

16 August 2024

# TIPS-CONSULTATIVE GROUP (TIPS-CG) MEETING

11 June 2024, 09:00 – 16:30 CEST

hosted by the National Bank of Belgium (NBB) in Brussels  
and via MS Teams

## OUTCOME OF THE 18TH TIPS-CG MEETING

### 1 Introductory remarks and approval of the agenda

The Chair will welcome the participants to the meeting and invite TIPS-CG members to approve the draft agenda.

Outcome:

*The Chairperson welcomed the participants to the eighteenth meeting of the TIPS Consultative Group (TIPS-CG) and warmly thanked the National Bank of Belgium for its excellent hosting.*

*As part of the introductory remarks, the Chairperson highlighted that, in view of the upcoming DKK onboarding to TIPS, a Danish PSP (Danske Bank) joined the group as an observer. In addition, the European Payments Council (EPC) and the Nordic Payments Council (NPC) also joined as observers to the TIPS-CG meetings for specific topics that are relevant in their scope of expertise.*

*Afterwards, the Agenda was approved with two brief additional items raised by a member and discussed under “Any other business”.*

### 2 Outcome of the last meetings

The members of the TIPS-CG will be invited to approve the outcome of the previous TIPS-CG meetings.

Background documentation (for information or approval without discussion):

- A. *Outcome of the Ad-hoc TIPS-CG meeting on the outcome of the yearly business value exercise held on 19 April 2024*

Outcome:

*The TIPS-CG Secretary confirmed that the Outcome of the ad-hoc TIPS-CG meeting was shared with the TIPS-CG members via written procedure. No comments were received. As no objection was raised during the meeting, the draft Outcome was endorsed and will be published on the ECB Website under [TIPS Consultative Group documentation section](#).*

*Regarding the TIPS-CG February 2024 Meeting Outcome, the representative of ABN Amro pointed out, referring to the agenda item “Current TIPS capacity & way forward”, that Dutch banks are concerned about the number of incoming transactions per second, as they feel there is a risk of too many transactions to be received by banks’ whose systems would not be able to handle the incoming volume. As a consequence, the Dutch community is inviting the Eurosystem to consider introducing limits for the PSPs in terms of transaction per second (TPS) sent/received. The representative recalled experience*

from the Dutch market and underlined that the systems are only designed for a certain capacity. The problem raised was acknowledged by the Chairperson, but in terms of solution it was recalled that what is put in place in certain markets may not be relevant for a large pan-European platform like TIPS. Finally, it was said that banks interested in testing batches instant payments can reach out to the TIPS Evolution team ([tips@ecb.europa.eu](mailto:tips@ecb.europa.eu)) to organise such tests. Such tests could also provide relevant insights on the capacity of the TIPS platform to handle the expected high volume.

### 3 Debriefings

The participants will be debriefed on the outcome and key takeaways of:

- A. TIPS-WG meeting on 28 May 2024

Outcome:

The relevant topics, with their updates, were presented under dedicated agenda items in this meeting.

### 4 Operations

#### 4.1 TIPS Operational matters

The TIPS-CG members will receive an update on the most recent traffic developments and system's performance since the last meeting.

Discussion documentation:

- A. [ECB] The update on TIPS Operations [sent on 04.06.2024]
- B. [4CB] Incidents impacting TIPS (TIPS operational performance) [sent on 04.06.2024]

Outcome:

The update on TIPS Operations:

The TIPS-CG members were debriefed on the evolution of volumes in TIPS (daily average transactions have increased in all categories), the distribution of volumes across the top largest markets in TIPS, the distribution of transactions between the different account types in TIPS, and the evolution of rejection rates in TIPS.

It was noted that some PSPs occasionally go offline and therefore received messages expire (error code AB08 – Creditor agent is not online). Such downtimes, either planned or not, are neither allowed by the EPC scheme nor by TIPS system rules. It was suggested to make use of established Contact Grid in parallel to sharing that information to the NCB.

