



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB
DG-MIP
TIPS Project Team

Questions & Answers

TIPS Contact Group

4th Meeting on 17 January 2018

We would like to know what will be the TIPS account identifier for payments process. If it will be the BIC, how will we manage the situation when one participant will have more than one account? In this case would we have to use a different BIC for each account?

- In the UHB the account is referenced by the Account Number. This number is known in TIPS since it is created inside TIPS and known by the relevant responsible party, i.e. the one that can query on it.
- At the same time, the EPC schema does not foresee to use a "platform specific" account number, so in this case the way to make the account known outside TIPS is to use the BIC of the originator participant and the beneficiary participant (debtor and creditor agents).
- As for explicit requirement, "Since TIPS has to be able to uniquely determine the account or CMB from the provided BICs, one BIC can only be linked to one account or CMB in the same currency at the same time"; this means that a participant can hold more than one account, but for each of them the participant has to authorize a different BIC for settlement (see also Authorized Account User in section 1.3.2 of the UDFS).

UDFS page 9: 'The participants (i.e. Payment Service Providers or PSPs) have a settlement interface to send payment instructions and receive payment confirmations or any other payment related messages based – **when possible** – on ISO 20022 standards and respecting the SEPA Instant Credit Transfer (SCTInst) scheme)

What is meant by “when possible”?

- The expression "when possible" was used in the UDFS just to make the point that there might be cases in which, either because the quantity of data to be sent/received is so high that it does not allow using XML technology (for performance reasons) or because for a given business scenario a registered ISO 20022 message does not exist yet, then a different approach would be used (e.g. flat file with a pre-defined record structure).
- At this stage, however, no cases have been identified which would require such an approach. For sure, as far as Instant Payments are concerned, TIPS will only accept and process SEPA Instant Credit Transfer compliant messages.

The recovery time objective of the TIPS service lies with 15 minutes and is the responsibility of the TIPS Operator. Furthermore according to the connectivity requirements the NSPs shall support the business continuity in case of a intra-region/second region recovery.

Is there also a time limit foreseen in case an NSP is facing a breakdown and has to recover its system? (also 15 minutes?)

- Yes, please refer to TIPS.UC.TC.54150 of Connectivity Requirements:

“The NSP shall manage its disaster recovery solution, which affects the TIPS Connectivity Services, with the following objectives. In the case of the NSP recovery, the NSP shall support the traffic exchange through its back-up site automatically within 15 minutes.”

It has been repeatedly stated that in order to be a participant in TIPS it is necessary to be eligible for accessing Central Bank money (same participation criteria apply as in TARGET2).

Which are the eligibility criteria for being a Reachable Party in TIPS?

- The eligibility criteria are the same that apply for being an “addressable BIC” in TARGET2. In the RTGS of the euro, an entity can be addressable if it:
 - Holds a BIC;
 - is not recognised as an indirect participant;
 - is a correspondent or customer of a PM account holder or a branch of a PM account holder or of an indirect participant, and is able to submit payment orders to and receive payments from a TARGET2 component system via the PM account holder.

Transposing this concept into TIPS, this means that an entity can be a Reachable Party in TIPS if it holds a BIC and is able to submit and receive instant payment orders via a TIPS Participant.

- In addition, given the nature of TIPS as an Instant Payment service, both TIPS Participants and Reachable Parties need to adhere to the EPC SCT-Inst scheme.

Thank you for the attention!

 **TIPS@ecb.int**

www.ecb.europa.eu/paym

 **ECB: market infrastructure and payments**