



TIPS and pan-European reachability of instant payments

Frequently asked questions

Last updated on 28 October 2021

1. Decision of the ECB's Governing Council	2
2. Connectivity and ESMIG	6
3. CRDM configuration	6
4. Liquidity management	10
5. Instant payments	14
6. Queries and reports	14
7. Billing	16
8. Others	16

Disclaimer: The information in this document is shared in good faith, based on the available knowledge at the point of publication. The answers herein provided do not entail any legal commitment on the part of the European Central Bank and do not exclude the possibility of a supervening review or amendment to the TARGET2 Guidelines. The ECB accepts no responsibility or liability for any loss, damage, expense or claim incurred in connection with any act or omission of any party made in reliance upon such publication. This disclaimer is not intended to limit the ECB's liability in contravention of any requirements laid down in applicable national law nor to exclude its liability for matters for which liability cannot permissibly be excluded under such law.

Change History

Date of Publication	Reason for revision
First Version 06/11/2020	First version published
Second Version 30/11/2020	Q1.7-1.8, Q3.8-3.13, Q4.8-Q4.9, Q5.2, Q6.2-6.3, Q7.2, Q8.6-8.8 added.
Third Version 17/12/2020	Q1.9-1.12, Q3.14, Q4.10-4.12, Q6.4, Q8.9
Fourth Version 22/02/2021	Q1.13-1.14, Q 4.13, Q5.3, Q8.10-8.11
Fifth Version 17/05/2021	Q1.15, Q4.14-4.15
Sixth Version 07/07/2021	Minor amendment (Q3.1)
Seventh Version 28/10/2021	Minor amendment (Q1.5)

1 Decision of the ECB's Governing Council on measures to increase the pan-European reach of instant payments and to facilitate the on-boarding of market participants

1.1 The decision states that: (1) payment service providers (PSPs) adhering to the SEPA Instant Credit Transfer (SCT Inst) scheme and reachable in TARGET2 "should" become reachable in TARGET Instant Payment Settlement (TIPS), and (2) automated clearing houses (ACHs) "should" migrate their technical accounts from TARGET2 to TIPS. Is there any obligation or are these measures considered as optional?

Central banks often use the word "should" with the aim of introducing an obligation, which is the case in this context. TARGET2 Guidelines will be amended to reflect the obligations in the contractual framework between the Eurosystem, banks and ACHs.

1.2 Based on measure 1, is it true that each PSP must settle on a TIPS account at least part of the received instant payments?

No, there is no such obligation, but the PSP shall be ready to receive instant payments on a TIPS account. This means that there should be a BIC authorised to settle on a TIPS Dedicated Cash Account (DCA) or a Credit Memorandum Balance (CMB) (see also question 3.1).

1.3 How do the on-boarding milestones work for PSPs of non-euro area countries?

Regardless of the country, all PSPs which are participating in TARGET2 and are compliant with the SCTInst scheme are subject to measure of the decision. It is not foreseen to have separate milestones for non-euro area banks.

1.4 When will specifications for the changes be published?

The scope-defining documents have been published in [the ECB TIPS website](#).

1.5 By when will it be possible to reach all banks participating in TIPS?

The measures to facilitate pan-European reachability ensure that all PSPs which have adhered to SCT Inst scheme and are reachable in TARGET2 become also reachable in TIPS via a central bank money liquidity account, either as participants or as reachable parties. The amending TARGET2 Guideline foresees that the such requirement shall apply as of 25 February 2022. This will allow the ACHs to become interoperable as cross-ACH settlement will be possible. In addition, it will be possible to settle instant payments between ACH and TIPS participants. In this way, any bank participating in any Clearing and Settlement Mechanism (CSM) will be able to reach any other bank participating in other CSMs.

1.6 Based on the measure 2, must all ACHs adhere to TIPS?

The measure applies to all ACHs that provide instant payments services and use TARGET2.

