Revised TIPS Pricing

Ad-hoc AMI-Pay Meeting

04 July 2023
TIPS Pricing revision

- The Governing Council of the European Central Bank has approved the revised pricing policy for TIPS that will enter into force on 1st January 2024.

- As announced, following the implementation of the pan-European reachability package, the TIPS Pricing was subject to a comprehensive revision.

- The pricing changes apply to both Payments Services Providers (PSPs) and Automated Clearing Houses (ACHs).

- The revised TIPS pricing is made public at the time of this meeting on the website of the ECB; more details will follow at a later point in time as part of a TARGET Services pricing guide.
TIPS Pricing revision

The revised TIPS Pricing takes into account:

- The new services provided by TIPS, mainly connected to the pan-European reachability
- Market feedback: Discussions and comments provided by the AMI-Pay at the time of the previous TIPS pricing revision
- Expected forthcoming changes:
  - Onboarding of Non-EUR currencies in TIPS
  - European Commission legislative proposal on instant payments
## Current TIPS pricing valid until 31 December 2023

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Settlement fee per transaction</td>
<td>EUR 0.002</td>
</tr>
<tr>
<td>ACHs’ internal settlement transactions: fixed price</td>
<td>EUR 0.0005</td>
</tr>
</tbody>
</table>
The TIPS settlement fee remains the same as today: EUR 0.002

- However, as of 1\textsuperscript{st} January 2024, it will be shared between the Originator and the Beneficiary:

  This translates into:
  
  Originator: 0.001 EUR / Beneficiary: 0.001 EUR

- The sharing of the settlement fee applies to all relevant accounts (i.e. to all TIPS Dedicated Cash Accounts (DCAs) and to all Ancillary System Technical Accounts (ASTAs))
TIPS Pricing revision – What will change?

New measure for PSPs as of 1st January 2024

- Fixed monthly fee on:
  - Each TIPS Dedicated Cash Account (DCA) set at EUR 800 per month
  - Each BIC that is authorised to settled instant payments on a DCA set at EUR 20 per month:
    - One BIC is always included per DCA so that it will not have been to be paid for
    - A maximum of 50 BICs per DCA will be charged
TIPS Pricing revision – What will change?

New measures for ACHs as of 1st January 2024

- Fixed monthly fee on:
  - Each TIPS Ancillary System Technical Account (ASTA) set at EUR 3,000 per month
  - Each BIC that is authorised to settled instant payments on an ASTA set at EUR 20 per month:
    - A maximum of 50 BICs per ASTA will be charged
### New measures for the ACHs as of 1\textsuperscript{st} January 2024

- **Degressive fee for internal settlement at ACH:**

  Highest price band at EUR 0.0004 / Lowest price band EUR 0.00015 (today unique price at EUR 0.0005)

<table>
<thead>
<tr>
<th>Band</th>
<th>Number of ACH internally settled transactions per month (reported gross underlying volume)</th>
<th>Unit price</th>
<th>Unit price difference towards current unit price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band A</td>
<td>- 10,000,000</td>
<td>EUR 0.00040</td>
<td>- 20%</td>
</tr>
<tr>
<td>Band B</td>
<td>10,000,001 - 25,000,000</td>
<td>EUR 0.00030</td>
<td>- 40%</td>
</tr>
<tr>
<td>Band C</td>
<td>25,000,001 - 100,000,000</td>
<td>EUR 0.00020</td>
<td>- 60%</td>
</tr>
<tr>
<td>Band D</td>
<td>100,000,001 - unlimited</td>
<td>EUR 0.00015</td>
<td>-70%</td>
</tr>
</tbody>
</table>
Some elements of the TIPS pricing scheme will remain unchanged after the entry into force of the new TIPS pricing on 1\textsuperscript{st} January 2024.

- No entry fee
- No information services fee (reports and queries)
Thank you for your attention!

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ECB: market infrastructure and payments