

23 May 2022

TIPS CONSULTATIVE GROUP (TIPS-CG)

13 April 2022, 10:00 – 12:00 and 14:00 – 16:00 CET

held via Webex

OUTCOME OF THE 11TH TIPS-CG MEETING

0. Introductory Remarks

The Chairperson will welcome the participants and briefly introduce the agenda.

Outcome:

The Chairperson welcomed the participants to the eleventh meeting of the TIPS Consultative Group. Afterwards, the Agenda was approved with no amendments. Some changes in time slots due to presenter constraints were announced.

The Chairperson welcomed three new TIPS-CG members and announced the name of the TIPS-CG Secretary.

Finally, it was announced that the next TIPS-CG meeting on 7 July will be in hybrid format, i.e. with some participants in the ECB premises and the rest remotely. The Secretary of the group will follow-up with an email to collect the interest of the TIPS-CG members regarding the format of their participation (physically or remotely) (Action Point (AP-009)). It was recalled that some restrictions due to the coronavirus pandemic will most probably be still in place and that therefore the number of participants in the ECB premises may be limited.

1. Outcome of the last meeting

The members of the TIPS Consultative Group will be invited to approve the outcome of the previous TIPS-CG meeting.

Document:

- Outcome of the 10th TIPS-CG meeting on 17 February 2022

Outcome:

The Chairperson informed the TIPS-CG members of a slight change in the process for approving the outcome of the previous meeting in order to align it with the other TARGET Services governance groups and to follow a recommendation coming from the auditors.

After a TIPS-CG meeting (ideally within a week), the draft outcome will be shared with the TIPS-CG members for comments. After receiving the comments, the outcome will be updated accordingly and the final draft version will be circulated. The approval of the outcome will be agreed during the next TIPS-CG meeting. Once approved, the outcome will be published on the ECB Website.

In addition to the outcome, a list of Action Points will be prepared and shared with the group. The status of the Action Points will be reviewed ideally at the end of each TIPS-CG meeting (as part of the section Any Other Business). If no time left, it will be done via Written Procedure.

2. Debriefings

The participants will be debriefed on:

- The outcome of the TSWG meeting on 17 March 2022
- the outcome of the first meeting of the EPC STP MSG
- The outcome of the MIB meeting on 6-7 April 2022

Outcome:

A member of the ECB team debriefed the TIPS-CG about the outcome of the first meeting of the EPC Scheme Technical Player Multi-Stakeholder Group (STP MSG). The ECB brought the topic of the change request proposals for the next version of the Rulebooks (including the SCT Inst one) to the STP MSG, as committed to.

As far as SCT Inst is concerned, the Group supported the view of the Scheme Evolution Maintenance Working Group (SEMWG) with one notable exception related to the UETR (Unique End-to-end Transaction Reference). The STP MSG was in favour of introducing the UETR as an optional attribute as it becomes a central identifier in other payment schemes/arrangements. Nevertheless, a few members pointed out that business/usage rules are also needed on how and when to use the UETR as an optional attribute under the scheme.

The version 2019 of ISO 20022 is supposed (to be confirmed) to enter into force on 19 November 2023 at 08:00. The Eurosystem was invited to heavily involve the market (in particular the ACHs) in ensuring a smooth transition as the “rolling upgrade” does not seem to fit it.

The ECB will launch a Written Procedure to collect the concerns/issues of the TIPS-CG members on this topic (Action Point (AP-010)) to know what needs to be further analysed. Also, this will help in structuring the discussions in view of the next TIPS-CG meeting (on 7 July 2022) where this topic will be included in the agenda.

With regards to the outcome of the TSWG meeting on 17 March 2022 and to the outcome of the MIB meeting on 6-7 April 2022, the ECB representative indicated that the TIPS-CG members will be debriefed separately as part of the respective agenda items (Annual Business prioritisation exercise / TIPS Roadmap [agenda item 7.] and Cross-currency Settlement in TIPS [agenda item 4.]).

3. TIPS On-boarding

The participants will be provided with a presentation on the end of the pan-European reachability migration. An ECB representative will present the latest updates on the non-euro markets on-boarding to TIPS.

Documents:

- End of the pan-European reachability migration (Presentation ECB)
- TIPS On-boarding non-euro markets (Presentation ECB)

Outcome:

With regards to the end of the pan-European reachability migration, the ECB provided an overview on the waves as well as on their effects and thanked the participants for all their efforts and for the successful cooperation. The Chairperson also congratulated all stakeholders for this joint success where the migrations took place within a very tight deadline.

