

Institution name Consolidated feedback

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| No   | Commented by  | Page | Subsection                      | Original Text  | Comment   | BdI Feedback  | ECB feedback   |
|--|---------------|------|---------------------------------|--|---|---|--|
| <b>FEEDBACKS RECEIVED FROM THE TIPS CG</b> |               |      |                                 |  |   |   |  |
| 1  | ABN AMRO Bank |      | Description of requested change | <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;</li> </ul>   | Based on the experience to date in the Dutch community, we suggest to replace 'up to 72 hours' by 'up tot 48 hours'   | Fine with the proposal  | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 2  | ABN AMRO Bank |      | Description of requested change | <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;</li> </ul>   | <p>We suggest to rephrase this requirement as follows:</p> <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP, <b>although it is expected to react within seconds</b>, would have up to 48 hours to accept/reject the payment;</li> </ul> <p>It is important to stress that the goal of non-time critical instant payments is still that Beneficiary PSP sends a positive or negative confirmation as soon as possible; only, in case of temporarily unavailability of the Beneficiary PSP, the positive or negative confirmation may take longer.</p>   | Fine with the proposal  | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 3  | ABN AMRO Bank |      | Description of requested change | <ul style="list-style-type: none"> <li>The investigation message on a non-time critical payment could be performed according to the same timing of an investigation to an instant payment transaction (i.e. SCTInst Timestamp Timeout expiration + Investigation Offset);</li> </ul>   | <p>What is exactly meant with 'SCTInst Timestamp Timeout expiration + Investigation Offset'? Is this 20 seconds + x seconds?</p> <p>Also for non-time critical instant payments, it should be possible to send an investigation message after, let's say, 25 seconds.</p>   | Indeed. The threshold will remain as it is today (i.e., after 25 seconds starting from the Acceptance Timestamp of the underlying pacs.008).  | Agree with BdI feedback.   |
| 4  | ABN AMRO Bank |      | Description of requested change | <ul style="list-style-type: none"> <li>When a non-time critical payment is validated and accepted by TIPS, the correspondent amount on the Originator account balance is kept as reserved until the payment has been accepted/rejected by the Beneficiary PSP or the 72 hours timeout threshold is reached.</li> </ul>   | See also our previous remark, we suggest to replace '72 hours' by '48 hours'.   | Fine with the proposal  | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 5  | ABN AMRO Bank |      | Description of requested change | <p>The process flow entailed by the new functionality shall be available on an optional basis to the standard settlement model. <b>This entails that banks would have to explicitly express their readiness to accept such transactions.</b> A new rejection code shall be defined to notify the Originator bank of the fact if the Beneficiary bank does not accept non-time critical payments.</p> | Please add that the readiness of a bank to accept non-time critical instant payments, must be registered in the TIPS Directory. This will allow Originator PSPs to check upfront whether a Beneficiary PSP is able to receive and process non-time critical instant payments, and, as such, rejections and a negative customer experience can be prevented.   | This appears to be a new requirement affecting the TIPS Directory that shall be described accordingly in the text of the Change request.  | The requirement has been included in the CR text   |
| 6  | ABN AMRO Bank |      | New suggestion                  |  | Queue-functionality: in case the Beneficiary PSP is temporarily not available for non-time critical instant payments, the transactions can be queued in TIPS and forwarded to the Beneficiary PSP once it has become available again.   |   | In the updated CR text this requirement has been included.   |
| 7  | ABN AMRO Bank |      | New suggestion                  |  | Determine the maximum capacity (number of Transactions Per Second (TPS)) which can be forwarded by TIPS and sent by each Originator PSP to the Beneficiary PSP, once the Beneficiary PSP has become available again after unavailability. The goal is to avoid that the Beneficiary PSP will be 'overflowed' with transactions. The maximum capacity (TPS) will probably need to be set per PSP.  | To be discussed with INFRA  | In principle, any potential throttling mechanism should be put in place if and only if this preserves the well-functioning of TIPS. The Beneficiary PSPs must ensure to be able to cope with the increased number of received transactions in case of unavailability |
| 8  | SIA Colt      |      |                                 | In order to identify a transaction as a non-time critical payment in TIPS, the yellow field "Local Instrument Code" within the pacs.008.001.02 groupheader must be filled in with the identifying code 'INSTNT01'.   | As general remark, the CR does not mention any possible impact on the Instant Message transfer service provided by NSP to TIPS Platform. The field reported in the CR is for use at "application level". Being part of the "business payload", it is not in the scope of the NSP providing the Instant Message transfer service.  | In our opinion this topic should be part of the detailed assessment.  | Since the retry mechanism will be performed by the TIPS platform and not by the NSP, it has been clarified that no impact is foreseen on NSP side  |
