

European Central Bank.
[REDACTED]Directorate General Market Infrastructure and
Payments
Sonnemannstrasse 20
D-60314 Frankfurt am Main
Germany

Date

24 February 2017

Subject

ABN AMRO input market consultation TIPS User Requirements Document

Reference
[REDACTED]

Department

ABN AMRO Market
InfrastructuresTelephone
[REDACTED]

Dear [REDACTED]

ABN AMRO endorses the objectives of the European Central Bank to establish a harmonised and standardised pan-European instant payments service in central bank money with common functionality across different countries and jurisdictions. ABN AMRO strongly supports the ECB's TIPS initiative as it strengthens the pan-European single market for payments that was established with the introduction of SEPA.

With respect to the market consultation on the TIPS User Requirements ABN AMRO would like to address a few concerns in relation to the current set up of TIPS that, according to our believe, could further strengthen the single market and push all participants in the payment value chain to further enhance and improve the proposition towards the end customer:

1. ABN AMRO believes that interoperability is required between all CSM's and TIPS to ensure competition and a proper functioning of market mechanisms within the single market. Could you please explain how TIPS will ensure interoperability between the CSM's and TIPS and between the two settlement models (ASI 6 Real Time for CSM's and TIPS) currently envisaged?
2. In light of the long term vision on payment market infrastructures and the proposition towards the end customer ABN AMRO believes that TIPS should support:
 - A. The possibility to positively deviate from the maximum execution time set at 10 seconds and/ or the maximum amount set at euro 15.000 in the EPC SCT Instant Payments rulebook.
 - B. Reliability, security and uptime services levels that meet the market standards applicable to systemically important payments systems today and in the futureAfter reading the User Requirements Document ABN AMRO remains uncertain whether or not the above requirements are part of TIPS. Could you please share your vision on the topics above?
3. ABN AMRO strongly believes that a level playing field is required to ensure proper functioning of market mechanisms. According to ABN AMRO competition is an important driver of efficiency and innovation. A clear example of proper functioning and efficiency of the Single Market is the decrease in clearing fees that ABN AMRO has experienced over the years. ABN AMRO also recognises the liquidity efficiency of TIPS' settlement in central bank money and eligibility to the cash reserve position which is to the benefit of all parties in the payment

value chain. Taking the level playing field and value to the market into account ABN AMRO would like to see the same mechanism applied to transactions processed by CSMs that settle via ASI 6 Real Time i.e. account balances in ASI 6 Real Time also need to be counted in minimum reserve computation for Euro to fulfil the minimum reserve requirement. According to ABN AMRO the above would ensure a level playing field whereby legacy CSMs and TIPS can co-exist and compete driving efficiency and innovation to the benefit of the end customer.

ABN AMRO would like to thank you for the opportunity to contribute to establishing TIPS and is at your disposal for further explanation if desired.

Regards,

[REDACTED]

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