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Deliverable Name			TARGET Instant Payments Settlement User Requirements		**How to use this document:**
Version No.			0.1		1 - Please fill in your Institution name
Document sent for review on			9 January 2017		2 - Select a Section for your comment 3 - Select a requirement ID for the ID (if any)
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1	European Payment Council	5	2.1 ACTORS	General	The phrasing seems to be missing that the TIPS service assumes that all Actors in TIPS must be compliant with the EPC SCT Inst scheme **(ie meaning they have to be a SCT Inst scheme participant)**, at the required level (either as a adhering PSP or as a EPC compliant processor). A sentence along this line is included in section 2.4, but this seems out of place in section 2.4 and is better placed in section 2.1.
2	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	Section title: replace "Settlement" in the title by "Processing"
3	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	Please make clear that when referring to Originator Participant and Beneficiary Participant, that this can also be a reachable party. *Reachable Parties stand behind a Participant.*
4	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	In line with the provision of the Rulebook (see § 1.3, step 4) we suggest to indicate, after point 4 of the high-level process flow, the following: "TIPS provides certainty of receipt for the confirmation message that the Beneficiary Participant has sent"
5	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	Diagram step 1: the words "from the Originator Participant or the party acting on its behalf" should be added for consistency's sake
6	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	Diagram step 4: should state that TIPS receives either a positive or negative confirmation. Diagram step 6: should state that TIPS forwards the positive or negative confirmation to the originator participant (or reachable party/instructing party). The process flow actually only describes a succcessful transaction.
7	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	Diagram step 4: the words "or the party acting on its behalf" should be added for consistency's sake
8	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	Diagram step 7: it is unclear if step 7 is only the confirmation of the settlement or also the functional implementation of the technical confirmation of receipt of the confirmation message by TIPS. Given that the latter is clearly out of scope of the EPC SCT Inst rulebook, the URD should be specific on this (reference to step 7 in 3.1).
9	European Payment Council	5	2.2 SETTLEMENT OF PAYMENT TRANSACTIONS	General	3rd paragraph – 3rd line: the word "breached" should read "met" as that would sound more correct
10	European Payment Council	7	2.4 MANAGEMENT OF ACCOUNTS AND REFERENCE DATA	General	Before the registration of Participants and Reachable Parties in TIPS by central banks/ECB starts, the adherence to the EPC SCTinst rulebook by the Participant/Reachable Party has to be checked. This is an important legal condition to process instant payments.
11	European Payment Council	7	2.5 QUERIES AND REPORTING	General	Wording change in 2nd sentence: " Queries and reports critical… process SHALL be made available 24/7/365…" to stress that TIPS is available 24/7 at any day of the year.
12	European Payment Council	8	3.1 OVERVIEW	General	Addition in first sentence: "…. Payment transactions, REJECTS, recalls and …" The SCT Inst scheme foresees also rejects as an exception handling category.
13	European Payment Council	8	3.1 OVERVIEW	Figure 1	Step numbers in this section do not match the steps in the high level process in section 2.2, this can cause some confusion. One of the steps 7 is actually step 4.
14	European Payment Council	8	3.1 OVERVIEW	General	STEP 2: add as penultimate sentence:" TIPS informs the Originator Participant or Instructing Party of the rejected payment transaction" to ensure that the Originator Participant or Instructing Party is duly informed about the failed transaction.

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15	European Payment Council	8	3.1 OVERVIEW	General	Step 5: The 'Beneficiary Participant reply message' is known as positive/negative confirmation, please use same terminology if this message of the EPC SCT Inst scheme is meant here
16	European Payment Council	8	3.1 OVERVIEW	General	Step 6: When receiving the positive confirmation, and the CSM of the Beneficiary Bank has not rejected the transaction due to a time-out, at this point the transaction cannot be rejected, especially if TIPS is technically only the CSM of the Originator Bank. It is not allowed to reject the transaction for this reason.
17	European Payment Council	8	3.1 OVERVIEW	General	STEP 6: reword the last sentence into two sentences: "In case the message has not passed the validation checks at the Beneficiary Participant or Instructing Party, TIPS informs the Originator Participant or Instructing Party of the rejected payment transaction". This sentence will ensure that the Originator Participant or Instructing Party is duly informed about the failed transaction. "In case the time-out deadline has passed and TIPS has not received a reply message from the Beneficiary Participant, TIPS sends a reject message for this payment transaction to both the Originator Participant and the Beneficiary Participant". We refer to the third bullet point under rulebook section 4.2.3 C.