1.7 Will being reachable through AS technical account be sufficient to meet the policy requirement?

The decision of the ECB's Governing Council envisages that all PSPs that 1) adhere to the SCT-Inst scheme and 2) have accounts in TARGET2 need to be also reachable in a TIPS Dedicated Cash Account/CMB, either as a participant or as a reachable party (i.e. through the account of another PSP which is participant). Therefore, being only reachable via an AS technical account is not sufficient to meet the requirement (irrespective of whether the AS technical account belongs to an ACH operated by a central bank or by a private entity).

1.8 Are Payment Institutions (in the meaning of the EU Payment Service Directive) allowed to open a TIPS Dedicated Cash Account (DCA) or to become Reachable Parties in TIPS? What legislation/rules are preventing this?

The eligibility criteria for opening TIPS Dedicated Cash Accounts (DCAs) are the same as those applying to TARGET2 RTGS accounts or T2S DCAs. The Governing Council decision of July 2020 left these criteria unchanged. The transposition of the Settlement Finality Directive into most of the national laws under which TARGET2 components are operated does not allow accepting a Payment Institution as participant. It is nevertheless possible for Payment Institutions to be registered as Reachable Party in TIPS, provided they have adhered to the SCT Inst scheme.

1.9 Does the obligation of being present in TIPS also extend to branches of European PSPs?

The obligation applies for the legal entity. There is no obligation for the branches of a PSP to become reachable in TIPS as long as the head office is present in TIPS. As branches and head office are part of the same legal entity, to meet the pan-European reachability requirements it is sufficient that the head office or its branch (incl. a branch of an entity located outside the euro area) are reachable via a TIPS DCA.

1.10 Would ACHs currently using TARGET2 ASI4 procedure for clearing SCT Inst transactions have to migrate as well to TIPS?

Yes, the requirement applies to all ACHs using TARGET2 for SCT Inst clearing purposes, irrespectively of the procedure used (see also Q8.6).

1.11 Can a direct TARGET2 Participant opt for being a Reachable Party in TIPS or is it required to be a TIPS Participant and open a TIPS DCA?

It is up to the participant to choose the participation type, either as Reachable Party or as TIPS participant. It won't be sufficient, however, to be configured as reachable through the AS technical account only (see also Q1.7).

1.12 Does the decision of the ECB's Governing Council apply also to PSPs adhering to SCT Inst scheme and defined as multi-addressee in TARGET2?

Yes, as PSP defined as multi-addressee are either part of the same legal entity of a direct participant (to which the decision applies) or indirect participants (to which the decision applies as well), the decision apply also for multi-addressee.

1.13 Can a PSP be defined as a Reachable Party of its central bank?

Yes, central banks may at their discretion accept PSPs, that are eligible for opening their own TIPS DCAs, as reachable parties on a central bank owned TIPS DCA (for complying with measure 1. However, this will only be on a temporary basis until end of 2023. As an exception to the above, central banks may accept state/regional treasuries as reachable parties on central bank owned TIPS DCAs (for complying with the pan-European reachability measure 1) also beyond the end of 2023.

1.14 Can a non-bank PSP (i.e. payment institutions or e-money institutions) be defined as reachable party on a central bank owned TIPS DCA?

Yes, central bank may at their discretion accept non-bank PSPs, that are not eligible for opening their own TIPS DCAs, as reachable parties on a central bank owned TIPS DCA (for complying with measure 1). See also Q1.7.

1.15 The scope defining documents usually refer to the concept "Reachable Party" to indicate both a party reachable through a TIPS Participant's DCA or a party reachable through a TIPS AS technical account holder. Does this mean that being a reachable party through a TIPS AS technical account holder is enough to be compliant with Measure 1?

No. the naming convention used in the scope defining documents is related to the service party type (i.e. service-specific classification for a party) that a TIPS actor may play in the system (i.e., TIPS Operator, TIPS Central Bank, TIPS Participant, TIPS Reachable Party) and it should not be confused with the concept of reachability aimed by the strategic measures (see also 1.7).