Regarding TIPS On-boarding for non-euro markets, the ECB provided the TIPS-CG members with a presentation on the status update of the onboarding for non-euro markets in TIPS.

4. Cross-currency Settlement in TIPS

The TIPS Consultative Group will be debriefed on the outcome of the market surveys on Cross-currency instant payments initiative.

Document:

- Cross-currency initiative in TIPS - Market surveys outcome (Presentation ECB)
- Cross-currency initiative in TIPS - Market surveys outcome (Presentation Riksbank)

Outcome:

An overview on the outcome of both surveys was provided to the TIPS-CG members by Riksbank and ECB representatives.

In addition, the Chairperson debriefed the TIPS-CG members orally on the decisions taken by the MIB in its meeting on 6-7 April 2022 regarding the way forward:

- 1. Investigate the possibility to launch a cross currency pilot with EUR and Swedish stakeholders. The options on the shape of the pilot will need to be presented to the MIB at the MIB meeting of September 2022.*
- 2. As part of the investigations on the pilot, some further investigations on the model to be implemented to enable the cross-currency service would need to be undertaken.*

A TIPS-CG member commented that due to a missing level playing field, it is easier for Swedish banks to participate in the both TIPS and RIX Inst, while this is not the case for the non-Swedish banks. This point was already raised at the AMI-Pay, but it will need to be followed up in the investigation of the potential models.

5. Pilot for using the Mobile Proxy Lookup functionality in TIPS

A representative from the ECB will update the TIPS-CG participants on the outcome of the campaign to recruit volunteers for an MPL pilot and on the way forward.

Document:

- Mobile Proxy Lookup One Pager (Background document)

Outcome:

The ECB shared that so far one firm confirmation from one bank to participate in the MPL pilot was received and that two other institutions are considering participating. The TIPS-CG members are kindly invited to provide an update on the status of their participation via email to TIPS@ecb.europa.eu (Action Point (AP-004)).

The Written Procedure on the search for volunteers on the MPL pilot should have been closed on Friday 8 April but depending on the feedback that we will receive, the ECB may extend the deadline.

6. Status of TIPS releases

An ECB representative will inform the TIPS-CG about the current status of TIPS CRs and releases. The group will be provided an update on the initiative to harmonise Target services' release numbering.

Document:

- TSWG information on TIPS releases status (Background document)
- Start of harmonised release numbering (Presentation ECB)

Outcome:

TSWG information on TIPS releases status:

An ECB representative presented a very short update on the latest update for TIPS Change Requests enhancing the fact that the most relevant updates would be covered as part of the following presentations under Agenda Items 7 and 9.

Update on the status of harmonised release numbering:

An ECB representative presented an update on new harmonised release numbering convention across all TARGET services that could start from next June 2023 release This new harmonised numbering concerns:

- *Release numbering*
- *Hot-Fixes numbering*
- *Scope Defining Documentation numbering*

7. Annual Business prioritisation exercise / TIPS Roadmap

An ECB representative will report on the outcome of the TIPS-CG annual business prioritisation exercise. In addition, an update on the TIPS Roadmap will be provided. Furthermore, the TIPS-CG will be informed about the 3 new change requests that have been registered, one regarding the Enhanced information database (CR-0051) and the other 2 as place holders (still to be drafted) for the update to the 2019 version of the ISO 20022 messages (CR-0052) and DKK statistical indicators (CR-0053).

Documents:

- TIPS-CG annual business prioritisation exercise (Presentation ECB/4CB)
- TIPS Roadmap (Presentation ECB/4CB)
- TIPS GUI enhancement and Enhanced Information Database (Presentation 4CB)

Outcome:

TIPS-CG annual business prioritisation exercise & TIPS Roadmap:

4CB and ECB representatives presented an update on the outcome of the business value assignment by the TIPS-CG, as well as the latest status of the CRs/initiatives. A proposal for the clustering of CRs/initiatives in view of upcoming releases was presented and related principles/criteria for the adjustment of the clusters' composition were shown. It was stressed that the three principles presented are not ranked and that therefore the principles have the same importance.

The Chairperson expressed disappointment about the low participation (11 out of 31) in the yearly business value exercise that took place in February 2022. Each TIPS-CG member is encouraged to express his/her own opinion. It was recalled that the methodology followed is the same as for T2S and that in case of a missing vote the value attributed is "non required" (hence the score is 0).

