

17 May 2018

# OUTCOME OF THE 6<sup>TH</sup> MEETING OF TARGET INSTANT PAYMENT SETTLEMENT (TIPS) CONTACT GROUP

9 April 2018 – 10:00 to 17:00

*held at the premises of the European Central Bank, Sonnemannstraße 20,  
meeting room MB C3.08/09, on 3rd floor*

## 1. Introduction and approval of the Agenda

*The Chairperson will welcome the participants and open the meeting.*

### Outcome:

The Chairperson welcomed the participants and briefly introduced the agenda of the meeting, which was approved by the participants. Following the feedback received, the outcome of the previous meeting was also approved and will be published.

## 2. Participants' Readiness for TIPS go-live

*The readiness of the participants for TIPS go-live will be regularly discussed in a form of a tour de table.*

### Outcome:

The participants reported on their level of preparation and readiness to use TIPS services from the TIPS go-live and beyond, during a tour de table. Most of the participants reported that they will start using TIPS services from the TIPS go-live in November 2018 or in the course of 2019. A few participants have not decided yet and some Central Banks are currently in consultations with the national communities. They will be able to provide more information during the next TIPS CG meeting. The 4CB project team confirmed that all work streams are running according to the original plan.

The Chairperson thanked the members of the group and explained that the tour de table will be repeated in the next meetings as it is also helpful for the planning of the testing phase as well as to understand the level of readiness on the TIPS participants' side.

### 3. Common Components (CRDM and ESMIG)

#### 3.1 CRDM

*The Contact Group will be debriefed on the upcoming consultations on UDFS CRDM 3rd draft (full scope) and UHB CRDM 2nd draft.*

##### Documents:

- *CRDM<sup>TIPS</sup> UDFS Version v0.3.0 and Market feedback on v0.2.0 (Presentation from 4CB)*
- *Updated version of the UHB CRDM 2<sup>nd</sup> draft (Oral debriefing from 4CB)*

##### Outcome:

The 4CB project team presented the feedback received by 21 March 2018 that led to adjustments in the CRDM UDFS. The third enriched draft (v0.3.0) will be provided to the Contact Group members on Tuesday, 24 April, together with an excel sheet for structured feedback and with the answers to the consolidated feedback received on the second draft. The deadline for feedback on this written consultation is on Monday, 30 April 2018. The participants discussed the following specific topics:

- TIPS Directory: The TIPS Directory is generated by CRDM and is then provided to users by TIPS as a flat file embedded in an XML envelope. Some participants proposed an additional field for records related to Reachable Parties that shall indicate the BIC of the relevant TIPS Participant (i.e. the TIPS Account Holder). The participants were encouraged to provide written feedback by Tuesday, 17 April, on whether they are in agreement with this proposal. The following clarifications were also provided:
  - User BIC is the BIC authorised to settle on a TIPS Account or on a CMB. If a participant opens one account only, then the User BIC and the Party BIC of a given record are the same. In most cases this also applies for BICs of Reachable Parties. The User BIC is not the owner of the account but the one authorised to settle on the account.
  - The users can query the TIPS Directory by entering a User BIC via the CRDM GUI. The user can also download the TIPS Directory. The related screens specifications of CRDM still need to be completed.

- As many participants indicated that they need a daily update of any changes to TIPS Directory, it was agreed that the functionality for subscription of directory in push mode will remain as it is and might be re-evaluated in the future. It was explained that when no updates are foreseen for a given day, an empty file will be sent.
- The fields “Valid from” and “Valid to” refer to the whole row of the TIPS Directory.
- Reference Data Propagation: It was confirmed that the complete list of reference data that can be changed in TIPS is the blocking/unblocking accounts, CMBs, participants as well as the limit updates. The intraday propagation of the blocking/unblocking and limit updates may only happen when the fully-fledged CRDM will be available i.e. not possible with the TIPS go-live. For the interim period (until 2021) the consistency of reference data between TIPS and CRDM will not need to be ensured, as the above listed reference data changes will only be possible in TIPS. It was agreed that the 4CB project team will prepare a presentation for the next meeting on the service propagation process of the fully-fledged CRDM and the related synchronisation process.
- Massive Reference Data Upload: It was clarified that the Data Migration Tool is a tool aiming at supporting the initial configuration of data from Central Banks and TIPS participants to CRDM, because of the missing A2A functionality for CRDM<sup>TIPS</sup>. As originally the URD foresees also A2A functionality for reference data management, the DMT is an alternative to the standard U2A channel. Nevertheless, the same validation of the provided reference data would be in place. By using DMT, the banks and the CBs will have the opportunity to perform massive reference data upload. This is specified in the CRDM UDFS.

The 4CB project team debriefed also the Contact Group on the updated version of the CRDM UHB. The third enriched draft (v0.3.0) will be provided to the Contact Group members on Tuesday, 17 April together with an excel sheet for structured feedback and with the answers to the consolidated feedback received on the second draft. The deadline for feedback on this written consultation is on Monday 23 April 2018.