2 Connectivity and ESMIG

2.1 I am a PSP already connected to TIPS or planning to do so by November 2021. With the concession contract starting in November 2021, will there be any changes in connectivity requirements to access TIPS through the Eurosystem Single Market Infrastructure Gateway (ESMIG)?

A PSP that already participates in TIPS should not need to implement any substantial changes by November 2021, either because the infrastructure is the same or because the needed changes can be anticipated. However, the PSPs are invited to liaise with their selected network service provider (NSP) to discuss the details.

2.2 How long does it take SWIFT and SIA to provide banks with INST channel to connect to TIPS?

The connection to the INST channel is usually provided in a short time, but SWIFT and SIA would be able to provide more detailed information.

2.3 Does “instructing via ACH” mean that participants do not need direct TIPS connectivity to process SCT Inst payments?

That depends on the agreement between a participant and its ACH. Banks might not need a connection to TIPS, if they grant their instructing party with all the necessary roles and privileges, including those related to the management of liquidity in central bank money. See also Q4.3 on the same topic.

3 Common Reference Data Management (CRDM) configuration

3.1 What does it mean to be "reachable on a TIPS account" and how shall this be implemented from a reference data configuration point of view?

A PSP is reachable in TIPS if it is at least able to receive and process instant payments according to the rules of the SCT Inst Scheme. This would require the following configurations:

- i) the given PSP as a TIPS participant or as a Reachable Party;

- ii) a BIC of the PSP as Authorized Account User (AAU) for the relevant account;
- iii) a Distinguished Name (DN) of the PSP (or its Instructing Party) configured to send/receive messages to/from TIPS.

3.2 Is it true that each BIC can be registered only once as an AAU?

Yes. Each BIC can be linked to one and only one DCA/CMB. Each DCA may be linked to multiple BICs, while each CMB may be linked to one and only one BIC. The reason stems from the fact that instant payment transactions only contain BICs and IBANs of the two counterparties. These are the only details that TIPS uses to identify the relevant accounts/CMB involved.

3.3 I would like to use TIPS for settling both on a TIPS DCA (measure 1) and on an AS technical account. Do I need to use two BIC-11?

Yes. One BIC will be connected to the TIPS DCA and the other one to the AS technical account. Please see also Q3.2 and Q3.12.

3.4 How can an ACH be enabled to act on behalf of a TIPS account holder and move funds from the technical account to the TIPS DCA (and vice versa)?

Intra-service liquidity transfers are introduced with the implementation of [CR-33](#). That means that an authorised user of an ACH might be granted with "Liquidity Management" privileges to move funds from/to the TIPS DCA and the AS technical account.

3.5 Could you give an example of a use case of a CMB on a technical account of an ACH?

The usage of a CMB is, of course, optional. It can define a cap in the usage of the liquidity available on the AS technical account. This means that the party authorised on the CMB can use the liquidity on the technical account up to a certain limit. The limit is indicated initially by the CMB limit value and traced dynamically by its headroom, which is adjusted with every payment received or sent.

- 3.6 Is it possible from an operational and policy/legal point of view to register a TIPS reachable party in CRDM under the responsibility of the central bank of the relevant TIPS DCA holder, even if the reachable party is a direct TARGET2 participant under the responsibility of another central bank?

Yes, the answer can be found in the [registration guide](#) (section 12.2 Reachable Party). In case the TIPS participant and the reachable party do not belong to the same central bank, the form 8050 still needs to be collected by the TIPS participant's central bank. Moreover, the parent BIC of the reachable party (indicated in the field 12) needs to be the same as the one of the TIPS participant.

- 3.7 In a scenario when a direct participant is connected to an ACH with 10 BICs, one of those used to connect to a TIPS DCA, could the direct participant avoid looking for incoming SCT Inst traffic on the TIPS DCA?

No, the TIPS DCA needs to be reachable, i.e. to be ready to at least receive instant payments. All the BICs connected to TIPS DCA/CMB as authorised account users are published in the TIPS Directory (see also Q1.2).