18	European Payment Council	8	3.1 OVERVIEW	General	Step 7: sentence to be added at the end : "Step 7 is not covered by the SCT Inst rulebook"
19	European Payment Council	8	3.1 OVERVIEW	General	On page 9, the recall process is described. With regard to it, we suggest to add the following: "When receiving the SCT Inst Recall from the Originator Participant or receiving the answer to the SCT Inst Recall from the Beneficiary Participant, TIPS sends the concerned SCT Inst Recall and the answer to the SCT Inst Recall immediately to the respective party (the Beneficiary Participant or the Originator Participant)". The requirement "immediately" is relevant and in line with the Rulebook (see § 4.3.2.2.)
20	European Payment Council	8	3.1 OVERVIEW	General	Page 9 - Paragraph on recall answer message: a) it states that for a positive answer to a recall message, a new payment transaction is created. We want to highlight that a pacs.004 message is used for a positive response, not a pacs.008 message. Our assumption is that TIPS does not create a new payment transaction. Instead TIPS processes the pacs.004 Return message and uses the BICs from this message to determine the TIPS accounts or CMBs. b) change to the sentence "A recall answer has to be provided WITHIN 10 banking business days after....". We refer to the penultimate bullet point under section 4.3.2.2 of the rulebook. c) 2nd line in paragraph: should be "Reachable Party" instead of "Instructing Party"
21	European Payment Council	8	3.1 OVERVIEW	General	On the investigation message it is stated that TIPS provides a query that covers this functionality and no dedicated additional messages are defined. This is contrary to what the rulebook states, in which the scheme obliges the Beneficiary Bank and the parties in the Interbank Space to Instantly process the investigation and to respond as soon as possible to this investigation procedure.
22	European Payment Council	8	3.1 OVERVIEW	General	Section 4.3.2.3 of the SCT Inst rulebook describes the 'Request for Recall by the Originator'. This procedure will enter into force as of November 2018. Assuming TIPS goes ahead with a go-live date in November 2018, the URD should describe this process as well.
23	European Payment Council	10	3.2 PAYMENT PROCESSING	General	The validation is missing that the transaction currency is in the currency in which TIPS operates (i.e. at the start in EUR)
24	European Payment Council	10	3.2 PAYMENT PROCESSING	Table 1	a) "Originator Participant Status" message missing: message informing the Originator Participant or Instructing Party that a time-out has occurred (comment: we refer to the third bullet point under rulebook section 4.2.3 C) b) Section 4.3.2.3 of the SCT Inst rulebook describes the 'Request for Recall by the Originator'. This procedure will enter into force as of November 2018. Assuming TIPS goes ahead with a go-live date in November 2018, the URD should describe this process as well. c) Typo: in the description of "Rejection": timeouts should be "time-out" (is mentioned as such in the rulebook)

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25	European Payment Council	11	3.2 PAYMENT PROCESSING	Figure 2	We would like to suggest minor changes in the figure 2. There are 2 possibilities after having performed a validation of the reply of the Beneficiary Participant : valid or not. The suggestion is that the arrow "Validation failed" should go out directly from the box "Perform Validations TIPS UR 03.050", like the arrow for "Validation succeeded". The same suggestion is made for the 2 arrows "Reply is positive" and "Reply is negative": both should go out of the box/diamond "Validation succeeded".
26	European Payment Council	12	3.2 PAYMENT PROCESSING	Table 2	Is there no message immediately sent from TIPS to the Beneficiary Participant (e.g., a technical ACK message) once the TIPS has received the (positive) reply from the Beneficiary Participant? Based on such receipt confirmation message from TIPS, the Beneficiary Participant can already make funds available to the Beneficiary. (we refer to step 5 in section 1.4 and paragraph n°5 in section 4.2.3 B of the rulebook)
27	European Payment Council	13	3.2 PAYMENT PROCESSING	TIPS.UR.03.030	The description uses the word should, where it is assumed that 'shall' or 'must' needs to be used
28	European Payment Council	13	3.2 PAYMENT PROCESSING	TIPS.UR.03.050	The description uses the word should, where it is assumed that 'shall' or 'must' needs to be used
29	European Payment Council	14	3.2 PAYMENT PROCESSING	TIPS.UR.03.070	We find the following misprints: a) Typo: line 7: "In order to given..[...]" should be "in order to give" b) Lines 10, 12, 13: we believe that the explicit example description mentions the incorrect R party (R2 should be R1)
30	European Payment Council	15	3.2 PAYMENT PROCESSING	TIPS.UR.03.080	We understand that the designed check is valid but it would be very useful for Participants to be provided with a list of reachable entities through TIPS, so that they could act before issuing the instant payment transaction by not transmitting the payment through TIPS.
31	European Payment Council	15	3.2 PAYMENT PROCESSING	TIPS.UR.03.090	Typo: Wording missing in last sentence: …Originator PARTICIPANT….
32	European Payment Council	17	3.2 PAYMENT PROCESSING	TIPS.UR.03.150	We highlight that a Reachable Party cannot have a TIPS account.
