

# TARGET Instant Payment Settlement User Requirements

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# Executive Summary

## Introduction

The market consultation on the TARGET Instant Payment Settlement (TIPS) User Requirements Document (URD) was initiated on 9 January 2017 and ran until 24 February 2017. Financial market infrastructures and financial institutions in Europe with a stake and interest in instant payments provided their feedback on the URD to the Eurosystem.

The URD has been updated based on the feedback from the market.

## Scope of the Service

TIPS is a service for the settlement of instant payments. TIPS offers instant settlement services to its Participants when an originator instructs the transfer of funds to a beneficiary. The primary aim is to offer *settlement of instant payments in Euro*. However the technical implementation of TIPS is *currency agnostic in its design*, i.e. TIPS supports settlement in non-Euro Central Bank money as well.

TIPS supports Participants to be *compliant with the SEPA Instant Credit Transfer (SCT Inst)* scheme which the European Payments Council (EPC) has developed for instant payments in Euro. TIPS follows the process flows defined by the scheme and offer real-time information on the status of transactions and liquidity transfers to Participants. TIPS messages shall be in line with SCT Inst scheme, all payment messages shall use the same format if applicable. However, other schemes in other currencies are not excluded and might be supported in the future, if deemed necessary.

TIPS is intended as a harmonised and standardised *pan-European service with common functionality across different countries and jurisdictions*. The lean nature of the service will promote efficiency in the settlement of instant payments. Common functionalities across jurisdictions and the intention to support compliance of the SCT Inst scheme will ensure harmonisation of practices and further market integration in the settlement of instant payments.

TIPS offers a very *flexible participation structure* that can support different business models without compromising the speed and efficiency requirements stipulated by the SCT Inst scheme. There are four classes of actors in TIPS: Participants, Ancillary Systems, Reachable Parties and Instructing Parties.

Participants are the only entities allowed to open TIPS dedicated cash accounts. The opening of TIPS dedicated cash accounts will adhere to *the same eligibility criteria<sup>1</sup> as opening of accounts in TARGET2* for accounts in Euro. This is irrespective of whether or not Participants actually have an account in TARGET2. Participants should have signed adherence to the SCT Inst scheme for the settlement of instant payments in euro.

Ancillary Systems do not maintain TIPS dedicated cash accounts but are the only entities allowed to open technical accounts in TIPS. Technical accounts are used to collect the necessary liquidity set

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<sup>1</sup> Guidelines on TARGET2: TITLE II: PARTICIPATION, Article 4: Access criteria :  
[http://www.ecb.europa.eu/ecb/legal/pdf/l\\_03020130130en00010093.pdf](http://www.ecb.europa.eu/ecb/legal/pdf/l_03020130130en00010093.pdf)

aside by participants of the Ancillary System for funding their positions and for the settlement of instant payments in TIPS.

Reachable Parties do not maintain neither TIPS dedicated cash accounts nor technical accounts; however, they have contractual agreements with either a Participant or an Ancillary System *to use the account it owns* for the settlement of instant payments. This would allow institutions to offer instant payment solutions to their account holders and be reachable within TIPS without opening accounts. TIPS offers additional functionalities for Participants and Ancillary Systems to manage the credit limits of Reachable Parties without splitting liquidity amongst multiple accounts. Reachable Parties should have signed adherence to the SCT Inst scheme for the settlement of instant payments in euro.

An Instructing Party is any entity that has contractual agreements with one or more Participants to *instruct on-behalf of the Participant*. Instructing parties will have direct connectivity to TIPS. Participants can enter into contractual agreements with Instructing Parties to manage their TIPS accounts. Participants, Ancillary Systems and Reachable Parties can act as Instructing Parties themselves.

TIPS accounts in Euro shall *legally be opened in the TARGET2 component system of the responsible Central Bank* and shall be dedicated to the settlement of instant payments on TIPS. TIPS account balances will be *applicable to the minimum reserve calculation*. A snapshot of the balance on the TIPS account for the fulfilment of the minimum reserve requirement will be taken at the closing time of TARGET2. TIPS will work according to the calendar day and operate on a 24/7/365 basis; it will also provide reporting according to the value date in TARGET2. TIPS billing will be provided by BILL common component.

The liquidity in TIPS accounts can be *sourced from TARGET2*, during the TARGET2 operating hours and can be transferred between TIPS Participants accounts to technical accounts also outside TARGET2 operating hours. Liquidity cannot be transferred between technical accounts in TIPS and accounts opened in other TARGET Services.

The countries across the world where instant payment solutions are available, are witnessing significant growth in the adoption of such services. TIPS service will be built using appropriate and efficient technologies to *support high transactional volumes while operating 24/7/365*. The end-to-end processing of instant payments, even for large concurrent volumes, will be completed in accordance within the guidelines stipulated by the SCT Inst scheme so that the funds are instantly available to the beneficiary PSPs. The service will be horizontally scalable to ensure the processing of high volumes and to support a very large number of Participants.

There is a *service desk* to support the core settlement process and to deal with technical issues in connectivity and exception handling.

TIPS offers *queries and reports* to the Participants to support monitoring and reconciliation. Queries and reports critical to the management of the settlement process are made available 24/7/365, whereas other queries and reports which relate mainly to set-up activities may be available only during the RTGS operating hours. The service offers reports that are configurable by Participants including a statement of all transactions to support reconciliation.

## Connectivity Approach

TIPS is a network vendor agnostic service. The intention of the Eurosystem is to let each TIPS Participant to decide on the network vendor they each intend to use and pay to the network vendor



directly, as long as this network vendor meets the requirements set by the Eurosystem. The Eurosystem sets out the requirements that the network provider should adhere to.

## **Pricing**

TIPS shall operate on a full cost-recovery and not-for-profit basis. Considering the principle of full cost recovery, the assumption is that this could be achieved with a price which might range from 0.5 to 2 eurocent per transaction (i.e. between €0.005 and €0.02). This should not be construed as a commitment at this stage, but rather an exploration of market interest.

## **TIPS as Part of European Market Infrastructure Vision**

In projects which are running in parallel to TIPS, the Eurosystem is exploring the options for consolidating different functionalities that are used by more than one Eurosystem service like Liquidity Management, Connectivity, Reference Data and Billing.

The consolidation of Liquidity Management functionality will offer significant benefits to TIPS Participants. Central Bank liquidity will be concentrated with the possibility to dedicate it to the different services offered (including TIPS). The delivery of common connectivity and security components with regards to the TARGET2-T2S consolidation will lead to the emergence of a single gateway to Eurosystem market infrastructures. This will allow for the delivery of harmonised graphical interface(s) to TIPS and the other Eurosystem market infrastructural services. Consolidated Reference Data module will offer reduced maintenance effort for TIPS Participants as reduced duplication of information helps the Participants to manage the reference data better and avoid inconsistencies. Billing functionality will be consolidated to aggregate all billable events across different Eurosystem market infrastructures and generate a consolidated invoice for the Participants.

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# **1 INTRODUCTION**

## **1.1 BACKGROUND**

Instant payment solutions have been or are being developed in several countries around the world and in Europe, often with strong encouragement from public authorities. The Euro Retail Payments Board (ERPB) defines them as solutions that are available 24/7/365 and result in the immediate or close to immediate interbank clearing of the transaction and the crediting of the payee's account. Instant payments may be considered as the next frontier of development in the payments industry.

The objective of the Eurosystem is to ensure that an instant payment solution is available for the euro at the pan-European level. This objective is important for the Eurosystem in relation to its task of promoting the smooth and efficient operation of payment systems and promoting the European Capital Markets Union by avoiding market fragmentation arising out of diverse national solutions.

As a general introduction, this section outlines the project scope that the remaining chapters in the document further detail. This section also presents the principles that will serve as the foundation for the service. In addition, this chapter presents the method for organising and presenting user requirements in subsequent chapters and directs readers to the glossary of terms.

## **1.2 OBJECTIVES**

The main objectives of the envisaged service are:

- to facilitate the instant inter-PSP settlement in Central Bank money of funds transferred by an Originator to a Beneficiary round the clock across the year;
- to support Participants to comply with the European Payments Council's (EPC) SCT Inst scheme;
- to promote efficiency and to ensure market integration in the settlement of instant payments.

## **1.3 SCOPE AND DESCRIPTION**

TARGET Instant Payment Settlement (TIPS) is a service for the settlement of instant payments. TIPS will settle payments instantly in Central Bank money with around the clock availability. TIPS will be a harmonised and standardised pan-European service with common functionality across different countries and jurisdictions.

TIPS will provide instant settlement services in euro to its Participants when an Originator instructs the transfer of funds to a Beneficiary. However, the technical implementation of TIPS will be currency agnostic in order to provide flexibility in the design in order to support settlement in non-euro Central Bank money as well.

The TIPS service will be able to process high transactional volumes while operating 24/7/365.

TIPS shall support Participants to comply with the SCT Inst scheme for instant payments in euro. TIPS messages will conform to SCT Inst scheme, if applicable. All payment messages shall use the format prescribed by the EPC. TIPS message flows for instant settlement in euro shall also comply with the SCT Inst scheme. However, this will not preclude the use of other schemes for other currencies, if deemed necessary in the future.

## 1.4 GENERAL PRINCIPLES

TIPS shall be based on the below principles.

**Principle 1:** TARGET Instant Payment Settlement (TIPS) shall serve as a technical solution for providing instant payment settlement services to Participants without the provision of clearing services.

*Clarification:* The settlement services offered in TIPS will include validation of payment transactions (e.g. checks for message format compliance, availability of accounts, or authorisation to instruct) as well as the confirmation of the settlement results to the Participants.

**Principle 2:** The primary objective of TIPS is to provide efficient settlement services in euro; however the service shall be technically capable of settling currencies other than the euro.

*Clarification:* The technical implementation of TIPS shall be currency agnostic in order to provide flexibility in the design, i.e. potential settlement in non-euro Central Bank money. Currency conversion is not in scope.

**Principle 3:** TIPS shall settle exclusively in Central Bank money.

**Principle 4:** The settlements performed by TIPS shall be final and irrevocable.

**Principle 5:** TIPS shall allow operations on a 24/7/365 basis.

*Clarification:* The technical design of TIPS shall allow around-the-clock operation of the service.

**Principle 6:** TIPS shall be a lean, harmonised and standardised pan-European service with common functionality across different countries and jurisdictions.

**Principle 7:** For the settlement of instant payments in euro, TIPS shall follow the participation criteria of TARGET2. For other currencies, participation criteria shall be defined by the Central Banks responsible for the RTGS.

*Clarification:* TIPS accounts in euro shall legally be opened in the TARGET2 component system of the responsible Central Bank and shall be dedicated to the settlement of instant payments on TIPS.

**Principle 8:** Participation in TIPS shall not be made mandatory by the Eurosystem.

**Principle 9:** All eligible Participants shall have non-discriminatory access conditions to TIPS.

*Clarification:* From a technical point of view access for all Participants of TIPS shall be non-discriminatory. TARGET2 rules will govern the access conditions for the settlement of instant payments in euro.

**Principle 10:** TIPS shall be based on the ISO 20022 message standard for instant payment settlement and shall support Participants to be compliant with the SCT Inst scheme for instant payments in euro.

*Clarification:* Succeeding ISO standards are not excluded and might be adopted in the future, if deemed necessary. TIPS messages shall be in line with the SCT Inst scheme, if applicable, insofar as to allow easy translation; all payment messages shall use the same format. However, other schemes in other currencies are not excluded and might be supported in the future, if deemed necessary.



**Principle 11:** The Eurosystem shall take on the responsibility of developing and operating TIPS by assuming full ownership.

**Principle 12:** TIPS shall operate on a full cost-recovery and not-for-profit basis.

## 1.5 ORGANISATION AND PRESENTATION OF THE USER REQUIREMENTS

The TIPS User Requirements Document is organised into chapters presenting the various aspects of the project.

- **Chapter 1: Introduction** – describes the purpose of this document; recalls the principles which are the main pillars of TIPS; and provides guidance on how to read this document.
- **Chapter 2: High-level Process Description and Architecture** – aims at identifying the TIPS stakeholders, presenting the overall scope and process description of the service.
- **Chapter 3: Settlement of Instant Payment Transactions** – identifies requirements for the core instant payment settlement process and exception handling.
- **Chapter 4: Liquidity Management** – aims at describing the transfer of liquidity between TIPS and the RTGS.
- **Chapter 5: Management of Accounts and Reference Data** – identifies requirements pertaining to the management of accounts and other reference data in TIPS.
- **Chapter 6: Reports** – identifies requirements for the reports that TIPS will provide.
- **Chapter 7: Queries** – identifies requirements for the queries that are available in TIPS.
- **Chapter 8: Interfaces** – identifies requirements related to the technical communication of the TIPS interface with the different TIPS actors.
- **Chapter 9: Other Functions** – identifies requirements related to other functions like billing.
- **Chapter 10: Non-Functional Requirements** – aims at describing the non-functional requirements of TIPS.
- **Chapter 11: Statistical Information** – identifies requirements for the statistical information reports that are available in TIPS.
- **Chapter 12: Annex** – Annex with list of references, glossary and acronyms.

Individual requirements are grouped according to topic and in principle each requirement is presented with attributes. The different user requirements as presented in tables have the following attributes:

**ID:** This field specifies the unique reference. The identification of the requirement is a unique number, which will be valid for this requirement throughout the project. After agreement, it will be possible for any party to refer to this requirement via this ID. Requirements' substance and wording will evolve over time. Using the identification number, it will be possible to trace any modification of the requirements. Furthermore, the acceptance tests will be linked to the user requirements using this ID.

**Name:** This is a short label of the requirement. It helps the reader to quickly find a requirement within this document.

**Requirement:** This is the requirement, formulated in an unambiguous way. Requirements must be clear, concise and measurable. The words "shall", "will" or "must" in a requirement indicate a compulsory feature of the system. The words "may" and "should" indicate options.

A detailed description of the requirement may be provided after the table.



## **2 HIGH-LEVEL PROCESS DESCRIPTION AND ARCHITECTURE**

This chapter provides an overview of the actors and processes associated with the TIPS service.

### **2.1 ACTORS**

For the settlement of instant payments in euro, the major actors of the service are the following.

- **Participants**  
Participants are the entities that hold dedicated cash accounts in TIPS; Participants manage their own liquidity and are responsible for all payments sent or received on their accounts. TIPS accounts in euro shall legally be opened in the TARGET2 component system of the responsible Central Bank.
- **Ancillary Systems**  
Ancillary systems are the entities that hold TIPS Ancillary System (AS) technical accounts; Ancillary systems receive liquidity from TIPS dedicated cash accounts by means of intra-service liquidity transfers.
- **Reachable Parties**  
Reachable Parties are entities that do not maintain accounts in TIPS. However, they have contractual agreements with either a Participant or an Ancillary System to use the account it owns for the settlement of instant payments.
- **Instructing Parties**  
Instructing Parties are any entities that have contractual agreements with one or more Participants to instruct on behalf of the Participant or Reachable Parties. Participants, Ancillary Systems and Reachable Parties can act as Instructing Parties themselves.
- **Central Banks**  
A Central Bank provides cash account services to Participants for the settlement of instant payments in Central Bank money. Additionally, a Central Bank can act as a Participant in TIPS.

Section 5.2 provides a detailed explanation of the actors.

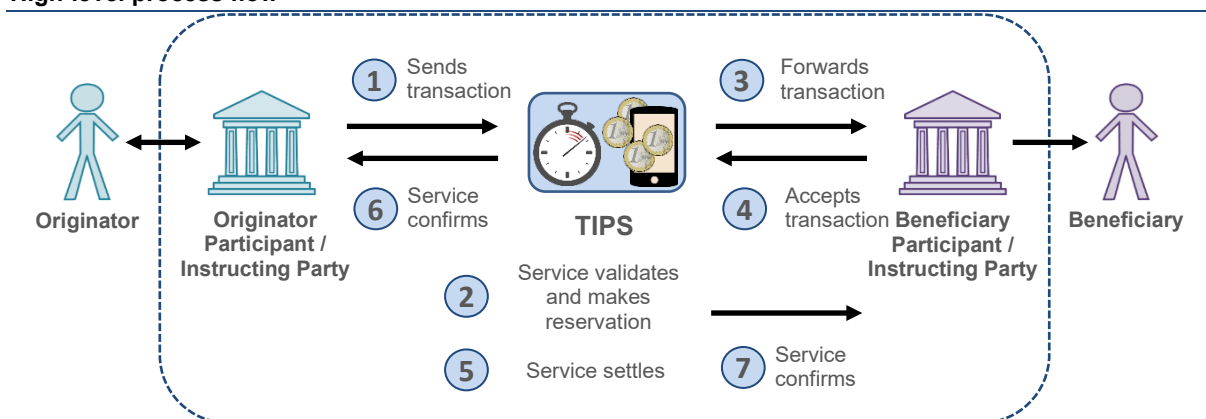
### **2.2 SETTLEMENT OF PAYMENT TRANSACTIONS**

TIPS is designed to support Participants, Ancillary Systems and Reachable Parties to comply with the standard SCT Inst scheme for instant payments in euro. The service shall:

- forward SCT Inst payment transactions from an Originator Participant or Instructing Party acting on behalf of the Participant / Reachable Party to the Beneficiary Participant or Instructing Party acting on behalf of the Participant / Reachable Party;
- perform validations required in the context of settlement, e.g. checks for message format compliance, availability of accounts, sufficiency of funds or authorisation to instruct;
- perform conditional reservations on Originator Participant accounts;
- perform instant settlement of SCT Inst payment transactions after they are accepted by the Beneficiary Participant or Instructing Party acting on behalf of the Participant / Reachable Party;
- ensure immediate transmission of status messages after settlement;
- ensure that the settlement of instant payment transactions meets the timing requirements prescribed by the SCT Inst scheme.

The subsequent Figure 1 depicts the high-level process flow for the case of successful settlement.

**Figure 1  
High-level process flow**



- (1) The Originator Participant or an Instructing Party acting on behalf of the Originator Participant or a Reachable Party sends an SCT Inst payment transaction message to TIPS
- (2) TIPS validates and reserves the amount to be transferred (conditional settlement)
- (3) TIPS forwards the payment transaction for acceptance to the Beneficiary Participant or an Instructing party acting on behalf of the Beneficiary Participant or a Reachable Party
- (4) The Beneficiary Participant or an Instructing Party acting on behalf of the Beneficiary Participant or a Reachable Party sends a positive reply message to TIPS
- (5) TIPS settles the payment
- (6) TIPS confirms the settlement to the Originator Participant or an Instructing Party acting on behalf of the Originator Participant or a Reachable Party
- (7) TIPS confirms the settlement to the Beneficiary Participant or an Instructing Party acting on behalf of the Beneficiary Participant or a Reachable Party

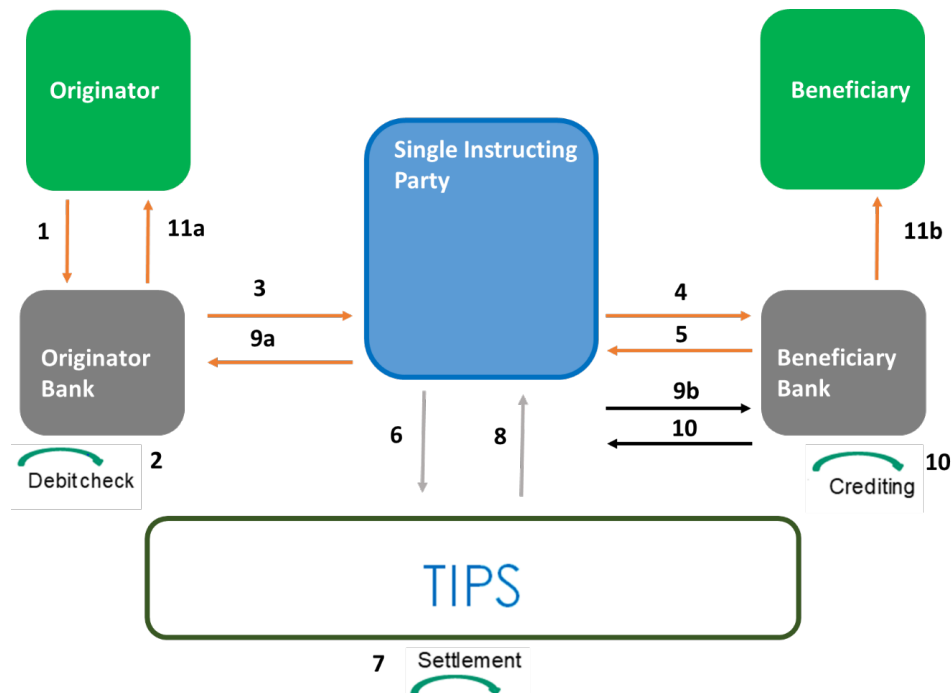
TIPS shall reject the instant payments transactions in case of failed technical or business validations. Furthermore, the service shall reject transactions if the timeout conditions defined by the SCT Inst scheme are met. Chapter 3 contains detailed process flows for successful and unsuccessful instant payment transactions.

TIPS shall also support Participants and Instructing Parties acting on behalf of Participants or Reachable Parties in exception handling. The Participants or Instructing Parties may route recall messages through TIPS. TIPS shall also provide an investigation service to track the status of previously submitted transactions.

TIPS shall use the ISO 20022 XML standard version which is prescribed by the SCT Inst scheme for all messages covered by the scheme. TIPS is prepared to continue being aligned with the scheme if future ISO 20022 XML standard versions are introduced.

Moreover, TIPS shall support the Single Instructing Party (SIP) settlement process flow where settlement occurs without preliminary reservation of funds. The subsequent Figure 2 depicts the high-level process flow for the SIP settlement model.

**Figure 2: SIP settlement model for Instant Payments**



- (1) The Originator PSP receives an SCT Inst Instruction from the Originator;
- (2) The Originator PSP executes all processing conditions and Funds availability checks. When these validation checks are successful, the Originator PSP makes a Reservation of the Amount on the Originator's Payment Account;
- (3) The Originator PSP forwards the payment to the CSM in which it participates;
- (4) The CSM, acting as Single Instructing Party, asks Beneficiary PSP for acceptance of payment;
- (5) The Beneficiary PSP replies to the SIP indicating that the payment can be accepted;
- (6) The SIP creates a settlement message and sends it to TIPS;
- (7) TIPS settles the payment immediately (no reservation of funds);
- (8) The SIP is notified about the outcome of the settlement attempt, so that the settlement confirmation can be forwarded to the Originator PSP and to the Beneficiary PSP;
- (9a) The SIP sends a confirmation that the payment is settled to the Originator PSP;
- (9b) The SIP sends a confirmation that the payment is settled to the Beneficiary PSP;
- (10) The Beneficiary PSP credits the Beneficiary's account and informs the SIP;
- (11a) The Originator PSP informs the Originator that the payment has been completed;
- (11b) The Beneficiary PSP informs the Beneficiary that a payment has been received.

## 2.3 LIQUIDITY MANAGEMENT

TIPS dedicated cash accounts have to be a Central Bank money account opened in the books of a Central Bank and are exclusively dedicated for the settlement of instant payments. TIPS AS technical accounts are opened in the books of a Central Bank and dedicated to the settlement of instant payments.

The TIPS service shall allow the transfer of funds between an RTGS account and a TIPS dedicated cash account during the operating hours of the RTGS, provided that both accounts are denominated in the same currency. TIPS shall prevent the transfer of funds between an RTGS account and a TIPS AS

technical account. Moreover, TIPS service shall allow the transfer of funds between a TIPS dedicated cash account and a TIPS AS technical account via intra-service liquidity transfers. A snapshot of the accounts in TIPS will be taken at the closing time of TARGET2 for the purpose of accounting and minimum reserve calculations.

## **2.4 MANAGEMENT OF ACCOUNTS AND REFERENCE DATA**

TIPS Participants do not need to own an RTGS account as long as funding for the settlement of instant payments can be provided via an RTGS account owned by another entity.

Central Banks will open and maintain TIPS dedicated cash accounts for the Participants and TIPS AS technical accounts for Ancillary Systems. Participants will be able to open one or more accounts in TIPS to facilitate the settlement of instant payments. Each Ancillary system will be able to open one and only one technical account to fund/defund the guarantee to provide instant finality to their participants and to settle instant payments. TIPS shall offer Credit Memorandum Balance (CMB) functionality which is a credit limit that is linked to a TIPS dedicated cash account or a TIPS AS technical account. These credit limits provide Participants and Ancillary Systems with a flexible tool to provide restricted access to the liquidity in the underlying account. The different types of accounts and the Credit Memorandum Balance (CMB) are detailed in section 5.3.

Reachable Parties need to maintain contractual agreements with Participants and Ancillary Systems in order to use their accounts for settlement. Similarly, Participants and Ancillary Systems need to have contractual arrangements with Instructing Parties who can instruct on behalf of Participants, Ancillary Systems or Reachable Parties. TIPS will maintain links between the different actors in order to validate the user authorisation for the different functionalities.

The TIPS service shall maintain other reference data required for the settlement of instant payments.

## **2.5 QUERIES AND REPORTS**

TIPS will offer queries and reports to the Participants to support monitoring and reconciliation. Queries and reports critical to the management of the settlement process will be made available 24/7/365. The service will offer flexible report subscription to Participants.

## **2.6 INTERFACES**

TIPS shall provide an application-to-application (A2A) interface for payment transaction processing. TIPS will have a user-to-application interface (U2A) that supports a limited number of user requirements, such as liquidity transfers, limit management and account blocking. The critical functionalities offered via the U2A interface will be available 24/7/365. However, certain functionalities like Participant reference data creation may not require round the clock availability and will be available for shorter time frames. Overview of the functionalities available in each of the interfaces is described in section 8.2.1.

## **2.7 NON-FUNCTIONAL REQUIREMENTS**

The TIPS service shall be scalable to support the expected growth of transactional volumes while operating 24/7/365. The end-to-end processing of instant payments, even for large concurrent volumes, will be completed in accordance with the guidelines stipulated by the SCT Inst scheme so that the funds are instantly available to Beneficiary Participants.

### 3 SETTLEMENT OF INSTANT PAYMENT TRANSACTIONS

The objective of this chapter is to describe the core functionality of the TIPS service. Section 3.1 provides a high level overview; section 3.2 covers requirements related to the payment processing workflow while sections 3.3 and 3.4 detail exceptional cases such as recalls or investigations.

#### 3.1 OVERVIEW

The TIPS service has to support the different process flows that the SCT Inst scheme defines (see ref. [1]). These are instant payments, recalls and investigations.

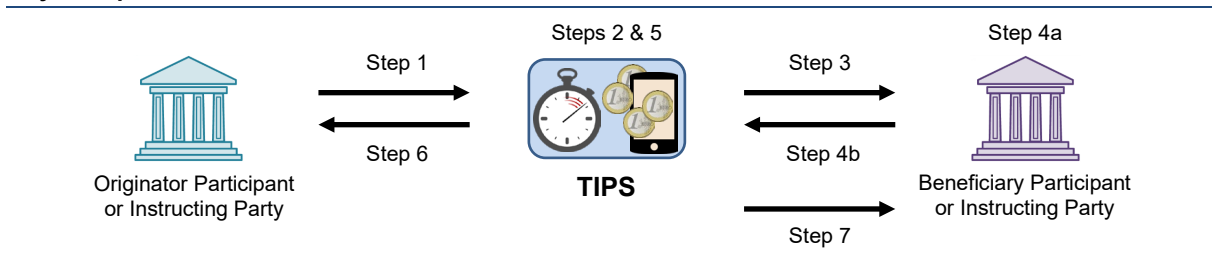
In addition, TIPS should support the process flow envisaged for the SIP settlement model. The Single Instructing Party is a CSM (according to the definition in the SCT Inst Scheme Rulebook) that receives transactions for Clearing from the Originator Bank.

Figure 3 illustrates the workflow for an **instant payment transaction** (with reservation of funds) that passes all validations and is accepted for settlement. The steps in the overall process are further detailed. Exceptional cases, such as validation errors, are not depicted in the diagram, but mentioned in the explanations following the diagram. The entities communicating with TIPS directly are:

- (i) The Originator Participant or an Instructing Party acting on behalf of the Originator Participant or a Reachable Party (or short “Originator Participant or Instructing Party”);
- (ii) the Beneficiary Participant or an Instructing Party acting on behalf of the Beneficiary Participant or a Reachable Party (or short “Beneficiary Participant or Instructing Party”).

Section 5.2 provides further details regarding the different actors and participation structure.

**Figure 3**  
**Payment process for SCT-Inst scheme settlement model**



**Step 1:** The Originator Participant or Instructing Party sends a payment transaction to TIPS. This payment transaction message has to contain the *inter-PSP payment dataset* DS-02 as specified in the SCT Inst scheme rulebook; the BICs of the Originator Participant or Reachable Party and Beneficiary Participant or Reachable Party<sup>2</sup> are mandatory fields within this dataset. TIPS determines the account or CMB<sup>3</sup> to debit from the Originator Participant or Reachable Party BIC<sup>4</sup> and determines the account or CMB to credit from the Beneficiary Participant or Reachable Party BIC.

<sup>2</sup> A reachable party could act as an Instructing Party on its own behalf. Reachable parties do not own accounts in TIPS but can use accounts or CMBs owned by a Participant.

<sup>3</sup> CMB stands for Credit Memorandum Balance and is further explained in section 5.3.2.

<sup>4</sup> The TIPS service uses BIC11 for the identification of Participants and Reachable Parties; wildcard rules are not foreseen.

**Step 2:** TIPS validates the payment transaction and rejects it if any validation error occurs. Possible validation errors are, e.g. insufficient funds, a blocked account or CMB either to debit or credit, an unknown Beneficiary Participant or Reachable Party BIC or a missing authorisation of the sender to send payment transactions on behalf of the Originator Participant or Reachable Party. The SCT Inst timestamp of the payment transaction is checked as well and the transaction is rejected if a configurable threshold for the timeout is exceeded (which is set to 20 seconds). If the payment transaction is rejected TIPS informs the Originator Participant or Instructing Party. TIPS does not inform the intended Beneficiary Participant or Instructing Party. If the validation is successful, funds are reserved on the account of the Originator Participant.

**Step 3:** After successful validation TIPS forwards the full inter-PSP payment dataset of the payment transaction to the Beneficiary Participant or Instructing Party. The recipient of this message is uniquely determined from the Beneficiary Participant or Reachable Party BIC in the payment transaction.

**Step 4a:** The Beneficiary Participant or Instructing Party processes the message and determines if the payment is accepted or rejected.

**Step 4b:** The Beneficiary Participant or Instructing Party replies with a *Beneficiary Participant reply* message informing TIPS if the recipient accepts or rejects the payment.

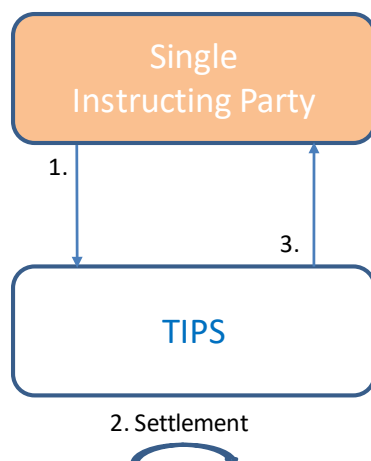
**Step 5:** TIPS validates the *Beneficiary Participant reply* message and either settles the amount or rejects the transaction. A possible validation error is, e.g. a timeout that TIPS determines based on the SCT Inst timestamp contained in the original payment transaction (again set to 20 seconds). In case the message fails validation TIPS rejects the transaction, unreserves the funds and informs the Originator Participant or Instructing Party and Beneficiary Participant or Instructing Party. In case the Beneficiary Participant or Instructing Party rejects the payment TIPS rejects the transaction, unreserves the funds and informs the Originator Participant or Instructing Party.

**Steps 6/7:** If the transaction is accepted and the amount settled TIPS informs both the Originator Participant or Instructing Party and Beneficiary Participant or Instructing Party.

Figure 4 depicts the workflow related to SIP settlement model for an **instant payment transaction** that passes all validations and is accepted for settlement.



