

21 February 2018

OUTCOME OF THE 4TH MEETING OF TARGET INSTANT PAYMENT SETTLEMENT (TIPS) CONTACT GROUP

17 January 2018 – 09:30 to 17:00

*held at the premises of the European Central Bank, Sonnemannstraße 20,
meeting room MB C2.05, on 2nd floor*

1. Introduction and approval of the Agenda

The Chairperson will welcome the participants and open the meeting. The Outcome of the previous meeting will be approved, following the feedback received during the ad-hoc written procedure.

Documents:

- *Outcome of the third TIPS Contact Group meeting (13 December 2017)*
- *Preliminary Contact Group topics*

Outcome:

The Chair welcomed the participants and briefly introduced the agenda of the meeting, which was approved by the participants. In the absence of comments, the outcome of the previous meeting was also approved. The preliminary Contact Group topics for the next two meetings were also provided.

2. Connectivity

The Contact group will be debriefed on the Connectivity dossier, following the delivery of the related documentation package.

Documents:

- *TIPS Connectivity dossier – status update*
- *TIPS Connectivity - Technical Requirements (Final)*
- *TIPS Connectivity - Message Exchange Processing v1.0*
- *TIPS Connectivity - Letter of Intent*

Outcome:

The 4CB project team made a presentation on the Connectivity dossier and explained that all necessary documents are now available for Participants to start negotiating with the NSPs. The Compliance Check procedure should be delivered by mid-February and the Hosting Terms and Conditions by the end of January as it is currently under lawyers' review.

Following questions from some members, the following clarifications were provided:

- *The compliance check tests will only involve NSPs and 4CB with no involvement of the users. The deadline for sponsoring is the end of March. The compliance check of the nominated NSPs will be dealt with as soon as they are submitted, also taking into account the capacity at 4CB side to conduct the checks. The decision will be based on the date the nomination is received. 4CB encouraged the interested CBs and TIPS Participants to send the Letter Of Intent (LOI) as soon as possible. It was also confirmed that an NSP will be checked only once even if it is nominated by more than one TIPS Participant or CB. The current TIPS connectivity framework is valid until the go live of T2-T2S Consolidation project for which a new framework might be in place.*
- *With the LOI the participants are asked to commit to undertake fair and honest negotiation with the sponsored NSP. However the participants are not legally forced to use the NSP which was initially nominated.*
- *As described in the TIPS Connectivity guide the nomination process will involve the Central Bank Service Desks. Communication should be done through the NCB which collects and then informs the TIPS Operator. This will be communicated also to the WGT2 members as not all CBs are represented in the TIPS CG.*
- *It was reiterated that there is no obligation to sponsor an NSP and that the priority will be given to the NSPs who will be ready at the go-live or as early as possible as the resources need to be allocated accordingly.*

- *Regarding the publication of the list of NSPs, the approach is to share the list of compliant NSPs when the process is finished. Banca d'Italia will inform via e-mail the TIPS CG about the sponsorships received and the results of the compliance check procedure.*
- *A second window for NSPs compliance check will be available 6 months after the go-live.*

3. User Handbook (UHB)

The Contact Group will receive an update on the feedback received on the second UHB draft. The project team will present the main changes included in the third UHB draft.

Documents:

- *Overview of Market Feedback on 2nd UHB draft (Presentation from 4CB)*
- *Third UHB draft (Presentation from 4CB)*

Outcome:

The 4CB project team presented the feedback received by 31 December 2017 that led to adjustments of the UHB. It was confirmed that the third enriched draft will be provided to the Contact Group members after the meeting as part of the background documentation together with an excel sheet for structured feedback and the consolidated feedback received on the second draft. The deadline for feedback in this new written consultation will be 25 January 2018. Moreover, it was agreed that the consultation with the Contact Group on the final draft will be considered as the final market consultation and around a full month will be given to provide the final comments.

The 4CB project team confirmed that it is indeed not mandatory to use the TIPS GUI for liquidity management and that the TARGET2 adaptation to TIPS includes a full view on TIPS accounts and provides features to perform liquidity transfers. This information will be included in the UHB for clarity. For other functionalities though, the TIPS GUI is mandatory as there are interventions to local reference data that must be possible 24x7 and CRDM would not support them in terms of service hours.

4. Certification testing

As a follow-up of the discussion of the previous Contact Group meeting, a further elaboration on the conducting of the pilot testing and the connected certification will be presented, including a more detailed plan regarding the activities to be carried out during that testing phase.

Documents:

- *TIPS Pilot Testing and Pilot Certification overview (Presentation from ECB)*

Outcome:

The ECB presented the process of the TIPS User pilot testing and certification, in view of the TIPS go-live.

