

Institution name	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP
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1	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	1	1.2 PROJECT OBJECTIVES	General	General Comment	<p>In response to the ERPB call for a swift implementation of instant payments to meet the needs of users of payment services, a number of market initiatives are currently under way. The launch of the investigation phase of TIPS is in several instances slowing down ongoing projects, opening up new questions and calling for reconsideration of strategies by both PSPs and infrastructure providers alike. Consequently, we believe that the TIPS project should be assessed from a holistic perspective taking into account the cost/benefits of the overall marketplace and not only cost recovery at the level of the Eurosystem.</p> <p>In our view a single solution for instant payments would be ideal. A single solution would cater for an optimal model from a liquidity perspective as well as preventing system and solution fragmentation of IP services across Europe. The way TIPS is currently envisaged would however not appear to serve this purpose unless made mandatory. As TIPS is not foreseen to become interoperable with other (CSM) solutions, we are wondering about its success as it cannot guarantee 100 percent reachability. As currently designed, we are concerned that it could contribute to fragmentation rather than solving it.</p>
2	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	1	1.3 PROJECT SCOPE AND DESCRIPTION	General	General Comment	<p>We would appreciate clarification on a number of questions:</p> <ul style="list-style-type: none"> • We understood TIPS to be a standalone service rather than providing support of other Instant Payment systems. Could you please clarify? Having said this, we regard it as being of paramount importance that all instant payment services in euro are interoperable irrespective of whether they are operated by ACHs or the Eurosystem. • How will TIPS legal documentation interact with EPC SCTInst documentation? • In view of TIPS 24/7 functionality combined with different time zones in SEPA, we would welcome clarification on how the TIPS business day will be defined and how will TIPS accommodate PSD2 value dating requirements both within and across time zones (e.g. Portugal – Finland). • Finally, it is noted that TIPS shall support Participants to be compliant with the SCTInst scheme for instant payments in euro and TIPS messages shall be in line with the SCTInst scheme. We support this objective since otherwise it could require the use of separate agreements between Participants and their customers for TIPS and other IP schemes which we fear could cause confusion. Also, we believe it is important to provide Participants with the ability to switch between different IP settlement infrastructures without specific customer consent on an individual basis in order to optimise the use of liquidity. (See also comment below on 2.3 Liquidity management). However, compliance with the SCTInst scheme does not just apply to the messaging standard used but also other aspects including but not restricted to the implications of the proposed Risk Management Annex (RMA) for the SCTInst scheme, execution times and the SCTInst Rulebook requirement for interoperability with other services to fulfil reachability obligations. Additionally, the statement in the TIPS User Requirements reading "TIPS is intended to be a harmonised and standardised pan-European service with common functionality across different countries and jurisdictions" appears to conflict with the provision of Additional Optional Services (AOS). We would appreciate clarification and the view of the Eurosystem on these issues. In summary, we would expect TIPS to ensure full compliance with EPC SCTInst including compliance with amount limits set by EPC SCTInst (or any others decided at "community level").

3	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	2	1.4 GENERAL PRINCIPLES	General	General Comment	Principle 1 It is noted that "Clearing" is defined in section 11.2 as "The process of transmitting, reconciling and in some cases confirming transfer orders prior to settlement....." Consequently, it is not clear which elements of clearing are not provided by TIPS. Clarification will be appreciated.
4	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	5	2.1 ACTORS	General	General Comment	From the definition it appears that reachable parties are indirect participants but the definition of instructing parties isn't clear to us. We recommend that the ECB should clarify the roles of all actors precisely having recourse to well established terminology, otherwise this could cause confusion. Differences should be clearly explained and the use of new terms justified.
5	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	6	2.3 LIQUIDITY MANAGEMENT	General	General Comment	It is noted that TIPS balances will be applicable to the minimum reserve calculation which is welcome. This would seem to indicate that double duty will be allowed but it appears that to take full advantage of this facility, TIPS balances may need to be boosted solely for this purpose at T2 closing time. Could you please clarify and confirm this can be automated? Also, the restriction on transfers of funds between an RTGS account and a TIPS account to the operating hours of the RTGS/T2 would appear to imply a possible need to hold excess central bank money on TIPS accounts when RTGS is closed to cover unexpected fluctuations in TIPS traffic This would appear to be turning TIPS accounts into some form of RTGS account. Please clarify.
6	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	8	3.1 OVERVIEW	General	General Comment	Step 7 states that if the transaction is accepted the amount will be settled. When exactly is it envisaged the point of entry and point of irrevocability for SFD purposes will occur?