Figure 4: Instant Payment process for Single Instructing Party settlement model



**Step 1:** After having validated an instant payment with both PSPs, the Single Instructing Party sends it to TIPS for settlement;

**Step 2:** Settlement attempt takes place in TIPS immediately, without preliminary reservation of funds;

**Step 3:** The Single Instructing Party is notified about the outcome of the settlement attempt, so that the settlement confirmation can be forwarded to the Originator PSP and to the Beneficiary PSP.

The TIPS service supports the processing of single payment transaction messages. Bulk file processing is not in scope. The SCT Inst scheme specifies a target maximum execution time of 10 seconds to process a payment transaction.

In addition to the instant payment process TIPS has to support **recalls**<sup>5</sup>. The Originator Participant, Ancillary System or Instructing Party can send recall messages in order to request the return of funds previously settled via an instant payment transaction. TIPS validates whether the sending party is authorised to send recalls and immediately forwards recall messages to the Beneficiary Participant, Ancillary System or Instructing Party. TIPS does not check the timeframe of recalls, it is up to the Participants or Instructing Parties to adhere to the rules stipulated in the SCT Inst scheme.

Recalls could be either answered negatively or positively via a **recall response** message. If the Beneficiary Participant, Ancillary System or Instructing Party rejects the recall the negative response is immediately forwarded back to the Originator Participant, Ancillary System or Instructing Party of the original payment transaction. If the Beneficiary Participant, Ancillary System or Instructing Party answers the recall positively TIPS attempts to settle the returned amount (reversing the original cash flow, possibly minus a fee applied by the Beneficiary Participant, Ancillary System or Instructing Party). TIPS determines the required accounts or CMBs for this recall payment from the BICs of the Originator Participant or Reachable Party and Beneficiary Participant or Reachable Party (i.e. the BICs contained in the original payment transaction's dataset DS-02, which has to be part of the positive recall

---

<sup>5</sup> Both recall datasets, DS-05 (The Recall of an SCT Inst dataset) and DS-08 (Request for Recall by the Originator dataset), as well as their responses (DS-06 and DS-09) are processed by TIPS using the same workflow, assuming the same inter-PSP messages are used.

response). A response to a recall has to be provided within 15 business days after the recall has been received. However, similar to the recall itself TIPS does not check this timeframe, it is up to the Participants, Ancillary Systems or Instructing Parties to adhere to the rules pertaining to recalls. The process for positive recall responses differs from the one used for payment transactions in that

- (i) there is no reservation of funds and
- (ii) the acceptance of funds is implicitly assumed by issuing the recall in the first place.

The Originator Participant, Ancillary System or Instructing Party can trigger investigations using a **transaction status inquiry** message, as required by the SCT Inst scheme. These inquiry messages allow the Originator Participant, Ancillary System or Instructing Party of the original payment transaction to inquire about its status, using the *transaction status investigation* dataset DS-07.

## **3.2 PAYMENTS**

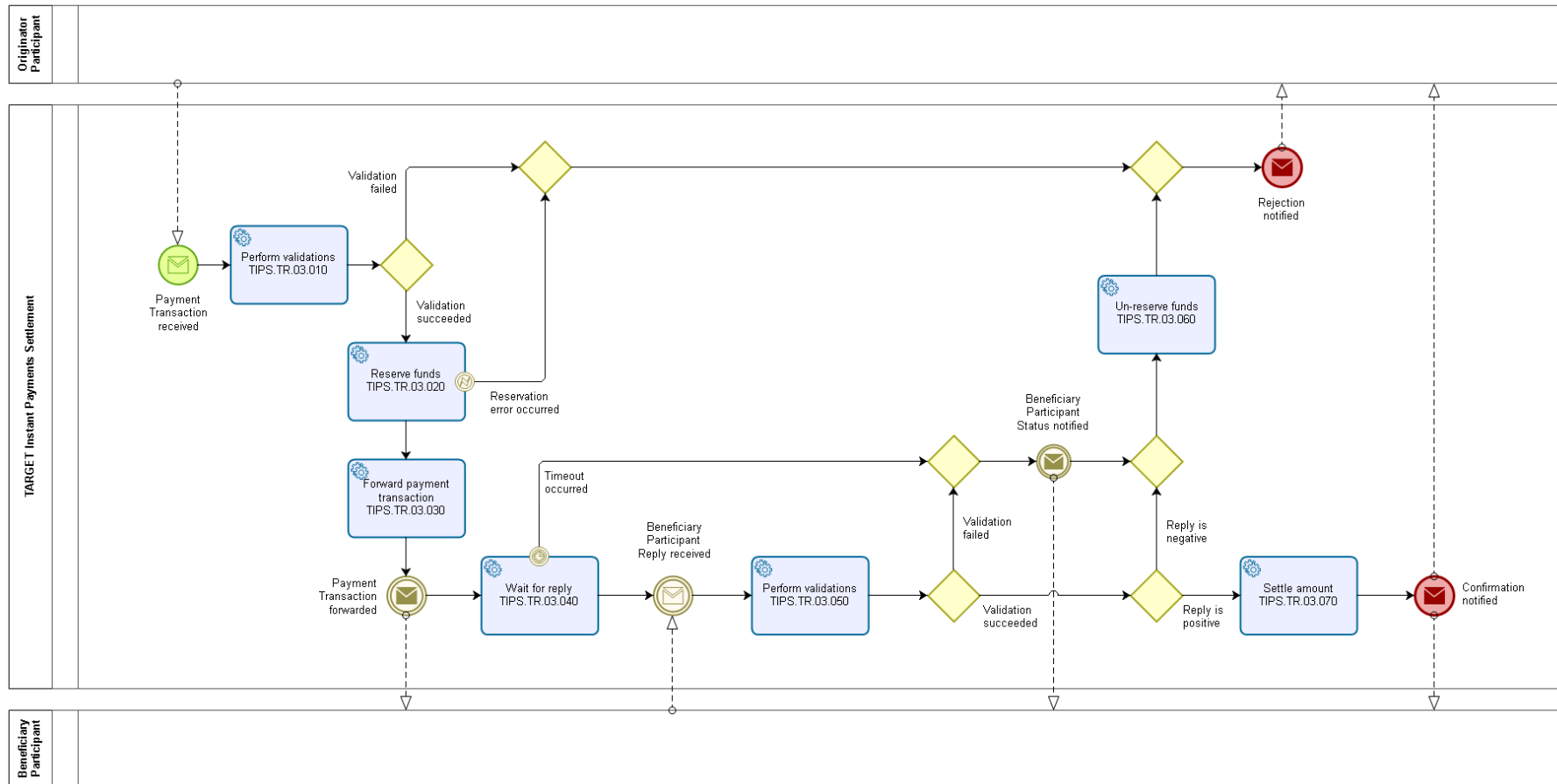
As detailed in the previous section payment processing covers the instant payment workflow and starts with the reception of a payment transaction from an Originator Participant or Instructing Party. It ends with either a rejection message that TIPS sends to the Originator Participant or Instructing Party or a rejection or confirmation message that TIPS sends to both the Originator Participant or Instructing Party and the Beneficiary Participant or Instructing Party.

Some requirements explicitly reference used SCT Inst datasets (DS-X) from the scheme rulebook (see ref. [1]) or ISO messages taken from the SCT Inst inter-PSP implementation guidelines (see ref. [2]). Relevant datasets are DS-02 (inter-PSP payment), DS-03 (confirmation message), DS-05/DS-08 (recall), DS-06/DS-09 (response to a recall) and DS-07 (transaction status investigation).

### **3.2.1 Payment Process Diagram**

Figure 5 shows the process flow diagram for the payment process and contains message events and tasks, which lead to user requirements. Table 1 contains the list of messages while section 8.3.2 contains the actual requirements for these messages. Tasks are listed in Table 2 and further detailed in the following sections, which also contain additional requirements not directly linked to the diagram.

**Figure 5**  
**Payment processing workflow for the standard SCT-Inst model**



**Table 1: List of messages for payment processing**

| Message                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Transaction            | An order to transfer funds from the account of the Originator Participant to the Beneficiary Participant instantaneously, sent by the Originator Participant or Instructing Party. This message is forwarded to the Beneficiary Participant or Instructing Party acting on its behalf (this message is called <i>SCT Inst transaction</i> in the SCT Inst rulebook, ref. [1]; further details can be found in TIPS.UR.08.120). |
| Rejection                      | A notification sent by TIPS to the Originator Participant or Instructing Party that TIPS failed to process the payment transaction due to, e.g. validation errors, rejection of the payment or timeout (this message is called <i>negative confirmation</i> in the SCT Inst rulebook, ref. [1]; further details can be found in TIPS.UR.08.130).                                                                               |
| Beneficiary Participant Reply  | Reply returned by the Beneficiary Participant or Instructing Party informing TIPS if the payment is accepted or rejected (this message is called <i>negative/positive confirmation</i> in the SCT Inst rulebook, ref. [1]; further details can be found in TIPS.UR.08.140).                                                                                                                                                    |
| Beneficiary Participant Status | Message informing the Beneficiary Participant or Instructing Party that a timeout or validation error has occurred (this message is not defined in the SCT Inst rulebook, ref. [1]; further details can be found in TIPS.UR.08.150).                                                                                                                                                                                           |
| Confirmation                   | A notification sent by TIPS to the Originator and Beneficiary Participants or Instructing Parties to confirm that TIPS has settled the instant payment successfully (this message is called <i>positive confirmation</i> in the SCT Inst rulebook, ref. [1]; further details can be found in TIPS.UR.08.160).                                                                                                                  |

**Table 2: List of tasks for payment processing workflow**

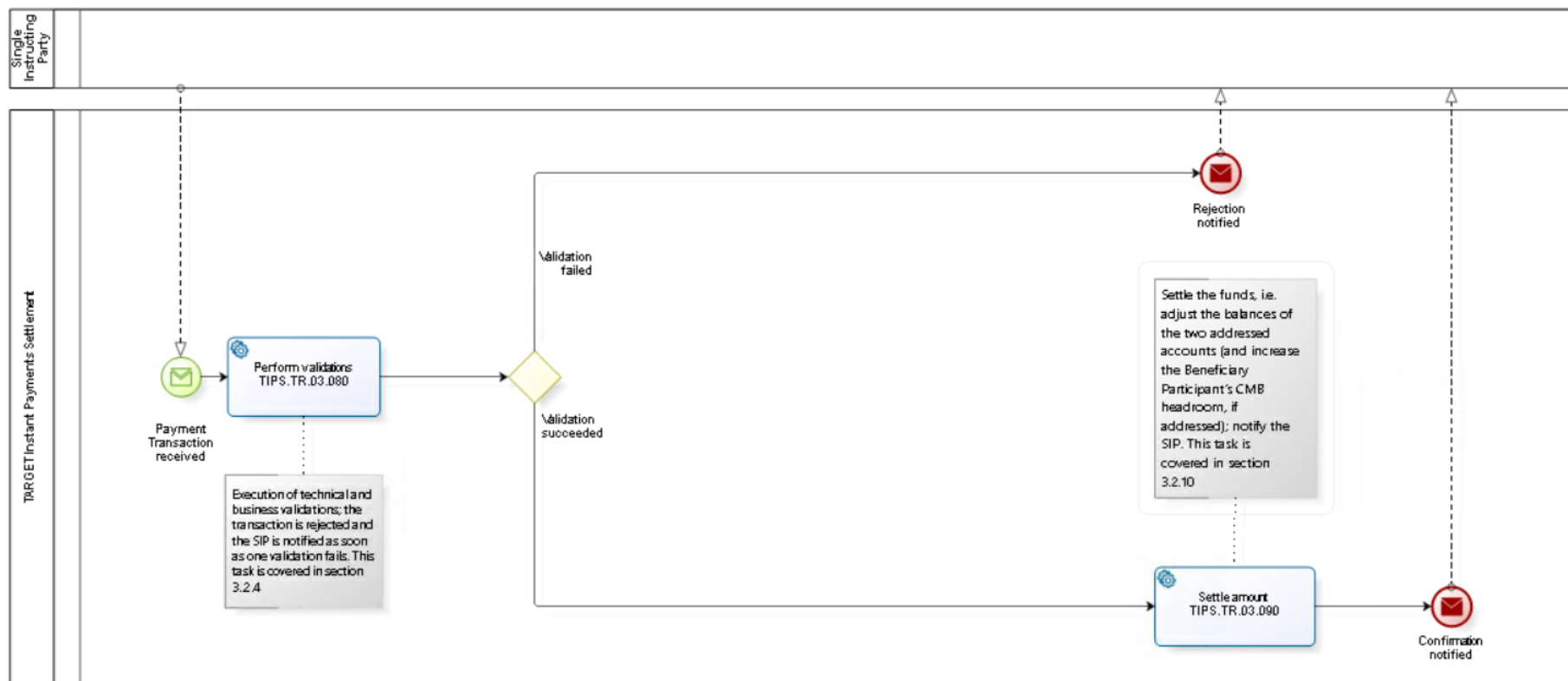
| Task           | Description                                                                                                                                                                                                                                                                                                  |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.03.010 | Execution of technical and business validations; the transaction is rejected and the Originator Participant or Instructing Party notified as soon as one validation fails. This task is covered in section 3.2.4.                                                                                            |
| TIPS.TR.03.020 | Reservation of funds on the Originator Participant account (and decrease of the Originator Participant's CMB headroom, if addressed; see section 5.3.2); if funds cannot be reserved an error occurs and the Originator Participant or Instructing Party is notified. This task is covered in section 3.2.5. |
| TIPS.TR.03.030 | Forwarding of the original payment transaction to the Beneficiary Participant or Instructing Party. This task is covered in section 3.2.6.                                                                                                                                                                   |
| TIPS.TR.03.040 | Waiting for a reply by the Beneficiary Participant or Instructing Party until a configurable timeout occurs (measured with respect to the SCT Inst timestamp in the payment transaction). This task is covered in section 3.2.7.                                                                             |
| TIPS.TR.03.050 | Execution of technical and business validations; the Beneficiary Participant reply is rejected and the Beneficiary Participant or Instructing Party notified if one validation fails; decide whether the payment transaction is accepted or rejected. This task is covered in section 3.2.8.                 |
| TIPS.TR.03.060 | Unreserve the funds (and increase the Originator Participant's CMB headroom, if applicable) which have been reserved during task TR.03.020 (in case of rejection). This task is covered in section 3.2.9.                                                                                                    |

| Task           | Description                                                                                                                                                                                                                                                                                              |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.03.070 | Settle the funds, i.e. adjust the balances of the two addressed accounts (and increase the Beneficiary Participant's CMB headroom, if addressed); notify both, the Originator Participant or Instructing Party and Beneficiary Participant or Instructing Party. This task is covered in section 3.2.10. |

### **3.2.2 Payment Process Diagram for SIP settlement model**

Figure 6 shows the process flow diagram for SIP settlement model and contains message events and tasks, which lead to user requirements. Tasks are listed in Table 3.

**Figure 6**  
**Payment processing workflow for the SIP settlement model**



**Table 3: List of tasks for Payment Process flow for the SIP settlement model**

| Task           | Description                                                                                                                                                                                               |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.03.080 | Execution of technical and business validations; the transaction is rejected and the SIP is notified as soon as one validation fails. This task is covered in section 3.2.4.                              |
| TIPS.TR.03.090 | Settle the funds, i.e. adjust the balances of the two addressed accounts (and increase the Beneficiary Participant's CMB headroom, if addressed); notify the SIP. This task is covered in section 3.2.10. |

### 3.2.3 General Requirements

|                    |                                                                                                                                        |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.010</b>                                                                                                                  |
| <b>Name</b>        | Processing in a first in/first out manner                                                                                              |
| <b>Requirement</b> | TIPS shall process all payment transactions on a first in/first out (FIFO) basis without prioritisation or reordering of transactions. |

Participants are not able to influence TIPS in order to process specific payment transactions with a higher priority. However, owing to the presence of the network and the parallelism of TIPS components which are responsible for processing of incoming messages, Participants cannot rely on payment transactions being processed in exactly the same order they were sent in.

|                    |                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.020</b>                                                                                                     |
| <b>Name</b>        | Immediate settlement of payment transactions                                                                              |
| <b>Requirement</b> | TIPS shall settle payment transactions immediately and shall not queue or hold payment transactions for later processing. |

TIPS does not provide message queues which store payment transactions for an extended period of time due to technical or functional reasons, e.g. (non-exhaustive list):

- Insufficient funds: If TIPS cannot debit an account due to insufficient funds the payment transaction is rejected immediately (and not held until funds are available).
- Technical issues: If TIPS cannot forward the payment transaction to the Beneficiary Participant or Instructing Party the payment transaction is rejected immediately and not held until the Beneficiary Participant or Instructing Party is available again.

TIPS either i) reserves funds on the account to debit in order to ensure that the settlement process cannot fail at a later stage due to insufficient funds (settlement process with reservation of funds) or ii) immediately settles instant payment transactions that have already been validated by a Single Instructing Party (settlement process without reservation of funds). In the latter case, the requirements

included in sections 3.2.5 *Reservation of Funds*, 3.2.6 *Forwarding of Payment Transactions*, 3.2.7 *Waiting for Beneficiary Participant Reply*, 3.2.8 *Validation of Beneficiary Participant Reply* and 3.2.9 *Unreservation of Funds* do not apply.

### 3.2.4 Validation of Payment Transactions

Payment transactions trigger the payment process. This section lists all user requirements related to the *business* validation of these payment transactions. Section 8.3.1 lists requirements for the *technical* validation of inbound messages.

|                    |                                                                                                                                                                                                                                          |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.030</b>                                                                                                                                                                                                                    |
| <b>Name</b>        | Business validation of a payment transaction                                                                                                                                                                                             |
| <b>Requirement</b> | TIPS shall perform business validations of a payment transaction sent by the Originator Participant or Instructing Party. The business validation shall terminate and reject the payment transaction when it encounters the first error. |

The TIPS service validates an incoming payment transaction and notifies the Originator Participant in case a business validation error occurred (the requirement for notification is TIPS.UR.03.140). The checks performed during the business validation are specified in the following requirements. In addition technical (see TIPS.UR.08.100) and SCT Inst scheme specific validations (in the standard SCT Inst settlement model, see TIPS.UR.08.101) are performed.

|                    |                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.040</b>                                                                                                            |
| <b>Name</b>        | Authorization to trigger the SIP settlement process (without reservation of funds)                                               |
| <b>Requirement</b> | TIPS shall check that the sender DN of a payment transaction has the suitable access rights to trigger the SIP settlement model. |

TIPS checks that the sender DN is granted with the correct access rights and that matches with the DN of the receiver. If these checks are successfully, the SIP settlement process (without reservation of funds) is triggered.

|                    |                                                                                                                                                                                                         |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.050</b>                                                                                                                                                                                   |
| <b>Name</b>        | Authorisation to send a payment transaction                                                                                                                                                             |
| <b>Requirement</b> | TIPS shall validate that the party that sent the payment transaction is authorised to instruct for the Originator Participant or Reachable Party as given by the originator BIC (field AT-06 in DS-02). |

TIPS allows linking of senders with BICs of Participants or Reachable Parties; the sender could be a Participant or Instructing Party acting on behalf of a Participant or Reachable Party.



|                    |                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.060</b>                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Derivation of TIPS account, AS technical account or CMB on the debit side                                                                                                                                                                                                           |
| <b>Requirement</b> | TIPS shall identify for each payment transaction the account to debit or the CMB for which to decrease the headroom (and linked account to debit). TIPS shall determine the account/CMB from the originator BIC (field AT-06 in DS-02) and the currency of the payment transaction. |

The originator BIC from field AT-06 of DS-02 is uniquely linked to exactly one account or CMB.

|                    |                                                                                                                                                                                                                                                                                |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.061</b>                                                                                                                                                                                                                                                          |
| <b>Name</b>        | Derivation of TIPS account, AS technical account or CMB on the credit side                                                                                                                                                                                                     |
| <b>Requirement</b> | TIPS shall identify for each payment transaction the account to credit or CMB for which to increase the headroom (and linked account to credit). TIPS shall determine the account/CMB from the beneficiary BIC (field AT-23 in DS-02) and currency of the payment transaction. |

The beneficiary BIC from field AT-23 of DS-02 is uniquely linked to exactly one account or CMB.

|                    |                                                                                                                                                                                                                                                        |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.080</b>                                                                                                                                                                                                                                  |
| <b>Name</b>        | Existence of Beneficiary Participant                                                                                                                                                                                                                   |
| <b>Requirement</b> | TIPS shall validate that the intended Beneficiary Participant or Reachable Party of a payment transaction is reachable within TIPS. The beneficiary BIC (field AT-23 in DS-02) shall identify the intended Beneficiary Participant or Reachable Party. |

TIPS rejects the payment transaction if the intended Beneficiary Participant of a payment transaction cannot be identified or reached within TIPS.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.090</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Detection of duplicate payment transaction                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Requirement</b> | TIPS shall validate that the submitted payment transaction is not a duplicate. These checks have to be performed on messages received within a configurable timeframe based on the following parameters: The BIC of the Originator Participant or Reachable Party (field AT-06 in DS-02) and the reference (field AT-43 in DS-02). The configurable timeframe shall not exceed the data retention period specified in TIPS.UR.03.930, initially set to five calendar days. |

The inter-PSP payment dataset DS-02 from the SCT Inst scheme provides two message identifier fields of which one is to be filled by the Originator Participant or Instructing Party, field AT-43. However, this identifier might not be a unique message identifier within TIPS since different sending parties may assign the same message identifier. Therefore, the check for duplicate payment transactions uses the combination of BIC code of the Originator Participant or Reachable Party and the message identifier.

|                    |                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.100</b>                                                                                      |
| <b>Name</b>        | Detection of blocked account to debit                                                                      |
| <b>Requirement</b> | TIPS shall validate that the payment transaction would not debit an account which is blocked for debiting. |

TIPS rejects the payment transaction if the addressed account is blocked and informs the Originator Participant.

|                    |                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.110</b>                                                                                                            |
| <b>Name</b>        | Detection of blocked Originator Participant or Reachable Party CMB                                                               |
| <b>Requirement</b> | TIPS shall validate that the payment transaction would not decrease the headroom of a CMB which is blocked from being decreased. |

TIPS rejects the payment transaction if the addressed CMB is blocked and informs the Originator Participant.

|                    |                                                                                                              |
|--------------------|--------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.111</b>                                                                                        |
| <b>Name</b>        | Detection of blocked account to credit                                                                       |
| <b>Requirement</b> | TIPS shall validate that the payment transaction would not credit an account which is blocked for crediting. |

TIPS rejects the payment transaction if the addressed account is blocked and informs the Originator Participant.

|                    |                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.112</b>                                                                                                            |
| <b>Name</b>        | Detection of blocked Beneficiary Participant or Reachable Party CMB                                                              |
| <b>Requirement</b> | TIPS shall validate that the payment transaction would not increase the headroom of a CMB which is blocked from being increased. |

TIPS rejects the payment transaction if the addressed CMB is blocked and informs the Originator Participant.

|                    |                                                                                                                                                                                              |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.120</b>                                                                                                                                                                        |
| <b>Name</b>        | SCT Inst timestamp validation for payment transaction                                                                                                                                        |
| <b>Requirement</b> | TIPS shall validate that the payment transaction SCT Inst timestamp (field AT-50 in DS-02) is neither older than one configurable parameter nor younger than another configurable parameter. |

This configurable window for payment transaction acceptance should initially be set to accept instant payment transactions which have timestamps between 0.1 seconds in the future and 20 seconds in the past with respect to the SCT Inst timestamp (field AT-50 of DS-02).

|                    |                                                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.130</b>                                                                                                             |
| <b>Name</b>        | Currency validation for payment transaction                                                                                       |
| <b>Requirement</b> | TIPS shall validate that the payment transaction currency matches the currency defined for both the accounts to debit and credit. |

TIPS can only settle payments if the currency of the account to debit matches the currency of the account to credit and the currency of the payment transaction itself.

|                    |                                                                                                                                                                                        |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.131</b>                                                                                                                                                                  |
| <b>Name</b>        | Validation of the opening and closing dates of accounts                                                                                                                                |
| <b>Requirement</b> | TIPS shall validate that opening and closing dates of both the accounts to debit and credit are equal to or greater than respectively equal to or less than the current business date. |

TIPS rejects the payment transaction if at least one of the two accounts fails to fulfil the aforementioned conditions. Accounts/CMBs are open on their opening date and closed prior their closing date.

|                    |                                                                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.132</b>                                                                                                                                                     |
| <b>Name</b>        | Validation of the opening and closing dates of CMBs                                                                                                                       |
| <b>Requirement</b> | TIPS shall validate that opening/closing dates of both addressed CMBs, if any, are equal to or greater than respectively equal to or less than the current business date. |

TIPS rejects the payment transaction if at least one of the two CMBs fails to fulfil the aforementioned conditions, if CMBs are addressed in the payment transaction.

|                    |                                                                                                                                                                                                                    |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.133</b>                                                                                                                                                                                              |
| <b>Name</b>        | Validation of the payment amount                                                                                                                                                                                   |
| <b>Requirement</b> | TIPS shall validate that the amount of a payment transaction is not greater than a configurable parameter.<br><br>TIPS shall foresee different and independently configurable parameters for different currencies. |

The SCT Inst scheme foresees a maximum amount which can be transferred by a single payment transaction. TIPS has to have the capability to check whether this maximum amount is exceeded. However, this check shall be disabled initially. Participants and Instructing Parties are expected to check for this maximum amount prior sending transactions to TIPS. This requirement is identical to TIPS.UR.03.721, which covers the recalled amount.

|                    |                                                                                                              |
|--------------------|--------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.134</b>                                                                                        |
| <b>Name</b>        | Validation of existence of IBAN                                                                              |
| <b>Requirement</b> | TIPS shall validate that the payment transaction specifies IBANs for the Originator and for the Beneficiary. |

The IBANs of an Originator and Beneficiary are mandatory fields in the dataset DS-02 used for payment transaction messages. TIPS checks whether these fields are present but does not validate the IBAN values.

|                    |                                                                                                                                                                                                                                    |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.140</b>                                                                                                                                                                                                              |
| <b>Name</b>        | Originator Participant notification in case of a validation error                                                                                                                                                                  |
| <b>Requirement</b> | TIPS shall inform the Originator Participant or Instructing Party which sent the payment transaction with a <i>rejection</i> message in case a validation error occurred. This notification shall include a rejection reason code. |

Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.130).

### 3.2.5 Reservation of Funds

|                    |                                                                                                                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.150</b>                                                                                                                                                                                                                                    |
| <b>Name</b>        | Reservation of funds on a TIPS account in the standard SCT-Inst settlement model                                                                                                                                                                         |
| <b>Requirement</b> | TIPS shall reserve funds on the account to debit immediately after TIPS successfully validated the payment transaction. Reserved funds shall be unavailable for the settlement or reservation of other instant payments, recalls or liquidity transfers. |

In the standard SCT-Inst settlement model, TIPS reserves funds after successfully validating the payment transaction in order to ensure that settlement can take place when the Beneficiary Participant reply arrives (the transaction cannot be rejected due to insufficient funds). If the Beneficiary Participant or Instructing Party rejects the payment TIPS reverses the reservation and rejects the transaction. TIPS reserves funds also on the underlying account if the payment transaction addresses a CMB on the originator side (see TIPS.UR.03.160).

|                    |                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.160</b>                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Reservation of limits on a CMB in the standard SCT Inst settlement model                                                                                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall decrease the Originator Participant or Reachable Party CMB headroom by the amount needed for settlement immediately after the payment transaction is successfully validated, if the transaction addresses a CMB on the originator side.<br>At the same time TIPS has to reserve funds on the underlying account as well. |

If the originator BIC in the payment transaction is linked to a CMB TIPS decreases the headroom of that CMB in order to reserve a part of the limit of the CMB for settlement of the transaction. In addition, for the standard SCT Inst settlement model, TIPS reserves funds on the underlying account (see TIPS.UR.03.150).

|                    |                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.170</b>                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Name</b>        | Rejection of payment transaction due to insufficient funds or CMB headroom                                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | <p>TIPS shall reject payment transactions due to insufficient funds in the following two cases:</p> <ul style="list-style-type: none"> <li>(i) the unreserved balance of the account to debit is less than the payment transaction amount; or</li> <li>(ii) the payment transaction amount exceeds the CMB headroom or the unreserved balance of the linked account to debit.</li> </ul> |

A payment transaction can reduce the account balance or CMB headroom to zero exactly; however, reduction to a negative account balance or a negative CMB headroom is not possible.

|                    |                                                                                                                                                                                                                                                                                                                |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.180</b>                                                                                                                                                                                                                                                                                          |
| <b>Name</b>        | Originator Participant notification in case of insufficient funds                                                                                                                                                                                                                                              |
| <b>Requirement</b> | <p>TIPS shall inform the Originator Participant or Instructing Party through a <i>rejection</i> message using a rejection reason code when TIPS cannot reserve the required amount on the account to debit or in case the payment transaction amount exceeds the CMB headroom, in case a CMB is addressed.</p> |

Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.130).

### 3.2.6 Forwarding of Payment Transactions

|                    |                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.190</b>                                                                                                                 |
| <b>Name</b>        | Forwarding of a payment transaction to the Beneficiary Participant or Instructing Party                                               |
| <b>Requirement</b> | <p>TIPS shall forward payment transactions which were successfully validated to the Beneficiary Participant or Instructing Party.</p> |

Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.120 for the original payment transaction).

### 3.2.7 Waiting for Beneficiary Participant Reply

|                    |                                                                                                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.200</b>                                                                                                                                                                     |
| <b>Name</b>        | Waiting for a Beneficiary Participant reply in the standard SCT Inst settlement model                                                                                                     |
| <b>Requirement</b> | <p>In the standard SCT Inst settlement model, TIPS shall wait for a reply by the Beneficiary Participant or Instructing Party and continue processing as soon as the message arrives.</p> |

A payment transaction remains pending until TIPS either receives a positive (acceptance of the payment) or negative (rejection of the payment) reply from the Beneficiary Participant or Instructing

Party or until a timeout occurs (see TIPS.UR.03.210). The requirement for the actual message is given in section 8.3.2 (see TIPS.UR.08.140).

|                    |                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.210</b>                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Beneficiary Participant reply timeout                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | In the standard SCT Inst settlement model, TIPS shall reject the payment transaction in case a configurable timeout is reached and no Beneficiary Participant reply is received. The reference timestamp for this timeout calculation shall be the SCT Inst timestamp (field AT-50 in DS-02) from the original payment transaction. |

In case the timeout is reached, the payment cannot be processed within the required timespan and TIPS rejects the transaction. According to the SCT Inst scheme TIPS should wait until 20 seconds have passed since the SCT Inst timestamp provided by the Originator Participant or Reachable Party.

|                    |                                                                                                                                                                                                |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.220</b>                                                                                                                                                                          |
| <b>Name</b>        | Beneficiary Participant notification in case of timeout                                                                                                                                        |
| <b>Requirement</b> | In the standard SCT Inst settlement model, TIPS shall inform the Beneficiary Participant or Instructing Party with a <i>beneficiary participant status</i> message in case a timeout occurred. |

Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.150).

