

27 September 2022

TIPS CONSULTATIVE GROUP (TIPS-CG)

07 July 2022, 10:00 – 12:00 and 14:00 – 16:00 CET

Hybrid meeting: on site (ECB Main Building) and via Webex

OUTCOME OF THE 12TH TIPS-CG MEETING

0. Introductory Remarks

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

Outcome:

The Chairperson welcomed the participants to the twelfth meeting of the TIPS Consultative Group (TIPS-CG), held in a hybrid format.

Afterwards, the agenda was approved with the following amendments: one agenda item was added as part of Any Other Business (Process of the Written Procedures). Due to the unavailability of the presenter, the agenda item [6] Revised Strategy on ISO Message Freeze was rescheduled to the TIPS-CG meeting of October 2022.

The Chairperson welcomed a new TIPS-CG member, Poste Italiane in replacement of Iccrea Banca, as well as Danmarks Nationalbank as an observer to the TIPS-CG.

Finally, it was announced that the dates for the TIPS-CG meetings in 2023 are currently been planned and would be shared soon with the TIPS-CG members. The Chairperson explained that three meetings will be organised for 2023 and that at least one meeting will take place in hybrid format, as per the ECB new meeting rules.

1. Outcome of the last meeting

The members of the TIPS Consultative Group will be invited to approve the outcome of the previous TIPS-CG meeting.

Document:

- Outcome of the 11th TIPS-CG meeting on 13 April 2022

Outcome:

The Secretary confirmed that the Outcome and Action Points of the previous meeting were shared with the TIPS-CG members via written procedure and no comments were received. As no objection was raised during the meeting, the draft outcome was approved and will be published on the [ECB Website](#) under “TIPS Consultative Group documentation” section.

2. Debriefings

The participants will be debriefed on:

- The outcome of the AMI-Pay meetings (03 May & 19 May 2022)
- The outcome of the TSWG meeting on 25 May 2022
- MIB meeting 29-30 June 2022

Outcome:

AMI-Pay meeting in extended composition on 3 May 2022:

The TIPS-CG members were debriefed on the outcome of the last AMI-Pay meeting held in extended composition on 3 May 2022.

Following the February 2021 workshop on pan-European reachability, a follow-up workshop on the TIPS fee structure was organised, covering the evolutions of SCT Inst and possible first elements considered in view of the upcoming review of the TIPS pricing in 2023. The CSMs representatives provided a presentation outlining their concerns on the impact on CSMs of the TIPS pricing review accompanying the implementation of the pan-European reachability measures. Based on the discussion, the TIPS-CG members were informed that the ECB will analyse possible options for the review of the TIPS pricing and aims at presenting its considerations to the AMI-Pay in the last quarter of 2022.

AMI-Pay meeting on 19 May 2022:

The TIPS-CG members were informed on the main items presented as part of TIPS Evolution:

- **Cross-currency instant payments in TIPS:** Riksbank and ECB presented the outcome of their respective market surveys on a cross-currency instant payments functionality in TIPS.
- **TIPS roadmap:** The ECB informed the AMI-Pay of the outcome of the yearly business value assignment to various TIPS change requests and initiatives, and treatment in the release planning. The members were further provided with a presentation on the preliminary release scope for 2023 and high-level planning of changes and initiatives that could be scheduled as part of the 2024, 2025 planning.

The AMI-Pay members were invited to provide feedback on the TIPS roadmap with regards to the possibility for TIPS to provide non-time critical instant payments. The outcome of the AMI-Pay Written Procedure was shared as part of the preparation of the TIPS-CG meeting.

- **Update on migration to ISO20022 version 2019:** The ECB informed the TIPS-CG members that the AMI-Pay members were provided with some elements regarding the TIPS preparations for the migration to the new (2019) version of the ISO20022 messages planned in the context of the SCT Inst scheme.

The ECB member shared that the EPC representative noted that this migration had been raised as a potential issue in the context of their scheme technical player multi-stakeholder group (STP MSG). The STP MSG will discuss this matter further in their September 2022 meeting based on further information on the migration. The AMI-Pay members were invited to express their needs and potential concerns with regards to the TIPS migration. The outcome of the AMI-Pay Written Procedure had been shared with the TIPS-CG as part of the preparation of this meeting.

The outcome of the TSWG meeting on 25 May 2022:

Apart from topics that will be covered in today's agenda, the TIPS-CG members were debriefed on the below item:

- **Incident communication:** there are ongoing discussions, on the tools and procedures to be used in order to communicate on a disruption of the service within 10 minutes after its detection.