7	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	17	3.2 PAYMENT PROCESSING	TIPS.UR.03.150	Reservation of funds on TIPS accounts	TIPS.UR.03.150 states "Reserved funds shall be unavailable for the settlement of instant payments (or their reservation), recalls or liquidity transfers". Presumably, this should read "other instant payments" as in the paragraph below.
8	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	23	3.2 PAYMENT PROCESSING	TIPS.UR.03.370	Gross settlement of payment transactions	Re TIPS.UR.03.370 - is a form of circles processing similar to TARGET 2 algorithms envisaged to allow compensating gross transfers to overcome blockages?
9	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	25	3.2 PAYMENT PROCESSING	TIPS.UR.03.450	Confirmation message in case of successful settlement	Re TIPS UR.03.450 - we suggest that consideration should be given to the confirmation message also confirming that the transfer is final.
10	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	29	3.3 RECALLS	TIPS.UR.03.670	Validation of recall answer status	TIPS.UR.03.670 states that in case the answer is negative no additional processing has to be performed by TIPS. However, according to section 2.2(2) TIPS validates and reserves the amount (conditional settlement). Does this action have to be reversed if the recall answer contains an acceptance?
11	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	34	4.1 OVERVIEW	General	General Comment	Based on the assumption that a successful TIPS service may be designated as a SIPS, irrespective of whether this is on a standalone basis or as a constituent part of TARGET2, it is considered to be essential that the original design is compliant with the SIPS Regulation. Quite apart from regulatory considerations, the design also needs to facilitate the ability of banks to manage their central bank liquidity in aggregate irrespective of whether it relates to TARGET 2, TIPS or T2S. Table 6 appears to link finality to the debit to the Participant's TIPS account and credit to the RTGS transit account. However, whilst it is accepted that in normal circumstances these actions will be simultaneous, should not finality be tied to a single action? It is noted that TIPS balances will be applicable to the minimum reserve calculation which is welcome. We would appreciate clarification on how can we ensure that transfers are not ending up to be 'in transfer' at the time the reserve balance snapshot is taken (debited in TIPS, but not yet credited in T2)?
12	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	38	4.2 LIQUIDITY TRANSFERS	General	General Comment	We would appreciate clarification as to why transit accounts are being used.
13	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	51	5.3 ACCOUNT STRUCTURE	General	General Comment	We fear that the reference to dedicated cash account could give rise to confusion with T2S DCAs and suggest a different term is considered.
14	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	72	8.2 U2A INTERFACE	TIPS.UR.08.030	User-to-Application communication	TIPS.UR.08.030: please confirm that an account holder has the ability to manage its central bank liquidity as a whole irrespective of the type of account in which it is held. However, it is considered very important that this shouldn't lead to any deterioration in the existing level of TARGET 2 service.
15	EUROPEAN BANKING FEDERATION, EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS, EUROPEAN SAVINGS AND RETAIL BANKING GROUP	88	10.7 VOLUMETRIC ASSUMPTIONS	General	General Comment	What is the methodology for calculating volume once user survey results have been analysed please? Will there be an opportunity to expand capacity further if required at some future date? It should be a requirement from the start that the system is future proofed, looking at the expected take up and experience in other areas.