Following questions from some members, the following clarifications were provided:

- *The question on who issues the certificates has not yet been discussed.*
- *For an Instructing Party who achieves certification, it is most likely enough to pass the certification once even if acting as Instructing Party for more than one Participant/Reachable Party.*
- *The execution of the certification test cases is mandatory. The free testing is for the participants to test their own systems' interaction with TIPS.*
- *Test cases for CBs, TIPS Participants and Instructing parties will be prepared centrally. This will be discussed at CB level before announcing to the CG.*
- *There will be further periods similar to pilot for new joiners after the go-live and the same certification test cases will be used.*
- *Testing will be performed through ESMIG but tests on ESMIG as an isolated component are not part of the certification. An incident affecting ESMIG may be triggered while testing other components (e.g. TIPS or CRDM^{TIPS}) and it will be handled by the relevant development or technical team, similarly to what happens today e.g. for incidents concerning the IAM authentication component that may be triggered when testing the T2S application.*
- *Testing of TARGET2-TIPS interface should be done as early as possible as TARGET2 CUST will be ready only in late August. There will be simulation of all activities that are to be done via TARGET2 as well as of end of day activities.*

5. Dependencies between TIPS and other Eurosystem projects

Following up on a request raised during the last meeting of the Contact Group, 4CB will present on the usage of the Common Reference Data Management for TIPS.

Documents:

- *T2S 0674 SYS - Common Reference Data Management for TIPS (Presentation from 4CB)*

Outcome:

Upon request, the 4CB project team presented the Common Reference Data Management (CRDM) for TIPS and explained that the slides were already presented to T2S groups but they were now commented in a different perspective.

Following questions from some members, the following clarifications were provided:

- *The first draft version of the CRDM for TIPS is available and it will be shared soon. It is a subset of the scope of the current Static Data Management UDFS of T2S with some changes introduced because of TIPS.*
- *U2A authentication component will be an enhancement of today's IAM used for T2S and that will be part of the ESMIG services that will be developed for TIPS.*
- *CRDM follows the T2S calendar, so it is closed on closing days for T2S.*
- *Instructing Parties can be authorized to setup reference data in the CRDM on behalf of TIPS Participants or to instruct only payments in TIPS.*
- *The CBs will take care of the initial set up based on the forms that have to be signed by the TIPS Participants.*
- *The CRDM changes concerning functions that are running already today in the T2S production environment will have to be deployed in the T2S production environment in June within the scope of T2S R2.0. There might still be some other CRDM changes (not impacting T2S production software) that might be deployed later on and that will be developed and tested at the latest by 27 July 2018.*
- *Related to the enlargement of the character set to UTF-8 and the possible impact on other services, no feedback was received since the last meeting. It was suggested by the members of the group to have a written consultation on this issue.*

6. TIPS Technical challenge: availability

A presentation on how to tackle the technical challenge of providing a service at the same time active 24/7/365 and most of the time unmanned will be delivered.

Documents:

- *Continuous availability: from the shift paradigm to unmanned operation (Presentation from 4CB)*

Outcome:

The 4CB presented the general concepts of continuous availability and how TIPS marks the move from high to continuous availability. The importance of moving from reactive to proactive operations was also explained and it was emphasised how crucial it is to have an application designed to trigger autonomously corrective actions in case of malfunction.

7. End-of-year feedback from Contact Group members

The Group will be debriefed on the feedback in terms of appreciation and/or areas of improvement in view of the activity to be conducted in 2018.

Documents:

- *Feedback of Contact Group members at the end of 2017*

Outcome:

The ECB project team presented the feedback received from the Contact Group which was in general very positive with some suggestions for improvement and mainly related to the security delays. It was agreed to move the starting time of the April's meeting to 10:00 as this might reduce the time spent at the security check queue.

8. Q&A of the month

The project team will provide responses to some questions of general interest received since the previous meeting.

Documents:

- *Questions and Answers*

Outcome:

The ECB made a presentation on the Questions and Answers received since the previous Contact Group meeting. A question was also raised on the eligibility criteria for Participants and Reachable parties. It was agreed that the answer will also be included in the presentation and be shared within the CG in Brainloop and published on ECB website.

9. Any Other Business

The Participants were informed that they will be soon and regularly asked about their own readiness status.

The next Contact Group meeting is on Friday 2 March 2018.

After the Contact Group meetings, all meeting documents will be published on the ECB homepage (link: <http://www.ecb.europa.eu/paym/initiatives/html/documents.en.html>).