The development of an end-to-end checker which would verify the availability of TIPS at application level (TIPS-0035-SYS NSP E2E check) is ongoing. This end-to-end checker should be implemented with due date end of February 2023 and should decrease the detection time significantly. Furthermore, the TIPS-CG members were informed that the

ECB proposed to complement the procedure of the end-to-end checker where, in case of a potential TIPS problem, an initial communication would be sent via the TIPS Email Notification Tool within 10 minutes. Upon immediate investigation by the TIPS Operator, a follow-up message would be shared to confirm/refute the existence of any problem in TIPS.

MIB meeting 29-30 June 2022:

The TIPS-CG members will be debriefed as part of agenda item [5] Status of TIPS releases.

3. Operational matters

3.1 TIPS in operations

The participants will be provided with information on TIPS operational matters and will be invited to raise any operational matters they would like to bring to the attention of the TIPS-CG. This update will cover inter alia the most recent traffic developments, the incidents (if any) and the extended usage of TIPS Email Notification tool following the last TIPS-CG meeting.

Document:

- The update on TIPS Operations (Presentation ECB)

Outcome:

The participants were debriefed via the background presentation on:

a) the evolution of volumes in TIPS reporting an increase of 27% and 31% respectively for the months of April and May 2022.

b) the TIPS planned downtime on 19 June 2022 that was scheduled to allow for an update of the technical providers' internal network switch software. The planned maintenance activities took place between 08:15 – 08:30 and 12:00 – 12:15 and TIPS was not impacted.

One TIPS-CG member observed that Saturday mornings are not the best time to schedule planned downtimes and asked the Eurosystem to analyse the possibility of having the planned downtimes during periods of lower TIPS traffic. A 4CB member reminded that the reason why planned downtimes have been scheduled this way so far is due to interdependencies, at 4CB network level, between TIPS and the other two TARGET services in operations. This is one of the reasons for the implementation of the TIPS RACE CR, which will inter alia remove such dependency. After that, TIPS-specific planned downtime, if any, could be scheduled any time of the week, taking operational needs and traffic distribution into account.

c) the TIPS notification tool: the TSWG agreed with the TIPS-CG proposal to extend the usage of the tool with immediate effect as follows: i) to communicate A2A TIPS incidents at any time of

the day (previously agreed to be used only outside business hours) and ii) for communicating the suspension/insolvency of an account holder in TIPS.

3.2 Overview on rejection rates in TIPS

The participants will receive more information on unsettled payments in TIPS during the last months and will be invited to share their experience on any issue they might have that cause rejections/expirations in TIPS on their side.

Document:

- Overview on rejection rates in TIPS (Presentation ECB)

Outcome:

An ECB representative presented an overview on rejection rates in TIPS for April to June 2022. In general, unsettled payments have decreased from the level recorded in March (4.8%): April (4.2%), May (4%) and June (2.9%). The majority of the unsettled payments are using AB08 and EXTR rejection codes. In addition, it was indicated that rejection code EXTR in TIPS does not show information on the original error code according to the SCT Inst scheme. It was agreed that ECB will investigate with the 4CB whether the EXTR rejection code could be replaced and mapped with the error codes described in the SCT Inst Rulebook in order to enhance the monitoring of the rejection rates for the participants (Action Point (AP-017)).

It was highlighted that the comprehensive analysis performed in March revealed that the issue with unsettled payments is not on the system side, but rather on participants' side in the way instant payment are processed. The ECB informed that the NCBs would continue to monitor the rejection rates within their communities and support TIPS participants in further reducing the unsettled ratio.

3.3 Contact Grid for PSPs

Following the previous discussion on the use of a Contact Grid for banks, the ECB investigated how PSPs could reach out to each other in TIPS and further information will be provided.

Document:

- Exchange of contact information of TIPS participants (Presentation ECB)

Outcome:

The Eurosystem presented a proposal for a solution for TIPS participants¹ to reach out to each other in case of an operational issue. According to it, the implementation of a contact grid for participants is not planned in the context of CR-TIPS-0035 (end-to-end checker). The proposed

¹ It is noted that definition of a participant includes TIPS DCA holder or Ancillary System Technical Account (ASTA) holder.

solution was as follows: i) TIPS participants could request the contact details of a counterparty via their responsible NCB who would provide the contact details for a TIPS participant within the same community or which would act as a liaison with another NCB in case of cross-border counterparties, ii) the proposed solution is possible only during the standard support hours of NCBs and iii) no personal data should be exchanged but only generic/team contact details.