As part of the discussions, the Chairperson indicated that the mandate of the TIPS-CG will be reviewed by the end of the year and that the participants of the group may change. The objective would be to enable the PSPs who are active in TIPS to participate as a member of the group, share their experiences and prioritise change requests that are important in the evolution of TIPS.

In addition, the TIPS-CG members were informed on the related TSWG meeting discussion held on 17 March 2022 and TSWG ad hoc meeting discussion held on 8 April 2022, where the TIPS TSWG discussed the TIPS Roadmap and made following observations/suggestions:

- The TSWG and the MIB confirmed the need for a balanced approach, i.e. strategic and corrective changes in TIPS over the years. The TSWG members stressed the need for inclusion of operational enhancements and not to postpone them in favour of other initiatives
- Need to have a view on the TIPS Financial Envelope when making recommendations on the TIPS releases composition
- Acknowledged that their market participants provided feedback only on corrective/maintenance CRs and cost recovery aspect is not their focus

- *Need to investigate whether a strategic CR will indeed contribute to cost recovery*

TIPS GUI enhancement and Enhanced Information Database:

A representative of 4CB provided the TIPS-CG members with an overview on the change requests linked to the TIPS GUI, clarifying the reason behind the need to perform technology enhancement and how the GUI enhancements Change Requests depend on CR-0051-TIPS Enhanced Information Database.

It was indicated that for all GUI enhancements Changes Requests (TIPS-0026-URD Additional search criteria for transaction status query, TIPS-0027-URD Improve the informative content in the TIPS GUI, TIPS-0048-URD Enhanced information in TIPS U2A screens) as well as for the TIPS-0051-URD itself, a dependency with the TIPS-0042-SYS TIPS Resilience And Continuity Enhancement (RACE), exists.

In fact, the implementation of the TIPS-0042-SYS shall be a pre-requisite for the deployment of all GUI enhancements Change Requests as it makes available the building blocks for the technology enhancement required. The information on when the TIPS-0042-SYS could be implemented and live will be shared with the TIPS-CG members as soon as available (Action Point (AP-0011)).

8. LQ reconciliation

The participants will be updated on the discussions about the liquidity provider reconciliation in TIPS. The TIPS-CG will be asked to provide their feedback on this topic.

Documents:

- Liquidity Model TIPS-RT1-Iberpay (Presentation Deutsche Bank)

Outcome:

The TIPS-CG member of Deutsche Bank presented a problem that they have encountered in funding/defunding positions at RT1 on their own behalf and on behalf of Postbank. The messages received from TIPS seem to show no difference in the two cases and therefore the reconciliation is very problematic on the side of Deutsche Bank.

As part of the discussions, a solution brought orally by 4CB, using technical account owner as per the example in the UDFS section 2.5.3.1.1, could potentially fix the issue. Discussions between the ECB, 4CB and Deutsche Bank will take place to look further into this solution. The TIPS-CG members will be informed on the result at the next TIPS-CG meeting.

9. Non-time critical instant payments

The TIPS Consultative Group will be debriefed on the latest developments on the analysis of the non-time critical instant payments solution (e.g. the time event versus message-based trigger to start of retransmission).

Documents:

- Non-time critical instant payments solution (Presentation ECB)

Outcome:

The TIPS-CG members were debriefed on the Preliminary Assessment of TIPS-0041-URD - Introduction of non-time critical instant payments in TIPS. The potential issues, such as the implementation of CR-0041 in a two-step approach, as well as potential solutions on queueing and retransmission mechanism were discussed.

It was agreed that the business case (i.e. business need behind it) needs to be clarified and, once this is done, the technical solution would need to be potentially adjusted to match it. The topic will be further discussed in a smaller group (Action Point (AP-012)) and will be put again on the agenda of the next TIPS-CG meeting.

10. TIPS Directory

The participants will be reminded of some technical aspects connected with the TIPS Directory delivery, relating in particular to the activation of the CRDM A2A channel for TIPS users, in view of the T2-T2S CSLD go-live.

Document:

- TIPS Directory - Distribution in push mode after November 2022 (Presentation Banca d'Italia)

Outcome:

The TIPS-CG members were debriefed on the fact that the technical connectivity solution that TIPS provided since the TIPS go-live did not cover the full scope of the technical connectivity services of ESMIG. The full ESMIG scope in the context of the T2-T2S Consolidation project going live in November 2022, as well as in the related TIPS adaptations to CRDM.

