

Impact on TIPS Actors stemming from Change Request TIPS-0033

TECHNICAL WORKSHOP, 1 OCTOBER 2020

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Scope Defining Documents

- Entities that interact with the TIPS service are generally known as TIPS Actors.
- Currently, the TIPS participation model envisions the following types of Actor, with different roles and responsibilities:
 - Central Bank
 - TIPS Participant
 - Reachable Party
 - Instructing Party
- By implementing Change Request TIPS-0033, a new type of Actor (i.e. **Ancillary System**) and type of account (i.e. **TIPS AS Technical Account**) will be introduced in TIPS.
- The following slides intend to help TIPS Actors to reach a better understanding of the 'new' TIPS participation model and the impact the change request will have on the way they interact with TIPS. In particular, for each type of Actor, the following business processes will be covered:
 - Reference Data management
 - Instant Payment settlement
 - Liquidity Management
 - Queries and Reports

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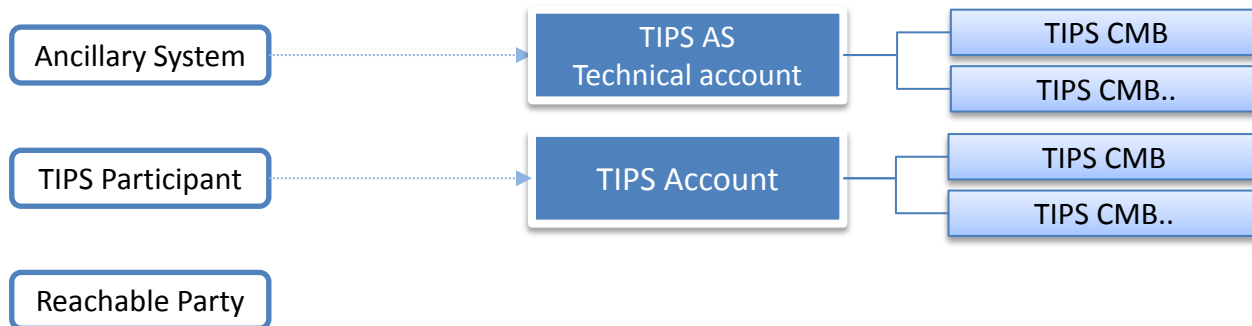
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Scope Defining Documents

Reference Data management

- As for TIPS Participants and Reachable Parties, Central Banks will be responsible for the setup of the Ancillary Systems, and that includes:
 - Create Ancillary System Party, Party Service Link
 - Create Party Administrator Users and manage their access rights.
 - Propagate privileges in order to grant access to the following specific TIPS functions:
 - Send a settlement instruction on behalf of a given TIPS Participant/Reachable Party;
 - Order an intra-service liquidity transfer;
 - Adjust CMB limit and modify its blocking status;
 - Query data related to TIPS AS Technical account owned by them.
 - Identify the technical address the Ancillary System can use for the receipt of specific messages and reports from TIPS (Party Technical Address)

- Central Banks create TIPS AS Technical accounts for Ancillary Systems belonging to their community.
- Each Ancillary System may own only one TIPS AS Technical account.
- Furthermore, Central banks may define Credit Memorandum Balances (CMBs) linked to TIPS AS Technical accounts under their data scope.



- Central Banks can create Authorised Account Users (AAU) for TIPS AS Technical accounts and related CMBs within their own system entities. Each AAU specifies a BIC which is allowed to use the related TIPS AS Technical account or CMB for settlement.
- Each AAU can be linked to one and only one TIPS Account, TIPS AS Technical account or CMB; each CMB can have no more than one AAU, while TIPS Accounts and TIPS AS Technical accounts may have any number.
- The BIC of an Ancillary System cannot be authorised to settle on any account in TIPS, including CMBs.

- With regard to Ancillary Systems and TIPS AS Technical Accounts, the following high-priority settlement relevant reference data changes can be performed by the Central Bank directly in TIPS via the TIPS interface (available 24 hours a day):
 - Blocking/unblocking of an Ancillary System;
 - Blocking/unblocking of a TIPS AS Technical account or CMB;
 - Update of a CMB limit (and adjustment of the related headroom).

Instant Payment settlement

- No impact.

Liquidity Management

- Central Banks will be able to act on behalf of one of their Actors (i.e. TIPS Participants and Ancillary Systems) to allow the transfer of liquidity between AS Technical Accounts and TIPS Accounts denominated in the same currency (intra-service liquidity transfer).
- The intra-service liquidity transfer can be initiated in TIPS in A2A using the Liquidity Credit Transfer message (camt.050) or in U2A. As for Inbound and Outbound Liquidity Transfers, in the intra-service liquidity transfer scenario, a camt.025 will be sent by TIPS to the sender to report about the execution of the liquidity transfer. No dedicated messages or specific requirements for A2A messages are foreseen by Change Request TIPS-0033.