In the following discussion, the TIPS-CG highlighted the benefit they would see in sharing a list of such contact details in advance allowing the participants to already have the contact details when needed instead of waiting for the exchanging with the NCB(s). It was agreed that the TSWG will be invited to agree to reuse the contact list that was created for the TIPS notification tool. NCBs would need to liaise with their TIPS participants and to receive an explicit consent for sharing the contact details amongst the TIPS participants for the purpose of exchanging the contact information in case of operational issues with other counterparties. Further discussions will follow at the level of the TSWG where NCBs will agree on: i) the timing when a communication to the participants could be shared, ii) the reuse of the contact list that was created for the TIPS notification tool, iii) the frequency of the update of the contact list and iv) if and how the contact details of the Reachable Parties could be maintained (Action Point (AP-018)).

3.4 LQ reconciliation

Following the presentation of Deutsche Bank during the last TIPS-CG meeting about the liquidity provider reconciliation in TIPS and the issue faced, the members will be debriefed on the solution discussed between 4CB, the ECB and Deutsche Bank.

Document:

- Optional usage of Creditor BIC in intra-service LT / [ECB Website](#) slides 8 & 9 (background document)

Outcome:

Following the issue presented by the TIPS-CG member of Deutsche Bank during the last TIPS-CG meeting on the funding/defunding positions at RT1 on their own behalf and on behalf of their reachable party and the ensuing reconciliation issue faced, 4CB debriefed the TIPS-CG members on the solution discussed together with 4CB, the ECB and Deutsche Bank.

Deutsche Bank confirmed that they have had some success with the solution: the funding part was tested and it worked as described. An editorial change request to the specifications might be required, this will be further checked.

4. TIPS On-boarding

The TIPS-CG will be provided with a status update on the onboarding for non-euro markets in TIPS, which includes among others the RIX-INST technical go Live in TIPS done on 23 May 2022.

Documents:

- TIPS On-boarding non-euro markets (Presentation ECB)

Outcome:

The TIPS-CG members were informed on the current status of the onboarding for non-euro markets in TIPS. In particular, the TIPS-CG members were updated on the RIX-INST technical go live in TIPS achieved on 23 May 2022, on the successful completion of the Feasibility Assessment phase for DKK and on the latest developments on the NOK onboarding. It was shared that the sending of SEK first transactions should take place in Q1 2023.

In addition, it was mentioned that on the euro side, the Croatian market will onboard in TIPS by the end of June 2023 following the decision of the Governing Council on 27 May 2022 approving the postponement of their onboarding by six months after the expected accession date of Croatia to the euro (currently estimated by 1 January 2023). The testing and migration plan is under preparation by the Croatian National Bank.

Further to the information on the non-euro markets onboarding in TIPS, a discussion arose on the initiative of a potential cross-currency settlement functionality in TIPS.

In addition to elements on the possible role of a cross-currency PSP, 4CB provided an overview on the settlement models, and notably on the alternative settlement model (named Enhanced Single Transaction settlement model). A note on such model was under drafting at the time of the meeting.

5. Status of TIPS releases

The TIPS-CG will be presented with the latest status of the CRs / initiatives and with a focus on the possible scope of release 2023.

Documents:

- TSWG information on TIPS releases status (Background)
- TIPS CR status update – Scoping candidates for 2023 (Presentation ECB)

Outcome:

The TIPS-CG members were informed on the latest updates on the change requests status as of 07 July 2022 for the set of candidates to be considered by 4CB in the Feasibility Assessment for 2023 Releases scoping. The details and status update on each Change Request are provided in the presentations. The list of candidates CRs is hereunder reported:

TIPS R2023.JUN

- CR-0043 - Add MS Edge to the list of supported browsers for the U2A interactions – MIB approved its inclusion in TIPS R2023.JUN
- Inclusion of further changes to be evaluated depending on the feasibility assessment results

TIPS R2023.NOV

- CR-0052 - Alignment of TIPS to the 2023 Version of the SCTInst specifications and MyStandards migration
- GUI Requirements
 - CR-0051 - TIPS Enhanced information database
 - Analysis of synergies/feasibility of other GUI enhancements (CR-0026 Additional Search Criteria for Transaction Query, CR-0027 option 2 Improve the informative content in the TIPS GUI (full scope), CR-0048 Enhanced information in TIPS U2A screens)
- CR-0049 - DKK Payment Banks Cut-off and snapshot - First set of requirements for DKK onboarding to TIPS
- CR-0041 - Introduction of non-time critical instant payments in TIPS – depending on outcome of the TSWG analysis