### **3.2.8 Validation of Beneficiary Participant Reply**

Beneficiary Participant replies are part of the payment processing workflow in the standard SCT Inst settlement model. After TIPS forwards the payment transaction to the Beneficiary Participant or Instructing Party TIPS expects a reply, which must either be the acceptance or rejection of the payment. This section lists all user requirements related to the business validation of these replies from the Beneficiary Participant or Instructing Party. Requirements for the technical validation of inbound messages can be found in section 8.3.1.

|                    |                                                                                                                                                                                                                                                                                                |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.230</b>                                                                                                                                                                                                                                                                          |
| <b>Name</b>        | Business validation for Beneficiary Participant reply in the standard SCT Inst settlement model                                                                                                                                                                                                |
| <b>Requirement</b> | In the standard SCT Inst settlement model, TIPS shall perform business validations of Beneficiary Participant replies sent by the Beneficiary Participant or Instructing Party. The business validation shall terminate and reject the payment transaction when it encounters the first error. |

TIPS validates an incoming Beneficiary Participant reply and notifies the Beneficiary Participant or Instructing Party in case a business validation error occurred. The requirements for notification are TIPS.UR.03.320 (Beneficiary Participant or Instructing Party) and TIPS.UR.03.360 (Originator Participant or Instructing Party, only after unreservation of funds). In addition technical (see TIPS.UR.08.100) and SCT Inst scheme specific validations (see TIPS.UR.08.101) are performed.

|                    |                                                                                                                                                |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.240</b>                                                                                                                          |
| <b>Name</b>        | Authorisation to send a Beneficiary Participant reply                                                                                          |
| <b>Requirement</b> | TIPS shall validate that the Beneficiary Participant reply is sent from the party to whom TIPS has forwarded the original payment transaction. |

The sender of the Beneficiary Participant reply is either the Beneficiary Participant or an Instructing Party acting on behalf of the Beneficiary Participant or a Reachable Party.

|                    |                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.250</b>                                                                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Check for original payment transaction identifier in Beneficiary Participant reply                                                                                                                                                                                                                                                                                                  |
| <b>Requirement</b> | TIPS shall match the reply message with a pending payment transaction using the BIC of the Originator Participant or Reachable Party (field AT-06 in DS-02 of the forwarded payment transaction) and message reference (field AT-43 in DS-02 of the forwarded payment transaction). If TIPS does not find any matching pending transaction the reply message shall fail validation. |

TIPS processes a Beneficiary Participant reply only for a payment transaction which has been forwarded to a Beneficiary Participant or Instructing Party and is still pending, i.e. the payment transaction did not reach its final status yet (settled or rejected). Since different parties might use identical message references TIPS has to use the BIC of the Originator Participant or Reachable Party as additional matching criterion.

|                    |                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.320</b>                                                                                                                                                                                                                                               |
| <b>Name</b>        | Beneficiary Participant notification in case of a validation error                                                                                                                                                                                                  |
| <b>Requirement</b> | TIPS shall inform the Beneficiary Participant or Instructing Party which sent the Beneficiary Participant reply message with a <i>beneficiary participant status</i> message in case a validation error occurred. This notification shall include a rejection code. |

In addition to the Beneficiary Participant or Instructing Party, TIPS informs the Originator Participant or Instructing Party which sent the original payment transaction. However, TIPS only undertakes this notification after the reserved funds on the account to debit have been unreserved, see TIPS.UR.03.340. Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.150).

|                    |                                                                                                                                                                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.330</b>                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | Check for acceptance of funds                                                                                                                                                                                                                                                                                    |
| <b>Requirement</b> | When TIPS validated the reply of the Beneficiary Participant or Instructing Party, then TIPS shall settle the amount if the Beneficiary Participant or Instructing Party accepted the funds or TIPS shall reject the payment transaction if the Beneficiary Participant or Instructing Party rejected the funds. |

In case the Beneficiary Participant or Instructing Party rejects the funds they are unreserved on the account on the originator side (in addition, if a CMB was addressed, its headroom is increased as well).

### 3.2.9 Unreservation of Funds

|                    |                                                                                                                                                                                                                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.340</b>                                                                                                                                                                                                                                                                                                                |
| <b>Name</b>        | Unreserving funds on accounts due to rejection                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | In the standard SCT Inst settlement model, TIPS shall unreserve funds on the account to debit when TIPS rejects the payment transaction that triggered the reservation. TIPS shall reduce the reserved amount on the account by the amount of the reserving transaction. The available amount shall be increased by the same amount. |

In the standard SCT Inst payment processing, funds are reserved on the account in order to guarantee settlement if the Beneficiary Participant reply passes its validation and is positive (see section 3.2.5). In case settlement does not take place (e.g. the reply does not pass its validation, times out or is negative) the reserved funds have to be unreserved and made available for instant payments or liquidity transfer settlement. TIPS unreserves funds also on the underlying account if the payment transaction addresses a CMB on the originator side (see TIPS.UR.03.350).

|                    |                                                                                                                                                                                                                                                                                                                                        |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.350</b>                                                                                                                                                                                                                                                                                                                  |
| <b>Name</b>        | Unreserving headroom on CMB due to rejection in the standard SCT Inst settlement model                                                                                                                                                                                                                                                 |
| <b>Requirement</b> | In the standard SCT Inst settlement model, TIPS shall increase the Originator Participant or Reachable Party CMB headroom with the amount of the payment transaction when TIPS rejects the payment transaction that decreased the CMB headroom.<br><br>At the same time TIPS has to unreserve funds on the underlying account as well. |

This increase is only required if the Originator Participant or Reachable Party BIC is linked to a CMB. In addition TIPS unreserves funds on the underlying account (see TIPS.UR.03.340).

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.360</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Originator Participant notification in case of unreservation of funds the standard SCT Inst settlement model                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | In the standard SCT Inst settlement model, TIPS shall inform the Originator Participant or Instructing Party which sent the original payment transaction with a <i>rejection</i> message in case TIPS unreserved funds on their account. This rejection message shall contain a rejection reason code which is either provided by TIPS (in case TIPS rejects) or provided in the Beneficiary Participant reply message (in case the Beneficiary Participant or Instructing Party rejects). |

Either a failed validation, timeout of the Beneficiary Participant reply message or a negative response (i.e. non-acceptance of the payment) by the Beneficiary Participant or Instructing Party can trigger the unreservation of funds in TIPS. In the latter case, TIPS shall provide the rejection reason code from the negative Beneficiary Participant reply to the Originator Participant or Instructing Party. Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.130).



### 3.2.10 Settlement

|                    |                                                                       |
|--------------------|-----------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.370</b>                                                 |
| <b>Name</b>        | Gross settlement of payment transactions                              |
| <b>Requirement</b> | TIPS shall settle payment transactions individually, without netting. |

TIPS does not net due to the instant nature of the payment transactions processed by TIPS.

|                    |                                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.380</b>                                                                               |
| <b>Name</b>        | Settlement with finality                                                                            |
| <b>Requirement</b> | TIPS shall settle the instructed amount with finality on accounts. Settlement shall be irrevocable. |

This also applies if the account to debit and credit is identical (e.g. in case a Participant sends a payment to one of its Reachable Parties using the same account).

|                    |                                                                                                                                                        |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.390</b>                                                                                                                                  |
| <b>Name</b>        | Moment of settlement                                                                                                                                   |
| <b>Requirement</b> | Settlement shall occur directly after a successful validation of a positive Beneficiary Participant reply message or positive recall response message. |

The moment of settlement is recorded via a settlement timestamp with the value date of the settlement being the current RTGS system business day even during the weekend (i.e. settlements during the weekend have a value date which is not necessarily the calendar date).

|                    |                                                                                       |
|--------------------|---------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.400</b>                                                                 |
| <b>Name</b>        | Full amount settlement for payment transactions                                       |
| <b>Requirement</b> | TIPS shall always settle for the full amount as specified in the payment transaction. |

If TIPS cannot settle for the full amount the payment transaction is rejected and not settled partially.

|                    |                                                                                               |
|--------------------|-----------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.410</b>                                                                         |
| <b>Name</b>        | Usage of reserved amount for settlement of instant payments                                   |
| <b>Requirement</b> | TIPS shall use reserved funds on the account to debit for the settlement of instant payments. |

In the standard SCT Inst settlement model, TIPS settles instant payment transactions using reserved funds on the account to debit with TIPS also crediting these funds as unreserved funds (i.e. the user of the credited account is able to reuse the funds immediately after settlement).

|                    |                                                                                                                                                                                                  |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.420</b>                                                                                                                                                                            |
| <b>Name</b>        | Increase of headroom on CMB                                                                                                                                                                      |
| <b>Requirement</b> | TIPS shall increase the headroom on the Beneficiary Participant or Reachable Party CMB at the same time the instant payment is settled successfully, if the payment transaction addresses a CMB. |

This increase is only required if the Beneficiary Participant or Reachable Party BIC is linked to a CMB.

|                    |                                           |
|--------------------|-------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.440</b>                     |
| <b>Name</b>        | Credit transfers only                     |
| <b>Requirement</b> | TIPS shall support credit transfers only. |

TIPS accepts only payment transactions which debit an account of a Participant or an Ancillary System. Any functionality for pull payments, i.e. direct debits, is out of scope of TIPS.

|                    |                                                                                                                                                                                                                          |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.450</b>                                                                                                                                                                                                    |
| <b>Name</b>        | Confirmation message for successful settlement                                                                                                                                                                           |
| <b>Requirement</b> | TIPS shall confirm the successful settlement of a payment transaction to the Originator Participant or Instructing Party as well as the Beneficiary Participant or Instructing Party with a <i>confirmation</i> message. |

Section 8.3.2 contains requirements for the actual messages (see TIPS.UR.08.160).

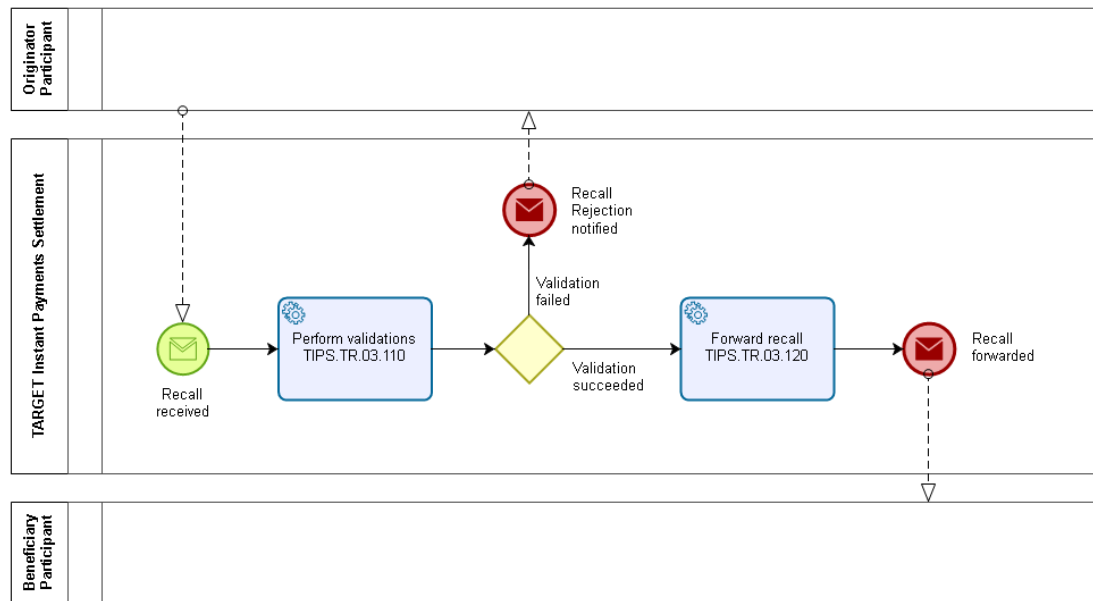
### 3.3 RECALLS

The TIPS service allows the transmission and answer of recalls of SCT Inst payment transactions (see ref. [1]).

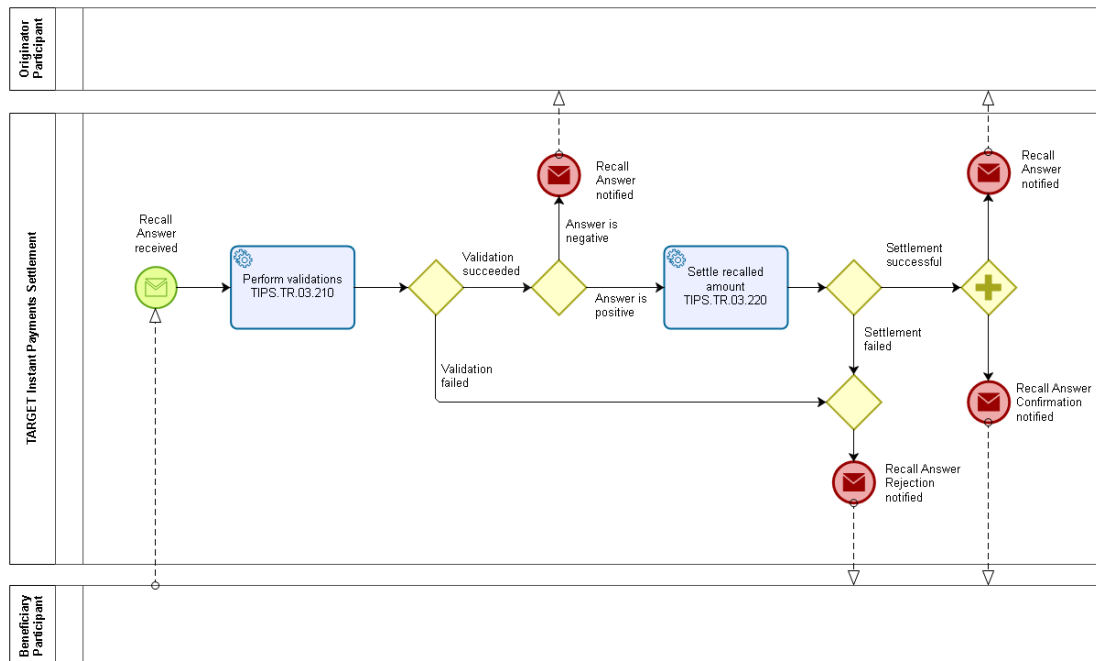
#### 3.3.1 Recall Process Diagrams

Figure 6 and Figure 7 show the process flow diagram for recalls and recall responses and contain message events and tasks, which lead to user requirements. Figure 8 shows the process flow diagram for requests for status update on a recall. Table 4 contains the list of messages while section 8.3.3 contains the actual requirements for these messages. Tasks are listed in Table 5 and further detailed in the following sections.

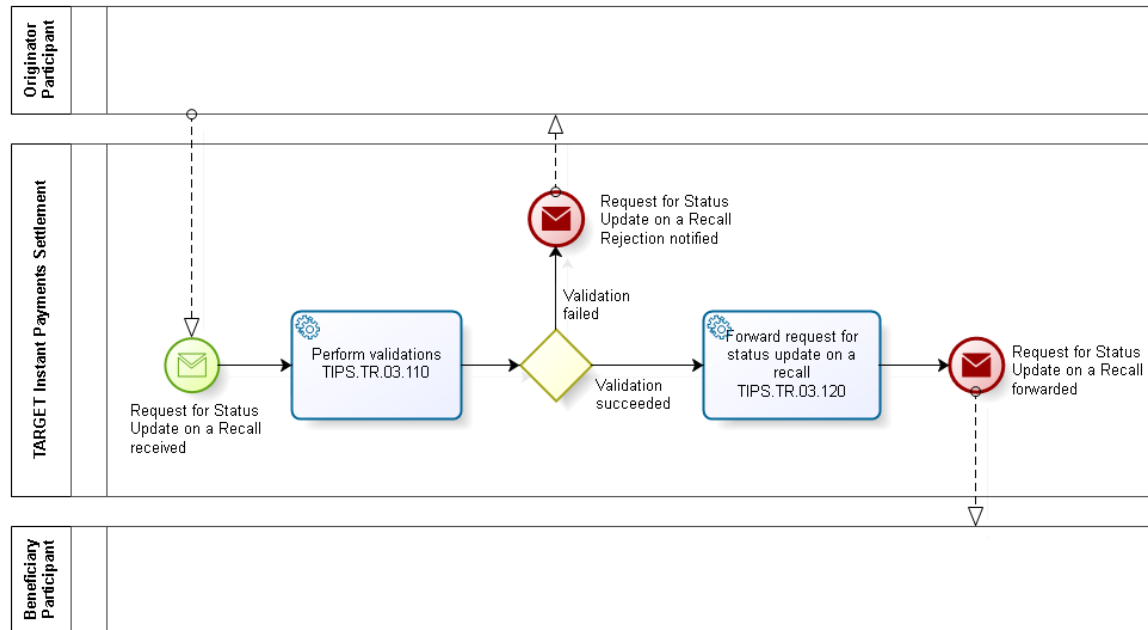
**Figure 7  
Recall process**



**Figure 8  
Recall response process**



**Figure 9  
Request for Status Update on a Recall**



**Table 4: List of messages for recall processing**

| Message                               | Description                                                                                                                                                                                                                             |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recall                                | A message sent by the Originator Participant or Instructing Party requesting the return of funds previously settled. Further details can be found in TIPS.UR.08.170.                                                                    |
| Recall Rejection                      | A notification informing the Originator Participant or Instructing Party that the recall message failed its validation. Further details can be found in TIPS.UR.08.180.                                                                 |
| Recall Response                       | An answer message to the recall either accepting or rejecting it. Further details can be found in TIPS.UR.08.190.                                                                                                                       |
| Recall Response Rejection             | A notification informing the sender of the recall response that the recall response message failed its validation or could not be settled (only in case of a positive recall response). Further details can be found in TIPS.UR.08.200. |
| Recall Response Confirmation          | A notification informing the sender of the recall response that the recall has been settled successfully. Further details can be found in TIPS.UR.08.201.                                                                               |
| Request for Status Update on a Recall | A message sent by the Originator Participant or Instructing Party to trigger a status update of the Recall Response. Further details can be found in TIPS.UR.08.202.                                                                    |

**Table 5: List of tasks for recall processing**

| Task           | Description                                                                                                                                                                                                  |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.03.110 | Execute technical and business validations for the recall message and request for status update on a recall. This task is covered in section 3.3.2 <sup>6</sup> .                                            |
| TIPS.TR.03.120 | Forward the recall or the request for status update on a recall to the Beneficiary Participant or Instructing Party. This task is covered in section 3.3.3 <sup>7</sup> .                                    |
| TIPS.TR.03.210 | Execute technical and business validations for the recall response message and inform the Originator Participant or Instructing Party in case the answer is negative. This task is covered in section 3.3.4. |
| TIPS.TR.03.220 | If the response is positive settle the recalled amount and forward a positive answer message to the Originator Participant or Instructing Party. This task is covered in section 3.3.5.                      |

### 3.3.2 Validation of Recalls

|                    |                                                                                                                                                                                                               |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.600</b>                                                                                                                                                                                         |
| <b>Name</b>        | Business validation of recalls                                                                                                                                                                                |
| <b>Requirement</b> | TIPS shall perform business validations of recalls sent by the Originator Participant or Instructing Party. The business validation shall terminate and reject the recall when it encounters the first error. |

The recall rejection message in case validation fails is covered in TIPS.UR.03.630. In addition technical (see TIPS.UR.08.100) and SCT Inst scheme specific validations (see TIPS.UR.08.101) are performed.

|                    |                                                                                                                                                                                                                                                                            |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.610</b>                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Authorisation to send recalls                                                                                                                                                                                                                                              |
| <b>Requirement</b> | TIPS shall validate that a party which is authorised to send recalls for the Originator Participant or Reachable Party as given by the originator BIC in the DS-02 part (field AT-06) of the recall message (which is DS-05, a superset of DS-02) sent the inbound recall. |

Parties which are authorised to initiate recalls for particular payment transactions are identical with the parties that are authorised to instruct in the first place. TIPS uses the data from the original payment transaction submitted as part of the recall in order to validate, if the party issues the recall is authorised to do so. TIPS performs this authorisation check using the most recent reference data. Changes done to the reference data affecting access rights may change the outcome of the authorisation check between processing of the original transaction and processing of the recall. For example, TIPS would reject a recall even if the same party that initially instructed the payment issues the recall if the access rights have been changed for that party between the initial payment transaction submission and the submission of the recall.

<sup>6</sup> Section 3.3.2 shall cover the processing of a request for status update on a recall message whenever relevant.

<sup>7</sup> Section 3.3.3 shall cover the processing of a request for status update on a recall message whenever relevant.

|                    |                                                                                                                                                                                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.620</b>                                                                                                                                                                                                                                                                           |
| <b>Name</b>        | Addressee of recall                                                                                                                                                                                                                                                                             |
| <b>Requirement</b> | TIPS shall validate that the recipient of the recall can be reached via TIPS. The recipient is the Beneficiary Participant or Instructing Party as determined from the beneficiary BIC that the DS-02 part (field AT-23) of the recall message (which is DS-05, a superset of DS-02) specifies. |

TIPS uses the payment transaction dataset embedded in the recall message to determine whether TIPS can reach the recipient of the recall. TIPS performs no further field validations on the payment transaction message embedded in the recall.

|                    |                                                                                                                                              |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.630</b>                                                                                                                        |
| <b>Name</b>        | Rejection of recall                                                                                                                          |
| <b>Requirement</b> | TIPS shall reject the recall in case a validation error occurred and inform the sender of the recall with a <i>recall rejection</i> message. |

In case a recall message cannot be validated the sender of this recall (i.e. the Originator Participant or Instructing Party of the original payment transaction) is informed. Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.180).

### 3.3.3 Forwarding of Recalls

|                    |                                                                                                                                                              |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.640</b>                                                                                                                                        |
| <b>Name</b>        | Forwarding of recall to intended recipient                                                                                                                   |
| <b>Requirement</b> | TIPS shall forward a validated recall to its addressee as determined from the BIC given in the DS-02 part (field AT-23) of the recall message dataset DS-05. |

Besides the listed validations TIPS does not process recalls any further and just forwards them to their intended recipient.

### 3.3.4 Validation of Recall Responses

|                    |                                                                                                                                                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.650</b>                                                                                                                                                                                                             |
| <b>Name</b>        | Business validation of recall response                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall perform business validations of a recall response sent by the Beneficiary Participant or Instructing Party. The business validation shall terminate and reject the recall response when it encounters the first error. |

Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.190). In addition technical (see TIPS.UR.08.100) and SCT Inst scheme specific validations (see TIPS.UR.08.101) are performed.

|                    |                                                                                                             |
|--------------------|-------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.660</b>                                                                                       |
| <b>Name</b>        | Authorisation to answer recall                                                                              |
| <b>Requirement</b> | TIPS shall validate whether the party that send the recall response is authorised to answer to that recall. |

The party which is authorised to answer to a recall is the same party to which TIPS forwarded the initial recall. TIPS uses the payment transaction dataset embedded in the recall response message to determine if the sender of the recall response is authorised to answer the recall. The sender of the recall response can be a party acting on behalf of the Beneficiary Participant. TIPS performs this authorisation check using the most recent reference data. Changes done to the reference data affecting access rights may change the outcome of the authorisation check between processing of the recall and processing of the recall response.

|                    |                                                                                                                                                                |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.670</b>                                                                                                                                          |
| <b>Name</b>        | Validation of recall response status                                                                                                                           |
| <b>Requirement</b> | TIPS shall validate that the recall response contains either an acceptance or rejection code in line with possible codes of the recall response dataset DS-06. |

TIPS process positive recall responses (see the following requirements in this section) and just forwards negative responses to the Originator Participant or Instructing Party (see TIPS.UR.03.740).

|                    |                                                                                                                                                                                                                                                         |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.680</b>                                                                                                                                                                                                                                   |
| <b>Name</b>        | Validation of positive recall response BICs                                                                                                                                                                                                             |
| <b>Requirement</b> | <i>In case the recall is positive:</i> TIPS shall validate that the recall response contains the BIC of the Originator and Beneficiary Participant or Reachable Party within the dataset DS-02, which is a subset of the recall response dataset DS-06. |

The payment transaction dataset (DS-02) of the transaction being recalled is part of the positive recall response dataset DS-06.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.700</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Derivation of account or CMB from positive recall response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Requirement</b> | <i>In case the recall is positive:</i> TIPS shall determine from the Originator Participant or Reachable Party BIC and Beneficiary Participant or Reachable Party BIC within the recall response message the accounts or CMBs that TIPS has to use for settlement of the recall. TIPS shall take the currency into account as well.<br><br>The Originator Participant or Reachable Party BIC (field AT-06 in DS-02, which is part of DS-06) has to be interpreted as the Beneficiary Participant or Reachable Party BIC for the reversed cash flow, and vice versa. |

The recall response dataset contains the BICs of the Originator Participant or Reachable Party as well as the Beneficiary Participant or Reachable Party within the dataset DS-02, which is a subset of DS-06. The roles of these two entities have to be inverted for the recall settlement.

|                    |                                                                                                                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.710</b>                                                                                                                                                                                                     |
| <b>Name</b>        | Detection of blocked account/CMB for a positive recall response (A)                                                                                                                                                       |
| <b>Requirement</b> | <i>In case the recall is positive:</i> TIPS shall validate that the positive recall response would not credit an account which is blocked for crediting or increase the headroom of a CMB which is blocked for increases. |

The accounts or CMBs which TIPS determines based on the BICs contained within the positive recall response may have been blocked for crediting or increases between processing of the original payment transaction and processing of the positive recall response.

|                    |                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.720</b>                                                                                                                                                                                                   |
| <b>Name</b>        | Detection of blocked account/CMB for a positive recall response (B)                                                                                                                                                     |
| <b>Requirement</b> | <i>In case the recall is positive:</i> TIPS shall validate that the positive recall response would not debit an account which is blocked for debiting or decrease the headroom of a CMB which is blocked for decreases. |

The accounts or CMBs which TIPS determines based on the BICs contained within the positive recall response may have been blocked for debiting or decreases between processing of the original payment transaction and processing of the positive recall response.

|                    |                                                                                                                                                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.721</b>                                                                                                                                                                                                                     |
| <b>Name</b>        | Validation of the recalled amount                                                                                                                                                                                                         |
| <b>Requirement</b> | <i>In case the recall is positive:</i> TIPS shall validate that the recalled amount is not greater than a configurable parameter.<br><br>TIPS shall foresee different and independently configurable parameters for different currencies. |

This requirement is identical to TIPS.UR.03.133, which covers payment transactions.

|                    |                                                                                                                                                                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.722</b>                                                                                                                                                                                                                   |
| <b>Name</b>        | Validation of the opening/closing dates of accounts/CMBs for a positive recall response                                                                                                                                                 |
| <b>Requirement</b> | <i>In case the recall is positive:</i> TIPS shall validate that opening/closing dates of the determined accounts or CMBs from TIPS.UR.03.700 are equal to or greater than respectively equal to or less than the current business date. |

This requirement is identical to TIPS.UR.03.131/132, which cover payment transactions.



|                    |                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.730</b>                                                                                                                                                        |
| <b>Name</b>        | Rejection of recall response                                                                                                                                                 |
| <b>Requirement</b> | TIPS shall inform the sender of the recall response with a <i>recall response rejection</i> message in case a validation error occurred and the recall response is rejected. |

Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.200).

|                    |                                                                                                                                                                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.740</b>                                                                                                                                                                                                                       |
| <b>Name</b>        | Forwarding of negative recall response                                                                                                                                                                                                      |
| <b>Requirement</b> | TIPS shall forward negative recall responses which were successfully validated to the Originator Participant or Instructing Party as determined from the originator BIC contained in the DS-02 subset of the recall response dataset DS-06. |

TIPS just informs the Originator Participant or Instructing Party in case of a negative recall response (in contrast to positive recall responses, that require additional processing and are handled in the following section 3.3.5). Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.190).

### 3.3.5 Processing Positive Recall Responses

A positive recall response message has to contain the full SCT Inst dataset which was originally used for the payment transaction that is recalled.

|                    |                                                                                                                                                                                                                |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.750</b>                                                                                                                                                                                          |
| <b>Name</b>        | Creation of reversed cash flow due to positive recall response                                                                                                                                                 |
| <b>Requirement</b> | TIPS shall use the positive recall response message and determine a suitable payment transaction dataset which reverses the direction of the cash flow from the original payment transaction that is recalled. |

In case the recall response is positive and passes its validation TIPS automatically attempts to settle the reversed cash flow using the same or a different amount (the Beneficiary Participant or Instructing Party may apply a fee for recalls).

|                    |                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.760</b>                                                                                                                                            |
| <b>Name</b>        | Derivation of new cash amount from positive recall response                                                                                                      |
| <b>Requirement</b> | For the reversed cash flow TIPS shall use a transaction amount taken from the recall response field AT-46 of the SCT Inst dataset DS-06 for a positive response. |

The new cash amount for the reversed cash flow is given in a mandatory field of the recall dataset DS-06 (AT-46). That amount could be lower than the original amount due to a fee applied by the Beneficiary Participant or Instructing Party.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.770</b>                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | Settlement requirements for positive recall response                                                                                                                                                                                                                                                                                                                                                             |
| <b>Requirement</b> | <p>The following settlement related requirements shall apply for recall payment transactions as well:</p> <ul style="list-style-type: none"> <li>• TIPS.UR.03.130 (Currency validation for payment transaction);</li> <li>• TIPS.UR.03.380 (Settlement with finality);</li> <li>• TIPS.UR.03.390 (Moment of settlement);</li> <li>• TIPS.UR.03.400 (Full amount settlement for payment transactions).</li> </ul> |

The user requirements already stated in the settlement section of the payment process flow apply also for payment transactions automatically generated by TIPS during processing of a positive recall response. The “full amount” from TIPS.UR.03.400 refers to the amount from TIPS.UR.03.760, which may be different from the amount of the original payment transaction which is recalled.

|                    |                                                                                   |
|--------------------|-----------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.780</b>                                                             |
| <b>Name</b>        | Increase/Decrease of CMB headroom addressed by recall                             |
| <b>Requirement</b> | TIPS shall increase or decrease the headroom of the CMBs addressed by the recall. |

If the BICs contained in the positive recall response are linked to one or two CMBs the headroom on these CMBs is increased or decreased (similar to TIPS.UR.03.160 and TIPS.UR.03.420 for payment transactions). This increase or decrease is reflected in the balances of the underlying accounts.

|                    |                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.790</b>                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name</b>        | Insufficiency of funds for settlement of recall                                                                                                                                                                                                                                                                                                                         |
| <b>Requirement</b> | <p>TIPS shall reject positive recall responses due to insufficient funds in the following two cases:</p> <ul style="list-style-type: none"> <li>(i) the unreserved balance of the account to debit is less than the recalled amount; or</li> <li>(ii) the recalled amount exceeds the CMB headroom or the unreserved balance of the linked account to debit.</li> </ul> |

A positive recall response can reduce the account balance or CMB headroom to zero exactly; however, reduction to a negative account balance or a negative CMB headroom is not possible.

|                    |                                                                                                                                                                                |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.800</b>                                                                                                                                                          |
| <b>Name</b>        | Forwarding of positive recall response message in case of settlement                                                                                                           |
| <b>Requirement</b> | TIPS shall forward the <i>recall response</i> message to the Originator Participant or Instructing Party (the sender of the recall) after settlement of the recall took place. |

Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.190).

|                    |                                                                                                                                                                                                        |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.801</b>                                                                                                                                                                                  |
| <b>Name</b>        | Recall response confirmation message in case of settlement                                                                                                                                             |
| <b>Requirement</b> | TIPS shall inform the Beneficiary Participant or Instructing Party (the sender of the recall response) with a <i>recall response confirmation</i> message in case settlement of the recall took place. |

Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.201).

|                    |                                                                                                                                                                                                                                                                |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.810</b>                                                                                                                                                                                                                                          |
| <b>Name</b>        | Rejection message in case of unsuccessful recall settlement                                                                                                                                                                                                    |
| <b>Requirement</b> | TIPS shall inform the Beneficiary Participant or Instructing Party (the sender of the recall response) with a <i>recall response rejection</i> message in case settlement of the recall cannot take place. This message shall contain a rejection reason code. |

Section 8.3.3 contains requirements for the actual messages (see TIPS.UR.08.200).

### 3.3.6 Request for Status Update on a Recall

|                    |                                                                                                                                                                                                                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.820</b>                                                                                                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Processing of a Request for Status Update on a Recall message                                                                                                                                                                                                                                                                                              |
| <b>Requirement</b> | TIPS shall process a Request for Status Update on a Recall. The message can be sent by an Originator Participant that issued a recall without receiving any response. In such scenario TIPS shall forward the Request for Status Update on a Recall message to the Beneficiary Participant (i.e. the Recall Assignee) to trigger the necessary processing. |

Requirements for the actual messages are given in section 8.3.3.