Queries and Reports

- When the relevant RTGS system starts its End-of-Day process and after the finalisation of the pending liquidity transfers, TIPS generates and provides to it a general ledger file. The RTGS system uses the data to build and provide general ledgers to the Central Banks.
 - The general ledger data provided by TIPS will contain the balances of all accounts held in TIPS and denominated in the same currency, including the Transit Account, the TIPS Accounts and the TIPS AS Technical Accounts (No changes to the file format).
- The responsible Central Bank can check the status of previously submitted Intra-service Liquidity Transfer orders and Payment Transactions affecting TIPS Accounts and TIPS AS Technical accounts belonging to its data scope.
- The responsible Central Bank can query the system in order to obtain information belonging to the balance and the status of TIPS AS Technical Accounts or to the limit and the status of CMBs linked to them. No dedicated messages or specific requirements for A2A messages are foreseen by Change Request TIPS-0033.

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Reference Data management/Instant Payment settlement

Option 1

- Under the current structure, any already existing participant in TIPS can send (and receive) payments to (or from) TIPS to be settled on its own TIPS Account. TIPS Participant can define and authorise a third party (including an Automated Clearing House - ACH) to act on its behalf.
- This is fully compliant to Measure 1.
- No impact is foreseen on TIPS Participants who plan to start/keep using their TIPS Accounts for the settlement of Instant Payments.

Option 2/3

- By implementing Change Request TIPS-0033, TIPS Participants may choose between the following two options.
- Both options embody the effective application of Measure 2 on top of Measure 1.



Option 2 (settlement of IPs based on *measure 2* only) – TIPS Accounts would serve:

I. to fund/defund TIPS AS Technical accounts:

- To provide the guarantee available for ACHs to provide instant finality (as is the case in TARGET2 today);
- To settle instant payments on the TIPS AS Technical account. Payments are sent and received in TIPS by the ACH acting as Instructing Party.

II. to be reachable (i.e. at least to receive instant payments) in TIPS, according to *measure 1*.

Option 3 (settlement of IPs based on *measure 1 and measure 2*) – TIPS Accounts would serve:

I. to fund/defund TIPS AS Technical accounts:

- To provide the guarantee available for ACHs to provide instant finality (as is the case in TARGET2 today);
- To settle instant payments on the TIPS AS Technical account. Payments are sent and received in TIPS by the ACH acting as Instructing Party.