| 9  | SIA Colt      |      |                                 | <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment</li> </ul>  | <p>Our understanding is that this requirement refers to the timeout at the business level (SCT Inst from 20 sec to 72 hour).</p> <p>Current Instant Message transfer service has been developed in accordance to the requirements set out in the "TARGET Instant Payment Settlement Connectivity - Technical Requirements".</p> <p>The requirements defines a design of the "instant transfer" of messages does not envisage any message categorization/prioritization and does not envisage any retry mechanism to recovery transient errors, due to the very stringent transit time of maximum 250 ms. The above mentioned requirements appears to be very strict for a business use case where up to 72 hours are available for the payment to be processed.</p> | In our understanding the instant payment message will follow the standard rules from a network protocol viewpoint. If the beneficiary is able to respond immediately to a non-time critical payment, the settlement within 20 seconds is not prevented. No retry mechanism at network level is envisaged. | Since the retry mechanism will be performed by the TIPS platform and not by the NSP, it has been clarified that no impact is foreseen on NSP side  |

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| 10 | Natixis         | 1 | 2 - Description of requested change<br>1st bullet point         | <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;</li> </ul>   | <p>How to process this on the side of the Payer's PSP?</p> <ul style="list-style-type: none"> <li>- what would be the "requested execution date" of the customer initiation and the "interbank settlement date" of the pacs.008?</li> <li>- PSD2 article 83.1 foresees that "Member States shall require the payer's payment service provider to ensure that after the time of receipt as referred to in Article 78, the amount of the payment transaction will be credited to the payee's payment service provider's account by the end of the following business day". Payer's PSP sends the payment to TIPS after the time of receipt within the meaning of PSD2 article 78. So how to comply with article 83.1 of PSD2?</li> </ul> | This field is not used for TIPS processing.   | In our opinion, lowering the timeout threshold from 72 to 24 hours should make the CR compliant with article 83.1 of the PSD2. Such time should be appropriate, as banks that choose to participate in a near-instant payment service are able to respond also during the weekend. |
| 11 | Natixis         | 1 | 2 - Description of requested change<br>4th bullet point         | <ul style="list-style-type: none"> <li>When a non-time critical payment is validated and accepted by TIPS, the correspondent amount on the Originator account balance is kept as reserved until the payment has been accepted/rejected by the Beneficiary PSP or the 72 hours timeout threshold is reached.</li> </ul>   | The fact that the amount is to be kept as reserved on the Originator account clearly shows that the time of receipt has passed. So, how to comply with article 83.1 of PSD2?   | @ECB: This seems more a policy rather than a functional question.   | Same as above  |
| 12 | Natixis         | 1 | 1 - Reason for change and expected benefits/business motivation | The introduction of non-time critical payments in TIPS would cover an additional use case, that would allow more flexibility in the usage of the TIPS platform.  | <p>What use cases are goaled with this new procedure where the payment time is uncertain (refer to 2nd subsection 1st bullet point)?</p> <p>How to make the link with the EPC SCT Inst scheme where such a feature is not foreseen?</p>  | @ECB: This is not a functional question.  | A number of use cases could be listed: for instance, potential hits, payments to be processed in batch, etc. As per the link with the SCT Inst scheme, we are in fact targeting an AOS that is already existing to the SCT Scheme.   |
| 13 | Natixis         | 1 | 2 - Description of requested change                             | Under the SEPA Credit Transfer (SCT) scheme, an Additional Optional Service (AOS) has been defined to process transactions differently depending on whether or not they are considered time critical.  | Reference is made here to SCT (and not SCT Inst). Why this? The process roughly described seems to be SCTInst like, i.e. with a mandatory accept/reject message by the Beneficiary PSP (refer to 1st bullet point of this 2nd section)   | @ECB: This is not a functional question.  | The functionality is not part of the SCT Inst scheme, although being SCT Inst like. A similar functionality is in place as an AOS of the SCT Scheme and it is currently used by one market.  |
| 14 | Equens Wordline |   |   | The introduction of non-time critical payments in TIPS would cover an additional use case, that would allow more flexibility in the usage of the TIPS platform.  | We see no need for adding this functionality as NTC payments are at the moment very safe processed in batch and local environments.  | @ECB: This is not a functional question.  | This is why this functionality would be introduced only as an optional service   |
| 15 | Equens Wordline |   |   | High level description of Impact:  | This add-on will increase the TIPS costs and so the costs of all TIPS participants while only locally used.  | @ECB: This is not a functional question.  | The functionality is intended to be offered as an optional service, therefore we would not expect additional costs for the participants. The pricing of TIPS will be reviewed in November 2023 as foreseen. In that context, this point could be evaluated.                        |