## 3.4 INVESTIGATIONS

The TIPS service has to support a transaction status investigation process, which can be initiated by the Originator Participant or Instructing Party; this investigation process is required by the SCT Inst scheme. Complementing this status investigation process TIPS provides additional queries, which can be used for the inquiry regarding the status of a particular transaction (see section 7). Table 6 contains the list of messages used for this status inquiry.

**Table 6: List of messages for status investigations**

| Message        | Description                                                                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Status inquiry | A message which queries the service for the current status of a single or a group of previously processed payment transactions. Further details can be found in TIPS.UR.08.205. |

| Message                  | Description                                                                                                                                                                                                                      |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Status inquiry rejection | A notification sent by TIPS to the sender of the status inquiry in case the inquiry message cannot be validated (e.g. the referenced payment transaction has not been processed. Further details can be found in TIPS.UR.08.206. |
| Status inquiry reply     | A notification sent by TIPS to the sender of the status inquiry containing the current payment transaction status. Further details can be found in TIPS.UR.08.207.                                                               |

### 3.4.1 Validation of Status Inquiry Messages

SCT Inst scheme status inquiry messages trigger the investigation process in TIPS. This section lists all user requirements related to the *business* validation of these investigation messages. Section 8.3.1 lists requirements for the *technical* validation of inbound messages.

|                    |                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.910</b>                                                                                                                                                                                                   |
| <b>Name</b>        | Business validation of a status inquiry                                                                                                                                                                                 |
| <b>Requirement</b> | TIPS shall perform business validations of status inquiries sent by the Originator Participant or Instructing Party. The business validation shall terminate and reject the inquiry when it encounters the first error. |

The inquiry rejection message in case validation fails is covered in TIPS.UR.03.950. In addition technical (see TIPS.UR.08.100) and SCT Inst scheme specific validations (see TIPS.UR.08.101) are performed.

|                    |                                                                                                                                                                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.920</b>                                                                                                                                                                                                                       |
| <b>Name</b>        | Identification of payment transaction whose status is queried                                                                                                                                                                               |
| <b>Requirement</b> | TIPS shall look up the single or group of payment transactions whose status is queried by using the data provided in the status inquiry message. If no matching payment transactions can be found the status inquiry validation shall fail. |

The status inquiry message contains the Originator Participant or Instructing Party reference from field AT-43 of DS-02 as well as the used SCT Inst timestamp of the payment transaction, which can be used for matching.

|                    |                                                                                    |
|--------------------|------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.930</b>                                                              |
| <b>Name</b>        | Data retention period for status inquiry                                           |
| <b>Requirement</b> | TIPS shall retain data relevant for status inquiries for a configurable timeframe. |

TIPS has to retain data required for answering a status inquiry for 5 calendar days. Afterwards status inquiries cannot be answered by TIPS anymore. The timeframe for data retention could be shortened in the future if deemed necessary.

|                    |                                                                                                                                                                                                                                                                                                              |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.940</b>                                                                                                                                                                                                                                                                                        |
| <b>Name</b>        | Authorisation to send a status inquiry                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | TIPS shall validate that the status inquiry message is sent from a party which is authorised to inquire for the Originator Participant or Reachable Party as defined by the originator BIC in the payment transaction whose status is queried. If this is not the case the status inquiry shall be rejected. |

Only Participants, Ancillary Systems or Instructing Parties acting on behalf of Participants or Reachable Parties on the originator side are authorised to inquire about a payment transaction status.

|                    |                                                                                                                                                  |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.950</b>                                                                                                                            |
| <b>Name</b>        | Sender notification in case of status inquiry validation error                                                                                   |
| <b>Requirement</b> | TIPS shall inform the sender of a status inquiry with a <i>status inquiry rejection</i> message in case the inquiry message cannot be validated. |

Section 8.3.4 contains requirements for the actual messages (see TIPS.UR.08.206).

### 3.4.2 Processing of Status Inquiry Messages

|                    |                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.03.960</b>                                                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Investigation answer                                                                                                                                                                                                                                                                                                                                                |
| <b>Requirement</b> | TIPS shall answer to a status inquiry with a <i>status inquiry reply</i> message per each transaction under investigation. This answer shall be a copy of the rejection or confirmation message, which TIPS sent to the Originator Participant, Ancillary System or Instructing Party during processing of the payment transaction message whose status is queried. |

Section 8.3.4 contains requirements for the actual messages (see TIPS.UR.08.207).

## **4 LIQUIDITY MANAGEMENT**

The objective of this chapter is to outline the liquidity management functionality of the TIPS service. The transfer of liquidity to TIPS from an RTGS (inbound), from TIPS to an RTGS (outbound) and between a TIPS dedicated cash account and an AS technical account (intra service) are covered.

### **4.1 OVERVIEW**

The TIPS service has to support outbound and inbound liquidity transfers to/from RTGS systems in order to fund accounts of TIPS Participants. The requirements of this chapter shall apply to different RTGS systems connected to TIPS.

Participants or Instructing Parties acting on behalf of Participants can trigger **outbound liquidity transfers** in TIPS<sup>8</sup> using a liquidity transfer order message. After TIPS performed necessary validations<sup>9</sup> TIPS transfers the requested amount from the TIPS dedicated cash account to a (technical) transit account; there is no reservation of funds. After successful settlement TIPS informs the corresponding RTGS about the liquidity transfer in order to allow suitable booking. The RTGS is expected to reply with either a confirmation or a rejection message. In case the RTGS accepts the liquidity transfer TIPS confirms the successful transfer of liquidity to the Participant or Instructing Party who initiated it. In case the RTGS rejects the liquidity transfer TIPS automatically books the amount back from the transit account to the TIPS dedicated cash account and informs the initiator of the liquidity transfer about the failure. In case the RTGS does not respond within a configurable timeframe TIPS stops the outbound liquidity transfer process and alerts the TIPS operator, who can then initiate appropriate further actions (depending on the reason for this timeout and the current status of TIPS and the RTGS).

Authorised entities can trigger **inbound liquidity transfers** in the corresponding RTGS<sup>10</sup>; these entities do not necessarily need to be TIPS Participants – funding for TIPS dedicated cash accounts can be provided by any entity who owns a PM account in TARGET2. For these inbound liquidity transfers TIPS expects a liquidity transfer order message from the RTGS, which is then validated. In case the validation fails TIPS rejects the liquidity transfer and informs the RTGS about this rejection. In case the validation is successful TIPS transfers the requested amount from the (technical) transit account to the TIPS dedicated cash account. After settlement TIPS informs the RTGS and optionally the owner of the account about the successful settlement.

Participants, Ancillary Systems or Instructing Parties acting on their behalf can trigger intra-service liquidity transfers<sup>11</sup> in TIPS using liquidity transfer order message. After TIPS performed the necessary validations in TIPS, it transfers the requested amount from the TIPS dedicated cash account to the TIPS Ancillary System technical account (or viceversa); there is no reservation of funds. After successful settlement, TIPS informs the beneficiary and, optionally, the originator about the successful settlement.

---

<sup>8</sup> Only outbound liquidity transfers from TIPS dedicated accounts to the RTGS accounts can be triggered in TIPS.

<sup>9</sup> Validations are, e.g. sufficiency of funds, currency of the account or current status of the RTGS (opening hours).

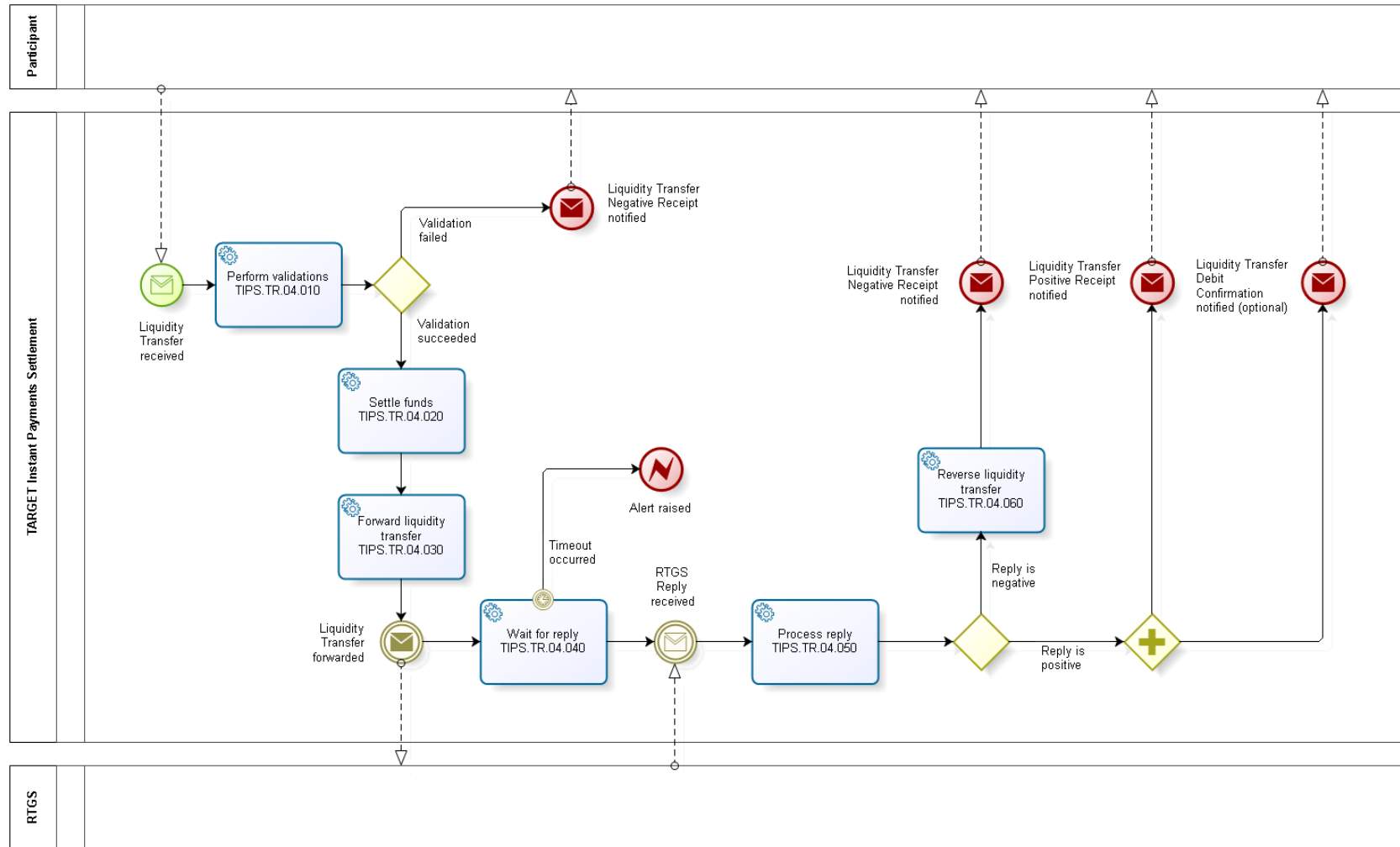
<sup>10</sup> Inbound liquidity transfers can only be triggered in the RTGS.

<sup>11</sup> Intra service liquidity transfer can be triggered in TIPS only between a TIPS dedicated cash account and a TIPS AS technical account.

Figure 9 and Figure 10 show the process flow diagram for outbound and inbound liquidity transfers and contain message events and tasks, which lead to user requirements. Table 7 and Table 9 contain the list of messages while section 8.3.5 contains the actual requirements for these messages. Tasks are listed in Table 8 and Table 10 and are further detailed in the following sections.

Figure 11 shows the process flow diagram for intra-service liquidity transfers and contains message events and tasks. Table 11 contains the list of messages while in Table 11 the relevant tasks are listed.

**Figure 10**  
**Outbound liquidity transfer process**





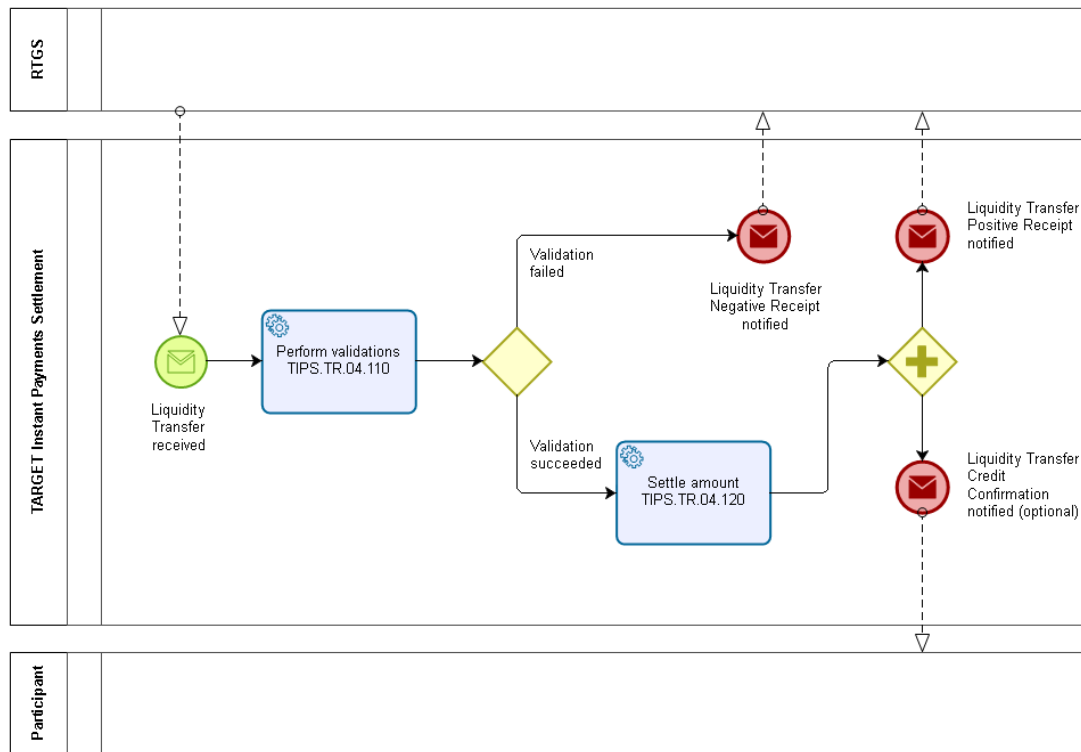
**Table 7: List of messages for outbound liquidity transfers**

| Message                               | Description                                                                                                                                                                                                    |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidity Transfer                    | An order to transfer liquidity from TIPS to an RTGS account. This message is forwarded by TIPS to the corresponding RTGS, after successful settlement in TIPS. Further details can be found in TIPS.UR.08.210. |
| RTGS Reply                            | A reply sent by the RTGS to TIPS accepting or rejecting the liquidity transfer. Further details can be found in TIPS.UR.08.220.                                                                                |
| Liquidity Transfer Negative Receipt   | Negative receipt message sent by TIPS to the Participant in case an error occurred (e.g. RTGS is closed or the RTGS rejected the liquidity transfer). Further details can be found in TIPS.UR.08.230.          |
| Liquidity Transfer Positive Receipt   | A positive receipt notifying the Participant about the successful execution of the liquidity transfer in the RTGS. Further details can be found in TIPS.UR.08.240.                                             |
| Liquidity Transfer Debit Confirmation | A message notifying the Participant about the successful debit of a TIPS account. Further details can be found in TIPS.UR.08.251.                                                                              |

**Table 8: List of tasks for outbound liquidity transfer workflow**

| Task           | Description                                                                                                                                                                               |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.04.010 | Execution of technical and business validations; the outbound liquidity transfer is rejected as soon as one validation fails. This task is covered in section 4.2.1.                      |
| TIPS.TR.04.020 | Settle the funds with finality, i.e. debit the Participant TIPS account and credit the RTGS transit account in TIPS. This task is covered in section 4.2.3.                               |
| TIPS.TR.04.030 | Forward the liquidity transfer message to the RTGS. This task is covered in section 4.2.4.                                                                                                |
| TIPS.TR.04.040 | Wait for a settlement confirmation from the RTGS. This task is covered in section 4.2.5.                                                                                                  |
| TIPS.TR.04.050 | Process the reply from the RTGS and send positive receipt to the initiator of the liquidity transfer upon successful settlement in the RTGS. This task is covered in section 4.2.6.       |
| TIPS.TR.04.060 | Reverse the liquidity transfer and send a negative receipt to the initiator of the liquidity transfer message, in case of rejection from the RTGS. This task is covered in section 4.2.7. |

**Figure 11**  
**Inbound liquidity transfer process**



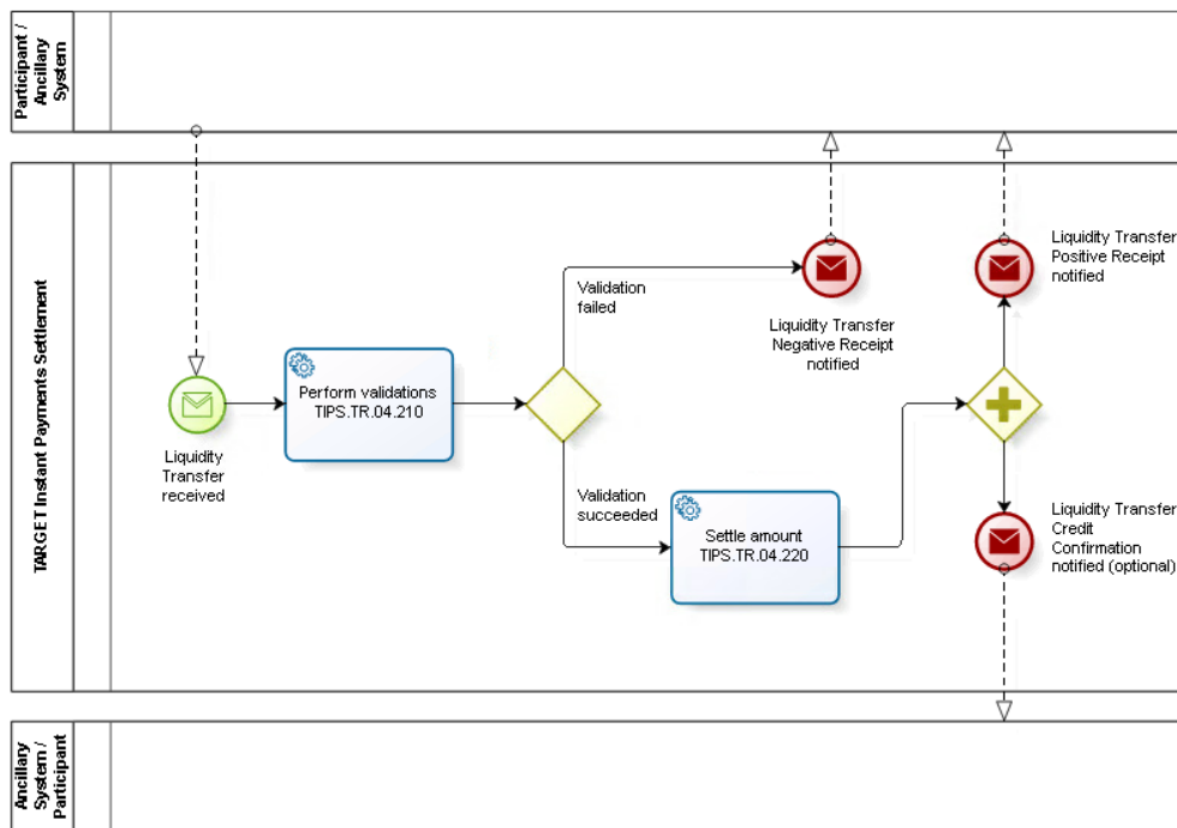
**Table 9: List of messages for inbound liquidity transfers**

| Message                                | Description                                                                                                                                                                           |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidity Transfer                     | Liquidity transfer message routed by the RTGS to TIPS. Further details can be found in TIPS.UR.08.210.                                                                                |
| Liquidity Transfer Negative Receipt    | Liquidity transfer negative receipt message sent by TIPS to the RTGS in case an error occurred (e.g. unsuccessful validation in TIPS. Further details can be found in TIPS.UR.08.230. |
| Liquidity Transfer Positive Receipt    | Liquidity transfer positive receipt message sent by TIPS to the RTGS in case of successful. Further details can be found in TIPS.UR.08.240.                                           |
| Liquidity Transfer Credit Confirmation | A message notifying the RTGS about the successful credit of a TIPS account. Further details can be found in TIPS.UR.08.250.                                                           |

**Table 10: List of tasks for inbound liquidity transfer workflow**

| Task           | Description                                                                                                                                                         |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.04.110 | Execution of technical and business validations; the inbound liquidity transfer is rejected as soon as one validation fails. This task is covered in section 4.2.8. |
| TIPS.TR.04.120 | Settle the funds with finality, i.e. credit the Participant TIPS account and debit the RTGS transit account in TIPS. This task is covered in section 4.2.3.         |

**Figure 12**  
**Intra-service liquidity transfer process**



**Table 11: List of messages for intra-service liquidity transfers**

| Message                                | Description                                                                                                                                                                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidity Transfer                     | An order to transfer liquidity from a TIPS DCA account/AS Technical Account to the TIPS AS technical account/DCA account. This message is sent by the Participant/Ancillary System to TIPS. Further details can be found in TIPS.UR.09.210. |
| Liquidity Transfer Negative Receipt    | Liquidity transfer negative receipt message sent by TIPS to the Participant/Ancillary System in case an error occurred (e.g. unsuccessful validation in TIPS. Further details can be found in TIPS.UR.09.230.                               |
| Liquidity Transfer Positive Receipt    | Liquidity transfer positive receipt message sent by TIPS to the Participant/Ancillary System in case of successful settlement. Further details can be found in TIPS.UR.09.240.                                                              |
| Liquidity Transfer Credit Confirmation | A message notifying the Participant/Ancillary System about the successful credit of a TIPS account/AS Technical Account. Further details can be found in TIPS.UR.09.250.                                                                    |
| Liquidity Transfer Debit Confirmation  | A message notifying the Participant/Ancillary System about the successful debit of a TIPS account/AS Technical Account. Further details can be found in TIPS.UR.09.251.                                                                     |

**Table 12: List of tasks for intra-service liquidity transfer workflow**

| Task           | Description                                                                                                                                                                       |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIPS.TR.04.210 | Execution of technical and business validations; the intra-service liquidity transfer is rejected as soon as one validation fails. This task is covered in section 4.2.2.         |
| TIPS.TR.04.220 | Settle the funds with finality, i.e. credit the TIPS DCA account/AS Technical Account and debit the TIPS AS technical account/DCA account. This task is covered in section 4.2.3. |

## 4.2 LIQUIDITY TRANSFERS

### 4.2.1 Validation of Outbound Liquidity Transfers

|                    |                                                                                                                                                                                                                                                             |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.010</b>                                                                                                                                                                                                                                       |
| <b>Name</b>        | Authorisation to send outbound liquidity transfer                                                                                                                                                                                                           |
| <b>Requirement</b> | TIPS shall validate that the initiator of a liquidity transfer is authorised to send an outbound liquidity transfer.<br><br>In case of an authorisation error, TIPS shall reject the liquidity transfer and notify the initiator of the liquidity transfer. |

TIPS shall validate the information included in the outbound liquidity transfer message. TIPS shall check the following non exhaustive list of fields:

- the technical sender;
- other information from the reference data (e.g. on the authorisation to instruct on the debited TIPS account).

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.020</b>                                                                                                                                                                                                        |
| <b>Name</b>        | Mandatory fields for an outbound liquidity transfer                                                                                                                                                                          |
| <b>Requirement</b> | TIPS shall validate the mandatory attributes of an outbound liquidity transfer.<br><br>In case of a mandatory attributes error, TIPS shall reject the liquidity transfer and notify the initiator of the liquidity transfer. |

TIPS shall validate the outbound liquidity transfer from TIPS to the RTGS based on the following non-exhaustive list of fields:

- currency;
- transferred cash amount;
- the account to debit;
- RTGS account to credit;
- Originator Participant;
- Beneficiary Participant.

TIPS shall check at least that (i) the currency is eligible for settlement in TIPS, (ii) the transferred cash amount is greater than zero, (iii) the debited TIPS account, (iv) the RTGS account to credit, (v) the Originator Participant and (vi) the Beneficiary Participant are filled in.

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.030</b>                                                                                                                                                                                                                                                   |
| <b>Name</b>        | Validation of an outbound liquidity transfer                                                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall validate that information contained in the outbound liquidity transfer is consistent with the reference data in TIPS.<br><br>In case a validation error occurs, TIPS shall reject the liquidity transfer and notify the initiator of the liquidity transfer. |

TIPS shall validate the information included in the liquidity transfer. TIPS shall check the following non exhaustive list of data:

- the identifier of the debited TIPS account;
- the currency denomination of the debited TIPS account;
- the status of the debited TIPS account.

TIPS shall check at least that (i) the debited TIPS account is a valid account in TIPS (e.g. it exists and is open), (ii) it is denominated in the same currency used in the outbound liquidity transfer order and (iii) that the debited account is not blocked.

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.040</b>                                                                                                                                                                      |
| <b>Name</b>        | Rejection of a liquidity transfer due to insufficient funds                                                                                                                                |
| <b>Requirement</b> | TIPS shall reject an outbound liquidity transfer whose amount would decrease the unreserved balance of the account to debit below zero and notify the initiator of the liquidity transfer. |

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.050</b>                                                                                                                                                                                                                |
| <b>Name</b>        | Rejection of outbound liquidity transfers during the RTGS closing hours                                                                                                                                                              |
| <b>Requirement</b> | TIPS shall reject an outbound liquidity transfer in case:<br><ul style="list-style-type: none"><li>(i) the corresponding RTGS is closed; or</li><li>(ii) the processing of liquidity transfers is not allowed in the RTGS.</li></ul> |

The RTGS sends appropriate triggers which TIPS uses to maintain the status of the corresponding RTGS (open or closed). TIPS rejects liquidity transfers in the two cases since in case (i) the RTGS does not respond to liquidity transfers at all (e.g. during maintenance windows) and in case (ii) the RTGS rejects all liquidity transfers.

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

## 4.2.2 Validation of Intra-Service Liquidity Transfers

|                    |                                                                                                                                                                                                                                                   |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.051</b>                                                                                                                                                                                                                             |
| <b>Name</b>        | Authorisation to send intra-service liquidity transfer                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall validate that the initiator of a liquidity transfer is authorised to send a liquidity transfer.<br><br>In case of an authorisation error, TIPS shall reject the liquidity transfer and notify the initiator of the liquidity transfer. |

TIPS shall validate the information included in the liquidity transfer message. TIPS shall check the following non exhaustive list of fields:

- the technical sender;
- other information from the reference data (e.g. on the authorisation to instruct on the debited TIPS account/AS Technical Account).

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.052</b>                                                                                                                                                                                                             |
| <b>Name</b>        | Mandatory fields for an intra-service liquidity transfer                                                                                                                                                                          |
| <b>Requirement</b> | TIPS shall validate the mandatory attributes of an intra-service liquidity transfer.<br><br>In case of a mandatory attributes error, TIPS shall reject the liquidity transfer and notify the initiator of the liquidity transfer. |

TIPS shall validate the intra-service liquidity transfer between the TIPS DCA to the TIPS AS technical account based on the following non-exhaustive list of fields:

- currency;
- transferred cash amount;
- the DCA/AS technical account to debit;
- the DCA/AS technical account to credit;
- Originator Participant;
- Beneficiary Participant.

TIPS shall check at least that (i) the currency is eligible for settlement in TIPS, (ii) the transferred cash amount is greater than zero, (iii) the DCA/AS technical account to debit, (iv) the DCA/AS technical account to credit, (v) the Originator Participant and (vi) the Beneficiary Participant are filled in.

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.053</b>                                                                                                                                                                                                                                                        |
| <b>Name</b>        | Validation of an intra-service liquidity transfer                                                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall validate that information contained in the intra-service liquidity transfer is consistent with the reference data in TIPS.<br><br>In case a validation error occurs, TIPS shall reject the liquidity transfer and notify the initiator of the liquidity transfer. |

TIPS shall validate the information included in the liquidity transfer. TIPS shall check the following non-exhaustive list of data:

- the identifier of the debited DCA/AS technical account;
- the identifier of the credited DCA/AS technical account
- the currency denomination of the debited TIPS account;
- the status of the debited account
- the status of the credited account
- the type of the debited and credited account.

TIPS shall check at least that (i) the debited TIPS DCA/AS technical account is a valid account in TIPS (e.g. it exists and is open), (ii) the credited TIPS DCA/AS technical account is a valid account in TIPS (e.g. it exists and is open), (iii) the accounts are denominated in the same currency used in the intra-service liquidity transfer order, (iv) that the debited and credited accounts are not blocked and (v) that the debited and credited accounts are not of the same type.

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

|                    |                                                                                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.054</b>                                                                                                                                                                           |
| <b>Name</b>        | Rejection of an intra-liquidity transfer due to insufficient funds                                                                                                                              |
| <b>Requirement</b> | TIPS shall reject an intra-service liquidity transfer whose amount would decrease the unreserved balance of the account to debit below zero and notify the initiator of the liquidity transfer. |

TIPS notifies the initiator of the liquidity transfer with a negative receipt message (e.g. camt.025).

#### **4.2.3 Settlement of Liquidity Transfers**

|                    |                                                                                   |
|--------------------|-----------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.060</b>                                                             |
| <b>Name</b>        | Full amount settlement for inbound, intra-service and outbound liquidity transfer |
| <b>Requirement</b> | TIPS shall always settle liquidity transfers on accounts for the full amount.     |

TIPS debits or credits an account for the full amount of a liquidity transfer. If the account to debit does not have sufficient funds, the liquidity transfer is rejected and not settled partially.

|                    |                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.070</b>                                                                                                   |
| <b>Name</b>        | One transit account per currency                                                                                        |
| <b>Requirement</b> | TIPS shall make use of one transit account per currency for all the liquidity transfers from/to the corresponding RTGS. |

The transit account for each currency is used for the transfer of liquidity from/to TIPS. It is owned by the respective Central Bank (cfr. 5.2). In case of inbound liquidity transfer, the TIPS account is credited by debiting the transit account defined in the same currency.

The RTGS transit account in TIPS is an account which mirrors the TIPS transit account in the corresponding RTGS system. RTGS transit accounts in TIPS can have only negative or zero balance.

|                    |                                                                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.080</b>                                                                                                                                                                 |
| <b>Name</b>        | Liquidity transfers between RTGS accounts and TIPS dedicated cash accounts                                                                                                            |
| <b>Requirement</b> | TIPS shall ensure that a TIPS dedicated cash account is able to receive or send liquidity from/to any RTGS account, provided that both accounts are denominated in the same currency. |

TIPS allows Participants or Instructing Parties to trigger outbound liquidity transfers to any RTGS account denominated in the same currency, not necessarily belonging to the same Participant.

#### **4.2.4 Forwarding of Outbound Liquidity Transfers**

|                    |                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.090</b>                                                                                                   |
| <b>Name</b>        | Routing of an outbound liquidity transfer                                                                               |
| <b>Requirement</b> | Upon successful settlement in TIPS, TIPS shall route the outbound liquidity transfer message to the corresponding RTGS. |

Depending on the currency of the liquidity transfer TIPS forwards the message to the corresponding RTGS. Afterwards the RTGS moves the liquidity from its transit account to the destination RTGS account.

#### **4.2.5 RTGS Confirmation**

|                    |                                                             |
|--------------------|-------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.100</b>                                       |
| <b>Name</b>        | Wait for settlement confirmation from the RTGS              |
| <b>Requirement</b> | TIPS shall wait until the RTGS replies with a confirmation. |

Upon successful validation and routing of the outbound liquidity transfer, TIPS shall wait until a confirmation from the RTGS is received (i.e. successful or unsuccessful settlement of the liquidity transfer in the RTGS) before notifying the initiator of the liquidity transfer.



|                    |                                                                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.110</b>                                                                                                                   |
| <b>Name</b>        | Alert in case of missing response from the RTGS                                                                                         |
| <b>Requirement</b> | TIPS shall trigger an alert if no response to an outbound liquidity transfer is received from the RTGS within a configurable timeframe. |

In order to avoid liquidity traps, TIPS shall be able to raise an alert if no answer is received from the RTGS within a configurable timeframe; this timeframe is set to 15 minutes initially. The alert is notified to the TIPS operator. The alert is used as a trigger aiming at resolving the issue through operational procedures which are outside the scope of the current document.

