

13 December 2017

OUTCOME OF THE 2ND MEETING OF TARGET INSTANT PAYMENT SETTLEMENT (TIPS) CONTACT GROUP

7 November 2017 – 09:30 to 17:00

*held at the premises of the European Central Bank, Sonnemannstraße 20,
meeting room MB C3.07, on 3rd floor*

1. Introduction

The Chairperson will welcome the participants and open the meeting.

Documents:

- *Project plan*

Outcome:

The Chair welcomed the participants and briefly introduced the agenda of the meeting, which was approved by the participants.

In his introductory remarks, he:

- *presented an extract of the TIPS project plan with the main milestones that are of interest for the market;*
- *requested the participants to comment on the draft outcome of the first meeting of the TIPS Contact Group, also explaining that the outcomes will be kept short and focused on the results of the discussions;*
- *introduced the #TIPSapp Challenge event, an open event organised by the Eurosystem in its role as a catalyst which intends to create awareness about instant payments by showing solutions (in terms of mobile apps) that can be used to initiate transactions for the settlement of instant payments.*

2. Brainloop / TIPS Dataroom

The Contact group will receive an overview of the Brainloop functionalities and will have a chance to raise questions on how to efficiently work with the tool.

Outcome:

The ECB presented the tool and its functionality online. It was agreed that two persons from the same institution are allowed to have a Brainloop account. It was also clarified that non active accounts will be deleted every 6 months after being informed.

3. User Detailed Functional Specifications (UDFS)

The Contact group will receive an update on the feedback received on the first UDFS draft. The project team will present the delineation between the different deliverables and introduce the main changes included in the second UDFS draft.

Documents:

- *Overview of Market Feedback on 1st UDFS draft (Presentation from 4CB)*
- *Second UDFS draft (Presentation from 4CB)*

Outcome:

The 4CB project team presented the feedback received by 6 October and that led to adjustments of the UDFS. It was explained that the feedback received after the deadline will be worked out in the context of the second draft of the document.

As for the answers to the different comments, it was agreed with the participants that the consolidated feedback (including institutions' names) will be shared within the CG in Brainloop in the folder of the background documentation of the current meeting and will also be published on ECB website (without institutions' names). The same approach will be followed for all future consultations.

A TIPS glossary document has been initially proposed for inclusion at the end of UDFS but it was preferred as a standalone document for the whole project in order to avoid inconsistencies among various glossaries of the different documents.

4CB informed the Contact Group that a requirement for TIPS imposes the possibility for the beneficiary party to be able to retrieve a status of payment transaction. This is not part of the SEPA credit transfer scheme (SCT^{inst}). 4CB presented three options for this requirement to be developed out of the scheme: none of the members was in favour of Option 1 (Implementation with "Investigation Like" A2A messages). The members were invited to indicate their preference in written on whether they prefer Option 1, Option 2 (No additional Payment Transaction Status

query will be offered, neither in U2A nor in A2A) or Option 3 (Payment Transaction Status query available in U2A only).

The 4CB project team also presented the second draft of the UDFS with the indication of new and changed content compared to the previous version.

The Chairperson confirmed that the second enriched draft will be provided to participants after the meeting as part of the background documentation together with an excel sheet for structured feedback. He asked for feedback by Wednesday 15 November and explained that feedback received after this date can only be treated in the following round as it was the case with the previous draft.

It was agreed that the consultation with the Contact Group on the final draft will be considered as the final market consultation. TIPS CG members are then allowed to consult their national community / customers for feedback on the final draft of the UDFS. Therefore, the time for feedback shall be around a full month for this final draft.

The full document will be ready in February in an almost final version.

4. Connectivity Guide

The project team will present the first draft of the Connectivity Guide.

Documents:

- *TIPS Connectivity Guide v0.9*

Outcome:

The 4CB project team presented the first draft of the Connectivity Guide, already provided to participants as part of the background documentation before the meeting. The Chairperson asked for structured feedback by Wednesday 15 November via an excel feedback form.

The 4CB project team promised that the updated requirements related to the connectivity will be published by the end of November in order to allow prospect Network Service Providers to be prepared to offer the service at the foreseen conditions.

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

- *The Eurosystem will not have a legal contract with the NSPs. The contracts will be in place between the TIPS Participants and the NSPs. The Participants (account holders) are the ones who sign the contract with the CB; the NSP is chosen by the Participants.*
- *The Reachable parties need TIPS Participants (legal owners of an account) for the settlement of instant payments and Instructing parties for sending messages; the*

“sponsorship” of NSPs is performed by the Participants (who can nominate more than one) and not the Reachable Parties.

- *The sponsoring means a nomination (from a TIPS Participant who can be a CB or a bank) of a NSP which needs to present a solution fulfilling all the requirements; this solution is evaluated during the “compliance check”. If the NSP solution is declared as compliant, the installation of some technical components in the data centres of the TIPS Operator and the testing will follow. As timing is a crucial factor, only a very limited number of parallel compliance checks will be possible.*
- *The exact details of the nomination are still to be worked out. The approach will ensure a fair treatment of the nominated NSPs regardless of their potential volume. However, the Eurosystem would like to avoid that NSPs undergo the compliance check without the certainty of having customers in operations later on.*
- *There is no obligation on the NSPs to offer the service to all interested parties.*
- *It was explained that the identified requirements have to be respected by the NSPs also in order to ensure harmonised security levels for all Eurosystem Market Infrastructures.*
- *The hosting costs of having NSPs devices at the data centres of TIPS Operator are under consideration and depend also on the number of potential applicants. This will be clarified in the finalisation of the documentation.*
- *Clarification on the responsibility of Reachable and Instructing parties and the control over this responsibility will have to be clear in the contracts.*
- *One member stressed that the process of choosing NSP is complex, what could be a showstopper for (in particular for small or medium sized) banks to connect to TIPS. ECB project team promised to investigate, whether there is a chance to simplify the process.*

Finally, the publication of the list of compliant NSPs was requested by the participants. The Chairperson explained that the ECB will discuss this issue with the lawyers.

5. Structure of UHB

The User Handbook is created as a stand-alone document and addressed to business analysts as well as TIPS operator users. The 4CB will present the planned structure of the UHB deliverable, along with some first draft sections. The Contact Group will be invited to discuss the proposed approach.

Documents:

- TIPS UHB (Presentation from 4CB)

Outcome:

The 4CB project team presented the planned structure of the UHB along with the first draft sections and explained that for the subsequent meetings the document will be gradually enriched with the indication of new and updated content compared to the previous version. The UHB of TIPS is addressed to TIPS Actors' users in charge of monitoring their Instant Payment settlement activities and managing their local reference data in TIPS. The Chairperson confirmed that this first 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. He asked for feedback by Wednesday 22 November and explained that feedback received after this date can only be treated in the following round.

6. 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. It was agreed that these presentations will be shared within the CG in Brainloop as part of the background documentation after each meeting and will also be published on ECB website.

7. Any Other Business

The next Contact Group meeting is on 13 December. A Christmas dinner will be organised the evening before. The details will be communicated in due course.

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>).