- 3.8 Is it possible for a PSP to let ACHs manage the incoming/outgoing flow of transactions while routing the reports and notifications to its own DN?

Yes, CRDM allows already now to configure the routing in order to specify different technical addresses as recipient of instant payments messages and notifications/reports. More specifically, each Party can define two different party technical addresses, one to be used for notifications and one to be used for reports, and can define multiple party technical addresses to be used to deliver multiple copies of the same report.

- 3.9 Could you please confirm whether this configuration is in line with the Governing Council decision on pan-European reachability of Instant Payments?
- An ACH opens a TIPS AS technical account for liquidity purposes only
 - No reachable BICs are connected to the AS technical account
 - All ACH Members are configured as TIPS DCA account holders or reachable parties of a TIPS DCA

Yes, the configuration is feasible and is not in breach with the pan-European reachability measures. In this case, all instant payments between participants of the same ACH can either be settled internally (i.e. instructed in the ACH and settled in ACH) or through TIPS DCA (i.e. instructed in the ACH and settled in TIPS). Instead, regarding the inter-ACH settlement, this is done only via the TIPS DCAs. Moreover, as no BIC is registered as Authorized Account User BIC on the AS technical account, the ACH participants will not appear in the TIPS directory as reachable via the ACH, but only via their TIPS DCAs.

- 3.10 Can a Participant's TIPS DCA be configured to prevent the settlement of instant payments, so that an ACH can manage all its transactions via the AS technical account?

No, this is not possible. The ACH might be requested by the PSP to settle using the liquidity pot present on the TIPS Account or to settle through the AS technical account. The choice is therefore up to the PSP.

- 3.11 Must the participating ACH support cross-ACH settlement? Would it be possible for an ACH/CSM to operate in TIPS without any reachable BICs for their Technical Account in the TIPS directory?

The registration of AAU BICs is optional, both for TIPS DCA holders as well as for TIPS AS holder (ACHs). For ACHs that would have registered AAU BICs, they are required to support cross-ACH settlement.

- 3.12 Can the same BIC be authorised on a TIPS DCA (to comply with the reachability requirement) and still be reachable in an ACH?

Yes. The set-up of the BIC as Authorised Account User on the TIPS DCA is only relevant for payments processed in TIPS. For all payments entirely processed within the ACH (intra-ACH payments), this BIC can be used (as this is out of TIPS scope). Payments that are processed in TIPS and include this BIC (either as Debtor Agent or Creditor Agent) will be settled on the TIPS DCA. However, in case the PSP would

like to use the AS technical account to settle instant payments, it would need to use a different BIC (see also Q3.2 and Q3.3).

3.13 A PSP is willing to instruct and settle in the ACHs all transactions towards PSPs of the ACHs, while aiming to settle all the transactions towards other PSPs through my TIPS DCA. Does it need to connect a BIC to the AS technical account in TIPS?

No. In this case, the connection of a BIC to the AS technical account is not necessary.

3.14 Is it possible to connect an AAU BIC to the AS technical account without the approval of the AS technical account holder?

The connection of an AAU to the AS technical account in CRDM GUI is under the responsibility of the NCB of the AS technical account holder. Therefore, there won't be any possibility that an AAU is connected to the AS technical account if the AS account holder does not need/approve it.

4 **Liquidity management**

4.1 Is it possible to have a one-step funding from an RTGS account to an AS technical account?

At the moment, such functionality is not envisaged as the funding is possible only between the TIPS DCA and the AS technical account.

4.2 Will the PSP's funds transferred into a TIPS ACH account be considered as part of the PSP's reserves or will they be subject to interest remuneration as it is today?

The same policy as today will apply: funds on the AS technical account will not be taken into consideration for minimum reserve but will be remunerated at the deposit facility rate.

4.3 If a PSP would like to use the TIPS Graphical User Interface (GUI) to execute the intra-service liquidity transfers and let the ACH manage the exchange of instant payment, does it need to subscribe to the instant message channel?