The statistics of cross-border and domestic traffic in TIPS was updated, in line with methodology applied by the EPC<sup>1</sup>. As a result, the share of cross-border traffic is at level of 39% out of total transactions in April 2024.

The average liquidity left overnight in TIPS was quite stable at around €22 bn and 58% of funds stay on TIPS DCAs and the rest are on TIPS ASTAs (42%) in May 2024.

Incidents impacting TIPS (TIPS operational performance):

4CB presented the three minor incidents causing the rejection of some instant payments in TIPS, during time intervals of less than 1 minute which occurred after planned regular maintenance activities. These incidents took place on 6 April, 23 April and 27 May 2024. The first one occurred during the planned site

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<sup>1</sup> Statistics were calculated based on the BIC code of the sender and receiver PSP.

recovery exercise, precisely while restoring the full configuration with three sites. The issue was solved automatically. For future exercises, the automation process has been amended to prevent further reoccurrences.

The second issue occurred during a maintenance activity on 23 April. The correction was applied with the TIPS R2024.JUN as Minor Change.

## 4.2 TIPS Recovery [Outcome not public]

# 5 Evolution

## 5.1 TIPS On-boarding

The participants will be provided with the latest updates on the markets on-boarding to TIPS.

Discussion documentation:

- A. [ECB] TIPS On-boarding [sent on 05.06.2024]

Outcome:

Following the presentation, the Chairperson underlined that in addition to the finalised SEK onboarding, the upcoming DKK one and the one being currently analysed for a possible NOK onboarding to TIPS, also the Central Bank of Iceland raised its interest in joining TIPS.

## 5.2 Testing status for upcoming TIPS releases & additional testing matters

The TIPS-CG will be presented with a status update on the testing activities towards the upcoming TIPS 2024 June and TIPS R2024.NOV releases.

Discussion documentation:

- A. [ECB] Testing status for upcoming TIPS releases & additional testing matters [sent on 03.06.2024]

Outcome:

As part of the presentation, it was highlighted that for the TIPS R2024.NOV, the release will be deployed to TIPS CERT environment on 23 September 2024 and that the User Testing (UTEST) will be able to start immediately thereafter (until 28 October 2024). The ECB representative outlined the already comprehensive nature of the automatic regression pack performed by the ECB Testing Quality and Readiness team for every TIPS release. The goal is to run automated systematic regression campaigns after each deployment and in advance of the Production go/no-go decision.

Furthermore, it was stressed that new test cases as part of the TIPS certification have been developed and that it is currently being checked whether the already certified users would need to also perform these new cases. The TIPS Certification Test Cases and the TIPS Guide for the onboarding of new customers (which is also being updated) will be published on the ECB website after TIPS-WG approval.

## 5.3 Change and Release Management

The TIPS-CG will be presented with the latest information affecting the upcoming TIPS Releases. The focus will be on: (i) a discussion on the EPC announcement regarding the release date for 2025, (ii) a follow-up on the feasibility assessment timeline for the CRs/initiatives considered for inclusion in 2025 releases, (iii) a presentation on the technical solution for Non-Time Critical (NTC) payments, (iv) a discussion on the new requirement for the CMB limit utilization reset, (v) an overview of a change request to be drafted related to "R-only BICs" and (vi) the Steering Level draft slides on the topic ISO 20022 message unfreeze strategy.

Discussion documentation:

- A. [ECB] EPC announcement for 2025 release date [sent on 31.05.2024]

- B. [4CB] Follow-up on FA timeline for TIPS CRs/Initiatives for 2025 releases [sent on 03.06.2024]
- C. [4CB] Non-time critical payments: overview of the technical solution [sent on 03.06.2024]
- D. [ECB] Update on TIPS-008-URD - CMB limit utilization reset – new requirements and way forward [sent on 05.06.2024]
- E. [BdF] Change request to be raised on management on “R-only BICs” [sent on 31.05.2024]
- F. [ECB] ISO 2002 message unfreeze strategy: draft for discussion in TIPS-CG [sent on 31.05.2024]

Outcome:

EPC announcement for 2025 release date:

An ECB representative debriefed the members on the announcement made by the EPC regarding the implementation date for all the five 2025 EPC payment scheme rulebooks (i.e., including for SCT Inst rulebook), and for the VOP scheme rulebook, set on Sunday 5 October 2025. Furthermore, gaps and constraints that this new date implies were discussed.