#### **4.2.6 Settlement Receipts**

|                    |                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.120</b>                                                                                                   |
| <b>Name</b>        | Successful confirmation of a liquidity transfer                                                                         |
| <b>Requirement</b> | TIPS shall notify the successful transfer of funds to the initiator of a liquidity transfer upon successful settlement. |

Upon successful settlement of a liquidity transfer, TIPS notifies the initiator of the liquidity transfer with a positive receipt message (e.g. using a camt.025). TIPS shall notify either (i) the relevant RTGS system in case of an inbound liquidity transfer from the RTGS to TIPS or (ii) the initiator of the liquidity transfer in case of an outbound liquidity transfer from TIPS to the RTGS.

In case of an outbound liquidity transfer, TIPS sends the positive receipt to the initiator of the liquidity transfer immediately after the RTGS positive settlement confirmation is received.

In case of an intra-service liquidity transfer, TIPS sends the positive receipt to the initiator of the liquidity transfer immediately after the settlement occurred.

#### **4.2.7 Automatic Reverse of Liquidity**

|                    |                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.140</b>                                                                                             |
| <b>Name</b>        | Automatic reverse of an outbound liquidity transfer in case of RTGS rejection                                     |
| <b>Requirement</b> | TIPS shall automatically reverse the outbound liquidity transfer upon receiving a negative receipt from the RTGS. |

In case of settlement rejection in the RTGS, TIPS has to automatically reverse the outbound liquidity transfer by debiting the RTGS transit account in TIPS and crediting the initially debited TIPS account for the full amount settled with the original liquidity transfer message.

|                    |                                                                                                                                                                                                        |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.150</b>                                                                                                                                                                                  |
| <b>Name</b>        | Notification to the outbound liquidity transfer initiator in case of RTGS rejection                                                                                                                    |
| <b>Requirement</b> | Upon receiving a negative confirmation from the RTGS, TIPS shall notify the initiator of the outbound liquidity transfer in TIPS with a negative receipt after the execution of the automatic reverse. |

After the settlement of the automatic reverse, for an outbound liquidity transfer which has been rejected by the RTGS, TIPS shall notify the initiator of the outbound liquidity transfer (e.g. using a camt.025 message).

#### 4.2.8 Validation of Inbound Liquidity Transfers

|                    |                                                                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.160</b>                                                                                                                       |
| <b>Name</b>        | Validation of an inbound liquidity transfer                                                                                                 |
| <b>Requirement</b> | TIPS shall validate that the information contained in the inbound liquidity transfer message is consistent with the reference data in TIPS. |

TIPS shall validate the information included in the liquidity transfer message. TIPS shall check the following non exhaustive list of data:

- the identifier of the credited TIPS account;
- the currency denomination of the credited TIPS account;
- the status of the credited TIPS account.
- the type of the credited account.

TIPS shall check that (i) the credited TIPS account is a valid dedicated cash account in TIPS (e.g. it exists and is open), (ii) it is denominated in the same currency used in the incoming liquidity transfer order and (iii) the credited account is not blocked.

In case a validation error occurs, TIPS shall reject the liquidity transfer and notify the corresponding RTGS (e.g. using a camt.025).

#### 4.2.9 Interaction with the RTGS

|                    |                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.04.200</b>                                                                                                                                                                                                                                                                                                                                           |
| <b>Name</b>        | Check on pending liquidity transfers                                                                                                                                                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall ensure that there are no liquidity transfers in status pending between TIPS and the RTGS when the snapshot of the account balances is taken. Only after all the liquidity transfers in the given currency have reached their final status, i.e. settled or rejected, the snapshot of the account balances denominated in that currency can be taken. |

During the start of End-of-Day procedures in the RTGS liquidity transfers between TIPS and the RTGS (or vice versa) could still have not reached the final status in both systems. In order to avoid double

counting or loss of liquidity in the calculation of the snapshot for the End-of-Day balances, TIPS waits until all the liquidity transfers have reached their final status (i.e. settled or rejected).

This implies that for outbound liquidity transfers settled in TIPS, TIPS shall wait until either a positive or negative receipt is received from the RTGS. In case of a negative receipt, TIPS shall make sure that the automatic reverse of the outbound liquidity is settled before taking the snapshot of the account balance.

In case of inbound liquidity transfers settled in the RTGS, TIPS shall wait until settlement occurs in TIPS and either a positive or negative receipt is sent back to the RTGS.

## 5 MANAGEMENT OF ACCOUNTS AND REFERENCE DATA

This chapter covers TIPS actors, accounts and an additional functionality called Credit Memorandum Balance (CMB), which can be utilised for managing limits. This chapter covers also other reference data requirements for the configuration and operation of the service.

### 5.1 OVERVIEW

The TIPS service differentiates between different actors which play different roles and have different access rights. These actors are Central Banks, Participants, Ancillary Systems, Reachable Parties, Instructing Parties (which can act on behalf of Participants and Reachable Parties), RTGS Systems and the TIPS Operator. Furthermore, two different objects which are addressable by payment transactions are covered as well: TIPS accounts (intended as TIPS Dedicated Cash Accounts and TIPS Ancillary System (AS) technical accounts) which contain the actual liquidity and Credit Memorandum Balances (CMBs), which provide limits linked to an account.

**Participants** are entities which have a BIC and own accounts and CMBs linked to their accounts. These accounts cannot have a negative balance. Participants are responsible for the configuration of CMBs linked to their accounts.

**Reachable Parties** are entities which have a BIC but do not own accounts and have to rely on a Participant to allow them to use an account or CMB. Reachable Parties can interact with TIPS directly and send, e.g. payment transactions if they assume the role of an Instructing Party. However, responsibility remains with the Participant who owns the account or CMB which is used by the Reachable Party.

Payment transactions contain BICs of Participants or Reachable Parties in the fields AT-06 and AT-23 of the dataset DS-02. From these BICs TIPS determines the accounts which are debited or credited respectively the CMBs whose headroom is decreased or increased.

**Ancillary Systems** are entities which have a BIC and own TIPS AS technical accounts and CMBs linked to their accounts. These accounts cannot have a negative balance. Ancillary systems are responsible for the configuration of CMBs linked to their accounts.

**Instructing Parties** are entities acting on behalf of Participants or Reachable Parties and communicate with TIPS directly. Participants, Ancillary Systems and Reachable Parties can act as Instructing Parties and impersonate them. Participants are able to restrict the capabilities of Instructing Parties which act on behalf of the Participant or a Reachable Party. Responsibility for all actions done by Instructing Parties remains with the Participant.

**Central Banks** maintain all reference data associated with an entity of their national community and are responsible for, e.g. the setup and maintenance of a Participant/Ancillary System and its accounts. Reachable Parties and Instructing Parties are considered to be reference data of the responsible Participant/Ancillary System. Central Banks can act as Participants/Ancillary Systems and own accounts which they can use for their instant payment business.

Like in T2S the service desk model applicable to TIPS is:

- (i) A single, central point of contact for any kind of operational and technical issue concerning the TIPS service. This central point of contact is in charge of providing direct support to Central

Banks and Participants for managing the technical connection, also during non-standard service hours.

- (ii) Central Banks provide support to their national community with the responsibility for reference data setup and liquidity management within standard service hours.

**RTGS Systems** are technical actors which TIPS uses to allow an RTGS system to access all accounts held in its currency. The RTGS system for euro is TARGET2.

The **TIPS Operator** is the legal and organisational entity that operates the TIPS service.

In general, Participants, Ancillary Systems or Central Banks (acting as Participants/Ancillary System) own **accounts**, which TIPS debits and credits during processing of instant payment transactions or liquidity transfers from/to an RTGS system or between a dedicated cash account and an AS technical account. These accounts cannot have a negative balance. The TIPS service foresees notifications in case a predefined floor/ceiling amount on an account/CMB is undercut/exceeded.

A **Credit Memorandum Balance (CMB)** provides a limit linked to one account. This is a way of managing customer credit lines outside TIPS and using the resulting limits in TIPS. CMBs have identifiers similar to accounts; payment transactions can address CMBs via the contained BICs. Whenever a payment transaction addresses a CMB instead of an account TIPS adjusts the available headroom (i.e. the limit minus the limit utilisation) of the CMB in addition to the balance of the underlying account. If the originator and beneficiary sides use a CMB TIPS decreases the headroom on the originator side and debits the linked account. On the beneficiary side TIPS increases the headroom and credits the linked account.

The **BICs** of the Originator Participant or Reachable Party and Beneficiary Participant or Reachable Party within the payment transaction message are each linked to exactly one account or CMB per currency. Payment transactions are, therefore, addressing accounts or CMBs via the contained BICs. The BIC of an Ancillary System cannot be linked neither to an account nor to a CMB. Whenever a CMB is addressed the underlying account is determined automatically from the reference data. 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. One account, however, can be linked to multiple different BICs, which are then all set up as users of the account. One CMB can only be linked to exactly one BIC.

Furthermore TIPS links each Participant or Reachable Party to multiple **distinguished names** of Instructing Parties in order to (i) decide if an authorised entity sent a payment transaction (or recall) and (ii) determine the receiver of the forwarded payment transaction. Each Participant or Reachable Party can be linked to multiple Instructing Parties on the originator side but only one Instructing Party on the beneficiary side (in order to allow TIPS to uniquely identify the communication partner).

For the management of **reference data** TIPS envisages two different approaches:

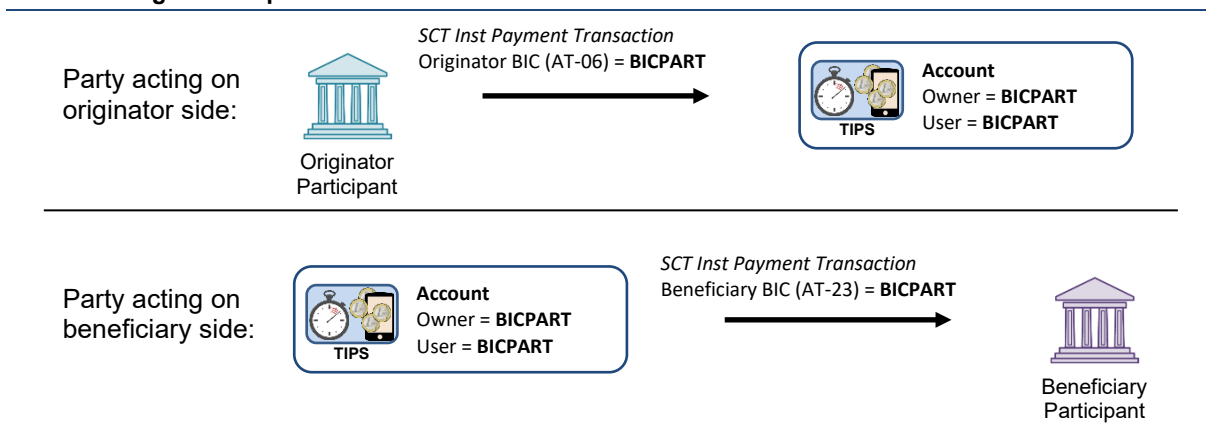
- (i) Reference data which is kept in a central common reference data module and applied once per business day, e.g. new accounts (effect timeframe: on the next RTGS business day).
- (ii) Reference data which has to be effective immediately, e.g. account blockings due to insolvency.

The **examples for business cases** following below visualise some potential account structures which can be realised with the provided functionality.

**Case 1:** One Participant owns one TIPS account and sends payment transactions debiting this account directly to TIPS; furthermore the same Participant handles all requests for Beneficiary

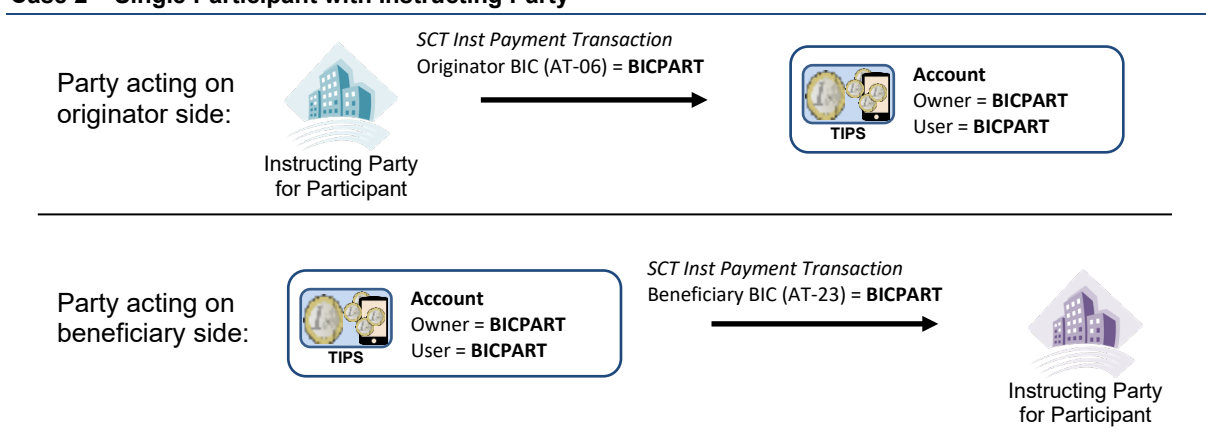
Participant replies crediting the same account. In that case the allowed sender (i.e. Instructing Party) of payment transactions and Beneficiary Participant replies is the Participant itself. The Participant's BIC (BICPART) is configured as one user of that account. See Figure 11 below.

**Figure 13**  
**Case 1 – Single Participant**



**Case 2:** One Participant (BICPART) owns one TIPS account and authorises an Instructing Party to send payment transactions and Beneficiary Participant replies on behalf of the Participant (i.e. the same Instructing Party handles both sides of the communication). In that case the allowed sender of payment transactions and Beneficiary Participant replies is the Instructing Party; the Participant's BIC is configured as one user of that account. Authorisation to send payment transactions (the field AT-06 of DS-02 according to SCT Inst contains the Participant's BIC) is checked by retrieving from the reference data the list of whitelisted senders (i.e. the Instructing Party; could be more than one) for the given account user BIC (i.e. the Originator Participant's). In case TIPS expects a Beneficiary Participant reply (i.e. TIPS processes a payment transaction which contains the Participant's BIC in field AT-23 of DS-02 according to SCT Inst) TIPS looks up the Instructing Party (i.e. the recipient) again in the reference data by means of the relevant account user BIC (i.e. the Beneficiary Participant's). See Figure 12 below.

**Figure 14**  
**Case 2 – Single Participant with Instructing Party**



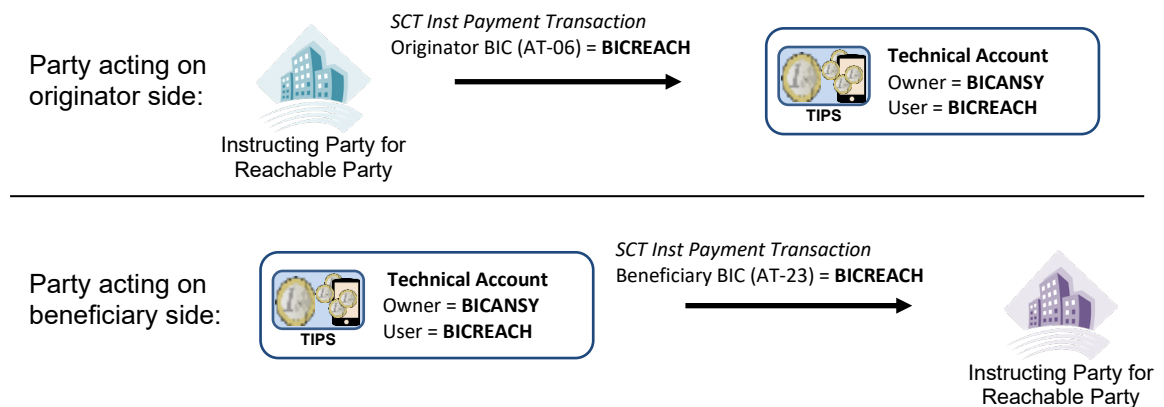
**Case 3:** One Participant (BICPART) owns one TIPS account and one CMB; the user of the CMB is a Reachable Party (BICREACH) (i.e. the Participant provides liquidity to the Reachable Party). An Instructing Party acts on behalf of the Reachable Party and sends payment

transactions and Beneficiary Participant replies (this Instructing Party could be the Reachable Party itself). The Instructing Party handles both sides of the communication. This situation is identical to case 2 with the Reachable Party's BIC instead of the Participant's BIC. See Figure 13 below.

**Figure 15**  
**Case 3 – Reachable Party of the TIPS Participant with Instructing Party**

**Case 4:** One Ancillary System (BICANSY) owns one AS technical account; the user of the account is a Reachable Party (BICREACH). An Ancillary System acts as Instructing Party on behalf of the Reachable Party and sends payment transactions and Beneficiary Participant replies. The Instructing Party handles both sides of the communication. See Figure 14 below.

**Figure 16**  
**Case 4 – Reachable party of the Ancillary System with Instructing Party**



## 5.2 ACTORS

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.010</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Name</b>        | Central Bank actors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | <p>TIPS shall enable and allow <i>Central Bank</i> actors to:</p> <ul style="list-style-type: none"> <li>• act as Participants, Ancillary Systems and Instructing Parties;</li> <li>• act on behalf of Participants and Ancillary Systems from their national community;</li> <li>• own transit accounts;</li> <li>• transfer liquidity from TIPS dedicated cash accounts in their books to RTGS system accounts and between TIPS dedicated cash accounts and AS technical accounts in their books;</li> <li>• manage all Participant's and Ancillary System's reference data of their national community and all accounts in their books;</li> <li>• restrict the capabilities of Participants and Ancillary Systems from their national community via access rights.</li> </ul> |

Accounts of Participants and technical accounts of Ancillary Systems of a Central Bank's national community are the accounts held in the Central Bank's books. Reachable Parties of a Participant/Ancillary System and their Instructing Parties are considered to be part of the Participant/Ancillary System's reference data (and are therefore configured by the responsible Central Bank).

A Central Bank can also be defined as a Participant or Ancillary System in the reference data, so that it can own accounts and operate in TIPS as any other Participant/Ancillary System (and Instructing Party).

Currently only one single transit account for euro is foreseen, which is owned by the ECB (see TIPS.UR.04.070). Non-euro currencies transit accounts are owned by the respective non-euro Central Banks.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.020</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Name</b>        | Participant actors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Requirement</b> | <p>TIPS shall enable and allow <i>Participant</i> actors to:</p> <ul style="list-style-type: none"> <li>• act as Instructing Parties;</li> <li>• own TIPS accounts and CMBs linked to their accounts;</li> <li>• transfer liquidity from their TIPS accounts to RTGS system accounts;</li> <li>• send payment transactions, Beneficiary Participant replies, recalls, recall response and status inquiries for accounts or CMBs for which they are set as users.</li> <li>• manage CMBs linked to their own accounts;</li> <li>• manage linkages between their Reachable Parties, Instructing Parties and accounts/CMBs;</li> <li>• restrict the capabilities of Instructing Parties acting on their behalf via access rights.</li> </ul> |



The management of linkages encompasses the creation, update and deletion of links between Reachable Parties and accounts/CMBs of the Participant as well as links between Reachable Parties and their Instructing Parties (the Reachable Parties and Instructing Parties themselves are considered to be reference data of the Participant and are therefore set up by the Central Bank configuring the Participant itself; the Participant has access to its parties only). Participants are responsible for all actions performed on accounts or CMBs owned by them.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.021</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Name</b>        | Ancillary System actors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Requirement</b> | <p>TIPS shall enable and allow <i>Ancillary System</i> actors to:</p> <ul style="list-style-type: none"> <li>• act as Instructing Parties;</li> <li>• own TIPS (AS) technical accounts<sup>12</sup> and CMBs linked to their accounts;</li> <li>• transfer liquidity from their accounts to dedicated cash accounts;</li> <li>• send payment transactions, Beneficiary Participant replies, recalls, recall responses and status inquiries on behalf of Participants or Reachable Parties set as users of their AS technical accounts or CMBs.</li> <li>• manage CMBs linked to their own accounts;</li> <li>• manage linkages between their Reachable Parties, Instructing Parties and accounts/CMBs;</li> </ul> |

The management of linkages encompasses the creation, update and deletion of links between Reachable Parties and accounts/CMBs of the Ancillary System as well as links between Reachable Parties and their Instructing Parties (the Reachable Parties and Instructing Parties themselves are considered to be reference data of the Ancillary System and are therefore set up by the Central Bank configuring the Ancillary System itself; the Ancillary System has access to its parties only). Ancillary Systems are responsible for all actions performed on accounts or CMBs owned by them.

|                    |                                                                                                                                                           |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.030</b>                                                                                                                                     |
| <b>Name</b>        | Reachable Party actors                                                                                                                                    |
| <b>Requirement</b> | TIPS shall know about <i>Reachable Parties</i> , which use the accounts or CMBs of Participants/Ancillary Systems for the settlement of instant payments. |

Reachable Parties do not perform any actions on their own within TIPS; they are just set up as an entity which has a BIC that can be used in an instant payment transaction, as long as there is an Instructing Party configured which handles all communication on behalf of the Reachable Party. A Reachable Party could assume the role of an Instructing Party and send SCT Inst scheme compliant messages to TIPS directly; however, the Participant/Ancillary System owning the account/CMB is still responsible for all actions done by the Reachable Party acting as Instructing Party.

<sup>12</sup> Each Ancillary System actor can own only one AS technical account.

|                    |                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.040</b>                                                                                            |
| <b>Name</b>        | Instructing Party actors                                                                                         |
| <b>Requirement</b> | TIPS shall know about <i>Instructing Parties</i> , which can act on behalf of Participants or Reachable Parties. |

Instructing Parties acting on behalf of Participants have the same capabilities as these Participants themselves, unless restricted by access rights (they should not have the capability to change these access rights). Instructing Parties handling communication for Reachable Parties have the capability to send SCT Inst scheme messages directly to TIPS (and answer to them). However, the Participant/Ancillary System owning the account/CMB is still responsible for all actions done by the Instructing Party.

|                    |                                                                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.041</b>                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | RTGS System actors                                                                                                                                                                                                                                                                                                  |
| <b>Requirement</b> | TIPS shall enable and allow <i>RTGS System</i> actors to: <ul style="list-style-type: none"> <li>• access all data related to all accounts denominated in the RTGS system's currency;</li> <li>• transfer liquidity from all TIPS accounts denominated in the RTGS system's currency to the RTGS system.</li> </ul> |

The RTGS System actor is a technical entity which is assigned to one RTGS system per currency (TARGET2 for euro). It could be used for, e.g. allowing the RTGS system to query account balances in order to display them within their own GUI.

|                    |                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.042</b>                                                                                               |
| <b>Name</b>        | TIPS Operator actor                                                                                                 |
| <b>Requirement</b> | TIPS shall provide a <i>TIPS Operator</i> actor which has unrestricted access to all system data and functionality. |

The TIPS Operator is the legal and organisational entity that operates the TIPS service. It is, e.g. responsible for the setup of transit accounts or configuration of system parameters such as timeout thresholds.

The following Table 13 summarises some of the characteristics and capabilities of the different actors (unless restricted by access rights) regarding the following items:

- What does the entity own?
- Where can it transfer liquidity from?
- Which accounts or CMBs can be used for instant payments (including inquiries)?
- Which management actions can be executed?

**Table 13: TIPS participation structure overview**

| Actor                      | Owns                             | Can transfer liquidity      | Can send SCT Inst scheme messages for                                              | Management actions                                                                                                                                                                                                                                                                                                                                          |
|----------------------------|----------------------------------|-----------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Central Bank <sup>13</sup> | Accounts in their book           | From accounts in their book | -                                                                                  | <ul style="list-style-type: none"> <li>Act on behalf of their Participants</li> <li>Manage<sup>14</sup> Participant's reference data within their national community and accounts in their books and CMBs linked with these accounts</li> <li>Restrict Participant's access rights</li> </ul>                                                               |
| Participant                | Dedicated cash accounts and CMBs | From own accounts           | Accounts and CMBs for which their BIC is set as user                               | <ul style="list-style-type: none"> <li>Manage CMBs linked to own accounts</li> <li>Manage links between BICs set as users of their accounts or CMBs and Instructing Parties</li> <li>Restrict access rights of Instructing Parties acting on behalf of the Participant or on behalf of Reachable Parties using the Participant's accounts/CMBs</li> </ul>   |
| Ancillary System           | AS Technical Accounts and CMBs   | From own accounts           | TIPS AS Technical Accounts and linked CMBs for which the Ancillary System is owner | <ul style="list-style-type: none"> <li>Manage CMBs linked to own accounts</li> <li>Manage links between BICs set as users of their accounts or CMBs and Instructing Parties</li> <li>Restrict access rights of Instructing Parties acting on behalf of Participants or on behalf of Reachable Parties using the Ancillary System's accounts/CMBs</li> </ul> |
| Reachable Party            | -                                | -                           | -                                                                                  | -                                                                                                                                                                                                                                                                                                                                                           |

<sup>13</sup> A Central Bank in their role as Central Bank; they could also act as a Participant or Ancillary System.

<sup>14</sup> Management of accounts or CMBs encompasses creation, update and deletion. Update refers to changes done to any reference data field on the account or CMB level.

**TARGET Instant Payment  
Settlement  
User Requirements**



| Actor                                                                   | Owns | Can transfer liquidity           | Can send SCT Inst scheme messages for                                              | Management actions                                                 |
|-------------------------------------------------------------------------|------|----------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Instructing party acting on behalf of a Participant <sup>15</sup>       | -    | From Participant's accounts      | Accounts and CMBs for which their Participant's BIC is set as user                 | All Participant's actions unless restricted via access rights      |
| Instructing party acting on behalf of a Reachable Party <sup>15</sup>   | -    | -                                | Accounts and CMBs for which their Reachable Party's BIC is set as user             | -                                                                  |
| Instructing party acting on behalf of an Ancillary System <sup>16</sup> | -    | From Ancillary System's accounts | TIPS AS Technical Accounts and linked CMBs for which the Ancillary System is owner | All Ancillary System's actions unless restricted via access rights |

<sup>15</sup> Actions performed by Instructing Parties on behalf of Participants or Reachable Parties require suitable access rights granted by the Participant who owns the accounts and CMBs .

<sup>16</sup> Actions performed by Instructing Parties on behalf of Participants or Reachable Parties require suitable access rights granted by the Ancillary System who owns the TIPS AS Technical Account and the linked CMBs .

|                    |                                                                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.060</b>                                                                                                                                             |
| <b>Name</b>        | Instant payments for Participants or Ancillary Systems                                                                                                            |
| <b>Requirement</b> | TIPS shall support the settlement of instant payment transactions for Originators or Beneficiaries who maintain accounts with a Participant or Ancillary Systems. |

The TIPS service supports instant payments business done by Participants or Ancillary Systems.

|                    |                                                                                                                                                  |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.070</b>                                                                                                                            |
| <b>Name</b>        | Instant payments for Reachable Parties                                                                                                           |
| <b>Requirement</b> | TIPS shall support the settlement of instant payment transactions for Originators or Beneficiaries who maintain accounts with a Reachable Party. |

The TIPS service supports instant payments business done by Reachable Parties, provided that they ensure connectivity with TIPS via a Participant/Ancillary System or an Instructing Party. In both cases responsibility regarding all actions done on the accounts or CMBs of the Participant/Ancillary System remains with the Participant/Ancillary System.

## 5.3 ACCOUNT STRUCTURE

### 5.3.1 Accounts

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.080</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Name</b>        | Account types                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Requirement</b> | <p>TIPS shall provide cash accounts which are used for the settlement of instant payments and liquidity transfers. There shall be three different account types:</p> <ul style="list-style-type: none"> <li>• <i>transit accounts</i>: One technical account per currency used solely for the technical provision of liquidity transfers from/to an RTGS and to/from TIPS;</li> <li>• <i>dedicated Cash Accounts</i> (also called <i>TIPS/Participant accounts</i>): Participant accounts (which cannot have a negative balance).</li> <li>• <i>technical accounts</i>: <i>TIPS Ancillary System technical accounts</i> or <i>TIPS AS technical accounts</i> (which cannot have a negative balance).</li> </ul> |

Participant or Central Banks acting as Participants own TIPS dedicated cash account. Ancillary Systems or Central Banks acting as Ancillary Systems own TIPS AS technical accounts. Multiple entities (i.e. Participants and Reachable Parties) can use an account as long as a link between their BIC and the account is established.

|                    |                                                                      |
|--------------------|----------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.090</b>                                                |
| <b>Name</b>        | TIPS account identifiers                                             |
| <b>Requirement</b> | TIPS account identifiers shall be ISO compliant and globally unique. |

Participants are able to choose their account identifiers in compliance with restrictions to be defined in the UDFS (e.g. 34 characters long and composed of a country code and 32 characters).

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.100</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Name</b>        | Account level reference data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Requirement</b> | <p>TIPS shall maintain at least the following data for an account:</p> <ul style="list-style-type: none"> <li>• <i>Type</i>: Transit account, AS technical account or dedicated cash account.</li> <li>• <i>Identifier</i>: The ISO compliant account identifier.</li> <li>• <i>Currency</i>: The account's currency, which is an eligible TIPS settlement currency.</li> <li>• <i>Owner</i>: The Participant, the Ancillary System or Central Bank who owns the account.</li> <li>• <i>Users</i>: A list of BICs of entities (Participants and Reachable Parties) which are allowed to use that account for instant payments (on the originator and beneficiary side).</li> <li>• <i>Opening date</i>: The date as of which an account is legally opened.</li> <li>• <i>Closing date</i>: The date as of which an account is legally closed.</li> <li>• <i>Status</i>: Current blocking status of the account; TIPS differentiates between unblocked, blocked for debiting, blocked for crediting or both.</li> <li>• <i>Floor</i>: A lower threshold amount which triggers the sending of a notification message if it is undercut from above. Used for receiving warnings if the accounts is running low.</li> <li>• <i>Ceiling</i>: An upper threshold amount which triggers the sending of a notification message if it is exceeded from below. Used for receiving warnings if the account traps too much liquidity;</li> <li>• <i>Credit notification</i>: A flag which indicates whether the owner of the account wishes to be informed in case a liquidity transfer is settled which credits this account.</li> <li>• <i>Debit notification</i>: A flag which indicates whether the owner of the account wishes to be informed in case a liquidity transfer is settled which debits this account.</li> </ul> |

Different account types might use different account characteristics; the ISO message for the envisaged optional credit/debit notification will be specified in the UDFS (it could be a camt.054). Multiple BICs can be linked to one account as users, allowing a configuration where different entities use funds on the same account for their instant payments business.

|                    |                                                                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.110</b>                                                                                                                                                            |
| <b>Name</b>        | Number of accounts per Participant/Ancillary System                                                                                                                              |
| <b>Requirement</b> | <p>Each TIPS Participant shall be able to own one or many dedicated cash accounts.</p> <p>Each Ancillary System shall be able to own one and only one AS technical accounts.</p> |

A TIPS Participant can hold one or more TIPS accounts in order to segregate its business.

|                    |                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.111</b>                                                                                             |
| <b>Name</b>        | Account removal after closing date (A)                                                                            |
| <b>Requirement</b> | TIPS shall close and remove accounts after the end of day of their closing date if their account balance is zero. |

TIPS accounts can be removed from the system if (i) their balance is zero and (ii) their closing business day ended. If the account balance is not zero the account cannot be removed (see TIPS.UR.05.112) but is blocked until the remaining funds are repatriated.

|                    |                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.112</b>                                                                                                            |
| <b>Name</b>        | Account removal after closing date (B)                                                                                           |
| <b>Requirement</b> | TIPS shall close and block but not remove accounts at the end of day of their closing date if their account balance is not zero. |

If an account passes its closing date but still holds funds this account cannot be deleted immediately but has to be blocked until the responsible Central Bank repatriates the funds. TIPS can delete the account if its balance is zero. Closed accounts with a non-zero balance are taken into account for the general ledger but are not accessible by the Participant anymore.