The instant message channel is not strictly needed when using the TIPS GUI. However, the PSP has to register to the NSP Closed Group of Users (CGU) in order to use the user-to-application (U2A) mode. Furthermore, it will not be possible to receive notification messages (camt.054, camt.025). As no automated liquidity management functionality is present in TIPS, the PSP would need to assess whether it will be sufficient to use TIPS GUI for liquidity management on a case-by-case basis.

4.4 Can an ACH initiate a liquidity transfer from their technical account to the technical account of another ACH for transactions exchanged bilaterally between the two ACHs?

No, the intra-service liquidity transfers are only foreseen between a TIPS DCA and a TIPS AS technical account. No bilateral exchange of transactions between the two ACHs is possible other than via instant payments functionality.

4.5 Will a bank be able to query liquidity transfers in application-to-application (A2A) mode via camt.005 with codeword ILLQ (or any other codeword which would allow a query explicitly for liquidity transfers and not all transactions)?

Currently, this is not envisaged in CR-39 and needs to be addressed by an additional change request. Camt.005 will only be used for instant payments or recalls.

4.6 How can a TIPS AS identify the CMB that needs a limit adjustment in a situation where the liquidity transfers are performed by one institution that is only a liquidity provider for a connected PSP? Is this part of the new set of functionalities or should control and action be performed internally by the AS?

The liquidity is moved to AS technical account and the ACH can see from the creditor BIC field of the liquidity transfer message to whom the transferred liquidity belongs. Then, the ACH needs to update the limit either via U2A or A2A.

4.7 Will the pre-funding of TIPS from TARGET2 still be 24/7?

The exchange of funds between TIPS and TARGET2 is subject to the [TARGET2 opening hours](#), while the future transfers between TIPS DCA and AS technical accounts will be 24/7.

4.8 Can a CSM execute a cycle process to debit PSP TIPS accounts like in ASI6-RT model?

The cycle process will not be required in TIPS. However, it will be possible in TIPS to perform intra-service liquidity transfers between a TIPS DCA and an AS technical account. PSPs can execute the funding of the AS technical account on their own. In addition, ACHs will be technically able to offer this service (to act similarly to an Instructing Party for LTs) to PSPs, but it is left to the ACHs discretion and individual business decision. In order for an ACH to perform the funding from a TIPS DCA, it has to receive from the TIPS account owner the relevant access rights (see also Q3.4).

4.9 Can an ACH send and receive, acting on behalf of a PSP, liquidity transfers (camt.050), even if there are no authorized user BICs registered on the TIPS AS technical account?

Yes, the ACH can execute the funding of its technical accounts from the TIPS DCA, provided that the PSP grants the necessary roles and privileges and authorizes the ACH to do so. In this case, the AS technical account holder can execute intra-service liquidity transfers to credit its AS technical account from the TIPS DCA.

4.10 Regarding the funding of AS technical accounts from TIPS, what type of messages will be used in A2A?

Camt.050 is the ISO20022 message used in TIPS for liquidity transfers. The confirmation/rejection reply is performed through camt.025. Furthermore, camt.054 is used (upon subscription) to notify about the execution of the transfer and camt.004 is used to report the floor/ceiling notifications.

4.11 If the funding of AS technical accounts is done in U2A, what type of message will the AS receive in TIPS?

Camt.054 is the notification message that is received upon subscription to inform about the settlement of a liquidity transfer credited or debited on an own TIPS AS technical account. Funding through U2A, it will be possible to see the status of the liquidity transfer directly on the TIPS GUI.

4.12 A number of banks have deposited standing orders to move funds from their TARGET2 PM account to the Instant Payment ACH at the beginning of each new TARGET2 business day. Will it also be possible to place such a standing order in TIPS in the future?

In the future T2, it will be possible to configure standing orders to fund the TIPS DCA. However, the funding of the AS technical account can be performed only from the TIPS DCA. Intra-services liquidity transfers, in this respect, cannot be executed by the means of standing orders.