The EPC representative confirmed the decision taken by the EPC’s Payment Scheme Management Board (PSMB) underlying that the impacts for the market are well-known. He confirmed that the updated version of the SCT Inst scheme will include the regulatory requirements stemming from the Instant Payments Regulation (IPR) and the changes coming from the regular two-year scheme management cycle.

Afterwards, the representative of the Nordic Payments Council (NPC), maintaining the instant payments scheme for Denmark, Sweden and Norway, indicated that ideally the implementation date of their scheme should be harmonised with the one of the EPC, but that, due to the decision taken by the EPC, the possible alignment is currently under discussion with market participants.

A PSP representative stated that, for them, the date announced by the EPC is extremely difficult, if not mission impossible, also taking into account the assessment to be performed on the updated version of the scheme, which will only be published in November 2024, and the reduced testing period that this entails. Another PSP representative indicated that, from their point of view, even if the changes stemming from the scheme are very challenging, the issue is more on the other IPR requirements, like for instance requirements on 24/7 FX conversion for any currency and the need to provide instant payments through every payment channel. It was stressed that, even for experienced banks, the IPR imposes the need for a high number of changes within a short timeframe, and that the challenges are even bigger for the communities for which instant payments will be a novelty, as well as for smaller banks.

Follow-up on FA timeline for TIPS CRs/Initiatives for 2025 releases:

A 4CB representative indicated that for TIPS R2025.NOV currently the only change request officially allocated is the TIPS-0028-URD “Rule-based liquidity transfer orders between MCA and TIPS DCA”. It was underlined that following the EPC announcement of the revised entry-into-force dates for the 2025 Rulebooks, now set for 5 October 2025, it will be necessary to make some analysis to decide how to handle the overall scope of TIPS R2025.NOV. The change requests that are candidate to be included in the scope of this release are very challenging, therefore there are ongoing reflections to see whether it would be needed to decrease the scope of the release and, if so, the priority will be given to mandatory change requests (i.e., the ones related to the update of the scheme). There was also some discussion on the option to have two TIPS releases in Autumn, i.e., one in October (according to the new date of the EPC) and one in November (as usual), but this option was discarded due to testing complexities in the different environments. In defining the way forward, it was clarified that one of the main points of contingency would be the impact for Common Components and other TARGET Services.

Non-time critical payments: overview of the technical solution:

Following 4CB presentation on the technical solution that could be implemented to introduce Non-time critical (NTC) payments in TIPS, it was highlighted that non-functional testing (NFT) could be performed to further check whether any volume limit should apply to NTC payments but that, with the envisaged solution, the channel for NTC payments is independent from the one for the SCT Inst transactions, de facto heavily increasing the capacity to handle a very high number of NTC payments without impacting the processing of SCT Inst transactions. It was also underlined that for the PSPs the flow will remain the same as for any SCT Inst transaction; the only differences will be that no reservation of funds would be performed, and the cancellation feature that can be sent at any time.

Regarding the local instrument code, it was mentioned that the existing code will be used initially, but that an ISO change request will be prepared to introduce at a later stage a dedicated code for TIPS NTC payments. With regards to the use of a suffix at network protocol level and in the payload, the representative of ABN Amro confirmed that it is necessary to have both, as this information is used by the PSPs for processing.

Following bilateral exchanges with SEK and DKK central banks, it was indicated that the solution will be initially deployed for EUR payments only, and that it should be easy to extend it to non-EUR currencies if there is an interest in those communities.

Also, it was clarified that the TARGET Guideline will be amended to enable TIPS to introduce NTC payments, and that PSPs will need to promote this instrument towards their customers as an alternative to submitting a batch of instant payments transactions. Finally, following the suggestion of the representative of Deutsche Bank, a call for interest to participate in a Task Force on the use of the NTC payments will be launched (**Action Point (AP-080)**).