| 16 | KBC Bank        |   |   |  | We only have some doubts about the 72 hours' time limit that seems to be to much time. Are we sure this is aligned with the PSD2 legislation (D+1 processing of payments) ?  | @ECB: This seems more a policy rather than a functional question.   | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 17 | UCV/CEC         |   | General remark  |  | There might be some interest by the Belgian banks in offering non-time critical payments within TIPS. However, positioning of this new payment option should be carefully considered so as not to impact the "instant payment " proposition.   | @ECB: This is not a functional question.  | Thank you very much for raising the point to our attention. It will be taken into account during the detailed assessment.  |
| 18 | UCV/CEC         |   | Description   | <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;</li> </ul>   | the 72 hours are a raise for great concern: this time period is considered far too long: it should be at least within the same day and preferably within a short time period e.g. 1 hour.  | @ECB: This is not a functional question.  | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 19 | Banka Slovenije | 1 | Description of requested change:                                | <ul style="list-style-type: none"> <li>The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;</li> <li>When a non-time critical payment is validated and accepted by TIPS, the correspondent amount on the Originator account balance is kept as reserved until the payment has been accepted/rejected by the Beneficiary PSP or the 72 hours timeout threshold is reached.</li> </ul> | The non time-critical payments should be implemented as such, that "normal" SCT logic is followed to the extent possible. This would give PSPs the opportunity to migrate their SCTs to TIPS with to the extent possible limited adaptations of their back office applications. Should this be the case this could contribute to increase of TIPS volumes, and consequently revenues. In the light of the above we propose that non-time critical payments are processed as such, that they are settled upon receipt and if sufficient funds are available and without any confirmation/rejection of the beneficiary PSPs  | We are not sure we understood the proposal, as it seems deviating from the standard EPC scheme workflow (i.e. without any confirmation from the beneficiary PSP). | We are currently targeting an AOS defined in the SCT scheme to be implemented in TIPS. But the idea can be taken into account for further developments.  |
| 20 | Banca d'Italia  |   |   | Under the SEPA Credit Transfer (SCT) scheme, an Additional Optional Service (AOS) has been defined to process transactions differently depending on whether or not they are considered time critical   | with the implementation of this CR, will it also be possible for banks not adhering to the SCT Instant scheme to settle in TIPS non-time critical payments? If so, we could clarify it   | Our understanding is that the CR is not intended to offer the possibility to non-SCT Inst adhering PSP to join TIPS. However, this is not a functional question.  | If a PSP is not adhering to the SCT Inst Scheme, it is not eligible for being present in TIPS  |

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| 21 | Banca d'Italia                          |   |   | The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;   | we think that 72 hours is too long even considering the standard in force for the SCT scheme and it seems in breach of the relevant EU law (PSD2 Regulation). For this we would propose to align it at least with the PSD2 rules.  | @ECB: This seems more a policy rather than a functional question.  | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 22 | Banco de España                         | 1 | <b>Description of requested change:</b> | The usual SCT Inst timeout threshold does not apply as the Beneficiary PSP would have up to 72 hours to accept/reject the payment;   | From our point of view, 72 hours seem to be a too long period of time for an instant payment to be settled, although it is classified as non-time critical payment.  | @ECB: This is not a functional question.   | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |
| 23 | Banco de España                         | 1 | <b>Description of requested change:</b> | In order to identify a transaction as a non-time critical payment in TIPS, the yellow field "Local Instrument Code" within the pacs.008.001.02 groupheader must be filled in with the identifying code 'INSTNT01'  | Considering the SCT Inst schema, will these payments be compliance with the EPC Schema? Will the local instrument code be used to identify which validation have to be applied to each message? That is to say, which timeout should be applied to each pacs.008. If yes, we propose to establish several local instrument codes, in order to identify different slots for the non-time critical payments to be settled (i.e. 1h = INSTNT01, 2h=INSTNT02...)   | In our understanding the timeout will not apply until 72 hours. The aim of this CR is not to implement different "ad-hoc" timeout conditions which will largely increase the complexity of (i) the core engine and (ii) the sweeper daemon in charge of cleaning the expired payments. | Agree with Bdl feedback. Moreover, during the last TIPS Consultative Group meeting, a preference has been expressed in keeping only the 24 hrs threshold timeout.  |