4.13 Is it possible for PSPs to segregate instant payments roles and privileges from the liquidity management ones?

Yes, through CRDM the PSPs can configure different users and grant them with liquidity management or instant payment management roles/privileges. In this way, it is always possible to segregate those functionalities.

4.14 What is the status code returned in the positive confirmation of the camt.025? What is instead the status code in case of a negative confirmation of a liquidity transfer?

The code used for a positive answer to an intra-service LT is RCON. As far as the negative answer is concerned, the code reported depends on the triggered business rule; for each business rule applicable to LT validation, the relevant error code is described in the section "4.1 - Business Rules" of the TIPS UDFS.

4.15 Can an instructing party perform in TIPS an inbound liquidity transfer to move the liquidity from the RTGS to the TIPS DCA?

No, it cannot. Such liquidity transfer should be performed by the RTGS account owner.

5 Instant payments

5.1 Are TIPS and ACHs fast enough to transfer payments on time? Is the process fast enough to avoid timeouts in a scenario where two ACHs and TIPS are involved?

A testing campaign will be put in place to ensure that cross-ACH payment transactions will be processed in accordance with the timeline foreseen in the SCT Inst scheme. This entails that both TIPS and the ACHs will review their internal processes in order to meet the requirements.

5.2 Can an instant payment be sent by a PSP A through an ACH A (as instructing party) to a PSP B through an ACH B (as instructing party) without using settlement on technical account?

Yes, it is up to the PSP to decide where the settlement should take place and which liquidity pot to use. The PSP can always choose to settle on its DCA while instructing through an ACH.

5.3 Can a central bank act as an instructing party for its TIPS participant or reachable parties?

Yes, this is possible and it is left to its discretion.

6 Queries and reports

6.1 When does the snapshot for the minimum reserve take place in TIPS?

The snapshot is taken closely after 18:00 in TIPS when TARGET2 end-of-day procedures are complete. It is then sent to TARGET2 in the form of a general ledger, so that the necessary calculations can take place.

6.2 How will the statement of account (camt.053) change with the pan-European reachability package and which kind of information will be included? Which information will be sent to the ACH and which to the TIPS Participant?

The TIPS DCA account holder and the TIPS AS account holder will receive in the camt.053 the information related to all the activities performed respectively on the TIPS DCA and TIPS AS account (i.e. starting balance, movements on the account and all type of liquidity transfers recorded on it, final balance).

6.3 How will the TIPS Directory change in view of the implementation of the pan-European reachability package? What are the criteria for an account (DCA, AS technical account or CMB) to appear in the TIPS Directory?

To appear in the TIPS Directory, the account should be properly configured in CRDM. Therefore, there should be an authorized account user BIC connected to it. The TIPS Directory shall be adapted so that the 'Account Owner BIC' identifies not only the BIC of the TIPS Participant owning the TIPS account, but also the BIC of the Ancillary System owning an AS Technical account, where relevant. More details can be found on the ECB website in the [detailed assessment of CR 33](#).

6.4 What are the main advantages introduced with CR-0039 (Payment Transaction Status query in A2A mode) compared to the already existing investigation process?

This change request has been introduced with the aim of giving a useful tool to investigate a payment transaction status in A2A mode. The main advantage of this tool is that the GetTransaction (camt.005) message can be sent also by the receiver (beneficiary) of the instant payment message, thus not limiting the functionality to the originator.

7 Billing

7.1 If a bank opts for instructing via an ACH but wants to settle on an account in TIPS, does the price of €0.002 per transaction remain?

No difference is foreseen in TIPS for the pricing of instant payments settled in TIPS DCAs. It does not matter whether they originated from an ACH acting as instructing party, or were sent directly by a TIPS DCA holder.

7.2 Could you please clarify what is the pricing applicable to intra-service liquidity transfers (between TIPS DCA and TIPS technical account)?

Liquidity Transfers will not be charged by TIPS and, at the current juncture, it is not foreseen to implement any billable item for Liquidity Transfers in TIPS.