A TIPS-CG member confirmed the high interest from the Dutch community in the Non-Time Critical (NTC) solution and the feeling that they will become the new normal in the near future, and that NTC payments are currently covering 50% of the market. Another TIPS-CG member indicated that while he also sees interest in NTC, the timing is probably too early now and that for the moment the night cycle can be used. A further TIPS-CG member expressed to be in favour of the NTC, comparable with the usage of the asynchronous mode which is available in the UK Faster Payment Scheme. The German NCB representative reported no interest from the German community to use NTC payments in TIPS for the time being. German banks had expressed a preference to keep the file-based interbank processing of retail payments and only use the instant infrastructure for payments that really are time-critical and require immediate confirmation. The Chairperson thanked the TIPS-CG members for their feedback on the interest in the NTC.

Finally, the Chairperson recalled that, with the implementation of the consolidation project, there will be a change in the releases for T2S: the main release will be implemented in June. While for TIPS it was decided to keep the release of June as the optional one, the TIPS-CG members were reminded that this could be changed in case common components are affected. It was agreed that for the moment, for TIPS, the main release is still the one of November and June optional, but that this might change.

6. Revised Strategy on ISO Message Freeze

The TIPS-CG will be debriefed on the Revised Strategy on ISO Message Freeze.

Document:

- Revised Strategy on ISO Message Freeze (Presentation ECB)

Outcome:

Due to the presenter unavailability, this agenda item has been rescheduled to the TIPS-CG meeting of October 2022.

7. Rolling upgrade: version 2019 of ISO 20022 on 19 November 2023

The Eurosystem was invited to involve the market (in particular the ACHs) in ensuring a smooth transition especially in connection with the “rolling upgrade” foreseen in TIPS for the deployment of new software. The group is invited to discuss the outcome of the market consultations (TIPS-CG and AMI-Pay Written Procedures) together with the implementation guidelines.

Documents:

- Consolidated feedback form TIPS-CG Written Procedure (background document)
- Consolidated feedback form AMI-Pay Written Procedure (background document)
- Overview of the feedback received (background document)
- EPC Implementation guidelines / [EPC website](#) (background document)

Outcome:

Following the publication of the EPC guidelines on 22 June 2022, a representative of 4CB orally debriefed the TIPS-CG members about the changes to come. The TIPS-CG members were informed by 4CB on the main content that will be included in the Change Request (CR-0052):

- *Editorial changes in UDFS document*

- *Use of new message versions with a focus on pacs.008 version 08 and related difficulties due to the fact that this version is currently used and customised by TIPS for non-euro payments*
- *Migration to MyStandards repository for TIPS messages*
- *The additional requirement from EPC on how this change will need to be implemented*
- *A more detailed presentation on the migration and on MyStandards will be provided during the next TIPS-CG meeting (Action Point (AP-019)). Moreover, additional clarifications from the EPC (e.g. on a possible downtime) will be needed. Indeed, the requirements on a possible cut/grace period are not mentioned on the official documentation of the EPC. Some TIPS-CG members indicated that having a grace period could even be counter-productive due to its cost compared to its value. The ECB together with 4CB will follow up on this with the EPC (Action Point (AP-020)).*

8. Any Other Business

The participants will receive an update to the list of the TIPS related Action Points.

Documents:

- TIPS Directory Distribution in push mode after November 2022
- Harmonisation BICs and Acceptance Date Time
- Automatic 'counterparty simulator'
- Update on MPL Pilot
- [additional agenda item] Process of the Written Procedures
- TIPS-CG Action Points
- Collect feedback on hybrid meeting experience (via Mentimeter)

Outcome:

TIPS Directory Distribution in push mode after November 2022:

The TIPS-CG representative of Worldline presented to the group an issue in connection with the TIPS Directory in view of the upcoming change in the distribution of the TIPS directory files. After November 2022 (in PROD), the distribution of the TIPS Directory will move to the Common Component for TIPS Community, through the DEP interface. However due to this change, Worldline is confronting with two different channels for the same file:

- *One channel in UTEST environment (where the file size is below 32Kb and will come via MSGSNF) and*

- Another channel in PROD environment (where the file size is above 32Kb and will come via FILESNF).