| 24 | STET                                    |   |   |  | While the CR is clear on functionality and therefore no comment on content. I do think however that any CR, this one and all the others presented in the recent weeks, should be accompanied by a cost/benefit analysis and should certainly be accompanied by a user impact section.  | @ECB: This is not a functional question.   | A cost/benefit and impact assessment analysis associated to each CR is part of the analysis that is forwarded to the Market Infrastructure Board for its approval.   |
| 25 | EBA CLEARING                            | 2 | description                             | The process flow entailed by the new functionality shall be available on an optional basis to the standard settlement model. This entails that banks would have to explicitly express their readiness to accept such transactions. A new rejection code shall be defined to notify the Originator bank of the fact if the Beneficiary bank does not accept non-time critical payments. | From an instructing party perspective: common market practice is that AOS/VAS are offered in closed user groups. TIPS should validated that users have opted in and reject the transaction. In RT1 we use code XT83 Sender and/or Receiver Participants not configured for CUG/AOS usage. Would be useful to align.  | Closed Group of Users are not used in TIPS. If such a functionality is being requested, it should be part of a specific requirement/change request whose benefits have to be assessed by the TIPS Governance.  | Ok with Bdl reply  |
| 26 | EBA CLEARING                            | 2 | description                             | The process flow entailed by the new functionality shall be available on an optional basis to the standard settlement model. This entails that banks would have to explicitly express their readiness to accept such transactions. A new rejection code shall be defined to notify the Originator bank of the fact if the Beneficiary bank does not accept non-time critical payments. | The TIPS routing table should show a flag to indicate which users have opted in.   | Same answer as for item#5. The requirement, if agreed, shall be formalised in the CR by the requestor.   | This new requirement is being included in the text of the change request.  |
| 27 | Caixabank                               |   |   |  | Being in favour of the introduction of this change and considering it of high importance as I indicated on 'value assignment document' some weeks ago, I understand that adopting 72 hours as default value to reject/accept payment may be too much and the consideration of these payments as instant could be impacted somehow. Whilst understanding that adoption of this AOS is optional I was wondering whether this lapse could be shortened or much better if any attribute that could indicate for how many time this payment is 'non-time critical' would be interesting to develop. Rationale beyond this proposal is that perhaps some non-time critical perhaps are 'non-time critical' for 1 hour, some for 10 and some for more (despite 72, I insist, it's probably too much - I cannot figure out in which use case it could be necessary). If it's difficult to deploy, not only at the level of instant payment processing design but also to identify a field on the message in which lapse of time value (day-hour-minute-sec?) during which a payment can be considered as non-time critical could be incorporated. One chance/alternative could be defining different values for local instrument code, each of them defining a different lapse for payments to be treated as instant before a final decision fo accept/reject has to be made. As far as I know, this additional capability has not been analyzed at Scheme level so far. | In our understanding the timeout will not apply until 72 hours. The aim of this CR is not to implement different "ad-hoc" timeout conditions which will largely increase the complexity of the core engine. And the sweeper daemon in charge of cleaning the expired payments.         | In our view, this would add a level of complexity that would also entail an increase of costs (giving that TIPS does not currently handle different timeouts for the same transaction). Moreover, during the last TIPS Consultative Group meeting, a preference has been expressed in keeping only the 24 hrs threshold timeout. |
| 28 | <b>FEEDBACKS RECEIVED FROM THE TSWG</b> |   |   |  |  |  |  |
| 29 | Deutsche Bundesbank                     |   |   | This entails that banks would have to explicitly express their readiness to accept such transactions. A new rejection code shall be defined to notify the Originator bank of the fact if the Beneficiary bank does not accept non-time critical payments.  | This entails that banks would have to explicitly express their readiness to accept such transactions. <b>TIPS shall validate if the Beneficiary bank has expressed their readiness, if not, TIPS shall reject the payment.</b> A new rejection code shall be defined to notify the Originator bank of the fact that the Beneficiary bank does not accept non-time critical payments.   | Same answer as for item#5. The requirement, if agreed, shall be formalised in the CR by the requestor.   | The requirement has been included in the CR text   |
| 30 | Deutsche Bundesbank                     |   |   |  | It must be displayed in the TIPS Directory if a Participant or Reachable Party accepts non-time critical payments.   | Same answer as for item#5. The requirement, if agreed, shall be formalised in the CR by the requestor.   | The requirement has been included in the CR text   |