II. to send and receive instant payments in TIPS.

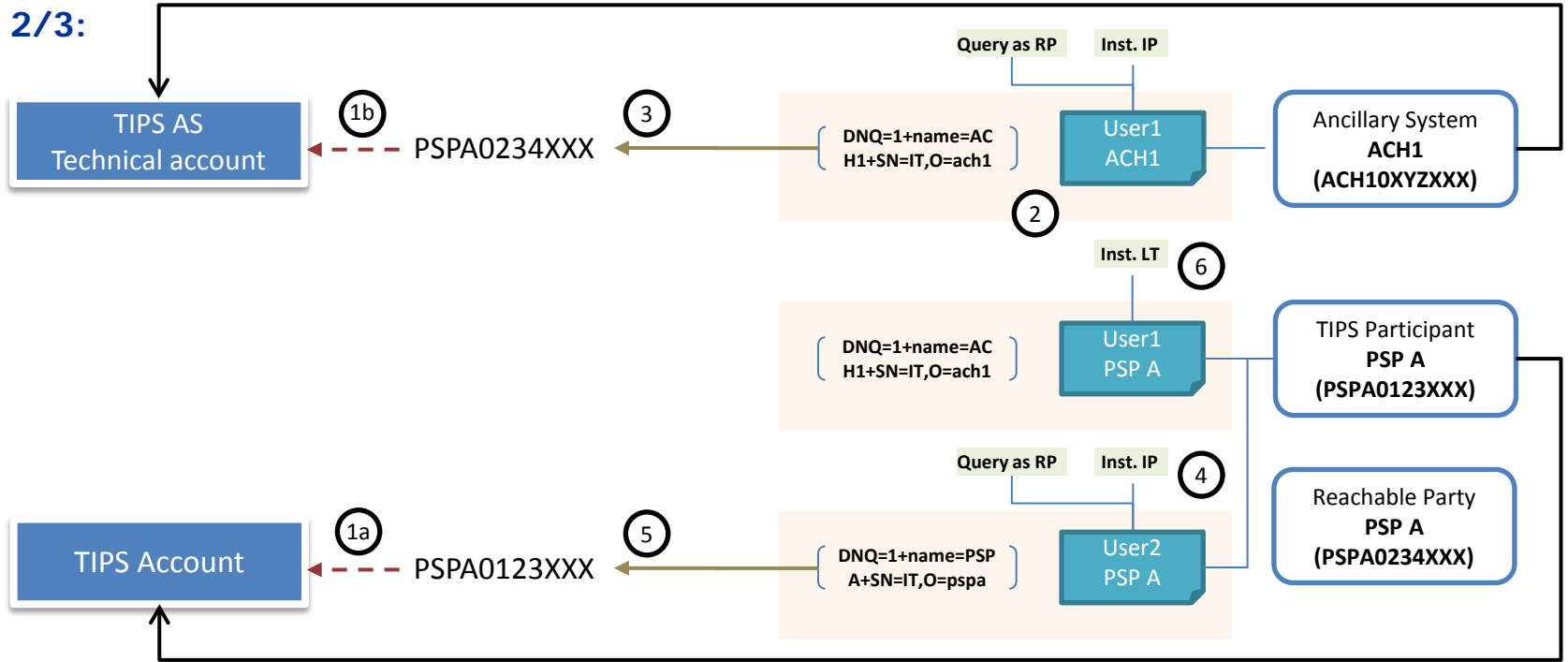


The following provides indications and remarks on how to correctly configure CRDM Data for a TIPS Participant that intends to apply for either Option 2 or Option 3:

1. The financial institution would use two different accounts in TIPS to settle Instant Payments (i.e. its own TIPS Account and a TIPS AS Technical Account), and therefore it needs to be defined in CRDM as two different parties, identified by two different 11-character BICs.
 - a) One BIC should be assigned to the financial institution defined as a TIPS Participant owner of a TIPS Account. The BIC should be authorised to use the TIPS account (Authorised Account User).
 - b) A different BIC should be assigned to the financial institution defined as a Reachable Party. The BIC should be authorised to use the TIPS AS Technical account (Authorised Account User).
2. The DN of the ACH should be linked, via User-Certificate DN Link, to a user belonging to the Ancillary System. The user should be then granted a Role containing the Privilege to instruct and query instant payments.

3. The DN of the ACH should be authorised to send payments as Originator on behalf of the BIC of the Reachable Party (Inbound DN-BIC Routing) and to receive payment messages as Beneficiary (Outbound DN-BIC Routing).
4. The DN of the financial institution should be linked, via User-Certificate DN Link, to a user belonging to the TIPS Participant. The user should be then granted a Role containing the Privilege to instruct and query instant payments.
5. The same DN should be authorised to send payments as Originator on behalf of the BIC of the TIPS Participant (Inbound DN-BIC Routing) and to receive payment messages as Beneficiary (Outbound DN-BIC Routing).
6. In case the TIPS Participant wishes the ACH to act on its behalf for the funding of the TIPS AS Technical account, the DN of the ACH should be linked to a user belonging to the TIPS Participant. The user should be then granted with a Role containing the Privilege to instruct liquidity transfer (Inbound, Outbound and Intra-service Liquidity Transfers).

Option 2/3:



Privileges*	User-Certificate DN Link	- - - AAU
<small>*TIPS privileges can be granted to roles only</small>	← Account Ownership	← DN-BIC Routing (Inbound/Outbound)

Liquidity Management

- No impact is foreseen on TIPS Participants who plan to keep using their TIPS Accounts for the settlement Instant Payments (Option 1).
- Those who consider possible alternatives arising from the implementation of CR TIPS-0033 (Options 2 and 3) should consider the following:
 - TIPS will be adapted to allow TIPS Participants to send intra-service liquidity transfer orders from a TIPS Account to a TIPS AS Technical account – that are denominated in the same currency.
 - The Intra-service Liquidity Transfer can be initiated in TIPS in A2A using the Liquidity Credit Transfer message (camt.050) or in U2A. A camt.025 will be sent by TIPS to the sender to report about the execution of the intra-service liquidity transfer. No dedicated messages or specific requirements for A2A messages are foreseen by Change Request TIPS-0033.
 - It will not be possible for a Payment Bank participating in TIPS to transfer liquidity from accounts located in other TARGET Services to TIPS AS Technical accounts.
 - Only the Ancillary System (i.e. the ACH) owner of the AS Technical account keeps record of the individual positions held by the TIPS Participant in the technical account.

Queries and Reports

- No impact is foreseen on TIPS Participants who plan to keep using only TIPS Accounts for the settlement Instant Payments without relying on TIPS AS Technical account (Option 1).
- Those who consider possible alternatives arising from the implementation of CR TIPS-0033 (Options 2 and 3) should consider the following:
 - The TIPS Participant can check the status of a previously submitted Intra-service Liquidity Transfer order by using the Liquidity transfer status query.
 - TIPS Directory: The 'Account Owner BIC' field will show the BIC of the ACH owning the technical account for which the BIC of the financial institution (as Reachable Party) has been authorised.