In addition, the TIPS-CG members were invited to take note that:

- *The A2A connectivity towards the fully-fledged CRDM will be anticipated by the NSPs already in May 2022 for the delivery of the TIPS Directory in SEK.*
- *All the remaining TIPS Actors will receive the TIPS Directory in EUR through the newly introduced channel, via CRDM Data Exchange Protocol (DEP) protocol, as of November 2022*

The representative of SWIFT will check the communication prepared by SWIFT to ensure whether all elements will be covered (Action Point (AP-0013)). The representative of SIA pointed out that some technical aspects required to support this migration, e.g. the need to configure the Closed Group of Users (CGU). Hence, if the participants need to receive the file from the common components for TIPS, a new CGU subscription is required. As a result, there can be differences in terms of configuration as it is a different CGU. The TIPS-CG members have been informed that the NSPs are/will approach their customers proactively by sending a communication to them.

11. Operational Matters

11.1 TIPS in operation

The participants will be provided with information on TIPS operational matters and will be invited to raise any operational matters they would like to bring to the attention of the TIPS-CG.

Document:

- Oral update (ECB)

Outcome on the oral update:

The ECB team reminded the TIPS-CG members that they can raise any operational matter they would like to see presented or discussed at the meeting via email prior to the meeting. In view of the upcoming TIPS CG meetings, the ECB will launch a Written Procedure (Action Point (AP-014)) inviting the TIPS CG members to raise operational matters that they would like to discuss. It was further recalled that the mandate of TIPS-CG includes TIPS operational matters.

The ECB team reported on the current volumes highlighting that there has been a shift in the distribution per market. The top three markets in volume of settled instant payments in March 2022 were Slovakia, Netherlands and the ECB.

In February 2022, around 3.7m transactions settled in TIPS, compared to January 1.9m, thus almost doubling. This increase is mainly due to the migration of new PSPs and ACHs to TIPS (Wave 2 and Wave 3) as part of the Pan-European reachability measures.

In March 2022, almost 6m transactions settled in TIPS, which marks a further step in volume developments.

Since the last TIPS-CG meeting, there was one TIPS planned downtime on 5 March 2022 due to a site recovery exercise. The planned maintenance activities took place between 09:15 – 09:42 and 13:08 – 14:04. The service was unavailable only for 5 minutes from 09:31 – 09:36 with incoming messages not reaching TIPS. During the second downtime there was no service disruption. TIPS Maintenance activities were executed smoothly, and no issue occurred.

Following discussions, it was agreed that the extended usage of the email Notification tool (i.e. not only outside standard support hours but at any time a TIPS incident is experienced or for suspension purposes) will be revised by the SMSG/TSWG and that, during the next TIPS-CG meeting, the members will be briefed on the outcome of the exchanges (Action Point (AP-015)).

11.2 Overview on unsettled payments in TIPS

The participants will receive more information on the detailed analysis performed by Banca d'Italia on unsettled payments in TIPS for the months of January – March 2022. Also, TIPS-CG members will be invited to discuss and exchange their experience on any issue they might have that cause rejections/expirations in TIPS on their side.

Document:

- Overview on unsettled payments in TIPS (Presentation Banca d'Italia)

Outcome:

A representative from 4CB presented an overview on rejection rates in TIPS for December 2021 to February 2022.

In addition, it was orally indicated that in March a number of rejections (42%) came from 4 PSPs and statistics were shared to the responsible NCBs before the TIPS-CG meeting. The relevant NCBs were asked to investigate the reasoning behind the rejections with the top contributors for the rejections on a bilateral basis.

12. Any Other Business

The participants will receive an update to the list of the TIPS related Action Points. In addition, the TIPS-CG will orally discuss the opportunity of a Contact Grid that could be used by banks to reach out to each other for operational matters.

Documents:

- TIPS-CG Action Points

Outcome Contact Grid:

The use of a Contact Grid for banks to reach out to each other was discussed with the TIPS-CG members. The TIPS-CG members agreed that such a grid could prove valuable, for example, when trying to solve problems leading to rejections and expirations. The ECB team reported that they will investigate whether a solution can be developed in the context of the end-to-end check using the same contact information the 4CB maintains (which will in the future be added directly into the GUI of CRDM by the participants). Moreover, it was highlighted that for whatever solution is identified, due consideration needs to be given to possible GDPR implications and that only generic contact details should be used instead of details referring to physical persons (Action Point (AP-016)).

Outcome Action Points:

No time left to review the status of the Action Points during the meeting, it will be done via Written Procedure.