| 31 | Deutsche Bundesbank                     |   |   | as the Beneficiary PSP would have up to 72 hours to accept/reject the payment  | Questions have been raised why 72 hours have been chosen. This seems quite a long time to keep the funds blocked on the payer's account, especially considering the legal obligation to execute a credit transfer D+1. We would like to discuss this in the TIPS CG or TSWG in order to better understand this approach.   | @ECB: This is not a functional question.   | Time limit will be lowered to 24 hours in order to always ensure compliance with the PSD2 legislation.   |

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| 32 | Deutsche Bundesbank |  |  | The investigation message on a non-time critical payment could be performed according to the same timing of an investigation to an instant payment transaction (i.e. SCTInst Timestamp Timeout expiration + Investigation Offset) | Does this mean an investigation is only possible after the 72 hours have passed? What about the Transaction Status Query? Can you confirm that this would be possible already earlier, while still waiting for the beneficiary bank's reply?   | The threshold will remain as it is today (i.e., after 25 seconds starting from the Acceptance Timestamp of the underlying pacs.008). The same applies for the Transaction Status Query.                              | Ok with Bdl reply  |
| 33 | Deutsche Bundesbank |  |  | shall be available <b>on an optional basis</b> to the standard settlement model   | Banks have requested that cost recovery for optional services should be limited to the users of the optional service. The change request should therefore include a separate pricing (either a transaction fee for this type of transaction or a flat fee for the use of the service) and the assessment should include the question if any technical adaptations would be necessary to make the separate pricing possible (e.g. a new billing item, possibly separate counting of this type of transactions).   | @ECB: This is not a functional question.   | We would require a dedicated discussion on this, as the latest pricing review did not foresee any new element in the pricing policy. The current pricing is fixed until 11/23. The answer would depend on by when the CR-41 would be implemented. If the MIB will decide for its implementation, if need be a separate CR might be raised in order to create new billable items (on BILL component). |
| 34 | Deutsche Bundesbank |  |  | shall be available on an optional basis <b>to the standard settlement model</b>   | Does this mean it would not be possible when using the SIP model?  | Correct. The SIP model is meant to settle immediately a payment submitted by the single instructing party, due to an agreement already reached between the originator and the beneficiary participants outside TIPS. | This could be a service that the SIP offers to its participants, but it has no effect on TIPS, given that TIPS settles the transaction immediately, once this is received from the SIP.  |
| 35 | Deutsche Bundesbank |  |  |   | Several banks expressed their view that they see no value in implementing this CR. They urgently ask to ensure that the CR is implemented without any functional or financial impact on the banks that are not going to use this optional service.   | @ECB: This is not a functional question.   | This point could be taken into account in the pricing review taking place in 2023.   |
| 36 | Riksbank            |  |  |   | Feedback: The Riksbank propose to investigate usage of tag "settlement time request" in the pacs.008. By using the tag the originator can indicate the timeframe of settlement from the perspective when the beneficiary needs to be credited.<br><br>Only extending the beneficiary's bank's response time to 72 hours might not be in line with regulations in different jurisdictions and also it might not be in line with payment market praxis for the different currencies using TIPS platform for settlement.<br><br>The possibility of settling retail payments such as salaries, central government payments and invoices on a one-to-one payment basis in realtime would be of great benefit and increase volumes on TIPS platform. Both the originator and beneficiary side of the payment need to be taken into consideration and the needs of both parties (including their banks') reasoned upon. | @ECB: This seems more a policy rather than a functional question.  | This could be something that we can consider for a different change request as it is a different use case from the Non-time critical instant payments  |
| 37 | FRCB                |  |  | GENERAL COMMENT   | - The change request indicates that non-time critical payments « <i>would cover an additional use case that would allow more flexibility</i> », it could be useful to describe the intended use cases or to provide at least some details about how it would allow more flexibility (considering the fact that the beneficiary PSP would have up to 72 hours to accept or reject the payment, we are not really sure to see the benefits compared to SCT)  | @ECB:: This is not a functional question.  | similar answer than in the previous comment. This functionality is successfully deployed by at least one ACH and is currently being considered to be offered by other ACHs.  |
| 38 | FRCB                |  |  | GENERAL COMMENT   | - What would be the impact on TIPS compliance to EPC schemes : TIPS is currently registered as SCTInst compliant CSM, if we foresee to add non-time critical payments as an additional optional service (SCT AOS), does it imply that TIPS would also be registered as a SCT compliant CSM ? We wonder if it is possible to offer SCT AOS in TIPS without processing SCT transactions  | @ECB:: This is not a functional question.  | This aspect will be checked with the legal experts   |