

13 April 2021

OUTCOME OF THE TIPS CONSULTATIVE GROUP (TIPS-CG)

13 April 2021

Held via Webex

0. Introductory Remarks

The Chairperson will welcome the participants and briefly introduce the agenda.

The ECB will provide an oral update on the publication of TIPS-CG documents and change requests.

Outcome:

The Chairperson welcomed the participants to the seventh meeting of the TIPS Consultative Group.

The Agenda was approved.

1. Debriefings

The participants will be debriefed on the latest relevant TSWG/MIB discussions:

- the outcome of the MIB workshop on the TIPS Roadmap held on 12 April 2021; and
- the current status of the cross-currency instant payments EUR/SEK investigation undertaken in collaboration with Sveriges Riksbank and the Eurosystem.

Outcome:

The Chairperson thanked the TIPS-CG members for their input to the prioritisation of TIPS change requests (CRs) and initiatives. The MIB took the results into account for the discussion on

the TIPS Roadmap. The TIPS-CG was orally debriefed on the MIB workshop with particular reference to the following:

- *the MIB agreed that the operational resilience initiatives are highly prioritised;*
- *the cross-currency instant payments dossier is seen as a strategic initiative, also due to its international relevance;*
- *the MIB noted that the TIPS-CG allocated a low priority to the Request-to-Pay (RTP) initiative;*
- *the detailed assessments (DAs) would be started for those CRs without DAs; and*
- *the roadmap implementation will come into effect from 2023 onwards.*

The ECB will keep on updating the TIPS-CG as the work on the roadmap progresses.

An ECB representative informed on the current status of the cross-currency instant payments EUR/SEK investigation undertaken in collaboration with Sveriges Riksbank and the Eurosystem.

2. Pan-European reachability

The ECB will present the latest developments in view of the deployment of the pan-European reachability of instant payments.

Document:

- Presentation on readiness monitoring for pan-European reachability measures
- Pan-European reachability status update

Outcome:

The TIPS-CG took note of the information presented on readiness monitoring for pan-European reachability measures. Giving that the second readiness reporting cycle has a cut-off date of 31 March 2021 and the preparation of the report is ongoing, the ECB orally informed on the actual status as follows:

- *the colours on the overall confidence level remained quite stable;*
- *one ACH moved from yellow to green;*
- *the feedback provided is more precise, which shows a deeper level of knowledge and understanding of what is needed in view of the pan-European reachability implementation;*
- *there could be a certain degree of flexibility in the composition of the migration “waves”, as long as requests are presented sufficiently early;*

- the migration strategy has a targeted date of mid-May for the approval at MIB level; and
- 20% of the respondents already moved to testing/implementation phase.

The ECB presented a Pan-European reachability status update. The TIPS-CG took note of the status of milestones with a due date in the past and those with their due date in Q2 2021. The ECB also informed that the registration forms will be released shortly.

In the context of the Pan-European reachability, two aspects were raised:

- Regarding the migration of the ACHs' technical accounts from the TARGET2 to TIPS, it was clarified that it can follow two different options and ACHs were invited to liaise with their NCB in order to choose the option that suits them best.
- One participant enquired on how the association of an AS Technical Account to reachable BICs is achieved. The ECB will report back on this point.

The next meeting of the TIPS-CG is scheduled for 24 June 2021.

3. Information on TIPS releases status

An ECB representative will provide an overview on the current status of TIPS Change Requests and releases.

Document:

- TSWG information on TIPS releases status as of 2021-03-29

Outcome:

The ECB presented an updated status on TIPS releases as of 12 April 2021, and informed that the CR TIPS-0034-SYS was descoped from R3.1 and scoped into R4.0.

4. Prioritisation exercise

The Consultative Group will discuss the outcome of the prioritisation exercise.

Document:

- Outcome of the wp on *Assigning Business Values to TIPS CRs - by 15 March 2021* (Presentation ECB)

Outcome:

The Chairperson introduced the outcome of the prioritisation exercise. The TIPS-CG discussed the various CRs and initiatives under investigation.

Regarding RTP, it was noted that the Consultative Group had not seen it as an initiative to be highly prioritised. In the context of introducing an RTP functionality in TIPS, it should be carefully evaluated if a market-based RTP solution will become available and able to provide full RTP interoperability. In addition, it was clear in the discussion that there is an intrinsic difficulty to assign any priority to it, also considering that the SRTP is going to be a separate scheme compared to SCT Inst, and not linked to it (nor to SCT, for that matter).