### 5.3.2 Credit Memorandum Balance

|                    |                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.120</b>                                                                                                 |
| <b>Name</b>        | Credit Memorandum Balance functionality                                                                               |
| <b>Requirement</b> | TIPS shall allow the definition of limits for settlement of instant payments using Credit Memorandum Balances (CMBs). |

TIPS differentiates between accounts where settlement takes place and CMBs, which are credit limits that are linked to underlying accounts. Both objects can be linked with user BICs, i.e. from the BIC (and currency) given in a particular payment transaction TIPS can uniquely determine either an account or CMB to be used for this transaction on the originator and beneficiary side (the transaction “addresses” the account or CMB). These credit limits provide Participants/Ancillary Systems with a flexible tool for limit management and monitoring regarding access to the funds on the underlying account.

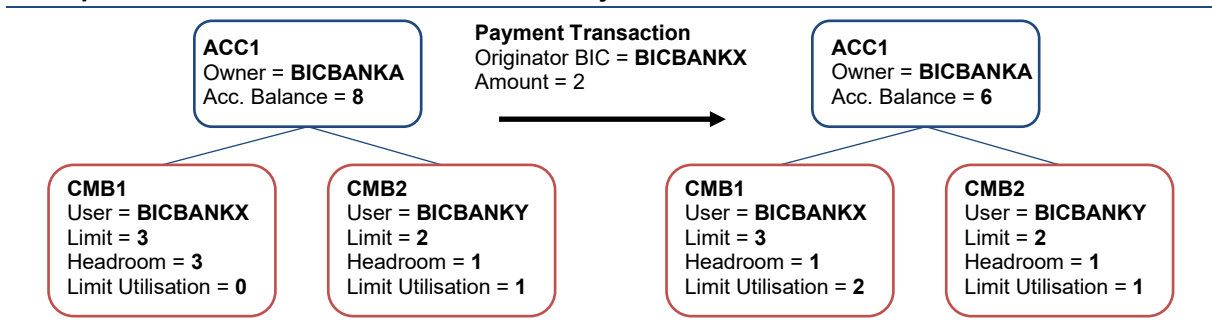
|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.121</b>                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Name</b>        | Credit Memorandum Balance processing                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Requirement</b> | TIPS shall track the utilisation and remaining headroom of CMB limits in case payment transactions or recalls are addressing CMBs. In case a payment transaction addresses a CMB on the originator side the CMB headroom shall be decreased by the transaction amount (the utilisation shall be increased). In case a payment transaction addresses a CMB on the beneficiary side the CMB headroom shall be increased (the limit utilisation decreased). |

The limit of a CMB is reference data and adjustable by the Participant/Ancillary System who owns the account underlying the CMB. The headroom specifies the current cash amount available to the user of

the CMB for settlement of instant payment transactions. The sum of limit utilisation (U) and headroom (H) equals the CMB limit (L) at all times,  $U+H=L$ . The limit L is always greater or equal zero; in case payments are received via a CMB the headroom could grow larger than the actual limit, which results in a negative limit utilisation (which just translates to a payment capacity higher than the originally envisaged limit due to received payments).

In order to give an explicit example for the behaviour of CMB limit utilisation and headroom: Suppose the Participant BICBANKA owns the TIPS account ACC1 with a balance of 8 as well as the CMBs CMB1 and CMB2 with initial limits of 3 and 2 respectively, linked to the account ACC1. Furthermore BICBANKA provides instant payment capacity to the Reachable Parties BICBANKX (via CMB1) and BICBANKY (via CMB2). Suppose further that TIPS receives an instant payment transaction from BICBANKX (addressing CMB1) with an amount of 2. The two business level checks that TIPS performs prior settlement are then: (i) Is the available headroom on the addressed CMB greater or equal to the transaction amount (i.e.  $2 \leq 3$ ) and (ii) is the current balance of the underlying account greater or equal to the transaction amount (i.e.  $2 \leq 8$ ). If the transaction passes this validation TIPS can settle on account ACC1 and decrease the headroom of CMB1 to  $3-2=1$  and simultaneously reduce the cash balance of ACC1 to  $8-2=6$ . CMB2 is not adjusted at all (see Figure 15 below).

**Figure 17**  
**Example for CMB headroom/limit utilisation adjustment**



|                    |                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.130</b>                                                                                             |
| <b>Name</b>        | Addressing of CMBs                                                                                                |
| <b>Requirement</b> | TIPS shall allow Participants or Instructing Parties to directly address CMBs instead of accounts using messages. |

TIPS determines the accounts used for debiting and crediting from the Originator and Beneficiary Participant's or Reachable Party's BICs. The same approach applies also for recall processing. TIPS allows the same addressing for CMBs as well, i.e. from the Participant's or Instructing Party's point of view there is no difference between addressing an account or CMB.

|                    |                                                               |
|--------------------|---------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.140</b>                                         |
| <b>Name</b>        | Number of CMBs per account                                    |
| <b>Requirement</b> | Each account shall be able to be linked to more than one CMB. |

The relation between an account and the CMBs is a zero-to-many relation, i.e. each TIPS account/AS Technical account can be linked to none or multiple CMBs. Each CMB, however, is linked to exactly one account, in order to allow TIPS to uniquely determine the account to debit or credit from the addressed CMB.



|                    |                                                                                      |
|--------------------|--------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.150</b>                                                                |
| <b>Name</b>        | CMB limits                                                                           |
| <b>Requirement</b> | TIPS should allow Participants to set limits greater or equal to zero on their CMBs. |

The sum of limits configured via CMBs for a particular account does not need to coincide with the currently available cash on this account. This allows Participants/Ancillary Systems to dedicate less liquidity to their accounts than the sum of all limits would imply. However, if the linked account does not provide sufficient liquidity TIPS rejects the payment transaction.

In the previous example (see diagram above), a Participant owns the TIPS account ACC1 as well as CMB2 and CMB3, linked to the account ACC1. The sum of the limits of CMB2 and CMB3 could be greater than the amount of cash available on account ACC1.

|                    |                                                                                      |
|--------------------|--------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.160</b>                                                                |
| <b>Name</b>        | CMB identifiers                                                                      |
| <b>Requirement</b> | CMB identifiers shall be ISO-like, unique and not coincide with account identifiers. |

Participants/Ancillary Systems are able to choose their CMB identifiers in compliance with restrictions to be defined in the UDFS (e.g. 34 characters long and composed of a country code and 32 characters). By addressing a CMB via its identifier the linked account is automatically addressed as well.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.170</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Name</b>        | CMB level reference data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Requirement</b> | <p>TIPS shall maintain at least the following data for a CMB:</p> <ul style="list-style-type: none"> <li>• <i>Identifier</i>: The ISO compliant CMB identifier.</li> <li>• <i>Linked Account</i>: The account to which the CMB is linked to.</li> <li>• <i>User</i>: A BIC of an entity (Participant or Reachable Party) which is allowed to use that CMB for instant payments (on the originator and beneficiary side).</li> <li>• <i>Opening date</i>: The date as of which a CMB is legally opened.</li> <li>• <i>Closing date</i>: The date as of which a CMB is legally closed.</li> <li>• <i>Status</i>: Current blocking status of the CMB; TIPS differentiates between unblocked, blocked for decreases, blocked for increases or both.</li> <li>• <i>Floor</i>: A lower threshold amount which triggers the sending of a notification message if it is undercut from above. Used for receiving warnings if the CMB is running low.</li> <li>• <i>Ceiling</i>: An upper threshold amount which triggers the sending of a notification message if it is exceeded from below;</li> <li>• <i>Limit</i>: The payment capacity amount provided by the CMB.</li> </ul> |

The currency and the owner of a CMB are derived from the linked account; the status could be inherited from the linked account. Only one BIC is linked with a CMB as user. The limit of a CMB equals utilised limit plus headroom.

## 5.4 REFERENCE DATA

### 5.4.1 General Requirements

|                    |                                                                                                                                               |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.180</b>                                                                                                                         |
| <b>Name</b>        | Account management actions                                                                                                                    |
| <b>Requirement</b> | TIPS shall provide functionalities to create update or delete accounts and CMBs according to the actors' permissions as given in section 5.2. |

Used reference data for an account or CMB can be found in the relevant requirements in section 5.3.

Not all the reference data changes are in effect immediately. Some data like, e.g. new accounts, have to be created prior their opening date. However, other changes, e.g. account blockings, have to be effective immediately.

### 5.4.2 Account/CMB Creation, Update and Deletion

|                    |                                                                                                                 |
|--------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.190</b>                                                                                           |
| <b>Name</b>        | Account/CMB creation action                                                                                     |
| <b>Requirement</b> | TIPS shall allow an actor with suitable permissions to create accounts or CMBs and set up their reference data. |

This requirement refers to regular accounts and CMBs; transit accounts are set up by the TIPS operator. Central Banks can create accounts for their Participants/Ancillary Systems; Participants and Ancillary Systems can create CMBs linked to their accounts. In contingency situations, Central Banks can support their Participants/Ancillary Systems by creating CMBs on their behalf.

|                    |                                                                                                        |
|--------------------|--------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.191</b>                                                                                  |
| <b>Name</b>        | Account/CMB update action                                                                              |
| <b>Requirement</b> | TIPS shall allow an actor with suitable permissions to update the reference data of accounts and CMBs. |

Details regarding the updateable reference data will be specified in the UDFS.

|                    |                                                                                                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.200</b>                                                                                                                                                                     |
| <b>Name</b>        | Account/CMB deletion action                                                                                                                                                               |
| <b>Requirement</b> | TIPS shall allow an actor with suitable permissions to delete accounts and CMBs; an account shall be erasable as long as its balance is zero and after its closing date has been reached. |

This requirement refers to regular Participant/Ancillary System accounts. In order to ensure that accounts/CMBs to be deleted cannot be used anymore they should be blocked for crediting/increases and debiting/decreases prior deletion.

|                    |                                                                                                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.210</b>                                                                                                                                                             |
| <b>Name</b>        | Account/CMB creation/update/deletion effect timeframe                                                                                                                             |
| <b>Requirement</b> | TIPS shall ensure that newly created accounts or CMBs are available on their opening date. Account or CMB updates and deletions shall be effective on the next RTGS business day. |

These reference data updates are effective, i.e. usable from a business point of view, on the next RTGS business day; additional reference data changes, which are described in the following subsections, might be effective after a shorter timeframe (e.g. immediately).

### **5.4.3 Account/CMB and Participant/Ancillary System Blocking and Unblocking**

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.220</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Name</b>        | Account blocking action                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | TIPS shall allow Central Banks to block an account for debiting or crediting (separately) or both. This blocking shall apply down to all linked CMBs and prevents their headroom from being decreased (blocked for debiting) and/or increased (blocked for crediting). This shall be applied to CMBs which have been created after the blocking was in effect as well. The account blocking shall override but not overwrite the CMB blocking states. |

Blocking of an account for debiting, crediting (can be chosen separately) or both entails blocking of the same kind (i.e. decreases, increases or both) of the headroom of all linked CMBs (even those created after the account blocking is in effect). Blocking ensures that an account cannot be debited and/or credited. Central Banks can override this blocking in, e.g. contingency<sup>17</sup> situations or prior closing of an account.

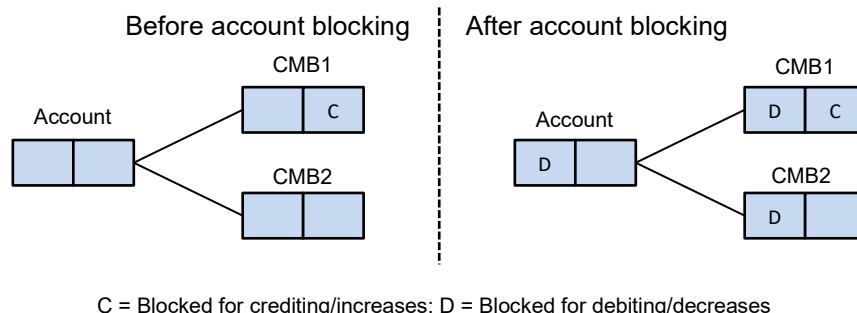
However, the individual blocking states of the CMBs should not be overwritten in order to preserve their status. E.g. account blocking for debiting results in blocking of all CMBs headroom for decreases; if some CMB is already blocked for headroom increases this CMB is, effectively, blocked for both, decreases and increases (see CMB1 in Figure 16 below).

Reserved amounts on an account blocked for debiting can still be settled, since the blocking check has already been performed at this stage.

---

<sup>17</sup> Potential contingency scenarios are, e.g. insolvency of a Participant and subsequent repatriation of funds.

**Figure 18**  
**Example for Account/CMB blocking**



|                    |                                                                                                                                                                                                                                                                                    |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.230</b>                                                                                                                                                                                                                                                              |
| <b>Name</b>        | Account unblocking action                                                                                                                                                                                                                                                          |
| <b>Requirement</b> | TIPS shall allow Central Banks to unblock an account which has been previously blocked (separately for debiting and crediting). This unblocking shall be applied down to all linked CMBs and revert their blocking status to whatever was in effect prior to the account blocking. |

Unblocking of an account restores the linked CMB blocking states which were in effect prior account blocking. E.g. a CMB which was blocked for crediting prior blocking the underlying account for debiting is still blocked for crediting after the account has been unblocked.

|                    |                                                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.240</b>                                                                                                       |
| <b>Name</b>        | CMB blocking action                                                                                                         |
| <b>Requirement</b> | TIPS shall allow a Participant/Ancillary System to block its CMBs for headroom decreases or increases (separately) or both. |

The CMB can be blocked for being decreased (linked account would be debited) or increased (linked account would be credited) separately.

|                    |                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.250</b>                                                                                                                                    |
| <b>Name</b>        | CMB unblocking action                                                                                                                                    |
| <b>Requirement</b> | TIPS shall allow a Participant/Ancillary System to unblock its CMBs which have been previously blocked (separately for headroom decreases or increases). |

Unblocking of a CMB restores the CMB blocking state which was in effect prior blocking of the CMB; it is then again available for headroom decreases or increases or both.

|                    |                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.260</b>                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name</b>        | Participant/Ancillary System blocking action                                                                                                                                                                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall allow a Central Bank to block a TIPS Participant/Ancillary System of its national community for crediting, debiting or both. This Participant/Ancillary System blocking shall result in blocking of all accounts and CMBs owned by that Participant. The Participant/Ancillary System blocking shall override but not overwrite the account blocking states. |

Central Banks are allowed to block Participants/Ancillary Systems of their national community in case of, e.g. insolvency. Similar to the account blocking which does not overwrite the CMB blocking states Participant/Ancillary System blocking does not overwrite the account blocking state in order to restore them if the blocking is undone. Currently only Participant/Ancillary System blocking is foreseen; there is no similar functionality for Reachable Parties since those can be linked with only one single account or CMB, which could be blocked individually.

|                    |                                                                                                                                                                                                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.270</b>                                                                                                                                                                                                                                                         |
| <b>Name</b>        | Participant/Ancillary System unblocking action                                                                                                                                                                                                                                |
| <b>Requirement</b> | TIPS shall allow a Central Bank to unblock a TIPS Participant/Ancillary System of its national community for crediting, debiting or both. This unblocking shall restore the account blocking states to whatever they were prior to the Participant/Ancillary System blocking. |

Unblocking of a Participant/Ancillary System restores the account blocking states which were in effect prior blocking of the Participant/Ancillary System. E.g. an account which was blocked for crediting prior blocking the Participant for debiting is still blocked for crediting after the Participant/Ancillary System has been unblocked.

|                    |                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.280</b>                                                                                                                                    |
| <b>Name</b>        | Account/CMB blocking/unblocking effect timeframe                                                                                                         |
| <b>Requirement</b> | TIPS shall ensure that account/CMB blocking and unblocking are in effect immediately; this shall encompass account blocking due to participant blocking. |

Blocking and unblocking of Participants/Ancillary Systems, accounts or CMBs should be effective immediately for, e.g. insolvency. It does not matter how the blocking is triggered (i.e. by blocking a Participant/Ancillary System, account or CMB directly).

|                    |                                                                                                                                                        |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.290</b>                                                                                                                                  |
| <b>Name</b>        | Liquidity transfers for blocked accounts                                                                                                               |
| <b>Requirement</b> | TIPS shall allow Central Banks to transfer liquidity from/to any account in their books to/from the RTGS, regardless of the account's blocking status. |

After an insolvency or closing of an account Central Banks should be able to transfer liquidity from/to blocked TIPS dedicated cash accounts in their books to/from the RTGS.

#### 5.4.4 CMB Limits

|                    |                                                                                                                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.330</b>                                                                                                                                                                      |
| <b>Name</b>        | CMB limit change action                                                                                                                                                                    |
| <b>Requirement</b> | TIPS shall allow an actor with suitable permissions to change the limit of a CMB. This limit change shall increase the headroom by the difference between the new limit and the old limit. |

CMB limit changes can be done by Participants/Ancillary Systems owning the underlying account or Instructing Parties (given they have sufficient permissions). Change of a CMB limit results in a change of the headroom (from  $H_{old}$  to  $H_{new}$ ) by the difference between the new ( $L_{new}$ ) and old limit ( $L_{old}$ ):  $H_{new}=H_{old}+(L_{new}-L_{old})$ . In case  $L_{new}>L_{old}$  the headroom is increased; in case  $L_{new}<L_{old}$  the headroom is decreased. Due to a CMB limit decrease the headroom could become negative (if  $L_{old}<L_{new}$ ), which is similar to blocking of a CMB for headroom decreases (payment transactions are then rejected).

|                    |                                                                              |
|--------------------|------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.340</b>                                                        |
| <b>Name</b>        | CMB limit change effect timeframe                                            |
| <b>Requirement</b> | TIPS shall ensure that changes done to CMB limits are in effect immediately. |

Changes done to CMBs should be taken into account immediately.

#### 5.4.5 Entity Identifiers and Routing Table

|                    |                                                                                                                                              |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.350</b>                                                                                                                        |
| <b>Name</b>        | Distinguished names                                                                                                                          |
| <b>Requirement</b> | TIPS shall allow Participants/Ancillary Systems and Instructing Parties to use multiple distinguished names to communicate with the service. |

Each entity bound to a digital certificate is assigned a unique distinguished name (DN). This applies both to individuals and applications. Each Instructing Party (and therefore also each Participant/Ancillary System and Reachable Party acting as Instructing Party) may use multiple DNs to send payment transactions (and liquidity transfers) to TIPS.

|                    |                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.360</b>                                                                                                                                                                                               |
| <b>Name</b>        | Eleven digit BIC                                                                                                                                                                                                    |
| <b>Requirement</b> | TIPS shall use an eleven digit BIC (BIC11) whenever a BIC is required as identifying characteristic. If a BIC8 is used in a SCT Inst scheme message it shall be treated as an eleven digit BIC with "XXX" appended. |

TIPS should use eleven digit BIC codes in order to, e.g. identify account/CMBs to be used or identify distinguished names of allowed Instructing Parties.

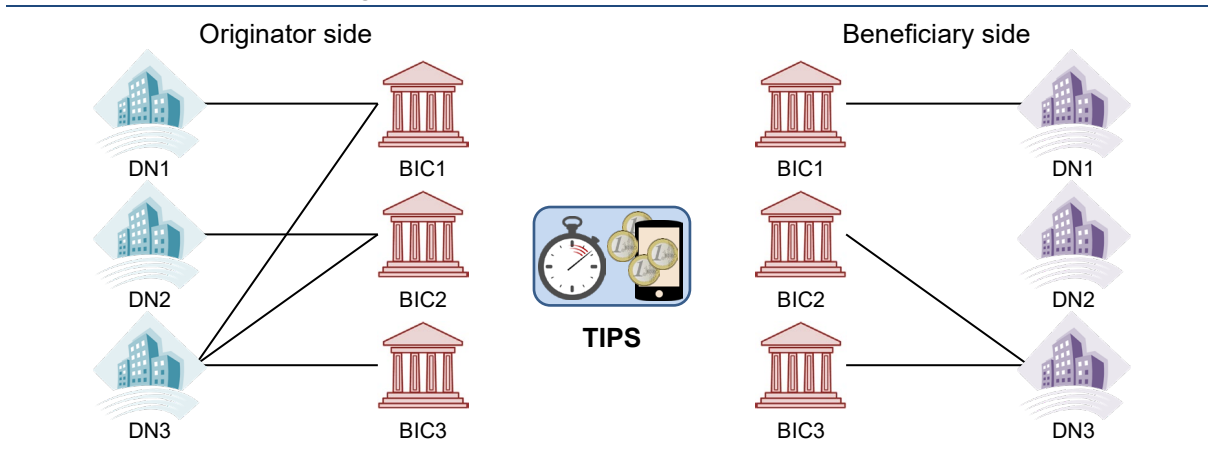
|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.370</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Distinguished name to BIC routing table change action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | <p>TIPS shall allow an actor with suitable permissions to create links between a Participant or Reachable Party's BICs and a distinguished name for whitelisting and routing purposes. Two cases are to be differentiated:</p> <ul style="list-style-type: none"> <li>• Inbound messages: TIPS shall allow a many to many relation between sender distinguished names and Originator Participant or Reachable Party BICs.</li> <li>• Outbound messages: TIPS shall ensure that there is a many to one relation between Beneficiary Participant or Reachable Party BICs and receiver distinguished names.</li> </ul> |

TIPS uses the routing table for checking whether a particular sender is authorised to send, e.g. payment transactions for the Originator Participant or Reachable Party BIC (field AT-06 in DS-02 of the payment transaction). Furthermore TIPS uses it for, e.g. looking up the correct receiver on the beneficiary side of the forwarded payment transaction, determined from the Beneficiary Participant or Reachable Party BIC (field AT-23 in DS-02).

Entities which are labelled as DNx in the example in Figure 17 below could be:

- the Participants themselves if they are instructing on their own;
- reachable parties if they are also acting as Instructing Parties;
- purely Instructing Parties (on the originator and beneficiary side, even if in the latter case they do not instruct but rather reply with a Beneficiary Participant reply message).

**Figure 19**  
**Example for DN to BIC mapping**



|                    |                                                                                                       |
|--------------------|-------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.380</b>                                                                                 |
| <b>Name</b>        | Routing table change effect timeframe                                                                 |
| <b>Requirement</b> | TIPS shall ensure that changes done to the routing table are in effect on the next RTGS business day. |

Routing table changes should be effective on the next business day.

|                    |                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.381</b>                                                                                                            |
| <b>Name</b>        | Uniqueness of user BIC                                                                                                           |
| <b>Requirement</b> | TIPS shall ensure that each BIC configured in the system is set up as a user of either one TIPS account or one CMB per currency. |

TIPS has to be able to uniquely identify the account or CMB to be used from the BICs and currency's provided in the payment transaction message.

#### 5.4.6 System Settings

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.390</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | System settings change actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Requirement</b> | <p>TIPS shall provide functionalities for the creation, update and deletion of system settings. Included system settings shall be (non-exhaustive list):</p> <ul style="list-style-type: none"> <li>• configurable parameters explicitly mentioned in user requirements: <ul style="list-style-type: none"> <li>○ duplicate transaction detection timeframe (TIPS.UR.03.090);</li> <li>○ SCT Inst timestamp timeouts (TIPS.UR.03.120, TIPS.UR.03.210);</li> <li>○ transaction amount (TIPS.UR.03.133 and TIPS.UR.03.721);</li> <li>○ data retention period for status inquiry (TIPS.UR.03.930);</li> <li>○ RTGS alert (TIPS.UR.04.110).</li> </ul> </li> <li>• the transit account for each currency.</li> </ul> |

These system settings changes are expected to occur on very rare occasions.

|                    |                                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.400</b>                                                                               |
| <b>Name</b>        | System settings change effect timeframe                                                             |
| <b>Requirement</b> | TIPS shall ensure that changes done to system settings are in effect on the next RTGS business day. |

System setting changes should be in effect during the next business day.

|                    |                                                                            |
|--------------------|----------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.401</b>                                                      |
| <b>Name</b>        | Maintenance of the RTGS status for liquidity management                    |
| <b>Requirement</b> | TIPS shall maintain the opening and closing status of each connected RTGS. |

TIPS uses the information on the RTGS status to reject outbound liquidity transfers when the RTGS is not available. On the basis of the triggers sent by the RTGS (e.g. via a camt.019 message), TIPS updates the opening/closing status of the corresponding RTGS.

Possible events of the operating day of the RTGS which require a status change are:

- start of the RTGS Maintenance Window (e.g. status change to closed);
- end of the RTGS Maintenance Window (e.g. status changed to open);



- start of RTGS End-of-Day Processing (e.g. status changed to closed);
- start of RTGS Night-Time phase (e.g. status changed to open).

A different status for liquidity management has to be maintained for each RTGS connected to TIPS.

#### **5.4.7 ISO Compliance**

|                    |                                                             |
|--------------------|-------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.410</b>                                       |
| <b>Name</b>        | Currency codes                                              |
| <b>Requirement</b> | TIPS shall store currencies as defined by the ISO standard. |

Currencies are, e.g. used as a parameter of accounts, which have to match on the originator and beneficiary side.

|                    |                                                                                 |
|--------------------|---------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.05.420</b>                                                           |
| <b>Name</b>        | Timestamps                                                                      |
| <b>Requirement</b> | TIPS shall use timestamp formats compliant with ISO for reporting and querying. |

TIPS shall use a timestamp format which is ISO compliant. The timestamps are used in reports and queries to identify specific events, e.g. entry timestamp, settlement timestamp, rejection timestamp.

## REPORTS

The chapter describes report requirements in the context of TIPS. A report may contain information on individual accounts or transactions which can be made available to the TIPS actors.

### 6.1 OVERVIEW

Based on the TIPS actors' needs in terms of time, scope or nature of data (detailed or aggregated), several reports are available in TIPS to support business monitoring and reconciliation. They contain information which is based on the data available for a specific actor according to their roles.

TIPS actors subscribe to reports they want to receive from a pre-defined list according to the roles as described in Table 14 below. TIPS provides the reports only to those actors. The report subscription as described in section 6.3 is essential and needs to be configured prior to the report generation.

### 6.2 GENERAL REQUIREMENTS

|                    |                                                                         |
|--------------------|-------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.010</b>                                                   |
| <b>Name</b>        | Application-to-application communication                                |
| <b>Requirement</b> | All reports shall be available in application-to-application mode only. |

TIPS is able to produce and send reports only via an application-to-application interface.

|                    |                                                                                                                                                                                    |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.020</b>                                                                                                                                                              |
| <b>Name</b>        | Report generation                                                                                                                                                                  |
| <b>Requirement</b> | TIPS shall initiate the generation of reports using the data available at the time scheduled in the report subscription (Table 15) or at the end-of-day of the corresponding RTGS. |

TIPS relies on a trigger provided by the RTGS to signal the end-of-day, at which point the report generation can be started.

|                    |                                                                                                                        |
|--------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.030</b>                                                                                                  |
| <b>Name</b>        | Report addressee and data scope                                                                                        |
| <b>Requirement</b> | TIPS shall provide to TIPS actors reports on their accounts based on the permissions listed in the following Table 14. |

If a Reachable Party requests information to fulfil their reconciliation or regulatory needs for an account or CMB set up for this Reachable Party, the data has to be provided by the TIPS Participant/Ancillary System responsible for the account or CMB outside of TIPS.

**Table 14: Report addressee and data scope**

| Actor                                            | Statement of Account Turnover                             | Statement of Accounts                                     |
|--------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Central Bank                                     | No                                                        | No                                                        |
| Participant                                      | Own accounts                                              | Own accounts <sup>18</sup>                                |
| Ancillary System                                 | Own AS technical account                                  | Own AS technical account <sup>19</sup>                    |
| Reachable party                                  | No                                                        | No                                                        |
| Instructing party on behalf of a Participant     | Accounts for which their Participant's BIC is set as user | Accounts for which their Participant's BIC is set as user |
| Instructing party on behalf of a Reachable Party | No                                                        | No                                                        |

An RTGS system actor has access to all transactions that have been settled on accounts denominated in its currency.

|                    |                                                |
|--------------------|------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.040</b>                          |
| <b>Name</b>        | Data compression for reports                   |
| <b>Requirement</b> | TIPS shall compress reports whenever possible. |

The compression is done using industry standard algorithms (e.g. zip), which will be further detailed in the UDFS.

|                    |                                                           |
|--------------------|-----------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.050</b>                                     |
| <b>Name</b>        | Report timestamp                                          |
| <b>Requirement</b> | TIPS shall provide timestamps in an ISO compliant format. |

TIPS uses the timestamp format YYYY-MM-DDThh:mm:ss.sssZ. The date is displayed with a four-digit year and two digits for both month and day. The time is displayed with two digits for each of the hour, minute, second and three digits for millisecond. The letter T is used as a delimiter between date and time. The letter Z is used as a zone designator for the zero UTC offset.

|                    |                                                                                                                                                               |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.060</b>                                                                                                                                         |
| <b>Name</b>        | Delta mode                                                                                                                                                    |
| <b>Requirement</b> | TIPS shall be able to send in delta mode the following reports: <ul style="list-style-type: none"> <li>Statement of Accounts (see TIPS.UR.06.110).</li> </ul> |

A delta report covers the time between the last report trigger and the current one.

<sup>18</sup> The Statement of Accounts contains settled transactions on CMBs linked to the Participant's dedicated cash accounts as well.

<sup>19</sup> The Statement of Accounts contains settled transactions on CMBs linked to the Ancillary System's technical accounts as well.

|                    |                                                                                                                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.061</b>                                                                                                                                                                                                                |
| <b>Name</b>        | Full mode                                                                                                                                                                                                                            |
| <b>Requirement</b> | <p>TIPS shall be able to send in full mode the following reports:</p> <ul style="list-style-type: none"> <li>• Statement of Account Turnover (see TIPS.UR.06.100);</li> <li>• Statement of Accounts (see TIPS.UR.06.110).</li> </ul> |

The Statement of Account Turnover is only available in “full” mode and covers the time since the last RTGS end-of-day and the trigger time. The Statement of Accounts contains either data generated within the last 24 hours or since the last RTGS end-of-day, depending on the trigger type:

- Within the last 24 hours in case of frequency trigger; and
- since the last RTGS end-of-day in case of RTGS date change trigger.

|                    |                                                                             |
|--------------------|-----------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.070</b>                                                       |
| <b>Name</b>        | Reports communication                                                       |
| <b>Requirement</b> | TIPS shall allow sending the same report to different technical addressees. |

TIPS is able to send reports to multiple authorised addressees.

## 6.3 REPORT SUBSCRIPTION

|                    |                                                                                                                                                                                                                                                           |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.080</b>                                                                                                                                                                                                                                     |
| <b>Name</b>        | Report subscription                                                                                                                                                                                                                                       |
| <b>Requirement</b> | <p>TIPS shall offer TIPS actors the flexibility to subscribe to the following reports:</p> <ul style="list-style-type: none"> <li>• Statement of Account Turnover (see TIPS.UR.06.100);</li> <li>• Statement of Accounts (see TIPS.UR.06.110).</li> </ul> |

TIPS actors are able to configure their report subscription via the GUI. TIPS Participants/Ancillary Systems may select the reports from a defined list.