Update on TIPS-008-URD - CMB limit utilization reset – new requirements and way forward:

Upon a question stemming from the presentation, it was confirmed that the CBM limit utilisation reset will be an optional feature and that also the automatic reset functionality upon the change of business day will remain optional. This element will be included in the draft change request to be shared with the governance groups.

Change request to be raised on management on “R-only BICs”:

Following Banque de France presentation, it was confirmed that the proposed modification involves refining the TIPS Directory and CRDM configurations to incorporate an intermediate status “R-Only” for a Bank Identifier Code (BIC), addressing a specific need that arises in exceptional scenarios such as mergers (e.g. a merger between two PSPs, resulting in the upcoming termination of the BICs of the PSP that was acquired). The draft change request will be sent soon to the TIPS governance groups for review.

ISO 20022 message unfreeze strategy: draft for discussion in TIPS-CG:

An ECB representative presented the draft deck of slides to be delivered at the steering level once all TARGET Services governance groups will have provided their views on the new ISO unfreeze strategy. The slides deck will be updated and presented for endorsement at Steering level at the end of June 2024.

Basically, following discussions, the business preference is now to upgrade to MR2025 in June 2026 and to MR2026 in November 2026. However, as a fall-back and depending on the size of MR2025, the first step in June 2026 is to cover MR2024 only and the second step is to upgrade from MR2024 to MR2026. A dedicated change request on the MR2025 scope will be drafted and shared with the TIPS-CG members. It was recalled that the TIPS messages under EPC and NPC governance will remain on ISO MR2019 until further notice.

Finally, it was confirmed that, like in the past, there could be different versions of the same message type (e.g. pacs.008) in use depending on the TARGET Service, but that the version used in each TARGET Service is documented in MyStandards clearly, so no new challenges are perceived from this perspective.

## 5.4 Verification of Payee

The TIPS-CG will be presented with the comments received on the Verification of Payee change request for TIPS, and they will be invited to agree on how they should be translated into requirements to be included in the change request.

Discussion documentation:

- A. [ECB/4CB] Verification of Payee: status update [table document]

Outcome:

After the change request draft was shared with TIPS-CG members for comments/questions/drafting changes to be made, this occasion was used to provide clarity on some of the requirements and open points. Specifically, clarifications referred to:

- The VoP service will be offered by the Eurosystem as an optional service.
- Difference between matching and routing services, with TIPS offering two options for PSPs that decide to use its service, i.e., either routing-only services, or routing and matching services. It was clarified that matching services cannot be offered without routing services, due to the inherent need in the matching process to get data from/provide results to the PSPs involved.
- The current assumption is that the TIPS VoP service will be based on API, according to the specifications to be published by the EPC in the following months. The EPC representative confirmed that indeed there would only be API specifications and no messaging implementation guidelines. He added that the selection of an EDS provider has not been made yet, nor have the EDS specifications been published.
- In terms of data processing, TIPS will obtain the necessary data to perform the matching from the Responding PSP and it will process the data “on the fly”, instead of relying on a permanent database stored in TIPS. However, messages will be kept in the Legal Archive for audit purposes, in accordance with EUDPR/GDPR regulations, for a period of 10 years. One of the members stressed that PSPs will only be willing to share personal data if the latter is treated in accordance with the IPR and the EPC VoP rulebook: those provide the legal basis that the GDPR requires when sharing personal data.
- Given the different timelines imposed by the Instant Payments Regulation on the need to offer the VoP service, TIPS will – at first – only implement a solution for the euro community, exploring the extension of this service to non-euro communities in a possible second step.
- The Eurosystem will analyse the pricing policy that could apply for the VoP service to ensure the cost recovery of the service.

Finally, the Chairperson informed the members that, in line with an ongoing tender by the Digital Euro project on the potential offering of a similar service, the ECB is currently investigating whether any synergies can be exploited in offering the VoP service in TIPS. The option of having a solution provided by an external party is being checked.