Hence, this will result in a difference of the test and production environment. In addition, the representative of Worldline shared that the size of the TIPS Directory in full mode in the CERT environment is much smaller (about 22KB) than the TIPS Directory in full mode in the PROD environment (exceeding 100K). A 4CB representative clarified that currently the TIPS Directories in full mode are sent in both environments via the FILESNF channel only, as their size is big enough to be sent via this channel.

The Chairperson invited the other TIPS-CG members to send an email to the TIPS mailbox in case they have encountered the same issue. 4CB will check whether there might be an issue with the size difference between the CERT and PROD environments for TIPS Directories in delta mode and will perform an analysis to check if opting for one channel only could be possible for the users (Action Point (AP-021)).

With regards to the communication on the upcoming change regarding the distribution of the TIPS directory files, the representative of Banca d'Italia asked for a clarification as it might not be sufficient that a communication is sent out by the NSPs. While the NSPs indicated that the communication has been or will be sent soon, it was agreed that the NCBs shall also inform their community on the change to come. A standard text with 4CB will therefore be agreed and shared with the TSWG so that the information is also distributed via the NCBs (Action Point (AP-022)).

Harmonisation BICs and Acceptance Date Time:

The issue on the BICs and on the Acceptance Date time (timestamps) was initially presented by Banque de France during the TIPS-CG meeting of February 2022. Following a Written Procedure where some elements were shared with the TIPS-CG members, the discussion on it during the meeting showed that there is a need for clarification with regards to the Harmonisation of Acceptance Date Time as two formats can be accepted but may lead to rejections. The representative of ABN Amro shared that it would be better to have only one format. The Chairperson indicated that the ECB will draft a letter raising the problem on the two timestamps formats to the attention of the EPC (Action Point (AP-023)).

Regarding the issue that was previously raised by Banque de France on the BIC formats (BIC 8 vs BIC 11), it was agreed that a check will be performed with the communities that claimed for a harmonisation to see whether the problem is still occurring, as it might be that the problem was only a new joiner issue (Action Point (AP-024)).

Automatic 'counterparty simulator':

The representative of ABN Amro raised to the attention of the group their wish to see some improvements on the automatic counterparty simulator which is currently available for TIPS user testing. Basically, they would like to have for instance an extension of the functionality to send payments (e.g. recalls to be added to the simulator), also outside of the operating hours of the testing environment. Another TIPS-CG member confirmed that this would be a very valuable functionality. 4CB indicated that a Change Request would be needed as the current counterparty simulator is a basic tool. It was therefore agreed that the ECB/4CB will liaise with the requestor to get more elements on the requirements, that these requirements will then be shared via Written Procedure to possibly get additional ones from other members. Subsequently, 4CB will analyse the requirements and elaborate on what the solution could be, being cost-conscious (Action Point (AP-025)). Such solution could then be reviewed during a technical workshop on technical/operational issues, which 4CB plans to organise in September/October 2022.

Update on MPL Pilot:

The TIPS-CG members were informed that the kick-off meeting with the Greek and German Banks was held on 23 June 2022. The participants will now assess the development needed on their side to interact with the MPL in the TIPS Test Environment. Once this assessment is complete, the provisional dates for testing will be agreed (subject to the development being completed in time). The ECB is preparing a dedicated test document which will be reviewed by the banks and the 4CB.

The representative of BNP Paribas raised the point on the liability scheme, for instance if a payment is sent to the wrong IBAN due to a change of phone number. The Chairperson informed the member that the lawyers are checking the point as it was sent by email to the TIPS mailbox in June.

Process of the Written Procedures:

Some TIPS-CG members raised the point on having too many Written Procedures to be managed in short time. It was agreed that it would be beneficial to have a snapshot/summary of the number of Written Procedures with their current status (Action Point (AP-026)). It was also mentioned that when handling matters via written procedure, there is no opportunity for the TIPS CG participants to exchange views before deciding on their feedback. The ECB was asked to analyse, when feasible, the possibility of bringing topics to the TIPS CG meetings first and then initiate the written procedure afterwards, provided the topics are not time-critical.

Furthermore, the period of one week for feedback is perceived as too short in many cases, especially if NCBs are to collect feedback from their communities on the issue. The chairperson agreed to extending the timeline in those cases, whenever possible.

TIPS-CG Action Points:

An ECB representative debriefed the TIPS-CG members on the status of the Action Points currently open or pending for closure.

Collect feedback on hybrid meeting experience (via Mentimeter):

The TIPS-CG members were invited to provide their feedback on the hybrid format of the meeting. The collection of the input will enable to improve the organisation of the next hybrid meeting in 2023.