User BIC	[...]	Account Owner BIC	[...]	Maximum IP Amount
PSPA0234XXX	[...]	ACH10XYZXXX	[...]	15,000.00
PSPA0123XXX	[...]	PSPA0123XXX	[...]	100,000.00

Different Max IP Amounts can be set for the same financial institution, depending on its configuration in TIPS (i.e. TIPS Participant or Reachable Party)

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Scope Defining Documents

Reference Data management/Instant Payment settlement

Option 1

- Under the current structure, a Reachable Party has to rely on a Participant's account to settle payments in TIPS. They can interact directly with TIPS (by sending and receiving instant payments) but also authorise a third party (including an ACH) to act on its behalf.
- This is fully compliant to Measure 1.
- No impact is foreseen on Reachable Parties who plan to start/keep using TIPS Accounts for the settlement of Instant Payments.

Option 2/3

- By implementing Change Request TIPS-0033, Reachable Parties may choose between the following two options.
- Both options embody the effective application of Measure 2 on top of Measure 1.

Option 2 (settlement of IPs based on *measure 2* only) – The Reachable Party would use a TIPS Account:

I. to fund/defund TIPS AS Technical accounts:

- To provide the guarantee available for ACHs to provide instant finality (as is the case in TARGET2 today);
- To settle instant payments on the TIPS AS Technical account. Payments are sent and received in TIPS by the ACH acting as Instructing Party.

II. to be reachable (i.e. at least to receive instant payments) in TIPS, according to *measure 1*.

Option 3 (settlement of IPs based on *measure 1 and measure 2*) – The Reachable Party would use a TIPS Account:

I. to fund/defund TIPS AS Technical accounts:

- To provide the guarantee available for ACHs to provide instant finality (as is the case in TARGET2 today);
- To settle instant payments on the TIPS AS Technical account. Payments are sent and received in TIPS by the ACH acting as Instructing Party.

II. to send and receive instant payments in TIPS.

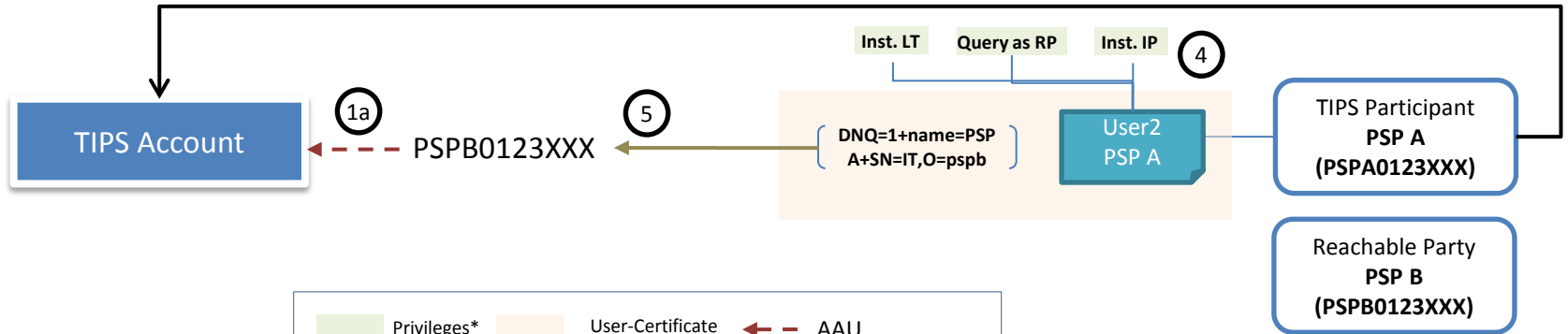
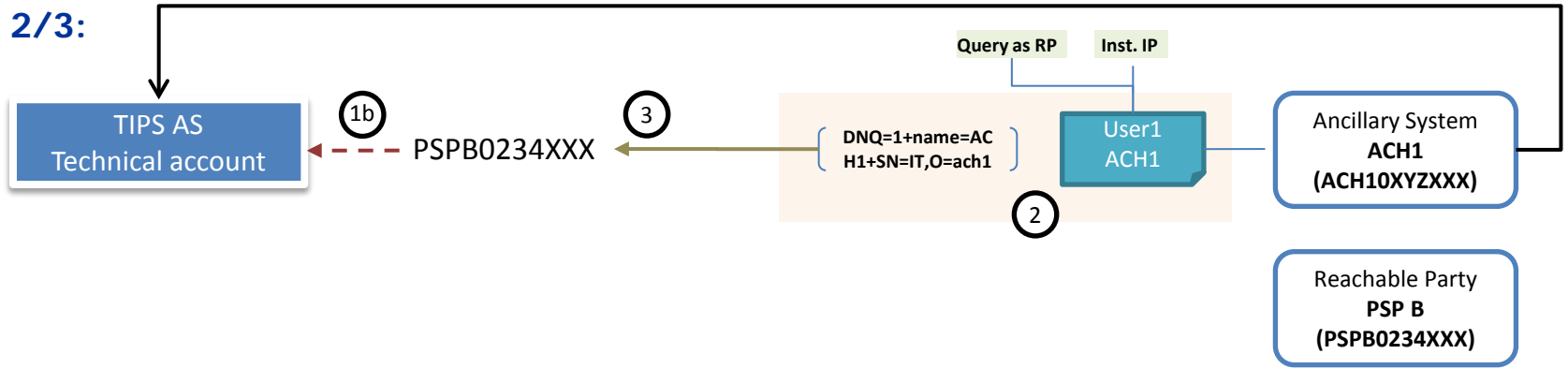