## 5.5 Cross-currency dossier

The TIPS-CG members will be provided with the latest developments related to the cross-currency dossier.

### Discussion documentation:

- A. [ECB] Cross-currency dossier: overview of the planned next steps [sent on 03.06.2024]

### Outcome:

The phased approach for the cross-currency dossiers was presented. These are reflected via two dedicated change requests:

- TIPS-0064-URD “Adaptation of TIPS for the settlement of cross-currency transactions (based on OCT Inst)”: the Detailed Assessment has been approved by the TIPS governance groups and the CR is allocated to TIPS Release R2025.JUN. This change request allows for cross-currency transactions also between TIPS and other payments platforms, without the need to establish technical links.  
It was confirmed that this change request is based on the OCT Inst scheme in terms of settlement flow. The full compliance with the EPC OCT Inst rulebook will be reached in a second step, by implementing the business cases/messages not included in TIPS-0064-URD.
- TIPS-0065-URD “Enhanced Linked Transaction (LKT) settlement model for cross-currency in TIPS”: 4CB will be performing the Detailed Assessment - the allocation to a TIPS release will be confirmed at a later stage.

*This second step marks the start of the intra-TIPS cross-currency settlement service (i.e., for TIPS hosted currencies) and will pave the way for potential future establishment of links with external instant payments platforms.*

*Upon a question, it was answered that it will be checked whether the PSPs would need to adhere to the OCT Inst scheme if they want to use the features provided by TIPS-0064-URD and TIPS-0065-URD, as both change requests only partially implement the messages foreseen by the OCT Inst scheme.*

*It was underlined that so far discussions in the market outreach workstream took place with a few PSPs but that in view of the deployment of the change requests it would be interesting to involve further PSPs as still a lot of details of this new service are being analysed. In case of interest, PSPs are invited to raise it to the attention of their Central Bank or to [tips@ecb.europa.eu](mailto:tips@ecb.europa.eu) (Action Point (AP-081)).*

## 6 Any Other Business

- A. TIPS-CG Action Points (Background) [sent on 05.06.2024]
- B. 2025 TIPS-CG meeting dates / end of the current mandate

### Outcome:

#### TIPS-CG Action Points:

*On the Action Point 076 “Communication on the Business Day in case of incident”, following comments received from the representative of Commerzbank, this action point will remain open in order to further check whether the time of the new business day could be mentioned in case of incident as the new communication announcement differs from the previous one.*

#### 2025 TIPS-CG meeting dates / end of the current mandate:

*The Chairperson indicated that the next meeting of the group will take place on 15 October 2024 and that the meetings dates for 2025 are currently being checked. As for 2024, there will be three full-day meetings split throughout the year. Once the dates for 2025 are known, a blocker will be sent.*

*Additionally, it was mentioned that the current mandate and thus current composition of the group is coming to an end in December. As a consequence, participants were invited to liaise with their central banks to signal their wish to be confirmed for the next cycle.*

#### Additional topic on: TIPS Release - Rolling upgrade:

*Upon a question on as of when the changes in the camt.053 schema will be effective for R2024.NOV, it was clarified that if a TIPS release introduces a new message type to be used in TIPS or new fields in a message type or changes to fields in a message type already used in TIPS, there is a rolling upgrade, i.e., each node of TIPS is upgraded sequentially and there is therefore a coexistence of the schemes until all nodes are upgraded. Depending on the node that a system request hits, one or another reaction is possible and participants are expected to be able to handle both the old and the new version during the deployment week. Further explanations will be included in the InfoGuide (Action Point (AP-082)).*

*With regard to GUI changes, it was clarified that these are not implemented via rolling upgrade. For instance, in R2024.JUN, the GUI changes have been implemented on the Monday of the deployment week. It will be checked how an overview of the changes to be deployed in each release (via a rolling upgrade or not, on which date and if there is a coexistence of two schemes) could be provided to the TIPS users.*

#### Additional topic on: impact for TIPS of the monetary policy change:

*It was answered that this topic will be presented at the next TIPS-CG meeting (Action Point (AP-083)).*