8 Others

8.1 Can the central banks have a TIPS DCA that could be used for the purpose of interest remuneration or distribution?

No, TIPS accounts cannot be used for anything else than for the settlement of instant payments or liquidity transfers. Interests shall be collected on RTGS DCAs or on Main Cash Accounts (MCAs).

8.2 Will SCT Inst become mandatory for all banks in the future?

The Eurosystem is not in a position to provide an answer for this question. It should be addressed by other European institutions.

8.3 Is there a proper definition and delimitation of what a “pan-European” system is?

In the context of CSMs providing instant payment services, “pan-European” has been used as a concept to indicate CSMs that do not have a mainly domestic scope and have the potential to cover all SEPA countries. With the dossier to be implemented in November 2021, “pan-European” will mean the interoperability framework among CSMs so that all banks that provide services in accordance with the SCT Inst scheme can reach each other.

8.4 To enable technical service providers to prepare their service offers to PSPs, by when will there be a fully detailed plan that can also be shared with technical service providers, not just with participants?

The Eurosystem shared a detailed plan with the relevant TIPS actors. National central banks are providing assistance to banks in their TIPS on-boarding process.

8.5 Will there be a new version of TARGET rules or a regulation change?

Yes, TARGET2 Guidelines are being amended to entail the changes introduced with the pan-European reachability dossier.

8.6 Is it possible for an ACH to remain in TARGET2 for the purpose of interest remuneration via ASI3?

Yes, ACHs will be allowed to keep some form of participation in TARGET2 for specific purposes (e.g. fee collection, distribution /collection of interests). However, the technical account in TARGET2 cannot be used for prefunding participants' positions within the ACH system for settling instant payments (as this shall be carried out exclusively on the TIPS technical account). Moreover it is to be noted that such a set-up would require maintaining a connection to TARGET2 and be subject to the relevant TARGET2 pricing in addition to the fees generated from TIPS. In any case, it will not be possible to use anymore the ASI-6 Real Time or ASI-4 technical accounts for instant payments purposes once the migration to TIPS is concluded.

8.7 Can a PSP present in TARGET as indirect participant with a BIC located outside the EEA be allowed to join TIPS?

As long as the PSP is compliant with the SCT Inst scheme, it can become reachable in TIPS. This means that it can settle using the non-EEA BIC as Reachable Party of a TIPS Participant located within the EEA.

8.8 Will the ACH for its technical account in TIPS receive a message from TIPS at the moment the snapshot of the balance is taken (at change of business day)?

Currently, such functionality is not envisaged and in order to introduce it a Change Request would be required. However, a possible workaround could be using the timestamp present in the EoD statement of account (camt.053) message. The tag <CreDtTm> contains the information on the creation of the report message, which is a very good approximation of the TIPS change of Business Day. The camt.053 report

can be used to unambiguously identify to which business date every single transaction refers.

8.9 With TIPS Release 4.0, an additional testing environment will be added. How will it work?

The new test environment will align TIPS to the setup in place for the other TARGET Services (T2S and the future T2). It will be dedicated to Eurosystem Acceptance Testing (EAT) and Central Bank Testing. It will also allow a greater degree of flexibility in performing testing activities.

8.10 Is it possible for an ACH to use the TIPS AS technical accounts also for the clearing of the non-SCT Inst related business?

No, this is not possible. The TIPS AS technical accounts are to be used for the purpose of prefunding or settling instant payments. All other instruments (securities, standard SCT transactions) cannot be settled through TIPS AS technical accounts. They require holding (or keeping) a technical account in TARGET2/RTGS. Specific and explicit provisions clarifying this aspect will be included in the next version of the TARGET2 Guideline.

8.11 Is it possible from a technical perspective for a central bank to function as holder of the AS technical account?

From the pure technical perspective, it is possible for the central bank to be configured in CRDM as an Ancillary System party under the central bank Party while giving to the ACH the necessary rights and privileges to perform the business.