The following provides indications and remarks on how to correctly configure CRDM Data for a Reachable Party that intends to apply for either Option 2 or Option 3:

1. The financial institution would use two different accounts in TIPS to settle Instant Payments (i.e. a TIPS Account and a TIPS AS Technical Account), and therefore it needs to be defined in CRDM as two different parties, identified by two different 11-character BICs.
 - a) One BIC should be assigned to the financial institution defined as a Reachable Party. The BIC should be authorised to use a TIPS account (Authorised Account User).
 - b) A different BIC should be assigned to the financial institution defined a second time as Reachable Party. In that case, the BIC should be authorised to use the TIPS AS Technical account (Authorised Account User).
2. The DN of the ACH should be linked, via User-Certificate DN Link, to a user belonging to the Ancillary System. The user should be then granted a Role containing the Privilege to instruct and query instant payments.

3. The DN of the ACH should be authorised to send payments as Originator on behalf of the BIC of the Reachable Party (Inbound DN-BIC Routing) and to receive payment messages as Beneficiary (Outbound DN-BIC Routing).
4. The DN of the financial institution should be linked, via User-Certificate DN Link, to a user belonging to the TIPS Participant owner of the TIPS Account. The user should be then granted a Role containing the Privilege to instruct and query instant payments.
5. The same DN should be authorised to send payments as Originator on behalf of the BIC of the Reachable Party (Inbound DN-BIC Routing) and to receive payment messages as Beneficiary (Outbound DN-BIC Routing).

Option 2/3:



 Privileges*	 User-Certificate DN Link	 AAU
*TIPS privileges can be granted to roles only	 Account Ownership	 DN-BIC Routing (Inbound/Outbound)

Liquidity Management

- No impact is foreseen on Reachable Parties who plan to start/keep using only TIPS Accounts for the settlement of Instant Payments.
- Those who wish to start using the liquidity provided by a TIPS Participant to settle Instant Payments on a TIPS AS Technical account, should consider the following:
 - It will not be possible for a Payment Bank participating in TIPS to transfer liquidity from accounts located in other TARGET Services to TIPS AS Technical accounts.
 - The Reachable Party will rely on the TIPS Participant for the provision and management of the liquidity to be transferred to the TIPS AS Technical account.
 - Only the Ancillary System (i.e. the ACH) owner of the AS Technical account keeps record of the individual positions held by the Reachable Party in the technical account.

Queries and Reports

- No impact is foreseen on Reachable parties who plan to start/keep using only TIPS Accounts for the settlement of Instant Payments.
- Those who wish to start using the liquidity provided by a TIPS Participant to settle Instant Payments on a TIPS AS Technical account, should consider the following:

REPORTS:

- TIPS Directory: The 'Account Owner BIC' field will show the BIC of the ACH owning the technical account and the BIC of the TIPS Participant owner of the TIPS Account for which the BICs of the financial institution have been authorised.

User BIC	[...]	Account Owner BIC	[...]	Maximum IP Amount
PSPB0234XXX	[...]	ACH10XYZXXX	[...]	15,000.00
PSPB0123XXX	[...]	PSPA0123XXX	[...]	50,000.00

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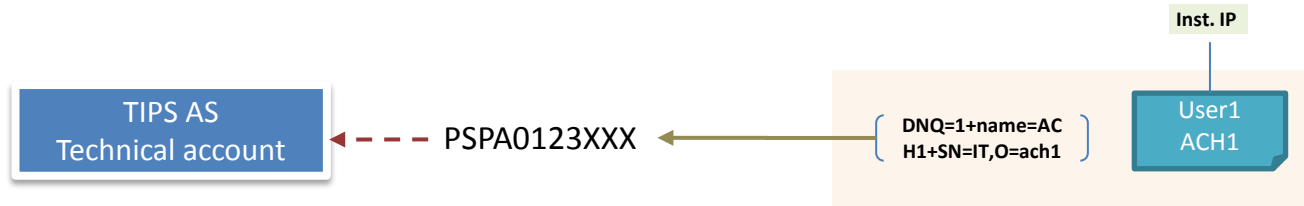
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Scope Defining Documents

Reference Data management/Instant Payment settlement

- The role of Instructing Party allows to send (or receive) Instant Payments to (or from) TIPS on behalf of TIPS Participants and Reachable Parties. Instructing Parties are not defined as Parties, but as DN that participants in TIPS can define and authorize to act on their behalf.
- By implementing the CR TIPS-0033, a DN can be authorised to act on behalf of TIPS Participants and Reachable Party whose BICs are allowed to use a TIPS AS Technical account for settlement.



