



EUROPEAN CENTRAL BANK

EUROSYSTEM

Yearly business Value Assignment exercise

Prioritisation exercise:
Your role into this exercise

22 February 2023



Agenda

- 1 Business Value exercise overview**
- 2 Elements for Yearly Business Value exercise
- 3 Next steps

Business Value exercise overview

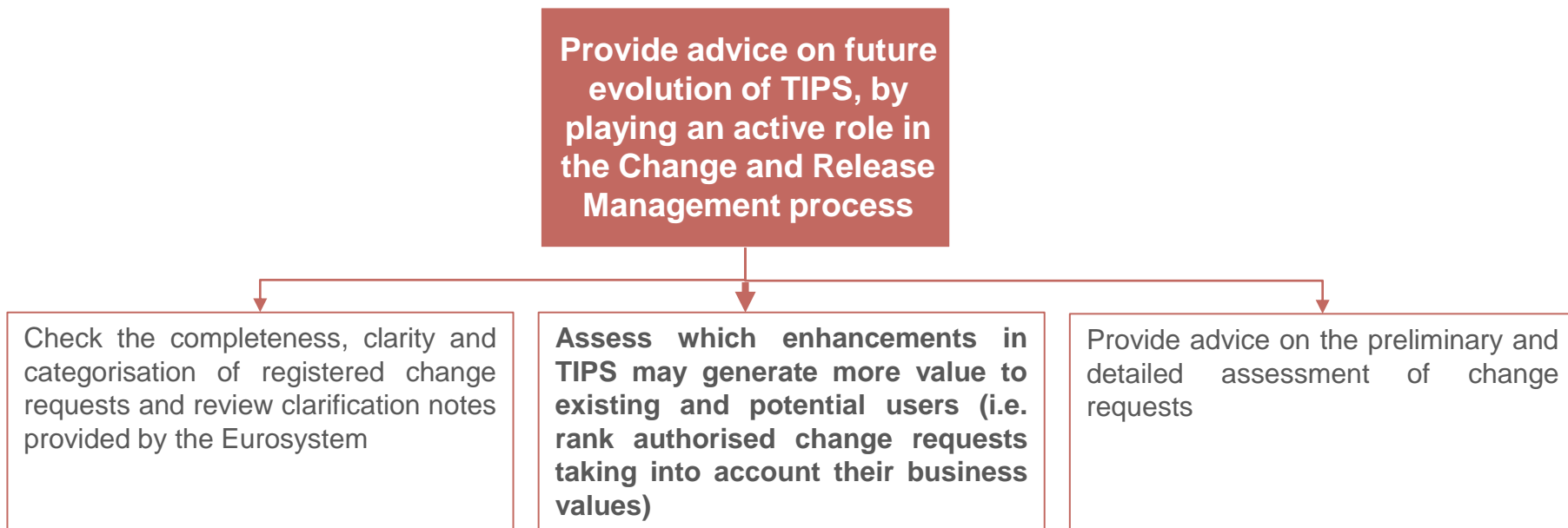
TIPS mandate – Main elements

The TIPS Consultative Group (TIPS-CG) **advises and provides support** to the TIPS governance **on the evolution and operations of TIPS**. [...]

The objective of the TIPS-CG is **to provide the MIB**, via the Target Services Working Group (TSWG), **with user input in the domains of functional enhancements in TIPS, testing, and operations.**”

Business Value exercise overview

TIPS mandate – Main Tasks of the TIPS-CG



Business Value exercise overview (New Change Request)

- For each new Change Request, each TIPS-CG member is invited to provide its business value

Possible Business Values				
High	Medium	Low	Not required	Negative
100	50	10	0	-25

Business Value exercise overview (Yearly process)

- The evaluation takes place once a year (generally in February)
- It aims at **assessing the pending Change requests and initiatives in a comparison exercise**, i.e. ranking the pending Change requests and initiatives against each other
- The outcome of the exercise is to:
 1. **Get a ranking** >> the ranking will enable the Eurosystem to see where the active participants in TIPS are seeing the more value in terms of Changes requests and initiatives
 2. **Define the TIPS Roadmap** >> the TSWG will consider the ranking in preparing its recommendation to the MIB in terms of the Release scope/Roadmap

Business Value exercise overview (Yearly process)

- Each TIPS-CG member* is individually invited to provide its yearly business value on each Change request and initiative via a written procedure
- The views of the national banking communities are gathered via the Central Banks in the TIPS-CG
- A TIPS-CG Written Procedure (WP) will be launched very soon – three weeks will be granted. It is expected that all TIPS-CG members provide a feedback in order to avoid skewing the results as if no feedback is received, a default value will be used

*Some initiatives / CRs may not be relevant for Business Value Assignment by Automated Clearing Houses – information on those will be indicated as part of the WP

Business Value exercise overview (Yearly process)

Any pending question on the yearly business value exercise?



