV 2024 TIPS releases were presented.

2. Releases scope proposals

The TIPS-CG members will be provided with the proposals for the candidate change requests and initiatives in view of TIPS R2024.JUN and R2024.NOV.

Document:

- TIPS 2024 releases: Proposals for the candidate change requests and initiatives (Presentation ECB)

Outcome:

The proposals regarding the preliminary scope for the TIPS R2024.JUN and TIPS R2024.NOV TIPS Releases were presented. It was recalled that, in principle, the June Releases should avoid change requests which would have a mandatory impact on TIPS Actors. It was also highlighted that the final scope of the releases will be confirmed once the Detailed Assessments are available and the Feasibility Assessment of 4CB is completed. Finally, it was underlined that the scope proposals would be presented to the MIB on 24 April 2023.

Following a question regarding the TIPS-0058 “Reason code TM01 from Beneficiary Bank” and why it is proposed to put this change request on hold, it was explained that it is the Participant’s responsibility to respect the SCT Inst scheme. Consequently, it is up to the Beneficiary PSPs to avoid sending pacs.002 rejections with reason code ‘TM01’. On this point, it was agreed that some statistics should be collected via written procedure to gather information on the frequency on the usage of this code (Action Point (AP-0044)). The way forward on this change request will be decided afterwards. It was also said that due to the European Commission legislative proposal on instant payments, the number of PSPs becoming SCT Inst may drastically increase. Thus, in the future, PSPs which will adhere to the SCT Inst scheme might incur in doing the same mistake; the representative of RT1 stated that one way to address the problem could be the introduction of an ad-hoc validation by the CSMs in their role of facilitators of the smooth processing of instant payments. In other words, the CSMs’ systems should not allow the Beneficiary PSPs to respond to a transaction with a pacs.002 including the reason code ‘TM01’. It was highlighted that, as part of the testing activities of a TIPS new joiner, the non-compliance issues should be captured. In conclusion, it was confirmed that, in any case, it would be useful to have a slide clarifying the rulebook on the use of the ‘TM01’ reason code (Action Point (AP-0045)).

3. Focus on TIPS-0014-URD “Broadcasts”

The TIPS-CG members will be provided with a proposal for amending the content of the TIPS-0014-URD “Broadcasts”.

Document:

- Focus on TIPS-0014-URD “Broadcasts” – Proposed change for the Broadcasts recipients (Presentation ECB)

Outcome:

The proposed revision on the change request TIPS-0014-URD “Broadcasts” was presented. 4CB confirmed that moving from addressing “Users of the National Community” to “Users per currency” is not a disruptive change. Consequently, the proposed revision will be included in the change request and 4CB will re-evaluate it (Action Point (AP-0046)).

A question was raised on whether the Instructing Parties should or not be allowed to create a broadcast and who would take responsibility for their broadcasts, considering that there is no legal contract between Instructing Parties and the Eurosystem NCBs. It was confirmed that Instructing Parties should be able to create a broadcast as Instructing Parties act on behalf of the actors that they instruct for and that in any case the expectations on the use of the broadcast will be provided in the relevant documentation as it needs to be ensured that broadcasting does not become spamming (Action Point (AP-0047)). This documentation will be shared with the TIPS-CG before the Go-Live of the respective TIPS Release. Also, it was indicated that following the implementation of the broadcast, the NCBs will monitor the use of it.

Regarding the optionality of the service, it was recalled that the optionality is on the receiving side with the possibility to subscribe to the A2A message if wished.

On a question related to the Ancillary Systems (AS), it was confirmed that for the ACH internal issues the AS will communicate with their community via their own means and not via TIPS.

Finally, it was indicated that if other TARGET Services want to have the broadcast feature, they would need to initiate an ad hoc change request.

4. Focus on TIPS-0041-URD Introduction of non-time critical (NTC) instant payments in TIPS

A few open points related to TIPS-0041-URD “Introduction of non-time critical (NTC) instant payments in TIPS” will be presented and discussed with the TIPS-CG members.

Document:

- Focus on TIPS-0041-URD “Introduction of non-time critical (NTC) instant payments in TIPS”– Points for discussion (Presentation ECB)

Outcome:

As part of the discussion on the parameters for the TIPS-0041-URD “Introduction of non-time critical (NTC) instant payments in TIPS”, 4CB confirmed nothing would be hard-coded, even if the expression “hard-limit” was used in the Detailed Assessment, i.e. to indicate that the 1 million value (to be validated during the testing campaign) is an upper limit that cannot be increased, as this would not be possible without a major change in the technical architecture of TIPS.

Alternatively, it could be considered if the parameter of the 24 hours timeout limit for NTCs could be lowered; this would be particularly useful in case the number of NTC payments significantly increases as it would limit the risk that too many NTC transactions are pending. As part of the discussion, it was said that the TIPS broadcasts could be used to inform other PSPs to not send payments to the PSP facing an issue; this was seen as a useful means to avoid reaching the "hard-limit". Thus, it was confirmed that it would be good to have both change requests at the same time as they are supporting each other's business case.

Furthermore, it was mentioned that (i) scalability is key as the system needs to be able to be scaled on necessity as there will always be peak moments to deal with and/or a major bank facing an issue and that (ii) a volume control mechanism for NTC and non-NTC payments could be introduced to set requirements on the number of transactions to be sent/received per participant. Finally, it was underlined that if there is a huge increase in the number of payments received, the problem will be first on the NSPs' side as they have the same capacity requirements as TIPS. As for the scalability, a 4CB representative recalled that (i) the TIPS general architecture is already fully scalable and the URD already envisages clear scalability requirements in case of increased volumes, and (ii) that the specific scalability issue related to the specific hard limit envisaged by the current technical solution proposed for TIPS-0041-URD simply stems from the fact the change request was originally meant to handle primarily scenarios of beneficiary PSPs being temporarily unavailable. The change request will be updated to include additional use cases (Action Point (AP-0048)). The Chairperson confirmed that it will be checked (i) whether a recommendation could be given to the PSPs in terms of transactions sent/received per second (Action Point (AP-0049)) and (ii) whether it would be possible, in the Detailed Assessment to be drafted by 4CB, to consider alternative different technical implementation solutions for NTC payments that would not impose a hard limit on the maximum number of concurrent pending payments (Action Point (AP-0050)).

Finally, the representative of Commerzbank highlighted the fact that liquidity for the NTC payments is reserved but not yet visible to the treasurer. Consequently, a solution in A2A channel to make it visible should be found so that the treasurer sees the real available liquidity. It should be checked whether it could be added as a new requirement in TIPS-0041 (Action Point (AP-0051)).

5. Any Other Business

The TIPS-CG members will be asked whether there is any other business that they would like to discuss.

Outcome:

No additional topic was raised.