

European Central Bank

60640 Frankfurt am Main
GERMANY

Your ref	Our ref	Date
	██████████	24 February 2017
Classification:	Choose an item.	
Re. EBA CLEARING reply to TIPS user requirements consultation		

Dear Sir, Madam,

EBA CLEARING welcomes the opportunity provided by the ECB to comment on the TARGET instant payment settlement (TIPS) user requirements document. Our comments are the following:

- In support of seamless technical interoperability with other retail payment systems, and to avoid that business rules would restrict interoperability, EBA CLEARING believes it would be beneficial to the participants in retail payment systems in Europe if:
 - TIPS would implement the time out control in line with the EPC Rulebook in the case that the Originator Bank and Beneficiary Bank are participants in different retail payment systems (“CSMs”). We noticed that in case a CSM would take up the role of Instructing Party of an SCT Inst transaction, the timeout control would remain with TIPS, while the SCT Inst Rulebook dictates that the timeout control would be with the CSM of the Beneficiary PSP. In this scenario and when the CSM of the Beneficiary PSP would not respond within the rulebook timeout deadline, TIPS should keep the transaction in pending status;
 - TIPS would, with regard to the A2A interface for investigations, support the (optional) investigation message (pacs.028), as will be supported by the different retail payment systems for instant payments in Europe as listed on the website of the EPC.
 - TIPS would allow (other) CSMs to debit their technical accounts setup in ASI-6 Real-Time and to credit both technical accounts of other CSMs as well as accounts of TIPS Participants, so as to enable handling of individual transactions between PSPs uniquely participating in two different systems, thereby avoiding settlement risk for those transactions.

- It would be beneficial for the industry as a whole if a 24x7 settlement service would be made available for other payment types and instruments as well. Ideally, TARGET2 would provide instrument agnostic 24/7/365 settlement.
- Account balances used in any instant payment system for handling SCT Inst transactions serve the same purpose, and should be subject to the same remuneration conditions and minimum reserve handling. Applying the same treatment for (participants in) CSMs using ASI6 real time and (participants in) TIPS would create a level playing field.

Wishing you good receipt, we remain,

Yours faithfully,