Agenda

- 1 Business Value exercise overview
- 2 Elements to consider for Yearly Business Value exercise**
- 3 Conclusion

Elements to consider for Yearly Business Value exercise

➤ The yearly business exercise of February 2023 includes:

(A) Already considered Change requests not allocated to any release

(B) New Change Requests not allocated to any release

(C) Initiatives aiming at expanding the TIPS service

Elements to consider for Yearly Business Value exercise

(A) Already considered Change requests not allocated to any release

➤ To be re-assessed

Rank as of Feb 2022	CR ID	CR Description	Current Status
4	TIPS-0014-URD	Broadcasts	Review of DA re-assessment by TSWG/TIPS-CG completed on 13/02/2023
5	TIPS-0045-SYS	Report OPBD in camt.053	DA approved by TSWG/TIPS-CG on 27/01/2022
7	TIPS-0046-SYS	Resend TIPS Reports	PA approved by TSWG/TIPS-CG on 01/03/2022
8	TIPS-0028-URD	Rule-based liquidity transfer orders between MCA and TIPS DCA	DA is on hold due to cross-service impact
9	TIPS-0011-URD	Liquidity transfers with the transit account	DA approved by TSWG/TIPS-CG (option 2) on 27/12/2021
10	TIPS-0041-URD	Introduction of non-time critical instant payments in TIPS	PA complete
14	TIPS-0008-URD	CMB limit utilisation reset	DA complete
16	TIPS-0016-SYS	Distinction of CERT and PROD environment in PDF from CRDM_TIPS	DA is on hold as the CoCo impact needs to be clarified

Elements to consider for Yearly Business Value exercise

(B) New Change Requests not allocated to any release

Rank	CR ID	CR Description	Current Status
New CR	TIPS-0051-URD	TIPS Enhanced Information Database	Foreseen for R2023.NOV: DA approved by TSWG
New CR	TIPS-0053-URD	DKCB - Statistical Indicators DKK	DA started on 17/10/2022
New CR	TIPS-0056-SYS	Additional EPC requirements on migration aspects	Foreseen for R2023.NOV: DA started on 12/12/2022
New CR	TIPS-0057-URD	TIPS Pricing Requirements	Foreseen for R2023.NOV: DA started on 09/01/2023
New CR	TIPS-0058-SYS	Reason code TM01 from Beneficiary Bank	Validation by TSWG/TIPS-CG until 17/02/2023
New CR	TIPS-0059-SYS	Editorial changes to TIPS UDFS R2023.JUN	TSWG/TIPS-CG WP to be launched soon
New CR	TIPS-00XX-SYS	Display linked instant payment reference of pacs.004 in TIPS GUI (related to TIPS Investigation Process)	CR under draft

Final confirmation of allocation to release R2023.NOV:
Pending for MIB approval or waiting for DA

Elements to consider for Yearly Business Value exercise

➤ (C) Initiatives aiming at expanding the TIPS service

#	Initiative	Current status
1	Cross-currency instant payments	LKT settlement model for further analysis of possible pilot. Second round of market consultation currently under assessment
2	One-leg-out	Rulebook for Inst Euro OCT scheme currently under preparation by EPC
3	Bulk payments	CR TIPS-0017 was withdrawn. In view of EC Regulation, second round of TSWG/TIPS-CG to be expected soon
4	Confirmation of Payee (IBAN Name check)	In view of EC Regulation, further analysis expected
5	SEPA Request to Pay (SRTP)	On hold due to the lower priority feedbacks received in the previous consultations
6	Bilateral links to other IP platforms	Some non-EEA countries expressed their interest to link their IP platforms with TIPS
7	Participation in international/multilateral links	Possible participation in Nexus project

TIPS Initiatives – Cross Currency Instant Payments

- **Cross-currency settlement feature in TIPS:** Work to enable a cross-currency capability in TIPS began when the ECB and Sveriges Riksbank announced their collaboration to explore whether the platform could process transactions between the euro and the Swedish krona
- The objective is to extend such a service to other non-euro participants joining TIPS due to the respective onboarding of non-euro currencies (e.g. DKK)