- An Instructing Party acting on behalf of an Ancillary System may block/unblock CMBs (or update the related limits) owned by the relevant Ancillary System.

Liquidity Management

- By implementing the CR TIPS-0033:
 - A DN linked to a user belonging to an Ancillary System and granted with the proper privilege can initiate and query liquidity transfers from the TIPS AS Technical account owned by the Ancillary System to TIPS Accounts.
 - A DN linked to a user belonging to a TIPS Participant and granted with the proper privilege can initiate and query liquidity transfers from the TIPS Account owned by the TIPS Participant to TIPS AS Technical accounts.
 - A DN configured as “Party Technical Address” for an Ancillary System owner of a TIPS AS Technical account will receive (if subscribed):
 - Floor/Ceiling notification on the TIPS AS Technical account, and related CMBs;
 - Credit/Debit notification on the TIPS AS Technical account.

Queries and Reports

QUERIES:

- A DN linked to a user belonging to an Ancillary System and granted with the proper privilege can obtain the following information by using the relevant query type:
 - Balance and Status of the TIPS AS Account owned by the Ancillary System;
 - Limit and Status of a CMB linked to the TIPS AS Account owned by the Ancillary System;
 - Status of Payment Transactions which involve either as originator BIC or as beneficiary BIC the Participant/Reachable Party the Instructing Party is acting on behalf for.

REPORTS:

- If the DN is configured as "Party Technical Address" or as a receiver technical address (Routing Configuration) for an Ancillary System, TIPS will provide (if subscribed), the following report types:
 - TIPS Directory;
 - Statement of Account Turnover;
 - Statement of Accounts.

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Scope Defining Documents

Reference Data management

- Under the current structure, ACHs can act in TIPS only as Instructing Parties. By implementing CR TIPS-0033, it will be possible for them to be configured in CRDM and then in TIPS as Ancillary Systems.

Ancillary System Party Reference Data

Attribute	Description
Party BIC	11-character Business Identifier Code (BIC11) to uniquely identify the Party in TIPS.
Party Type	Ancillary System
Country	Country code of the Central Bank the party belongs to.
Party Technical Address	Distinguished Names defined for the receipt of messages relevant for the Party as account owner, such as reports and floor/ceiling notifications.
Blocking Status	Possible values: <ul style="list-style-type: none">- Blocked for credit;- Blocked for debit;- Blocked for credit and debit;- Unblocked.

- Each Ancillary Systems can hold one TIPS AS Technical Account:
 - to fund/defund the guarantee available for ACHs to provide instant finality;
 - to settle instant payments in TIPS where the Originator/Beneficiary BIC is allowed to use the TIPS AS Technical account or a CMB linked to it.

**TIPS AS Technical
account Reference
Data**

Attribute	Description
Account Number	It specifies the unique number of the account.
Account Type	TIPS AS Technical account
Currency	It specifies the currency of the account.
Floor Notification Amount	It specifies the lower threshold for notifying the account owner.
Ceiling Notification Amount	It specifies the upper threshold for notifying the account owner.
Credit Notification Flag	Boolean attribute specifying whether the account owner must receive a credit notification after the settlement of intra-service liquidity transfer.
Debit Notification Flag	Boolean attribute specifying whether the account owner must receive a debit notification after the settlement of intra-service liquidity transfer.
Blocking Status	Possible values: <ul style="list-style-type: none"> - Blocked for credit; - Blocked for debit; - Blocked for credit and debit; - Unblocked.

- Ancillary Systems may define CMBs linked to their TIPS AS Technical Accounts.
- Each TIPS AS Technical Account may have any number of CMBs, each CMB representing a credit line for a TIPS Participant/Reachable Party in TIPS.

CMB Reference Data

Attribute	Description
CMB Number	It specifies the unique number of the CMB.
Floor Notification Amount	It specifies the lower threshold of the CMB headroom for notifying the owner of the account which the CMB is linked to.
Ceiling Notification Amount	It specifies the upper threshold of the CMB headroom for notifying the owner of the account which the CMB is linked to.
Limit	It specifies the limit amount for the CMB.
Blocking Status	Possible values: <ul style="list-style-type: none"> - Blocked for credit; - Blocked for debit; - Blocked for credit and debit; - Unblocked.

Instant Payment settlement

By implementing Change Request TIPS-0033:

- A TIPS Participant may decide to receive liquidity on its TIPS Account from the relevant RTGS system and transfer it to a TIPS AS Technical account:
 - To fund the guarantee available for the relevant ACH to provide instant finality (as is the case in TARGET2 today);
 - To settle instant payments on the TIPS AS Technical account.