**Table 15: Report Subscription Attributes**

| Attribute                      | Description                                                                                                                                                          |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report Subscription Identifier | This attribute shall specify the unique user-defined identifier of a report subscription.                                                                            |
| Report                         | This attribute shall contain the report subscribed by the TIPS actor.                                                                                                |
| Recipient                      | This attribute shall specify the party identifier of the receiver(s), subscribing to the reports.                                                                    |
| Mode                           | This attribute shall specify whether the TIPS actor receives the relevant report in full mode and/or in delta mode.                                                  |
| Scheduled Time                 | This attribute shall define the time slots, from a predefined list, when the report is provided to the TIPS actor. The trigger could be an RTGS business day change. |

| Attribute               | Description                                                                         |
|-------------------------|-------------------------------------------------------------------------------------|
| Subscription Valid From | This attribute shall specify the business day from which the subscription is valid. |
| Subscription Valid To   | This attribute shall specify the business day to which the subscription is valid.   |

These report subscription attributes allow e.g. sending of the same report to multiple addressees or triggering of the same report at different times during the day in delta mode.

|                    |                                                                                        |
|--------------------|----------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.090</b>                                                                  |
| <b>Name</b>        | Maintenance of the report subscription                                                 |
| <b>Requirement</b> | TIPS shall allow Participants/Ancillary Systems to maintain their report subscription. |

TIPS provides authorised TIPS actors with functionalities via the GUI to create, update or delete report subscriptions for accounts they are responsible for. Authorised TIPS actors are able to unsubscribe from a report by setting the Subscription Valid To date of the corresponding report subscription to the last day they want to receive the report. Report subscription changes are in effect as of the next business day.

## 6.4 TYPE OF REPORTS

|                    |                                                                                                                                                                          |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.100</b>                                                                                                                                                    |
| <b>Name</b>        | Statement of Account Turnover                                                                                                                                            |
| <b>Requirement</b> | TIPS shall generate a <i>Statement of Account Turnover</i> report for all accounts a Participant/Ancillary System is responsible for, in accordance with TIPS.UR.06.030. |

The Statement of Account Turnover report should contain at least the following information:

- the RTGS business date (the business day that is about to close);
- TIPS Participant/Ancillary System owner BIC identifier;
- TIPS account/AS technical account identifier;
- currency;
- opening balance (since the last report generation);
- closing balance (based on the latest data available);
- sum of debits;
- sum of credits.

In case the report is triggered at the end-of-day of an RTGS, the opening balance corresponds to the start-of-day balance and the closing balance to the end-of-day balance of the RTGS. Reserved amounts are taken into account in the calculation of the start-of-day and end-of-day balances.

|                    |                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.110</b>                                                                                                                                            |
| <b>Name</b>        | Statement of Accounts                                                                                                                                            |
| <b>Requirement</b> | TIPS shall generate a <i>Statement of Accounts</i> report for all accounts a Participant/Ancillary System is responsible for, in accordance with TIPS.UR.06.030. |

The Statement of Accounts report lists all settled transactions on an account; these transactions are payment transactions or liquidity transfers. The report should contain at least the following information:

- the RTGS business date (the business day that is about to close);
- TIPS Participant/Ancillary System owner BIC identifier;
- TIPS account/AS technical account identifier;
- currency;
- amount of each transaction;
- initial balance prior each transaction;
- final balance after each transaction;
- transaction references;
- settlement timestamp.

## 6.5 NOTIFICATION SUBSCRIPTION

In addition to reports TIPS foresees real-time notifications in case defined trigger events occurred. Possible triggers are the undercut of a floor value, the excess of a ceiling value or an inbound liquidity transfer from an RTGS system (for accounts only).

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.210</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name</b>        | Notification subscription                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Requirement</b> | <p>TIPS shall allow Participants/Ancillary Systems and Instructing Parties acting on behalf of Participants to enable and maintain the following notifications for accounts or CMBs linked to accounts owned by the Participant/Ancillary System:</p> <ul style="list-style-type: none"> <li>• Account floor notification (accounts/CMBs)</li> <li>• Account ceiling notification (accounts/CMBs)</li> <li>• CMB headroom floor notification (accounts/CMBs)</li> <li>• CMB headroom ceiling notification (accounts/CMBs)</li> <li>• Inbound liquidity transfer (accounts only)</li> <li>• Outbound liquidity transfer (accounts only)</li> <li>• Intra-service liquidity transfer (accounts only)</li> </ul> <p>These notifications shall be configurable on an account/CMB level.</p> |

Notifications can be configured via a GUI and they are in effect as of the next business day.

|                    |                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.220</b>                                                                                                   |
| <b>Name</b>        | Floor and ceiling notification addressees                                                                               |
| <b>Requirement</b> | TIPS shall send floor and ceiling notifications to the Participant/Ancillary System responsible for the account or CMB. |

All notifications are sent to the owner of the account or CMB in order to allow it to trigger further actions such as liquidity transfers from/to the RTGS or adjustment of the CMB limit.

## 6.6 NOTIFICATIONS

|                    |                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.230</b>                                                                                                     |
| <b>Name</b>        | Account floor notification                                                                                                |
| <b>Requirement</b> | TIPS shall notify the configured entity/entities if the balance of an account decreases below the configured floor value. |

A notification is sent out every time the account balance goes below a floor value. Multiple notifications could be sent out in short order if the account balance varies around the floor value.

|                    |                                                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.240</b>                                                                                                       |
| <b>Name</b>        | Account ceiling notification                                                                                                |
| <b>Requirement</b> | TIPS shall notify the configured entity/entities if the balance of an account increases above the configured ceiling value. |

A notification is sent out every time the account balance goes above a ceiling value. Multiple notifications could be sent out in short order if the account balance varies around the ceiling value.

|                    |                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.250</b>                                                                                                 |
| <b>Name</b>        | CMB headroom floor notification                                                                                       |
| <b>Requirement</b> | TIPS shall notify the configured entity/entities if the headroom of a CMB decreases below the configured floor value. |

A notification is sent out every time the CMB headroom goes above a floor value. Multiple notifications could be sent out in short order if the CMB headroom varies around the floor value.

|                    |                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.260</b>                                                                                                   |
| <b>Name</b>        | CMB headroom ceiling notification                                                                                       |
| <b>Requirement</b> | TIPS shall notify the configured entity/entities if the headroom of a CMB increases above the configured ceiling value. |

A notification is sent out every time the CMB headroom goes above a ceiling value. Multiple notifications could be sent out in short order if the CMB headroom varies around the ceiling value.

|                    |                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.270</b>                                                                      |
| <b>Name</b>        | Liquidity transfer credit notification                                                     |
| <b>Requirement</b> | TIPS shall notify the configured entity if an inbound liquidity transfer has been settled. |

|                    |                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.271</b>                                                                       |
| <b>Name</b>        | Liquidity transfer debit notification                                                       |
| <b>Requirement</b> | TIPS shall notify the configured entity if an outbound liquidity transfer has been settled. |

|                    |                                                                                                  |
|--------------------|--------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.06.272</b>                                                                            |
| <b>Name</b>        | Liquidity transfer credit/debit notification                                                     |
| <b>Requirement</b> | TIPS shall notify the configured entity if an intra service liquidity transfer has been settled. |

The ISO message for this notification could be, e.g. a camt.054.



## **7 QUERIES**

TIPS provides real time queries which allow Participants, Ancillary Systems and Instructing Parties to retrieve data based on the most recent situation known to TIPS. This chapter describes the different queries available.

### **7.1 OVERVIEW**

TIPS provides queries to TIPS actors which allow them to monitor the current cash balance of accounts or settlement states of payments. These queries are either available in application-to-application (A2A) or user-to-application (U2A) mode. The reply to a query is transmitted via the same channel as the query itself.

TIPS restricts access to data based on the permissions outlined in Table 16. While Central Banks have access to all accounts in their books (and subsequently to all transactions on these accounts) Participants and Ancillary Systems can only access their own accounts. Access for Instructing Parties is even further restricted to those accounts which they are permitted to instruct on or to transactions they submitted.

The technical actors RTGS System and TIPS Operator have full access to all data for a particular currency or all currencies.

### **7.2 GENERAL REQUIREMENTS**

|                    |                                                                                                                                                                                                                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.010</b>                                                                                                                                                                                                                                                                   |
| <b>Name</b>        | Availability for queries in application-to-application mode                                                                                                                                                                                                                             |
| <b>Requirement</b> | TIPS shall process the following queries 24/7/365: <ul style="list-style-type: none"><li>• Account Balance and Status Query (see TIPS.UR.07.060);</li><li>• CMB Limit and Status Query (see TIPS.UR.07.070);</li><li>• Payment Transaction Status Query (see TIPS.UR.07.080).</li></ul> |

All queries accessible via A2A are available during the operating hours of the TIPS service, i.e. 24/7/365. Query messages are based on XML technology and should comply with ISO 20022 whenever applicable.

|                    |                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.020</b>                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Availability for queries in user-to-application mode                                                                                                                                                                                                                                                                                |
| <b>Requirement</b> | TIPS shall accept the following queries from the Graphical User Interface on a 24/7/365 basis: <ul style="list-style-type: none"><li>• Account Balance and Status Query (see TIPS.UR.07.060);</li><li>• CMB Limit and Status Query (see TIPS.UR.07.070);</li><li>• Payment Transaction Status Query (see TIPS.UR.07.080).</li></ul> |

All queries accessible via U2A are available during the operating hours of the TIPS service, i.e. 24/7/365.

|                    |                                                                                  |
|--------------------|----------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.030</b>                                                            |
| <b>Name</b>        | Availability of data                                                             |
| <b>Requirement</b> | TIPS shall process all queries in real time, based on the latest available data. |

Queries sent in A2A mode or in U2A mode are not queued and processed immediately, using the most recent data available in the system.

|                    |                                                                                                                                                                                |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.040</b>                                                                                                                                                          |
| <b>Name</b>        | Processing of queries                                                                                                                                                          |
| <b>Requirement</b> | TIPS shall take into account all access rights while processing queries and only return results if the querying party has access to the underlying data according to Table 16. |

If party does not have access to the underlying data the query should return an error code. The following Table 16 summarises the different access that TIPS actors have.

**Table 16: Query permissions**

| <b>Actor</b>                                       | <b>Account Balance and Status Query</b>                                 | <b>CMB Limit and Status Query</b>                                                               | <b>Payment Transaction Status Query</b>                     |
|----------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Central Bank                                       | All accounts in their books                                             | All CMBs linked to accounts in their books                                                      | All transactions affecting accounts in their books          |
| Participant                                        | Own accounts                                                            | Own CMBs                                                                                        | All transactions affecting their accounts or CMBs           |
| Ancillary System                                   | Own AS technical account                                                | Own CMB                                                                                         | All transactions affecting their accounts or CMBs           |
| Reachable party                                    | No                                                                      | No                                                                                              | No                                                          |
| Instructing party on behalf of a Participant       | Participant's accounts for which their Participant's BIC is set as user | CMBs linked to Participant's accounts for which their Participant's BIC is set as user          | On transactions they submitted                              |
| Instructing party on behalf of a Reachable Party   | No                                                                      | CMBs linked to Reachable Party's accounts for which their Reachable Party's BIC is set as users | On transactions they submitted                              |
| Instructing party on behalf of an Ancillary System | Ancillary System's account                                              | CMBs linked to Ancillary System's account                                                       | On transactions they submitted                              |
| RTGS System                                        | Yes, on all accounts denominated in their currency                      | Yes, on all CMBs denominated in their currency                                                  | Yes, on all accounts and CMBs denominated in their currency |

|                    |                                                           |
|--------------------|-----------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.050</b>                                     |
| <b>Name</b>        | Query timestamp                                           |
| <b>Requirement</b> | TIPS shall provide timestamps in an ISO compliant format. |

TIPS uses the timestamp format YYYY-MM-DDThh:mm:ss.sssZ. This requirement is identical to TIPS.UR.06.050, which covers reports.

### 7.3 TYPE OF QUERIES

|                    |                                                                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.060</b>                                                                                                                      |
| <b>Name</b>        | Account Balance and Status Query                                                                                                           |
| <b>Requirement</b> | TIPS shall provide an <i>Account Balance and Status Query</i> to TIPS actors, which returns the current balance and status of one account. |

The query should support the following selection criterion:

- Account identifier.

The query should return at least the following information for one account:

- TIPS Participant or Ancillary System identifier;
- Account identifier;
- current balance, which is the sum of unreserved and reserved balances;
- currency;
- account status;
- timestamp of the query.

Table 16 lists actors' permissions regarding access to the underlying data.

|                    |                                                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.070</b>                                                                                                         |
| <b>Name</b>        | CMB Limit and Status Query                                                                                                    |
| <b>Requirement</b> | TIPS shall provide a <i>CMB Limit and Status Query</i> to TIPS actors, which returns the current limit and status of one CMB. |

The query should support the following selection criterion:

- TIPS CMB identifier.

The query should return at least the following information for one CMB:

- TIPS Participant or Ancillary system identifier;
- Account identifier;
- TIPS CMB identifier;
- CMB limit (original value setup in the system);
- CMB headroom (current value of CMB headroom);
- currency;
- CMB status;
- timestamp of the query.

Table 16 lists actors' permissions regarding access to the underlying data.

|                    |                                                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.07.080</b>                                                                                                                     |
| <b>Name</b>        | Payment Transaction Status Query                                                                                                          |
| <b>Requirement</b> | TIPS shall provide a <i>Payment Transaction Status Query</i> to TIPS actors, which returns the current status of one payment transaction. |

The query should support the following selection criteria:

- the Originator Participant or Reachable Party BIC (field AT-06 in DS-02);
- the message reference (field AT-43 in DS-02).

The query should return at least the following information for one payment transaction:

- the Participant who submitted the payment transaction;
- the originator BIC of the payment transaction;
- the beneficiary BIC of the payment transaction;
- the payment transaction reference;
- the payment transaction status (i.e. settled or rejected with rejection reason);
- the amount of the payment transaction;
- the settlement timestamp (if available).
- the settlement business date;
- Payment transaction acceptance date and timestamp (as provided by the originator PSP);
- Payment transaction date and timestamp received by TIPS;
- Payment transaction date and timestamp sent by TIPS to beneficiary PSP;
- Payment confirmation date and timestamp received by TIPS (from beneficiary PSP);
- Payment confirmation date and timestamp sent by TIPS to originator PSP;
- Debit account postings;
- Debited account balance;
- Credited account postings;
- Credited account balance.

TIPS allows actors to query payment transactions which are still available in memory. The data retention specified in TIPS.UR.03.930 applies to payment transaction queries as well and is initially set to five calendar days. In case the payment transaction reference given is not unique only the most recent set of data should be returned.

Table 16 lists actors' permissions regarding access to the underlying data.

## 8 INTERFACES

Communication with TIPS is done either via user-to-application (U2A) mode or application-to-application (A2A) mode. U2A requires the provision of a GUI while A2A relies on XML messages.

### 8.1 GENERAL REQUIREMENTS

|                    |                                             |
|--------------------|---------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.010</b>                       |
| <b>Name</b>        | User authentication                         |
| <b>Requirement</b> | TIPS shall perform authentication of users. |

TIPS adopts a strong two-factor authentication technique to guarantee secure identification and authentication in all the interactions between users and TIPS. Strong authentication is adopted also for privileged accounts (administrators, service desk operators, auditors, etc.). All users must have a unique identifier for their personal use only and it cannot be reassigned to a different user neither in a different timeframe.

A strong authentication technique (not necessarily two factors) shall also be applied to connect applications to TIPS in application-to-application mode.

Formally documented and approved user provisioning procedures are in place to assign and revoke user identifiers.

|                    |                                            |
|--------------------|--------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.020</b>                      |
| <b>Name</b>        | User authorisation                         |
| <b>Requirement</b> | TIPS shall perform authorisation of users. |

TIPS ensures that Participants are allowed to perform only actions on data within the scope of their roles and responsibilities. Access rights must be granted according to the security principles of separation of duties and least privilege. Furthermore, access rights are subject to periodical review by their asset/system owner.

Formally documented and approved user provisioning procedures are in place to assign and revoke access rights to users.

### 8.2 U2A INTERFACE

TIPS Participants granted with the appropriate privileges can communicate with TIPS in U2A mode via a web-based graphical user interface (GUI).

## 8.2.1 General requirements

|                    |                                                                                                                                 |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.030</b>                                                                                                           |
| <b>Name</b>        | User-to-application communication                                                                                               |
| <b>Requirement</b> | TIPS shall provide to TIPS actors a user-to-application interface with the functionality and availability as given in Table 17. |

TIPS provides TIPS actors with a Graphical User Interface offering basic functionalities to access information and controls (e.g. U2A queries, reference data maintenance).

**Table 17: Interface – Overview (non-exhaustive list)**

| Type           | Description                                         | Section | U2A                              | A2A                              |
|----------------|-----------------------------------------------------|---------|----------------------------------|----------------------------------|
| Report         | Statement of Account Turnover                       | 6.4     | N/A                              | 24/7/365                         |
| Report         | Statement of Accounts                               | 6.4     | N/A                              | 24/7/365                         |
| Notification   | Floor/ceiling notification                          | 6.6     | N/A                              | 24/7/365                         |
| Query          | Account Balance and Status Query                    | 7.3     | 24/7/365                         | 24/7/365                         |
| Query          | CMB Limit and Status Query                          | 7.3     | 24/7/365                         | 24/7/365                         |
| Query          | Payment Transaction Status Query                    | 7.3     | 24/7/365                         | 24/7/365                         |
| Reference Data | Report subscription                                 | 6.3     | Limited time <sup>20</sup>       | N/A                              |
| Reference Data | Floor/ceiling subscription                          | 6.5     | Limited time <sup>20</sup>       | N/A                              |
| Reference Data | List of Participants subscription                   | 9.2     | Limited time <sup>20</sup>       | N/A                              |
| Reference Data | Management of accounts/CMBs                         | 5.4.2   | Limited time <sup>20</sup>       | Limited time <sup>20</sup>       |
| Reference Data | Management of Participants and their reference data | 5.2     | Limited time <sup>20</sup>       | Limited time <sup>20</sup>       |
| Reference Data | Blocking/unblocking functionalities                 | 5.4.3   | 24/7/365                         | 24/7/365                         |
| Reference Data | Increase/decrease of a CMB limit                    | 5.4.4   | 24/7/365                         | 24/7/365                         |
| Reference Data | Routing table change                                | 5.4.5   | Limited time <sup>20</sup>       | N/A                              |
| Reference Data | System settings change                              | 5.4.6   | Limited time <sup>20</sup>       | N/A                              |
| Message        | Liquidity transfer order                            | 4.2     | RTGS opening hours <sup>21</sup> | RTGS opening hours <sup>21</sup> |
| Message        | SCT Inst scheme messages                            | 3       | N/A                              | 24/7/365                         |
| Other          | General Ledger                                      | 9.3     | N/A                              | 24/7/365                         |

<sup>20</sup> Limited time refers to the opening hours of the common reference data module.

<sup>21</sup> TIPS checks the status of the corresponding RTGS and rejects liquidity transfers submitted during its closing hours.

## **8.2.2 U2A Queries**

TIPS queries available in A2A mode are also available in U2A mode.

|                    |                                                                                                                                                                                                                                    |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.040</b>                                                                                                                                                                                                              |
| <b>Name</b>        | Query functions available in user-to-application mode at any point in time                                                                                                                                                         |
| <b>Requirement</b> | TIPS shall provide the following queries in U2A mode: <ul style="list-style-type: none"><li>• CMB Limits query and Status Query;</li><li>• Account Balance and Status Query;</li><li>• Payment Transaction Status Query.</li></ul> |

The detailed requirements related to those queries are documented in chapter 7.

## **8.2.3 Availability of U2A Functionalities**

The following reference data maintenance functionalities are available in U2A mode with two different service levels, i.e. (i) around-the-clock or (ii) during a limited timeframe.

|                    |                                                                                                                                                                                                                                                                                                                          |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.050</b>                                                                                                                                                                                                                                                                                                    |
| <b>Name</b>        | U2A functionality around the clock                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | TIPS shall provide the following functionalities in U2A mode around the clock: <ul style="list-style-type: none"><li>• Blocking/unblocking of a Participant/Ancillary System;</li><li>• Blocking/unblocking of an account;</li><li>• Blocking/unblocking of a CMB;</li><li>• Increase/decrease of a CMB limit.</li></ul> |

Crucial actions such as blocking of participants, ancillary systems and accounts or CMBs have to be possible 24/7/365.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.060</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name</b>        | U2A functionality during the opening hours of the common reference data module                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Requirement</b> | <p>TIPS shall provide the following functionalities in U2A mode during the opening hours of the common reference data module:</p> <ul style="list-style-type: none"> <li>• Management (creation/update/deletion) of an account or CMB;</li> <li>• Management (creation/update/deletion) of a Participant and its reference data (incl. Ancillary Systems, Reachable Parties and Instructing Parties);</li> <li>• Report subscription;</li> <li>• Floor/Ceiling subscription;</li> <li>• List of Participants subscription;</li> <li>• System settings change;</li> <li>• Routing table change;</li> <li>• Liquidity transfers (inbound and outbound liquidity transfers accepted only during the opening hours of the RTGS).</li> </ul> |

Access to less crucial functionality pertaining to reference data setup is limited to the opening hours of the common reference data module.

## 8.3 A2A MESSAGES

This section covers user requirements related A2A messages which have to be processed by TIPS. After some general requirements valid for all messages more detailed requirements for all messages mentioned in the process flow diagrams of preceding chapters are listed.

### 8.3.1 General requirements

|                    |                                                                   |
|--------------------|-------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.070</b>                                             |
| <b>Name</b>        | Application-to-application (A2A) communication                    |
| <b>Requirement</b> | TIPS shall provide an application-to-application (A2A) interface. |

TIPS shall allow connectivity of TIPS Participants by using messages in application-to-application (A2A) mode.

|                    |                                                                                                                                          |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.080</b>                                                                                                                    |
| <b>Name</b>        | ISO 20022 compliance for SCT Inst scheme messages                                                                                        |
| <b>Requirement</b> | TIPS shall use the 2009 version of the ISO 20022 XML message standard for inbound and outbound messages required by the SCT Inst scheme. |

For the initial implementation TIPS should use the 2009 version of the ISO 20022 XML message standard as defined by the EPC SCT Inst scheme. However, succeeding versions are not excluded and might be adopted in the future, if deemed necessary. This message version requirement does not impact the ISO version used for liquidity transfer messages.



|                    |                                                                                                                 |
|--------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.090</b>                                                                                           |
| <b>Name</b>        | Overall ISO 20022 compliance                                                                                    |
| <b>Requirement</b> | TIPS shall use ISO 20022 compliant XML for all the messages not included in the SCT Inst scheme, if applicable. |

Other formats should be used in case there is no available ISO 20022 message for the data to be transferred, or when the data to be transferred are specific to TIPS (e.g. raw data files), or when the volume of data to be transferred does not allow the usage of XML technology, from a resource consumption or performance viewpoint.

|                    |                                                                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.100</b>                                                                                                                                                                                            |
| <b>Name</b>        | Technical validation for inbound messages                                                                                                                                                                        |
| <b>Requirement</b> | TIPS shall perform technical validations on received messages, which encompass at least the following checks: Existence and ISO compliance of all mandatory fields as well as optional fields, if they are used. |

TIPS has to execute additional business validations as well; those depend on the actual message type and are listed together with the message in separate user requirements in chapters 3 and 4.

|                    |                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.101</b>                                                                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | SCT Inst scheme validation of scheme messages for settlement in euro                                                                                                                                                                                                                                                                                             |
| <b>Requirement</b> | In the settlement model for the euro currency, TIPS shall validate all message fields used by TIPS of all messages defined by the SCT Inst scheme for their compliance with the scheme. This validation shall include: (i) check for presence of mandatory fields and (ii) check for defined values for fields which contain status codes defined by the scheme. |

This SCT Inst scheme compliance validation is only performed for messages which have been defined in the scheme, e.g. payment transactions, Beneficiary Participant replies, recalls or recall responses. Fields which TIPS does not use (e.g. the IBANs in the payment transaction message) are not validated.

|                    |                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.110</b>                                                                                            |
| <b>Name</b>        | Stop of technical validation for inbound messages                                                                |
| <b>Requirement</b> | TIPS shall terminate the technical validation of a message as soon as the first validation error is encountered. |

As soon as the first validation error is encountered the validation process shall be stopped and a rejection code generated indicating which validation was erroneous. This rejection code has to be returned to the message sender.

### 8.3.2 Payment Process Messages

This section lists user requirements for all messages used during the payment process as detailed in section 3.2. The exact content of these messages is not always explicitly given but references to the

used SCT Inst datasets (DS-X) from the SCT Inst scheme rulebook (see ref. [1]) are included; fields which are optional or mandatory for these datasets are also optional/mandatory for TIPS. Furthermore used ISO messages are mentioned in the clarifications, taken from the SCT Inst inter-PSP implementation guidelines (see ref. [2]).<sup>22</sup>

|                    |                                                                                                                                                                                                                                                                        |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.120</b>                                                                                                                                                                                                                                                  |
| <b>Name</b>        | <i>Payment Transaction</i> message                                                                                                                                                                                                                                     |
| <b>Requirement</b> | TIPS shall accept payment transaction messages for the purpose of instant payments settlement. These messages shall contain at least the <i>inter-PSP payment dataset</i> (DS-02).<br>The SCT Inst timestamp, which is part of DS-02, AT-50, shall be measured in UTC. |

This message is called *SCT Inst transaction* in the SCT Inst rulebook from ref. [1]. According to the SCT Inst implementation guidelines the used ISO message for DS-02 is pacs.008.001.02. The *Time Stamp of the SCT Inst Transaction* (AT-50 in DS-02) is measured in UTC. It is the Participant's or Reachable Party's responsibility to ensure that their clocks are calibrated correctly.

|                    |                                                                                                                                                                                                                                                      |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.130</b>                                                                                                                                                                                                                                |
| <b>Name</b>        | <i>Rejection</i> message                                                                                                                                                                                                                             |
| <b>Requirement</b> | TIPS shall reply with rejection messages which contain at least the <i>negative confirmation message</i> dataset DS-03 (with RJCT code) to the Originator Participant or Instructing Party in case an instant payment transaction cannot be settled. |

This message is called *negative confirmation* in the SCT Inst rulebook from ref. [1]. These negative confirmation messages contain a reason code for the rejection. Potential reasons for a rejection are, e.g. validation errors, timeout or refusal of the Beneficiary Participant or Instructing Party to accept the funds. According to the SCT Inst implementation guidelines the used ISO message for DS-03 is pacs.002.001.03.

|                    |                                                                                                                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.140</b>                                                                                                                                                                                                                                      |
| <b>Name</b>        | <i>Beneficiary Participant Reply</i> message                                                                                                                                                                                                               |
| <b>Requirement</b> | TIPS shall process reply messages from Beneficiary Participants or Instructing Parties which contain at least the <i>confirmation message</i> dataset DS-03 (positive or negative). These messages inform TIPS about acceptance or decline of the payment. |

This message is called *negative/positive confirmation* in the SCT Inst rulebook from ref. [1]. According to the SCT Inst implementation guidelines the used ISO message for DS-03 is pacs.002.001.03.

<sup>22</sup> Deviations from the ISO messages used according to the SCT Inst Implementation Guidelines might be taken into account in defining the ISO messages to be used for the settlement transactions denominated in non-euro currencies.

|                    |                                                                                                                                                                                                                |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.150</b>                                                                                                                                                                                          |
| <b>Name</b>        | <i>Beneficiary Participant Status message</i>                                                                                                                                                                  |
| <b>Requirement</b> | TIPS shall inform the Beneficiary Participant in case its reply cannot be validated or times out. This message shall contain at least the <i>negative confirmation message</i> dataset DS-03 (with RJCT code). |

According to the SCT Inst implementation guidelines the used ISO message for DS-03 is pacs.002.001.03.

|                    |                                                                                                                                                                                                                                                                                |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.160</b>                                                                                                                                                                                                                                                          |
| <b>Name</b>        | <i>Confirmation message</i>                                                                                                                                                                                                                                                    |
| <b>Requirement</b> | TIPS shall inform both, the Originator and Beneficiary Participant or Instructing Party after the payment transaction has been settled successfully. This confirmation message shall contain at least the <i>positive confirmation message</i> dataset DS-03 (with ACCP code). |

This message is called *positive confirmation* in the SCT Inst rulebook from ref. [1]. According to the SCT Inst implementation guidelines the used ISO message for DS-03 is pacs.002.001.03. In addition, the positive confirmation message should carry a reference to TARGET2 business date, the sequence number (indicating the number of postings since the last business date change) and the final balance of the TIPS account.

### 8.3.3 Recall Process Messages

This section lists user requirements for all messages used during the recall process as detailed in section 3.3. The exact content of these messages is not always explicitly given but references to the used SCT Inst datasets (DS-X) from the scheme rulebook (see ref. [1]) are included; fields which are optional or mandatory for these datasets are also optional/mandatory for TIPS. Furthermore used ISO messages are mentioned in the clarifications, taken from the SCT Inst inter-PSP implementation guidelines (see ref. [2]).

|                    |                                                                                                                                                                                |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.170</b>                                                                                                                                                          |
| <b>Name</b>        | <i>Recall message</i>                                                                                                                                                          |
| <b>Requirement</b> | TIPS shall process inbound recall messages which contain at least the <i>recall of an SCT Inst</i> dataset DS-05 or <i>request for recall by the originator</i> dataset DS-08. |

The request for recall dataset contains the original payment transaction dataset DS-02 as a subset. According to the SCT Inst implementation guidelines the used ISO message for DS-05 is camt.056.001.01. *It is currently assumed that the ISO message for DS-08 is the same.*

|                    |                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.180</b>                                                                                                                                                                                                                                                                                                                                                        |
| <b>Name</b>        | <i>Recall Rejection message</i>                                                                                                                                                                                                                                                                                                                                              |
| <b>Requirement</b> | TIPS shall send recall rejection messages in case a recall cannot be validated. This message shall contain at least the message id of the payment transaction message which is recalled, a clear indication that the recall is rejected and a rejection reason code. The message id shall be taken from AT-43 of DS-02, which is part of the recall datasets DS-05 and DS-8. |

This message is not defined in the SCT Inst scheme rulebook. The ISO message used for this recall rejection could be pacs.002, but will be defined in the UDFS.

|                    |                                                                                                                                                                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.190</b>                                                                                                                                                                                                                                                 |
| <b>Name</b>        | <i>Recall Response message</i>                                                                                                                                                                                                                                        |
| <b>Requirement</b> | TIPS shall process inbound recall response messages which contain at least the <i>answer to a recall of an SCT Inst</i> dataset DS-06 (positive or negative) or the <i>response to the request for recall by the originator</i> dataset DS-09 (positive or negative). |

Recall response messages can contain a different set of information, depending on their characteristics, i.e. if they are positive (recall accepted) or negative (recall rejected). In case a positive recall response is given by the Beneficiary Participant or Instructing Party of the original payment transaction to be recalled additional processing has to be done by TIPS. According to the SCT Inst implementation guidelines the used ISO message for DS-06 is camt.029.001.03 (negative) or pacs.004.001.02 (positive). *It is currently assumed that the ISO messages for DS-09 are the same.*

|                    |                                                                                                                                                                                                |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.200</b>                                                                                                                                                                          |
| <b>Name</b>        | <i>Recall Response Rejection message</i>                                                                                                                                                       |
| <b>Requirement</b> | TIPS shall send recall response rejection messages in case a recall response cannot be validated or settling of the recalled amount fails. This message shall contain a rejection reason code. |

This message is not defined in the SCT Inst scheme rulebook. The ISO message used for this recall response rejection could be pacs.002, but will be defined in the UDFS.

|                    |                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.201</b>                                                                                    |
| <b>Name</b>        | <i>Recall Response Confirmation message</i>                                                              |
| <b>Requirement</b> | TIPS shall send recall response confirmation messages in case a recall response is settled successfully. |

This message is not defined in the SCT Inst scheme rulebook. The ISO message used for this recall response confirmation could be pacs.002, but will be defined in the UDFS.

|                    |                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.202</b>                                                                                                                                               |
| <b>Name</b>        | <i>Request for Status Update on a Recall message</i>                                                                                                                |
| <b>Requirement</b> | TIPS shall process a Request for Status Update on a Recall message initiated by an Originator Participant to check the status of the corresponding Recall Response. |

The ISO message used for the Request for Status Update on a Recall shall be a pacs.028.

The reply to a Request for Status Update on a Recall can be (i) either a Recall Response Confirmation or (ii) a Recall Response Rejection.

