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Deliverable Name	TARGET Instant Payments Settlement User Requirements (DRAFT)
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1	Société Generale	0	General	General	General Comment	<p>Executive summary:</p> <p>We understand that TIPS has its interest and main focus on market integration and efficiency. We appreciate the intent to provide the market with a paneuropean simple and harmonized solution in order to foster instant credit transfers development. We though believe that this first version of the project should be further evolved to answer our true current market needs regarding instant payments. We think that, under its current project conditions, TIPS does not bring enough added value to boost instant payments market development. We would indeed rather welcome the implementation of a platform that would allow SCT Inst scheme participants to get full reachability throughout the 34 SEPA countries and which would help CSM to be interoperable by providing the latter with a solution for cross CSM 24/7 instant settlement, thus eliminating any residual counterpart risk between the participants of a CSM and the participants in another CSM. In our view, the TIPS project could be made more ambitious and more market-needs oriented if it were to be a part of TARGET2 RTGS evolution and modernization that would 1) sustain a 24/7 processing of credit transfers enriched with ISO20022 formats, 2) guarantee a maximum 5 second order processing (vs. 5 minutes today) and 3) which would not be dependant on EPC SCT Scheme commercial constraints of time outs, amounts and recurring formats maintenance.</p>
2	Société Generale	0	General	General	General Comment	<p>Executive summary / Provision "TIPS account balances will be applicable to the minimum reserve calculation".</p> <p>We seize the opportunity of this consultation to gently ask the ECB the possibility to reconsider the limitation that funds ringfenced by banks on ACH technical accounts be not eligible for minimum reserve calculations. We understand this divergence is due today to monetary policy considerations, but we wonder if this should not be reviewed in light of the the possibility that would be given to ACH to grant finality to instant payments. Our understanding is indeed that ACH technical account funds will be deposited at Central Banks and that ACH will have to ensure finality to instant payment participants by managing participants' mirror accounts, thus reducing the conceptual difference between real central bank money and commercial money deposited for this purpose at Central Banks. The difference of treatment between the funds available in TIPS accounts and in ACH technical accounts introduces an unlevelled playing field with private initiatives, which will be all the more important since instant payments volumes and capitals are planned to rise in the future.</p>

3	Société Generale	0	General	General	General Comment	<p>Executive summary / Connectivity Approach</p> <p>We understand the opportunity that a competitive pressure on Network Services Providers (NSP) could bring by bettering users' experiences and by reducing project implementation and running costs. We are though worried that too opened / too low network requirements would unavoidably result in TIPS lowered security and resilience that would eventually prove detrimental to the system robustness and credibility.</p> <p>In particular, we are concerned that the fact of having less quality demanding solutions connected to TIPS could open the door to hacking risks and annihilate the participants' efforts and investments to abide by the increasing security and robustness requirements that authorities ask to critical participants.</p> <p>In conclusion, we would recommend the Eurosystem consult with the market while defining the minimum requirements/criteria network providers should adhere to in order to become "ECB certified" NSP.</p>
4	Société Generale	2	1.4 GENERAL PRINCIPLES	General	General Comment	<p>Principle 8: Participation in TIPS shall not be made mandatory by the Eurosystem.</p> <p>We welcome the TIPS optional participation principle. We would though need more details on how TIPS will ensure the reachability of its participants with other initiatives' participants as required by the EPC SCT Inst scheme.</p>
5	Société Generale	6	2.3 LIQUIDITY MANAGEMENT	General	General Comment	<p>"TIPS service shall allow the transfer of funds between an RTGS account and a TIPS account during the operating hours of the RTGS"</p> <p>We would welcome a major flexibility allowing automatic liquidity transfers between RTGS and TIPS accounts outside of RTGS opening hours in order to avoid blocking the payments in peculiar unplanned traffic peak situations.</p>
6	Société Generale	8	3.1 OVERVIEW	General	General Comment	<p>STEP 7 / "TIPS does not check the timeframe of recalls, it is up to the Participants or Instructing Parties to adhere to the rules stipulated in the SCT Inst scheme."</p> <p>We would expect such a checking service to be proposed by TIPS from the beginning since it will exist in competing alternative offers and it shall reduce Participants' internal costs and operational risks.</p>
7	Société Generale	14	3.2 PAYMENT PROCESSING	TIPS.UR.03.070	Authorisation to debit account/decrease CMB	<p>The given example is not consistent globally.</p> <p>For instance, on line 3, the authorized user of CMB 3 is Reachable Party R2.</p> <p>On the last line, Reachable Party R2 is described as unauthorized user of CMB 3.</p>
8	Société Generale	15	3.2 PAYMENT PROCESSING	TIPS.UR.03.080	Existence of Beneficiary Participant	<p>We need further clarifications as to how TIPS would interconnect with other instant payment initiatives as payment transactions cannot be merely rejected and as participants should not be obliged to adhere to more than one SCT Inst infrastructure solution.</p>
9	Société Generale	16	3.2 PAYMENT PROCESSING	TIPS.UR.03.120	Timeout validation for payment transactions	<p>We would need further clarifications on how TIPS will manage bilateral / multilateral timeout participants' specificities as allowed in the EPC SCT Inst Rulebook. Such specificities will also exist for maximum SCT Inst amount (today set by EPC at EUR 15,000).</p>
10	Société Generale	18	3.2 PAYMENT PROCESSING	TIPS.UR.03.180	Originator Participant notification in case of insufficiency of funds	<p>We think it is necessary for participants to receive an alert from TIPS when available funds have breached down predetermined thresholds before transactions are effectively rejected because of insufficiency of funds.</p>
11	Société Generale	32	3.4 INVESTIGATION	TIPS.UR.03.900	Investigation functionality	<p>Please ensure that messaging formats for investigations will be harmonised at the level of each and every instant payment solutions in order to avoid fragmentation.</p>
12	Société Generale	33	3.4 INVESTIGATION	TIPS.UR.03.910	Investigation answer	<p>Please ensure that messaging formats for investigation answers will be harmonised at the level of each and every instant payment solutions in order to avoid fragmentation.</p>
13	Société Generale	69	7.2 GENERAL REQUIREMENTS	TIPS.UR.07.050	Query timestamp	<p>The timestamp format is clearly compliant with the one described in the EPC SCT Inst rulebook.</p> <p>Nevertheless we would suggest TIPS to use the native ISODateTime format with the last character containing the timezone. This would avoid participants that, for resilience reason, are part of two instant payments systems, to have to manage two timestamp formats that are very close but actually different.</p>
14	Société Generale	88	10.7 VOLUMETRIC ASSUMPTIONS	TIPS.UR.10.130	Instant payments execution time	<p>A target of 5 seconds for TIPS to complete all its processing tasks could result insufficient in specific cases in consideration of the time needed by both the beneficiary and the ordering banks to comply with the current AML sanction screening regulation on top of their other task processes. In order to remain within the 10 second end to end customer commercially viable target, TIPS processing requirements may have to be further enhanced (it est foresee a processing task completion well < 5 seconds).</p>