[\[see section 3 dedicated to TIPS Participant\]](#) – Option 2 and 3

- A Reachable Party may opt to rely on the liquidity made available by a TIPS Participant and transfer it to a TIPS AS Technical account:
 - To fund the guarantee available for the relevant ACH to provide instant finality (as is the case in TARGET2 today);
 - To settle instant payments on the TIPS AS Technical account.

[\[see section 3 dedicated to Reachable Party\]](#) – Option 2 and 3

Liquidity Management

- The liquidity available on TIPS AS Technical Accounts is provided by TIPS Participants through intra-service liquidity transfers.
- In case a TIPS Participant wishes the ACH to act on its behalf for the funding of the TIPS AS Technical account, the DN of the ACH should be linked to a user belonging to the TIPS Participant. The user should be then granted with a Role containing the Privilege to instruct liquidity transfer (Inbound, Outbound and Intra-service Liquidity Transfers).
- The Reachable Parties cannot own accounts in TIPS, therefore, they will rely on TIPS Participants for the provision and management of the liquidity to be transferred to TIPS AS Technical accounts.
- Ancillary Systems are responsible for the configuration of Instructing Parties acting on their behalf for sending intra-service liquidity transfers and for the blocking/unblocking and update limits of CMBs linked to their TIPS AS Technical accounts.

Queries and Reports

QUERIES:

- The DN of an ACH which is linked to a user belonging to an Ancillary System and granted with the proper privilege can obtain the following information by using the relevant query type:
 - Balance and Status of the TIPS AS Account owned by the Ancillary System;
 - Limit and Status of a CMB linked to the TIPS AS Account owned by the Ancillary System;
 - Status of Payment Transactions which involve either as originator BIC or as beneficiary BIC the Participant/Reachable Party the Instructing Party is acting on behalf for.

REPORTS:

- To the DN of the ACH that is configured as “Party Technical Address” or as a recipient technical address (Routing Configuration) for an Ancillary System, TIPS will provide (if subscribed), the following report types:
 - TIPS Directory;
 - Statement of Account Turnover;
 - Statement of Accounts.



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Scope Defining Documents

- The official version of the TIPS SDDs for R4.0 will be published in **April 2021**, including the changes from the pan-European Reachability change requests.
- However, all the functional and technical detailed information will be available in substance to all the stakeholders in advance:
 - The baseline reference documentation is the already available SDD delivery for **R3.0**, issued on 24 April 2020
 - All the changes provided with the Detailed Assessments for **TIPS CR-0033**, **TIPS CR-0038** and **TIPS CR-0039** have to be taken into consideration on top of the aforementioned SDD baseline. This additional information will be available before the end of 2020.

- How to derive the SDD changes from the Detailed Assessment: example 1

1) TIPS UDFS v3.0.0

- Reference to the baseline document

2) §2.5.3 Intra-service Liquidity Transfer – new section

- Reference to the chapter being added/updated/modified

3) Text format

- Text in underlined format will be added to the baseline
- Text in ~~strikethrough~~ format will be removed from the baseline
- All the remaining text will be left untouched

Change Request form

43) §2.5.3 Intra-service Liquidity Transfer – new section

This section describes the processing of an Intra-service Liquidity Transfer order sent by a TIPS Participant, Ancillary System or Instructing Party acting on behalf of the TIPS Participant in order to transfer liquidity from a TIPS Account to a TIPS AS Technical Account (or vice versa).

The following Actors are involved in the intra-service liquidity transfer business process:

- The Central Bank, the TIPS Participant or Instructing Party as sender of the Liquidity Transfer;
- TIPS that receives and confirms the request from the sender;
- TIPS Account or TIPS AS Technical account owner (or the default DN configured as receiver) which is duly informed if the account balance goes below the configured threshold. Additionally, if subscribed, they will receive a debit notification after successful settlement.

The following messages are involved in the Intra-service Liquidity Transfer business process:

- Liquidity Credit Transfer: the message which enables the sender to instruct the transfer liquidity from the TIPS Account to a TIPS AS Technical account;
- Receipt: the message sent by TIPS to the TIPS Participant, Ancillary system or Instructing Party to confirm/reject the execution of a Liquidity Transfer;
- BankToCustomerDebitCreditNotification: the message sent by TIPS to report the settlement of a Liquidity Transfer to the account owner (or the default DN configured as receiver). The notification is sent out only if previously configured by the Account owner.
- ReturnAccount: the message sent by TIPS to notify the owner of the debited TIPS Account that the floor threshold is exceeded. The notification is generated for the Account owner only if the floor threshold is configured.