33	European Payment Council	18	3.2 PAYMENT PROCESSING	TIPS.UR.03.200	This requirement states that "The payment transaction remains pending until a positive (acceptance of the payment) or negative (rejection of the payment) reply is received and settlement takes place (only for positive replies)." This is incorrect: TIPS should reject the transaction if a time-out due to lack of answer from Beneficiary Participant occurs. Instant payment transactions cannot be held pending from this answer. Besides it is inconsistent with next Requirement (TIPS.UR.03.210).
34	European Payment Council	18	3.2 PAYMENT PROCESSING	TIPS.UR.03.210	A Reachable Party can indirectly be connected to a Beneficiary Participant. In case a Beneficiary Participant acts both as TIPS account holder and as Instructing Party for this Reachable Party, by definition this Beneficiary Participant is a CSM to the Reachable Party (itself being the formal Beneficiary Bank under the SCT Inst scheme). Can you confirm that in such situations, TIPS is not the CSM of the 'Beneficiary Bank' (see definition of this term in section 3.1 of the SCT Inst rulebook) and therefore TIPS will not reject the transaction due to time-out, as that is only for the CSM of the Beneficiary Bank to do?
35	European Payment Council	19	3.2 PAYMENT PROCESSING	TIPS.UR.03.220	A similar requirement is missing to inform the Originator Participant. Also the Originator Participant should receive a notification in case of timeout (we refer to the third bullet point under rulebook section 4.2.3 C)
36	European Payment Council	10	3.2 PAYMENT PROCESSING	General	Section 3.2.7: General comment: is there no message immediately sent from TIPS to the Beneficiary Participant (e.g., a technical ACK message) once the TIPS has received the (positive) reply from the Beneficiary Participant? Based on such receipt confirmation message from TIPS, the Beneficiary Participant can already make funds available to the Beneficiary. (we refer to step 5 in section 1.4 and paragraph n°5 in section 4.2.3 B of the rulebook).
37	European Payment Council	20	3.2 PAYMENT PROCESSING	TIPS.UR.03.250	Typo: Words missing in first sentence under each ID table: "….Beneficiary PARTICIPANT…"
38	European Payment Council	20	3.2 PAYMENT PROCESSING	TIPS.UR.03.260	Typo: Words missing in first sentence under each ID table: "….Beneficiary PARTICIPANT…"

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39	European Payment Council	22	3.2 PAYMENT PROCESSING	TIPS.UR.03.320	The SCT Inst rulebook does not specify anything about validations done by the Interbank Parties. The rulebook (see section 1.4) mentions that based on upfront technical arrangements the CSM of the Beneficiary Bank notifies to the Beneficiary Bank that its confirmation message has been successfully received. Based on such certainty of receipt, the Beneficiary Bank will immediately credit the Beneficiary in case it has sent a positive confirmation message to its CSM. We consider that a validation as defined in the URD does not equal with the term 'receipt' in the rulebook. What action will TIPS undertake if it successfully received the positive confirmation message from the Beneficiary Bank but the subsequent TIPS validation check failed? The successful receipt is a point of no return: the Beneficiary Bank will have already made the funds available to its customer. Chaos would be created in case of such failed TIPS validation check, TIPS would send a negative confirmation message to the Originator Bank (would then inform its Originator about the unsuccessful transaction) and to the Beneficiary Bank (funds already given to the Beneficiary).
40	European Payment Council	22	3.2 PAYMENT PROCESSING	TIPS.UR.03.340	Figure 4 "Work Flow Time-Out Deadline" of the SCT Inst Rulebook shows that also in case of time-out, funds must be un-reserved. So, we consider that also TIPS should include a "un-reservation of funds due to time-out"
41	European Payment Council	23	3.2 PAYMENT PROCESSING	TIPS.UR.03.360	We suggest to specify in the description of the ID that an un-reservation of funds can be triggered due to time-out
42	European Payment Council	23	3.2 PAYMENT PROCESSING	TIPS.UR.03.360	This is a negative confirmation rather than a rejection message.
43	European Payment Council	25	3.3 RECALLS	General	Typo: Introduction paragraph: words missing : "….the Originator PARTICIPANT has to send…"
44	European Payment Council	29	3.3 RECALLS	TIPS.UR.03.680	Typo: word missing in TIPS.UR.03.680: "…payment transaction IN dataset DS-02…"
45	European Payment Council	31	3.3 RECALLS	TIPS.UR.03.750	Typo: wording not clear: "…..a new payment instructION WHICH reverses…"
46	European Payment Council	32	3.4 INVESTIGATIONS	TIPS.UR.03.900	This requirement does not make it clear whether TIPS will support the full mandatory investigation messages as described in the EPC SCT Inst rulebook.