

ECB
DG-MIP/MID

Questions & Answers

TIPS Contact Group

5th Meeting on 2 March 2018



At the EOD a snapshot is taken from the balances of the TIPS accounts.

Are amounts reserved for settlement (no liquidity transfers) at the moment of the snapshot also taken into account for the calculation of the positions or are they omitted from the general ledger file?

- In the snapshot, the balances of the TIPS accounts are taken into account, including both reserved and unreserved amounts.



According to the EPC Scheme a recall could be sent out within 10 business days after execution of the transaction. In TIPS the retention period is up to five days. How does the recall process work after these five days?

- In line with the URD, there is no check of a Recall Request against a previously settled Instant Payment. In other terms, TIPS just forwards the request to the relevant recipient, which will validate the request and accept/reject it. For this reason, the duration of the retention period does not have an influence on the way the Recall process works in TIPS.



The utilisation of a CMB needs to be reset to zero with the start of every new business day. If not, the CMB of a Reachable Party that usually acts as originator bank and does not receive many instant payments would have to be modified continually and would become higher and higher over time.

However, I have found no hint in the UDFS that could confirm my assumption.

Would you be so kind as to confirm this?

- In line with the URD, TIPS does not reset the CMB utilisation on a daily basis. The CMB concept allows defining a credit limit without any specific time dimension, i.e. it is not a daily or a weekly (or any other period) payment capacity, it is just an overall payment capacity which can be increased either by increasing the CMB limit or by adding liquidity by means of crediting payments.

Is it possible that for some reason a participant bank is out of work for a short period of time during the day (for example, bank is direct participant in the System, works 7/365, but every day needs 15 minutes due to some internal procedures, during which it is not able to process transactions)?

- According to the EPC Scheme it is not possible for an institution to be offline even for short periods of time.

“It is recognised that a Participant may temporarily not be reachable in **exceptional circumstances.**”

The requisite of 24/7/365 availability is one of the pillars of the Scheme and a period offline would have an impact on all the other participants who would send payments without receiving any reply.

If the misbehaviour of an institution that adheres to the Scheme is reported to the EPC, a compliance process is started and the institution is called to justify and immediately rectify its behaviour. In case of incapacity to fulfil all the requirements imposed by the Scheme, the process can lead up to the exclusion of the participants from the Scheme.

Thank you for the attention!

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