- How to derive the SDD changes from the Detailed Assessment: example 2

1) TIPS UDFS v3.0.0

- Reference to the baseline document

2) §1.3.2.3 Credit Memorandum Balance

- Reference to the chapter being added/updated/modified

3) Text format

- Text in underlined format will be added to the baseline
- Text in ~~strikethrough~~ format will be removed from the baseline
- All the remaining text will be left untouched

11) §1.3.2.3 Credit Memorandum Balance

A Credit Memorandum Balance (CMB) represents a limit, e.g. defined for a Reachable Party, in the usage of the liquidity of a given TIPS Account or TIPS AS Technical Account. As such, each CMB is linked to exactly one TIPS Account, but each TIPS Account may have any number of CMBs, each CMB representing a credit line for a Reachable Party in TIPS. The same logic applies to CMBs linked to AS Technical Accounts.

On optional basis (i) TIPS Participants can create CMBs for their TIPS Accounts and (ii) Ancillary Systems can create CMBs for their TIPS AS Technical Account ~~on an optional basis.~~

CMBs offer the possibility to define limit management flexibly on a TIPS Account, without dedicating liquidity exclusively for each single customer. Specifically, the sum of all CMB limits on a TIPS Account may be higher than the balance of the same Account at any time.

When defining a CMB, it is possible to specify a limit, which may be initially set to zero. In this case, the related user cannot make use of the payment capacity of the TIPS Account linked to the CMB until either (i) the limit is set by the TIPS Participant to a value greater than zero or (ii) the CMB starts receiving Instant Payments in credit.

Additionally, the TIPS Participant (or Ancillary System) may create an unlimited⁹ CMB. In this case, the related user can make use of the full payment capacity of the TIPS Account (or TIPS AS Technical Account) linked to the CMB.

- How the SDD will look like stemming from the propose changes in the Detailed Assessment: example 3

From the CR Detailed Assessment...

11) §1.3.2.3 Credit Memorandum Balance

A Credit Memorandum Balance (CMB) represents a limit, e.g. defined for a Reachable Party, in the usage of the liquidity of a given TIPS Account or TIPS AS Technical Account. As such, each CMB is linked to exactly one TIPS Account, but each TIPS Account may have any number of CMBs, each CMB representing a credit line for a Reachable Party in TIPS. The same logic applies to CMBs linked to AS Technical Accounts.

On optional basis (i) TIPS Participants can create CMBs for their TIPS Accounts and (ii) Ancillary Systems can create CMBs for their TIPS AS Technical Accounts on an optional basis.

CMBs offer the possibility to define limit management flexibly on a TIPS Account, without dedicating liquidity exclusively for each single customer. Specifically, the sum of all CMB limits on a TIPS Account may be higher than the balance of the same Account at any time.

When defining a CMB, it is possible to specify a limit, which may be initially set to zero. In this case, the related user cannot make use of the payment capacity of the TIPS Account linked to the CMB until either (i) the limit is set by the TIPS Participant to a value greater than zero or (ii) the CMB starts receiving Instant Payments in credit.

Additionally, the TIPS Participant (or Ancillary System) may create an unlimited⁹ CMB. In this case, the related user can make use of the full payment capacity of the TIPS Account (or TIPS AS Technical Account) linked to the CMB.

...To the SDD official delivery

§1.3.2.3 Credit Memorandum Balance

A Credit Memorandum Balance (CMB) represents a limit, e.g. defined for a Reachable Party, in the usage of the liquidity of a given TIPS Account or TIPS AS Technical Account. As such, each CMB is linked to exactly one TIPS Account, but each TIPS Account may have any number of CMBs, each CMB representing a credit line for a Reachable Party in TIPS. The same logic applies to CMBs linked to AS Technical Accounts.

On optional basis (i) TIPS Participants can create CMBs for their TIPS Accounts and (ii) Ancillary Systems can create CMBs for their TIPS AS Technical Accounts.

CMBs offer the possibility to define limit management flexibly on a TIPS Account, without dedicating liquidity exclusively for each single customer. Specifically, the sum of all CMB limits on a TIPS Account may be higher than the balance of the same Account at any time.

When defining a CMB, it is possible to specify a limit, which may be initially set to zero. In this case, the related user cannot make use of the payment capacity of the TIPS Account linked to the CMB until either (i) the limit is set by the TIPS Participant to a value greater than zero or (ii) the CMB starts receiving Instant Payments in credit.

Additionally, the TIPS Participant (or Ancillary System) may create an unlimited¹ CMB. In this case, the related user can make use of the full payment capacity of the TIPS Account (or TIPS AS Technical Account) linked to the CMB.]



- Moreover, it is worth mentioning the following remarks:
 - Existing TIPS XSD schema files and examples are not impacted by the DA of the TIPS CR-0033 (the latest version has been published as an Annex of R3.0). This implies they can already be used today for software development on the users' side.
 - Two new XSD schema files only will be introduced (i.e., camt.005 and camt.006) in the context of DA of the CR-0039. They will be made available together with the DA of the CR, i.e. before the end of 2020.
 - In the course of 2021, ad-hoc TIPS User Training sessions can be organized to manage the on-boarding of the ACHs and new participants.

Thank you for the attention!