### 3.2 ESMIG

*The Contact Group will be debriefed on the upcoming ESMIG UDFS 2nd draft (full scope)*

#### Documents:

- *ESMIG<sup>TIPS</sup> UDFS Version v0.2.0 and Market feedback on v0.1.0 (Presentation from 4CB)*

Outcome:

The 4CB project team presented the feedback received by 12 March 2018 that led to adjustments in the ESMIG UDFS. The second enriched draft (v0.2.0) will be provided to the Contact Group members on Tuesday, 10 April, together with an excel sheet for structured feedback and with the answers to the consolidated feedback received on the first draft. The deadline for feedback on this written consultation is on Monday, 16 April 2018.

**4. CMB and limit management**

*The Contact Group will be debriefed on how the CMB and limit management functionality is handled in TIPS.*

Documents:

- *CMB and limit management (Presentation from 4CB)*

Outcome:

The 4CB project team presented the CMB and limit management functionality in the TIPS context and provided the following clarifications:

- Liquidity transfers can only be settled on TIPS accounts and not on CMBs. Therefore, LT from TARGET2 in order to change the capacity of a CMB, is prevented by the business rules.
- The CMBs are like virtual balances which go up and down and there is no End of Day reset of the related utilisation.

The participants were indicating possible features regarding the CMB and limit management functionality which might need to be implemented beyond the current scope of TIPS, such as:

- A Reset of the utilisation on CMB at a moment when TARGET2 is open, either at the end of the day or at the start of the day.
- The possibility to prefund CMB i.e. a liquidity transfer to go directly to a CMB instead of a TIPS account.
- To be able to directly impact / modify the headroom.

The 4CB will investigate two possible solutions for addressing the identified features (i.e. an automatic reset of the limit utilisation and the possibility for the users to reset upon request the utilisation of their own CMBs) and prepare a proposal for discussion in the next TIPS Contact Group meeting.

## 5. User Training

*The Contact Group will be debriefed about the organisation and implementation of the User Training for TIPS.*

### Documents:

- *Overview of the Eurosystem User Training for TIPS (Presentation from 4CB)*

### Outcome:

The 4CB project team presented an overview of the Eurosystem User Training for TIPS. Two training sessions will be organised in 2018. The first one will take place in the convention centre of Banca d'Italia in Rome between 19 and 21 June. The second one will take place in Frankfurt towards the end of August but the exact dates are still to be confirmed. The following clarifications were also provided:

- A registration form will be prepared and circulated in order to collect applications.
- Priority for the sessions will be given to those institutions which plan to join TIPS as of go-live. The training is also available to banks that are not represented in the TIPS Contact Group. If there is enough room capacity, banks which plan to join TIPS only in 2019 will also be accepted.
- Depending on the interest of the institutions, it will be assessed if additional training opportunities can be offered in 2019. The training will also cover the interaction between TARGET2 and TIPS, but in terms of interface only the TIPS GUI and CRDM<sup>TIPS</sup> GUI will be covered. The TARGET2 screens (i.e. ICM) could be included in the introduction or in the operational module.

## 6. TIPS User Testing – Terms of Reference

*The ECB user testing team will present the first draft of the TIPS User Testing Terms of Reference (ToR). The ToR aims at defining the principles for the preparation, organisation and execution of User Testing, with a focus on detailing the testing activities which will be carried out in the TIPS Pre-production test environment.*

### Documents:

- *TIPS User Testing Terms of Reference Document (ToR)*

### Outcome:

The ECB user testing team presented the first draft of the TIPS User Testing Terms of Reference (ToR) and provided the following clarifications:

- The testing organisation prior to the TIPS Go-Live will be similar to the post go-live period. There will be a “bedding down” period after the go-live; thereafter new participants can join once they have passed the certification and finished their testing. Once a participant is connected to the TIPS test environment, it can start testing with dummy participants/accounts.
- The minimum reserve calculation can be tested right from the start as the necessary changes in TARGET2 will already be made.
- As there is no contractual agreement between the Eurosystem and the Reachable Parties, the Central Banks will need to coordinate this communication with their national communities. As there is a need to be sure that the interaction with them is tested, all the necessary scenarios will be available. Similar will be the case for the Instructing Parties.

The Chairperson invited the participants to provide feedback on the document by Tuesday, 24 April 2018.

## **7. Registration forms for the TIPS environment**

*The Contact Group will be briefly informed about the on-going work on the registration forms required for the TIPS environment.*

### Documents:

- *Oral debriefing*

### Outcome:

The Contact Group was orally debriefed on the on-going work on the registration forms for the TIPS environment and was reminded of the opportunity to attend the workshop organised on 19 April concerning the update of the TARGET2 Guideline in view of TIPS. The following clarifications were also provided:

- Static data forms will be used to set up the initial data as well as for possible future modifications or closures of accounts/parties.
- A separate TIPS Registration Guide will be provided explaining how to fill in the forms to be submitted to the responsible NCB.
- The registration forms will be regularly updated whenever there is a need for a change.
- The Central Banks (via the WGT2) will have the opportunity to comment on the forms in May. The forms are planned to be ready between the end of June and the beginning of July.

## 8. Q&A of the month

*The ECB 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. The presentation will be shared within the CG in Brainloop as part of the background documentation and also be published on ECB website.

## 9. Any Other Business

*The next Contact Group meeting is on 23 May 2018.*

### Outcome:

- It was agreed that all future meetings will be starting at 10:00.
- The three editorial Change Requests (already discussed during the previous Contact Group meeting) have been shared for a written procedure. The participants have been asked to provide their feedback by Tuesday, 24 April 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>).