TIPS Initiatives – One-Leg-Out

- The EPC is working on the publication of the Rulebook of a new scheme regarding One-Leg-Out ([Inst] Euro OCT) transactions in view of its envisaged start in November 2023
- One-Leg-Out will provide a framework harmonising standards and practices for transactions having one leg out of the euro area
- The new scheme is being analysed for its usage in the context of the cross-currency settlement initiative (in particular in connection with the LKT model)

TIPS Initiatives – Bulk Payments

- In October 2022, the European Commission published a legislative proposal regarding instant credit transfers in euro. In article 5a (Mandatory provision of instant credit transfers in euro) it is stated that:

“Customer (PSU – Payment Services User) interfaces via which orders for credit transfers may be submitted must also allow the submitting of orders for IPs. Where a PSP provides the option of submitting multiple payment orders for credit transfers packaged together in bulk, it must offer the same service for euro IPs.”

- Specific business cases difficult to migrate to SCT Inst, for instance: salaries, pensions, social transfers → payments **mostly sent in bulk**

- **Possible solutions/alternatives:**

1. De-bulking at sending PSP level
2. CSMs involvement: (i) de-bulking at CSM level or (ii) bulk IPs scheme by EPC
3. Process bulk payments similar to Non-time Critical (NTC) payments (i.e. bulk payments as an additional use case for NTC)

- **Way forward:**

1. Discussion with TIPS-CG members
2. [CR TIPS-0017](#) (was withdrawn a few years ago but is reinstated by the Central Bank of Slovenia and Austria) → CR to be sent for review to TSWG/TIPS-CG

TIPS Initiatives – Other initiatives to be assessed

- Confirmation of Payee (IBAN/Name check)
 - In the current draft EC Legislative proposal: *Obligation on providers to verify the match between the bank account number (IBAN) and the name of the beneficiary provided by the payer in order to alert the payer of a possible mismatch or fraud before the payment is made*

- SEPA Request to Pay (SRTP)
 - The SRTP scheme is a [set of rules](#) developed by the European Payments Council (EPC), allowing a Payee to request the initiation of a payment from a Payer. SRTP is a messaging functionality rather than a payment instrument while the resulting action could be an initiation of an instant payment

- Bilateral Links to other Instant Payment platforms
 - Some non-EEA countries expressed their interest to link their IP platforms with TIPS

- Participation in international / multilateral links
 - Possible participation in Nexus project

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Next steps

1

TIPS-CG meeting 22/02/2023: explanations on the yearly business value exercise

2

TIPS-CG WP to be launched very soon → 3 weeks will be granted: all TIPS-CG members to provide feedback

3

TSWG to consider the ranking in preparing its recommendation in terms of the Release scope/Roadmap

4

MIB decision on TIPS Release scope/Roadmap

Thank you for your attention!

 **TIPS@ecb.europa.eu**

www.ecb.europa.eu/paym



ECB: market infrastructure and payments

The mandate of the TIPS-CG: how to contribute?

TIPS mandate - Tasks of the TIPS-CG:

Check the completeness, clarity and categorisation of registered change requests and review clarification notes provided by the Eurosystem

Assess which enhancements in TIPS may generate more value to existing and potential users (i.e. rank authorised change requests taking into account their business values)

Provide advice on the preliminary and detailed assessment of change requests

Provide advice on future evolution of TIPS, by playing an active role in the Change and Release Management process

Discuss the planning, preparation and execution of the testing activities

Discuss relevant matters related to TIPS operations to advise on the smooth functioning of TIPS

Assist in clarifications and specifications of any other topics requested by MIB and TARGET Services Working Group (TSWG)

→ The TIPS-CG will report to the TSWG

Business value exercise

Business Value Definition:

Possible Business Value				
High	Medium	Low	Not required	Negative
100	50	10	0	-25

- **High (100):** Change would significantly enhance and support existing business services or boost relevant new offerings that benefit the whole market
- **Medium (50):** Change would enhance existing business services or boost new offerings that benefit some participants
- **Low (10):** Change has limited value for the market resulting in a low business need
- **Not Required (0):** The change does not affect our institution/customers or is not required by either of them. In general, we acknowledge that it might be useful for others and we do not see a negative impact if the change is implemented in TIPS
- **Negative (-25):** Our institution is against the CR, for instance because it has a negative impact on TIPS or may not be suitable for the TIPS Service. This CR should possibly be withdrawn from our point of view