



EUROPEAN CENTRAL BANK

EUROSYSTEM

TIPS-0041-URD

“Introduction of NTC payments in TIPS”

Next steps for implementation

TIPS-CG meeting

target | TIPS
services



TIPS-0041-URD: next steps for implementation

While the requirements of the change request TIPS-0041-URD “Introduction of NTC payments” are now fixed and that 4CB was requested to prepare the Detailed Assessment, the following emerged:

It became clear that a TIPS-CG own Additional Optional Service (AOS) would need to be drafted:

- NTC payments is a payment solution which does not fully align with the SCT Inst scheme though it supports the market demand for instant, or near instant settlement
- NTC payments differ from SCT Inst mainly in terms of not being rejected if they do not settle within the timeframe allowed for SCT Inst payments, but still it is formally defined as an Additional Optional Service (AOS) of the traditional SCT scheme
- NTC payments should be seen as an instrument to facilitate the migration of SCT payments towards the instant settlement, this way supporting the objective of making IPs the “new normal”. In fact, it is expected that (i) the Originator’s intention is to have it settled instantly whenever possible and that (ii) the majority of NTC payments are indeed settled as quickly as any IPs
- The cancellation of a pending NTC payment is a mitigation measure that would ensure that the liquidity of funds is not reserved for up to 6 hours in case it is needed by the Originator (requirement which is part of the change request)

TIPS-0041-URD: next steps for implementation

Reminder on the text of the Change request [TIPS-0041-URD](#):

Status of the change request: Detailed Assessment (DA) is under preparation on 4CB side

[Extract from the change request text](#):

*“As the duration of the lifecycle of an NTC would most likely impact the maximum number of concurrent NTC transactions present in the system, **the TIPS Service provider shall assess – as part of the Detailed Assessment (DA) – how to minimise such impact for TIPS. In addition, the DA will also evaluate how the proposed solution might be able not to negatively impact the settlement of SCT Inst transactions, in case the TIPS platform is flooded with a very high number of NTC transactions using up to the whole capacity of the settlement engine.**”*

*“Finally, it is requested that the TIPS Service provider, as part of the DA, checks **whether a more flexible solution (e.g. via the introduction of a new dedicated channel for the NTC transactions) would be possible** to cope with the potentially high number of NTC transactions sent to TIPS.”*

Differentiation NTC payment vs an instant payment transaction:

The differentiation is done in the yellow field “Local Instrument Code” within the pacs.008.001.08 where the group header must be filled in with the identifying code ‘INSTNT01’

Thank you for your attention!

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 **ECB: market infrastructure and payments**