TIPS: the European instant payment settlement engine
TIPS part of the TARGET Services

**TIPS**

- **2007**: For settling securities on a single settlement platform, no more complex cross border settlement procedure and harmonized settlement practices across Europe.

- **2015**: New generation of the large-value payment system and harmonised liquidity management and shared services across all TARGET Services.

- **2018**: For settling large-value payments, harmonised core services on a single technical platform.

- **2022**: A unified system for managing assets used as collateral in Eurosystem credit operations.

- **2023**: For settling instant credit transfers, facilitating that banks can process instant payments transactions in a few seconds anywhere in Europe.

- **2024**

- **2025**
TIPS part of the TARGET Services

TIPS, a response to the market trends:

TIPS is an efficient and reliable instant payment settlement service

Challenges

1. Digitalisation of the economy
2. Instant availability
3. Fragmentation risk

TIPS features

- TIPS settles instant credit transfers in central bank money
- TIPS offers a seamless service enabling to pay in a few seconds, every day of the year
- TIPS is a pan-European service by construction

"Our real-time settlement platform is a pivotal contribution to Europe’s endeavours to satisfy citizens’ increasing demand for faster, cheaper and convenient payment services without compromising on security.”

ECB PRESIDENT CHRISTINE LAGARDE
What is TIPS?
Main features
TARGET Instant Payment Settlement (TIPS) allows instant settlement of funds between participants in real time, 365 days a year and around-the-clock.

At the end of the process, the sending and the receiving participants get a payment confirmation.
2288 payment service providers have already joined the scheme: 62% of European PSPs and over 71% of PSPs in the euro area.

Chart of the estimated share of SCT Inst Volumes in all SEPA Credit Transfer volumes – EPC website

Map of the countries where PSPs are already offering SCT Inst services – EPC website
TIPS is compliant with the SCT Inst Scheme

- The **SCT Inst scheme Rulebook** was developed by the **European Payments Council (EPC)** - following invitation by the Euro Retail Payment Board (ERPB)

The main elements of the SCT Inst scheme **today** are:

1. Based on the existing SEPA Credit Transfer scheme
2. Scope EU/EEA
3. Credit transfers in euro
4. Funds available to the beneficiary in max. 10 seconds (→ with TIPS, much less!)
5. Transactions of up to 100,000 euro, but no check performed on TIPS
6. Optional scheme: PSPs can adhere as beneficiary only or as both originators and beneficiary

PSP steps to provide instant payments to your end customers:

1/ Adhere to SCT Inst scheme
2/ Onboard to a Clearing and Settlement Mechanism (CSM): TIPS!
TIPS main features

- Instant payments settlement in central bank money (CeBM)
- Same participation criteria as for T2
- Multi-currency technical capability
- Supports participants to comply with the SEPA Instant Credit Transfer (SCT Inst) scheme
- Pan-European platform following the ISO 20022 standard
- Operated on a full cost-recovery and not-for-profit basis

See brochure: Instant payments: TIPS for getting there
Pan-European Reachability

What is it? How does it work?
Pan-European reachability

Pan-European Reachability measures set by the ECB’s Governing Council in mid-2020

- **More than 99% of PSPs** who adhere to the SCT Inst scheme are already reachable in TIPS DCAs
  - the rest via ACHs’ technical accounts

- All 11 ACHs offering instant payment services have moved their accounts from TARGET2 to TIPS

→ **TIPS helps ensure that instant payments can be rolled out anywhere in the euro area irrespective of the location of the sender’s or the receiver’s bank**
Compliance with the Instant Payments Regulation (IPR)
Compliance with the IPR

New obligations for the PSPs with the entry into force of the Instant Payments Regulation (IPR):

- **Instant payments and channels**: Instant processing of payments shall be offered across all channels.
- **Fraud**: Obligation to offer a Verification-of-Payee (VoP) service.
- **Price of an instant payment**: Obligation to offer instant at no extra cost compared to regular credit transfers.
- **Screening**: Verify at least daily clients against EU sanctions lists.
Compliance with the IPR

New obligations for the PSPs with the entry into force of the Instant Payments Regulation (IPR):

Most relevant milestones for EUR PSPs

- **February**: Final Version of the SEPA instant regulation adopted by European Parliament and Council
- **April**: Entry into force (20 days after publication in the EU Official Journal)
- **October**: EUR PSPs must be able to:
  - Send instant payments
  - Provide Verification of Payee Service

Most relevant milestones for EUR non-banks PSPs (EMIs & PIs)

- **April**: EUR non-banks PSPs must be able to:
  - Receive & send instant payments
Compliance with the IPR

Potential new feature of TIPS:

❖ In view of the Verification of Payee (VoP) to be provided by the PSPs to their customers, and in order to further support PSPs, the question of whether a matching algorithm should also be proposed in TIPS is currently being analysed
What were/are the planned evolutions?
TIPS, an evolving platform

TIPS is continuously evolving to provide you with additional features

**Platform enhancements**

A few examples:

- **Rule-based liquidity transfer between TIPS and T2**
  
  See the change request to be implemented in November 2025:
  - TIPS-0028-URD

- **Graphical User Interface (GUI) enhancements**
  
  See the change requests implemented in March 2024:
  - TIPS-00027-URD – Improve the informative content in the TIPS GUI
  - TIPS-0026-URD - Additional Search Criteria for Transaction Query
  - TIPS-0048-URD - Enhanced information in TIPS U2A screens
TIPS, an evolving platform

Strategic enhancements

A few examples:

- **Cross-currency instant payments**
  - Intra-TIPS cross-currency settlement (i.e. with the currencies hosted/to be hosted in TIPS)
  - But also, much beyond with cross-platforms initiatives

- **Additional currencies together with EUR**
  - Onboardings of non-EUR currencies:
    - Sweden joined TIPS with its own currency (SEK) in February 2024
    - Others are preparing and/or expressed interest (Denmark, Norway)

- **Migration to 2019 version of ISO 20022 messages**

- **TIPS Resilience And Continuity Enhancement (RACE)**

Taking into account the future of the instant payment ecosystem