With regard to the initiative on One-leg-out (OLO), one TIPS-CG member highlighted the compliance related issues and advised to have a prudent approach as for this initiative.

The Chairperson informed that, except for the two operational CRs, all other CRs will most probably not going to be implemented before 2023.

5. Single Instructing Party Settlement Model for Euro

The participants will be informed on the status of the interaction with the European Payments Council (EPC) in order to verify whether the SIP settlement model can be introduced in TIPS also for the Euro community, in addition to the Swedish market.

Moreover, the ECB will present the status of the informal group of “TIPS Champions” and on their deliverables in view of the publication on the ECB website.

Documents:

- TIPS Champions (Presentation ECB)
- Explainer on the SIP model

Outcome:

The ECB informed orally on the status of the interaction with the EPC: in this regard, a change request will be drafted in view of submitting it to the EPC for consideration in the next review cycle of the SCT Inst scheme.

In response to the concern of some members, it was clarified that this initiative would in no case be imposed on users, and would be an additional optional feature that could help willing ACHs and PSPs to reach the double objective of keeping a strong relationship between banks and their CSMs, at the same time allowing all the advantages of the settlement in central bank money.

The ECB presented the status of the informal group of “TIPS Champions” and on their deliverables in view of the publication on the ECB website.

6. Operational Matters

6.1 TIPS in operation

The participants will be provided with general information on TIPS in operations. This update will cover the most recent incident the availability of TIPS.

Document:

- TIPS incident 27 March 2021 (Presentation Banca d'Italia)

Outcome:

The participants took note of the information presented by a representative of Banca d'Italia on two incidents, one that occurred on 27 March and one on 4 April 2021. The first incident was due to some misconfiguration of one firewall first and then one network switch, while the second was actually a service degradation, for which investigations were ongoing both with SWIFT and with the vendor of the infrastructural component which was restarted to solve the issue.

6.2 Operational resilience

A representative from 4CB (Banca d'Italia) will present aspects related to the operational resilience of TIPS.

Document:

- Aspects on operational resilience of TIPS (Presentation Banca d'Italia)

Outcome:

A representative from 4CB (Banca d'Italia) presented two CRs related to the operational resilience of TIPS:

- *TIPS RACE (Resilience And Continuity Enhancements): During the discussion, the TIPS-CG took note of some further clarifications. The location of the proposed third site will also be in Italy. There is no requirement for TIPS to apply a 2 regions approach like for T2/T2S. Such 2 regions approach would result in even higher cost and may have an impact on the latency, which is of particular relevance to TIPS yet not to T2/T2S. Despite the high price of this change request, the TIPS pricing will not change for the time being, in accordance with the current applicable communication that the prices for TIPS will apply until at least November 2023.*

- *TIPS E2E Checker: This change request aims at early detect potential problems for TIPS that cannot be detected by the internal monitoring functions and timely communicate with TIPS Actors via emails. Upon a question of a member, it was agreed that an addition of an SMS notification could be investigated in the future, potentially via a further CR.*

6.3 Overview of rejections/expired messages

A representative from 4CB (Banca d'Italia) will present information on rejections/expired messages for the months of December 2020 to February 2021.

Document:

- TIPS expired messages (Presentation Banca d'Italia)

Outcome:

The Consultative Group considered the information presented by a representative from 4CB (Banca d'Italia) on rejections/expired messages for the months of December 2020 to February 2021.

7. Any Other Business

The participants will be provided with the opportunity to raise further questions and remarks stemming from the discussion.

Outcome:

The ECB provided an oral update on the publication of TIPS-CG documents and change requests, for which the need stems from the mandate of the Consultative Group. The most appropriate place on the TIPS website to publish CRs seems to be under 'For professional use/Documents and links' by adding a 'List of change request', in line with the way this point is handled for the T2S CRs.

The ECB also informed about a few recent changes that were introduced on the ECB website:

- *The new TARGET services operational status page, where all services are now on one page has gone live;*
- *below the operational status boxes on this page the 'how to subscribe to the TARGET services RSS feeds' guide can now be found; and*

- *The 'for professional use' pages where the ECB used to publish the operational status messages have been updated, i.e. the boxes with the operational status messages have been removed.*