### 8.3.4 Status Inquiry Process Messages

This section lists user requirements for all messages used during the status inquiry process as detailed in section 3.4. The exact content of these messages is not always explicitly given but references to the used SCT Inst datasets (DS-X) from the SCT Inst scheme rulebook (see ref. [1]) are included. Furthermore used ISO messages are mentioned in the clarifications, taken from the SCT Inst inter-PSP implementation guidelines (see ref. [2]).

|                    |                                                                                                                                                                        |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.205</b>                                                                                                                                                  |
| <b>Name</b>        | <i>Status Inquiry message</i>                                                                                                                                          |
| <b>Requirement</b> | TIPS shall process <i>status inquiry</i> messages; these messages shall contain at least the <i>SCT Inst Transaction status investigation message dataset</i> (DS-07). |

According to the SCT Inst implementation guidelines the used ISO message for DS-07 is pacs.028.001.01 (which is currently a candidate ISO 20022 message and as such it is still under review).

|                    |                                                                                                                                                                        |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.206</b>                                                                                                                                                  |
| <b>Name</b>        | <i>Status Inquiry Rejection message</i>                                                                                                                                |
| <b>Requirement</b> | TIPS shall reply with <i>status inquiry rejection</i> messages in case a status inquiry cannot be validated. This reply message shall contain a rejection reason code. |

The ISO message used for this status inquiry rejection will be defined in the UDFS.

|                    |                                                                                                                                                                                                                                                                 |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.207</b>                                                                                                                                                                                                                                           |
| <b>Name</b>        | <i>Status Inquiry Reply message</i>                                                                                                                                                                                                                             |
| <b>Requirement</b> | For each transaction under investigation, TIPS shall reply with <i>status inquiry reply</i> messages which are copies of the original payment transaction rejection or confirmation message, which was sent to the Originator Participant or Instructing Party. |

These status inquiry reply messages contain the dataset DS-03, for which the ISO message pacs.002.001.03 is used.

### 8.3.5 Liquidity Transfer Messages

The TIPS service processes three different ISO compliant messages which are related to liquidity transfers, camt.025, camt.050 and camt.054. These messages are mandatory for communication with TIPS for all RTGS systems; however, in case of TARGET2 a more efficient solution for message processing might be feasible.

|                    |                                                                                      |
|--------------------|--------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.210</b>                                                                |
| <b>Name</b>        | <i>Liquidity Transfer</i> message                                                    |
| <b>Requirement</b> | TIPS shall process <i>liquidity transfer</i> messages which are ISO 20022 compliant. |

The used ISO message could be a camt.050 and will be further detailed in the UDFS. These messages are used as liquidity transfer orders sent from Participants/Ancillary Systems or Instructing Parties or the RTGS to TIPS triggering an inbound or outbound liquidity transfer.

|                    |                                                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.220</b>                                                                                                       |
| <b>Name</b>        | <i>RTGS Reply</i> message                                                                                                   |
| <b>Requirement</b> | TIPS shall process <i>RTGS reply</i> messages which are ISO 20022 compliant, accepting or rejecting the liquidity transfer. |

The used ISO message could be a camt.025 and will be further detailed in the UDFS. These messages are used as liquidity transfer confirmation messages sent from the RTGS informing TIPS about successful or failed settlement on the RTGS side.

|                    |                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.230</b>                                                                                                                |
| <b>Name</b>        | <i>Liquidity Transfer Negative Receipt</i> message                                                                                   |
| <b>Requirement</b> | TIPS shall send <i>liquidity transfer negative receipt</i> messages which are ISO 20022 compliant and reject the liquidity transfer. |

The used ISO message could be a camt.025 and will be further detailed in the UDFS. These messages are used as liquidity transfer rejection messages sent to the Participant/Ancillary System or Instructing Party or the RTGS after either validation of the liquidity transfer message failed or settlement of the liquidity transfer order failed (e.g. due to a rejection by the RTGS).

|                    |                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.240</b>                                                                                                                |
| <b>Name</b>        | <i>Liquidity Transfer Positive Receipt</i> message                                                                                   |
| <b>Requirement</b> | TIPS shall send <i>liquidity transfer positive receipt</i> messages which are ISO 20022 compliant and accept the liquidity transfer. |

The used ISO message could be a camt.025 and will be further detailed in the UDFS. These messages are used as liquidity transfer acceptance messages sent to the Participant/Ancillary System or Instructing Party or the RTGS after settlement of the liquidity transfer was successful.

|                    |                                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.250</b>                                                                                                                           |
| <b>Name</b>        | <i>Liquidity Transfer Credit Confirmation</i> message                                                                                           |
| <b>Requirement</b> | TIPS shall send liquidity transfer confirmation messages which are ISO 20022 compliant and confirm the successful credit of an account in TIPS. |

The used ISO message could be a camt.054 and will be further detailed in the UDFS. These messages are used as liquidity transfer credit confirmations sent to the Technical Address defined by the owner of the credited account.

|                    |                                                                                                                                                |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.08.251</b>                                                                                                                          |
| <b>Name</b>        | <i>Liquidity Transfer Debit Confirmation</i> message                                                                                           |
| <b>Requirement</b> | TIPS shall send liquidity transfer confirmation messages which are ISO 20022 compliant and confirm the successful debit of an account in TIPS. |

The used ISO message could be a camt.054 and will be further detailed in the UDFS. These messages are used as liquidity transfer debit confirmations sent to the Technical Address defined by the owner of the debited account.

## 9 OTHER FUNCTIONS

### 9.1 RAW DATA

TIPS provides raw data on a daily basis for additional services such as archiving or billing.

|                    |                                                                                |
|--------------------|--------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.010</b>                                                          |
| <b>Name</b>        | Application-to-application communication for raw data                          |
| <b>Requirement</b> | All raw data files shall be available in application-to-application mode only. |

TIPS is able to produce and send raw data only via an A2A interface.

|                    |                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.020</b>                                                                           |
| <b>Name</b>        | Raw data generation                                                                             |
| <b>Requirement</b> | TIPS shall initiate the generation of the raw data at the end of day of the corresponding RTGS. |

TIPS relies on a trigger provided by the RTGS (e.g. a camt.019 message) to signal the end of day, at which point the raw data generation is started. Raw data could be generated and sent during a period of low system demand, e.g. during night time; however, the underlying raw data has to be as of the time of trigger, i.e. the RTGS end of day.

|                    |                                                |
|--------------------|------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.050</b>                          |
| <b>Name</b>        | Raw data timestamp                             |
| <b>Requirement</b> | TIPS shall use UTC for the raw data timestamp. |

Timestamps are provided in an ISO compliant format. This requirement is identical to TIPS.UR.06.050, which covers reports.

|                    |                                                                                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.090</b>                                                                                                                               |
| <b>Name</b>        | Raw data                                                                                                                                            |
| <b>Requirement</b> | TIPS shall provide raw data on a daily basis (RTGS business day) that may be used by common Eurosystem and RTGS services for archiving and billing. |

Billable items per Participant, which have to be calculable from the raw data, are (non-exhaustive list):

- Number of settled and rejected payment transactions;
- Number of settled and rejected outbound liquidity transfers;
- Number of timed out Beneficiary Participant replies (in the role of Beneficiary Participant);
- Number of sent recalls and status inquiries;
- Number of owned accounts;
- Number and type of queries executed and reports received;
- Number and type of reference data changes executed.



If an Instructing Party acts on behalf of a Participant or Reachable Party the billable items are attributed to the Participant who is responsible for the Instructing Party. Further details will be specified in the UDFS.

## 9.2 LIST OF PARTICIPANTS

|                    |                                                                                                                                                                                                         |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.100</b>                                                                                                                                                                                   |
| <b>Name</b>        | List of Participants in TIPS                                                                                                                                                                            |
| <b>Requirement</b> | TIPS shall provide a list of entities reachable through the service for each currency; this list shall include the BICs of Participants and Reachable Parties, for which one account/CMB is configured. |

In order to provide Participants, Instructing Parties and Central Banks with a list of entities that can be reached through TIPS a table of all Participants and Reachable Parties, identified via their BIC, has to be maintained. This list should be made available to at least all Participants, Instructing Parties and Central Banks on a weekly basis.

|                    |                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.101</b>                                                                                                        |
| <b>Name</b>        | List of Participants subscription                                                                                            |
| <b>Requirement</b> | TIPS shall offer all TIPS actors the flexibility to receive the list of Participants either as a full or as a delta version. |

The subscription can be configured via a GUI.

## 9.3 GENERAL LEDGER

TIPS support monitoring of accounting requirements vis-à-vis the balance sheets, the calculation of the TARGET2 balances and the calculation of the Minimum Reserve by producing the General Ledger. More detailed requirements will be specified at a later stage in the UDFS.

|                    |                                                                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.110</b>                                                                                                                      |
| <b>Name</b>        | General Ledger                                                                                                                             |
| <b>Requirement</b> | TIPS shall provide to the corresponding RTGS the General Ledger automatically without subscription after the end of the RTGS business day. |

The General Ledger returns at least the following data:

- the RTGS business date (the business day that is about to close);
- TIPS Participant/Ancillary System identifier;
- TIPS account/AS Technical Account identifier;
- currency;
- opening balance at start-of-day;
- closing balance at end-of-day;
- sum of debits;
- sum of credits.

In case of an account which reached its closing date and the balance has not been reduced to zero, the balance has to be reported in the General Ledger.

The change of business date in TIPS is completed immediately after the snapshot of the account balances is executed. A different RTGS business date is maintained in TIPS for each connected RTGS.

After the implementation of the T2-T2S Consolidation project, the used ISO20022 message for TIPS General Ledger file could be a camt.053 and will be further detailed in the UDFS.

|                    |                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.09.120</b>                                                                                                                                                                                                                                               |
| <b>Name</b>        | Operational contingency measures                                                                                                                                                                                                                                    |
| <b>Requirement</b> | TIPS shall provide proper resilience and contingency measures to simulate any of the RTGS status messages in case the message is not received in TIPS. This avoids that the TIPS operation in terms of interaction with the RTGS is blocked in incident situations. |

As a contingency measure in case the communication between the RTGS and TIPS is out of service due to an ongoing incident, TIPS is able to simulate the trigger for the production of the General Ledgers or for changing the status of the corresponding RTGS (i.e. open/closed).

## **9.4 MOBILE PROXY LOOK-UP (MPL) SERVICE**

The aim of this section is to provide a detailed description of a Mobile Proxy Look-up (MPL) service that implements the functionality described in the Change Request TIPS-0002-URD (TARGET Instant Payment Settlement (TIPS) adoption of a Mobile Proxy Lookup Service).

More into detail, subsection §9.4.1 provides a general overview of the MPL service and a high-level description of its functionalities.

The following subsections, from §9.4.2 to §9.4.6, provide a detailed list of requirements, classified according to the following categories:

- functional requirements,
- non-functional requirements,
- operational requirements,
- information security and cyber-resilience requirements,
- data protection requirements.

### **9.4.1 MPL Service Description**

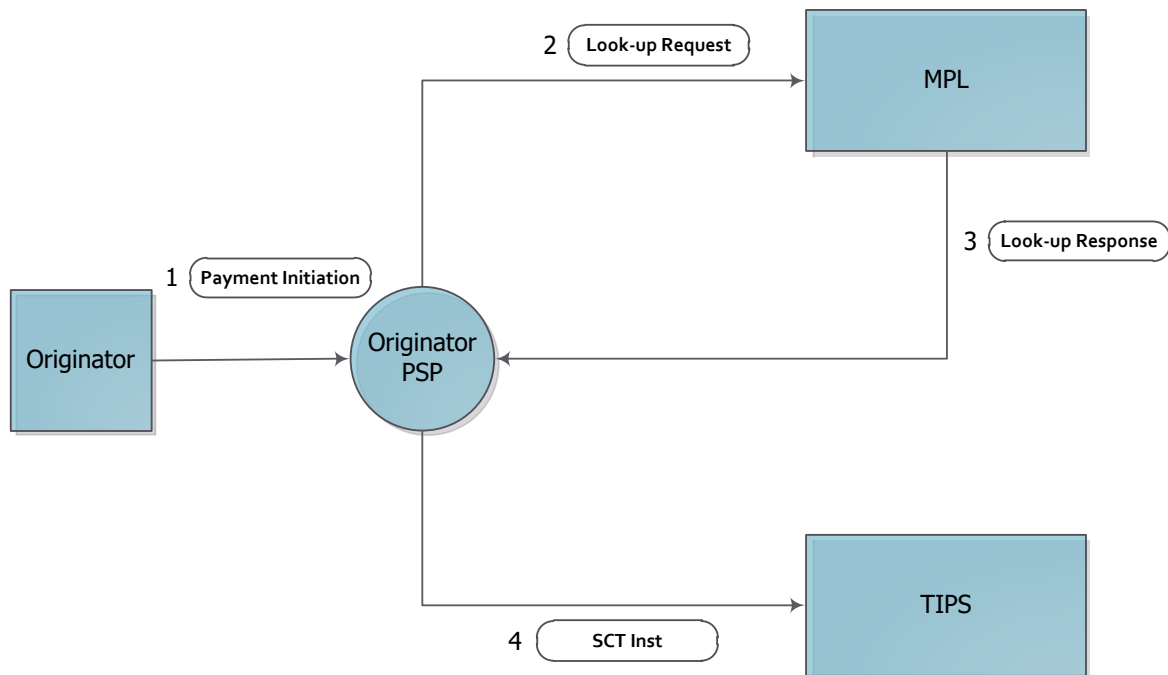
The MPL service shall be available to Payment Service Providers participating in TIPS, i.e. TIPS Participants and Reachable Parties<sup>23</sup>. Any TIPS Participant or Reachable Party having access to the MPL service is defined as a MPL Actor.

The MPL service shall enable MPL Actors, receiving from their customers the request to execute an instant payment in favour of a beneficiary identified with a proxy (e.g. a mobile number), to retrieve from

---

<sup>23</sup> This includes Instructing Parties, i.e. as it is allowed in TIPS, a TIPS Participant and a Reachable Party may authorize a third party to act as an Instructing Party on their behalf, i.e. to access the MPL service on their behalf.

a central MPL repository the corresponding beneficiary IBAN and the BIC to be used to credit the Beneficiary PSP in TIPS:



As shown in the diagram, these are the steps to be performed in order to transform a payment initiation request sent from an end-user (Originator) to its bank (Originator PSP) into an instant payment that can be settled by TIPS:

1. The Originator sends to the Originator PSP a request that includes the proxy of the Originator and the proxy of the Beneficiary. Starting from the proxy of the Originator, the Originator PSP identifies the relevant Originator BIC and Originator IBAN.
2. Starting from a digest of the proxy of the Beneficiary, obtained by applying a hashing function to the proxy, the Originator PSP submits a Look-up Request to MPL.
3. MPL returns to the Originator PSP a Look-up Response that includes (i) the relevant Beneficiary IBAN-and (ii) the Beneficiary BIC to be used to instruct TIPS.
4. The Originator PSP instructs TIPS with the Instant Payment transaction built by using the BIC and the IBAN of the Originator previously identified and the Beneficiary BIC and the Beneficiary IBAN received from MPL.

In order to allow MPL Actors mapping a beneficiary proxy into the corresponding IBAN and BIC as described above, the MPL service shall implement the following functionalities:

- management of access rights,
- set-up and maintenance of proxy-IBAN mapping information,
- real-time access to proxy-IBAN mapping information,
- tools for contingency scenarios.

The following sections provide a detailed list of requirements for the above listed functionalities. As far as the functionalities for real-time access to proxy-IBAN mapping information are concerned (see subsections 9.4.2.4 and 9.4.2.5), the specified requirements are based on the interoperability framework, the operational rules and the implementation guidelines established in the context of the *Joint Initiative pan-European Mobile P2P Interoperability* of the *Berlin Group*. At the same time, these requirements specify the adequate security measures needed to fulfil the prescriptions of the General Data Protection Regulation (EU) 2016/679.

## **9.4.2 Functional requirements**

### **9.4.2.1 Access to the service**

#### **9.4.2.1.1 MPL Actors**

|                    |                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.01.010</b>                                                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | MPL Actors                                                                                                                                                                                                                                                                                                                                      |
| <b>Requirement</b> | The MPL service shall be available to TIPS Participants and Reachable Parties. From a technical connectivity viewpoint, TIPS Participants and Reachable Parties may access themselves to the MPL service or may delegate a third party (i.e. an Instructing Party) for this. Any entity accessing the MPL service is generally named MPL Actor. |

#### **9.4.2.1.2 Authentication and authorisation**

|                    |                                                                                        |
|--------------------|----------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.01.020</b>                                                                   |
| <b>Name</b>        | User authentication                                                                    |
| <b>Requirement</b> | MPL shall implement the same user authentication process as TIPS (see TIPS.UR.08.010). |

|                    |                                                                                       |
|--------------------|---------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.01.030</b>                                                                  |
| <b>Name</b>        | User authorisation                                                                    |
| <b>Requirement</b> | MPL shall implement the same user authorisation process as TIPS (see TIPS.UR.08.020). |

### **9.4.2.2 Data structure**

#### **9.4.2.2.1 Proxies**

|                    |                                                                                                                                                                                                                                                  |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.010</b>                                                                                                                                                                                                                             |
| <b>Name</b>        | Proxy types                                                                                                                                                                                                                                      |
| <b>Requirement</b> | MPL shall allow the usage of mobile numbers as single type of proxy for IBANs.<br>MPL shall be potentially open to the future implementation of additional types of proxies for IBANs (e.g. e-mail addresses, social network IDs, business IDs). |

|                    |                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.020</b>                                                                                             |
| <b>Name</b>        | Mobile number                                                                                                    |
| <b>Requirement</b> | Each mobile number shall be identified by its MSISDN (Mobile Station International Subscriber Directory Number). |

#### 9.4.2.2.2 Proxy-IBAN Mapping Table

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.030</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Name</b>        | Proxy-IBAN Mapping Table                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Requirement</b> | <p>The Proxy-IBAN Mapping Table shall include all correspondences established by each MPL Actor between digest of proxies and IBANs. Each element of the mapping table shall include the following attributes:</p> <ul style="list-style-type: none"> <li>• Person Identification (Person Identifier data type)</li> <li>• Proxy digest (Alias data type)</li> <li>• IBAN (unique identification of the account, Creditor Account data type)</li> <li>• Authorized BIC (BIC configured in TIPS as Beneficiary BIC)</li> <li>• Account Owner (name of the owner of the account, optional)</li> <li>• Registration Timestamp (date and time by when the element was created or last updated)</li> <li>• MPL Actor BIC (BIC of the MPL Actor which uploaded the element of the mapping table)</li> <li>• Valid From Date and Time (date and time from which the element is valid)</li> <li>• Valid To Date and Time (date and time until which the element is valid)</li> <li>• Preference Indicator (for possible future use)</li> </ul> <p>Within the Proxy-IBAN Mapping Table, each Proxy may be linked to one and only one IBAN at any given point in time, whereas each IBAN may be linked to one or multiple proxies at any given point in time.</p> |

#### 9.4.2.2.3 Data types

|                    |                                                                                                                                                                                                                                                                                                                                                           |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.040</b>                                                                                                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Alias data type                                                                                                                                                                                                                                                                                                                                           |
| <b>Requirement</b> | <p>The Alias data type shall be used to specify values for digests of proxies. It shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Hashing Algorithm (always equal to SHA-256")</li> <li>• Identification (alias identifier, i.e. digest of a proxy type (always equal to MSDN) plus a mobile number)</li> </ul> |

|                    |                                                                                                                                                                                                                                                           |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.050</b>                                                                                                                                                                                                                                      |
| <b>Name</b>        | Amount data type                                                                                                                                                                                                                                          |
| <b>Requirement</b> | <p>The Amount data type shall be used to specify transaction amounts. It shall include the following data attributes:</p> <ul style="list-style-type: none"><li>• Amount (value of the transaction)</li><li>• Currency (ISO 4217 currency code)</li></ul> |

|                    |                                                                                                                                                                                                                                                                                                             |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.060</b>                                                                                                                                                                                                                                                                                        |
| <b>Name</b>        | Scheme data type                                                                                                                                                                                                                                                                                            |
| <b>Requirement</b> | <p>The Scheme data type shall be used to specify the name of the Originator or Receiver scheme. It shall include the following data attributes:</p> <ul style="list-style-type: none"><li>• Name (name of the scheme)</li><li>• Organisation Identification (unique identification of the scheme)</li></ul> |

|                    |                                                                                                                                                                                                                                                                                                                 |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.070</b>                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | Creditor Account data type                                                                                                                                                                                                                                                                                      |
| <b>Requirement</b> | <p>The Creditor Account data type shall be used to specify the creditor account number. It shall include the following data attributes:</p> <ul style="list-style-type: none"><li>• Scheme Account (true/false)</li><li>• IBAN (always equal to “IBAN” plus the unique identification of the account)</li></ul> |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.080</b>                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Name</b>        | Response data type                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Requirement</b> | <p>The Response data type shall be used to specify the result corresponding to a given request. It shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Result (true/false, indicates whether or not the digest for a given proxy could be match to an IBAN)</li> <li>• Result Details (not present in positive responses, optional in negative responses)</li> </ul> |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.02.090</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Name</b>        | Person Identifier data type                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Requirement</b> | <p>The Person Identifier data type shall be used to uniquely identify a physical person. It is the digest of the relevant country code plus the national identifier of the physical person. The national identifier is a set of personal data, possibly different for different countries, that allow to uniquely identify a physical person. The digest shall be calculated using the same hashing algorithm used to calculate the proxy digest.</p> |

#### 9.4.2.3 MPL repository maintenance

|                    |                                                                                                                                                                      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.03.010</b>                                                                                                                                                 |
| <b>Name</b>        | MPL Repository Maintenance Request                                                                                                                                   |
| <b>Requirement</b> | <p>The MPL service shall enable MPL Actors to setup and maintain the Proxy-IBAN Mapping Table in the MPL repository by means of single A2A maintenance requests.</p> |

|                    |                                                                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.03.020</b>                                                                                                                                                                                     |
| <b>Name</b>        | Maintenance Request Type                                                                                                                                                                                 |
| <b>Requirement</b> | <p>The MPL service shall support the following types of Maintenance Requests:</p> <ul style="list-style-type: none"> <li>• Create Element</li> <li>• Update Element</li> <li>• Delete Element</li> </ul> |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.03.030</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Name</b>        | Create Element Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | <p>Each Create Element Request shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Requestor Party (BIC of the MPL Participant requesting the creation of the Proxy-IBAN mapping)</li> <li>• Creation Date Time (timestamp of the request)</li> <li>• Person Identification (Person Identifier data type)</li> <li>• Proxy digest (Alias data type)</li> <li>• IBAN (unique identification of the account, Creditor Account data type)</li> <li>• Authorized BIC (BIC configured in TIPS as Beneficiary BIC)</li> <li>• Account Owner (name of the owner of the account, optional)</li> <li>• Valid From Date and Time (optional, if not provided, the system defaults to the current business date and time)</li> <li>• Valid To Date and Time (optional)</li> <li>• Preference Indicator (optional)</li> </ul> |

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| <b>ID</b>          | <b>MPL.FN.03.040</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Update Element Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Requirement</b> | <p>Each Update Element Request shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Creation Date Time (timestamp of the request)</li> <li>• Person Identification (Person Identifier data type, optional)</li> <li>• Proxy digest (Alias data type)</li> <li>• IBAN (unique identification of the account, Creditor Account data type, optional)</li> <li>• Account Owner (name of the owner of the account, optional)</li> <li>• Valid From Date and Time</li> <li>• Valid To Date and Time (optional)</li> <li>• Preference Indicator (optional)</li> </ul> |



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| <b>ID</b>          | <b>MPL.FN.03.050</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Name</b>        | Delete Element Request                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Requirement</b> | <p>Each Delete Element Request shall include the following data attributes:</p> <ul style="list-style-type: none"><li>• Transaction Identification (unique transaction identifier)</li><li>• Creation Date Time (timestamp of the request)</li><li>• Proxy digest (Alias data type)</li><li>• Valid From Date and Time (optional, if not provided, the system defaults to the most recent instance with past Valid From referencing the Proxy)</li></ul> |

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| <b>ID</b>          | <b>MPL.FN.03.060</b>                                                                                                                                                                                                                                                                                                                                                      |
| <b>Name</b>        | Maintenance Request validation                                                                                                                                                                                                                                                                                                                                            |
| <b>Requirement</b> | <p>Each Maintenance Request shall undergo the following validations:</p> <ul style="list-style-type: none"><li>• authentication<sup>24</sup></li><li>• authorisation</li><li>• data attributes check</li></ul> <p>Each Maintenance Request passing all validations is processed by MPL, whereas each Maintenance Request failing at least one validation is rejected.</p> |

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| <b>ID</b>          | <b>MPL.FN.03.070</b>                                                                                            |
| <b>Name</b>        | Create Element Request processing                                                                               |
| <b>Requirement</b> | Each Create Element Request shall result in the creation of one single element of the Proxy-IBAN Mapping Table. |

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<sup>24</sup> The authentication process will be carried out by the ESMIG component.

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| <b>ID</b>          | <b>MPL.FN.03.080</b>                                                                                          |
| <b>Name</b>        | Update Element Request processing                                                                             |
| <b>Requirement</b> | Each Update Element Request shall result in the update of one single element of the Proxy-IBAN Mapping Table. |

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| <b>ID</b>          | <b>MPL.FN.03.090</b>                                                                                            |
| <b>Name</b>        | Delete Element Request processing                                                                               |
| <b>Requirement</b> | Each Delete Element Request shall result in the deletion of one single element of the Proxy-IBAN Mapping Table. |

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| <b>ID</b>          | <b>MPL.FN.03.100</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Name</b>        | Maintenance Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Requirement</b> | <p>MPL shall answer any Maintenance Request by a given MPL Actor by returning a Maintenance Response to the same MPL Actor.</p> <p>Each Maintenance Response related to a validated Maintenance Request shall include the Proxy value of the created/updated/deleted element of the Proxy-IBAN Mapping Table.</p> <p>Each Maintenance Response related to a rejected Maintenance Request shall include a specific error code indicating the reason for the rejection.</p> <p>Each Maintenance Response shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to "MaintenanceResponse")</li> <li>• Transaction Identification (identifier of the related request)</li> <li>• Registered (true/false)</li> <li>• Reason Code (in case Registered is false)</li> <li>• Registration Timestamp (in case Registered is true)</li> </ul> |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <b>ID</b>          | <b>MPL.FN.03.110</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Name</b>        | MPL Repository Maintenance Report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Requirement</b> | <p>MPL shall provide each MPL Actor with a daily report including a statement of all the maintenance requests that the same MPL Actor registered in the last calendar day.</p> <p>MPL shall send the MPL Repository Maintenance Report only to MPL Actors that subscribed for it.</p> <p>MPL starts generating the required reports shortly after midnight and send them overnight to the relevant recipients as soon as they are available.</p> <p>Each MPL Repository Maintenance Report shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to “RepositoryMaintenanceReport”)</li> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Creation Date Time (timestamp of the report)</li> <li>• Items Number (number of items included in the report)</li> </ul> <p>plus a list of items corresponding to the maintenance requests that the recipient MPL Actor registered in the last calendar day. Each item of the list shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Identification (identifier of the related maintenance request)</li> <li>• Registration Timestamp (timestamp of the maintenance request registration)</li> <li>• Proxy digest (Alias data type)</li> </ul> <p>plus a list of sub-items corresponding to the attributes that were impacted by the maintenance request. Each sub-item of the list shall include the following attributes:</p> <ul style="list-style-type: none"> <li>• Attribute (name of the attribute)</li> <li>• Before Value (attribute value before the maintenance request, null in case of creation of elements)</li> <li>• After Value (attribute value after the maintenance request, null in case of deletion of elements)</li> </ul> |

#### 9.4.2.4 Look-up

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.04.010</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Name</b>        | Look-up Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | <p>MPL shall allow any MPL Actor sending a Look-up Request in order to get the IBAN that corresponds to the digest of a given proxy.</p> <p>Each Look-up Request shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to “LookupRequest”)</li> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Creation Date Time (timestamp of the request)</li> <li>• Alias Beneficiary (Alias data type)</li> <li>• Alias Originator (Alias data type, optional)</li> <li>• Originator Scheme (for possible future use)</li> <li>• Receiver Scheme (for possible future use)</li> <li>• Transaction Amount (Amount data type, optional)</li> </ul> |

|                    |                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>ID</b>          | <b>MPL.FN.04.020</b>                                                                                                                                                                                                                                                                                                                                              |
| <b>Name</b>        | Look-up Request validation                                                                                                                                                                                                                                                                                                                                        |
| <b>Requirement</b> | <p>Each Look-up Request shall undergo the following validations:</p> <ul style="list-style-type: none"> <li>• authentication<sup>25</sup></li> <li>• authorisation</li> <li>• data attributes check</li> </ul> <p>Each Look-up Request passing all validations is processed by MPL, whereas each Look-up Request failing at least one validation is rejected.</p> |

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| <b>ID</b>          | <b>MPL.FN.04.030</b>                                                                                                                                                   |
| <b>Name</b>        | Look-up Request processing                                                                                                                                             |
| <b>Requirement</b> | Each Look-up Request shall either retrieve one single element of the Proxy-IBAN Mapping Table (successful request) or find no matching element (unsuccessful request). |

<sup>25</sup> The authentication process will be carried out by the ESMIG component.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.04.040</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Name</b>        | Look-up Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Requirement</b> | <p>MPL shall answer any Look-up Request by a given MPL Actor by returning a Look-up Response to the same MPL Actor.</p> <p>Each Look-up Response related to a successful Look-up Request shall include all the data attributes of the retrieved element of the Proxy-IBAN Mapping Table.</p> <p>Each Look-up Response related to an unsuccessful Look-up Request shall include a specific error code indicating that no matching element was found.</p> <p>Each Look-up Response related to a rejected Look-up Request shall include a specific error code indicating the reason for the rejection.</p> <p>Each Look-up Response shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to "LookupResponse")</li> <li>• Transaction Identification (identifier of the related request)</li> <li>• Response (Response data type)</li> <li>• Originator Scheme (for possible future use)</li> <li>• Receiver Scheme (for possible future use)</li> <li>• Creditor Account (IBAN, Creditor Account data type)</li> <li>• Authorized BIC (BIC configured in TIPS as Beneficiary BIC)</li> <li>• Beneficiary Name (optional)</li> <li>• Payment Notification Path (for possible future use)</li> <li>• Preference Indicator (for possible future use)</li> <li>• Registration Timestamp (date and time by when the element was created or last updated)</li> </ul> |

#### 9.4.2.5 **Reachability Check**

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.05.010</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Name</b>        | Reachability Check Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Requirement</b> | <p>MPL shall allow any MPL Actor sending a Reachability Check Request in order to check whether the digest of a given proxy is stored in the MPL repository.</p> <p>Each Reachability Check Request shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to “ReachabilityCheckRequest”)</li> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Creation Date Time (timestamp of the request)</li> <li>• Alias Beneficiary (Alias data type)</li> <li>• Alias Originator (Alias data type, optional)</li> <li>• Originator Scheme (for possible future use)</li> </ul> |

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| <b>ID</b>          | <b>MPL.FN.05.020</b>                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Name</b>        | Reachability Check Request validation                                                                                                                                                                                                                                                                                                                                                              |
| <b>Requirement</b> | <p>Each Reachability Check Request shall undergo the following validations:</p> <ul style="list-style-type: none"> <li>• authentication<sup>26</sup></li> <li>• authorisation</li> <li>• data attributes check</li> </ul> <p>Each Reachability Check Request passing all validations is processed by MPL, whereas each Reachability Check Request failing at least one validation is rejected.</p> |

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| <b>ID</b>          | <b>MPL.FN.05.030</b>                                                                                                                                                                                                          |
| <b>Name</b>        | Reachability Check Request processing                                                                                                                                                                                         |
| <b>Requirement</b> | <p>Each Reachability Check Request shall return a Boolean indicator set to true in case the digest of the given proxy is stored in the MPL repository (successful request) and to false otherwise (unsuccessful request).</p> |

<sup>26</sup> The authentication process will be carried out by the ESMIG component.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.FN.05.040</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Name</b>        | Reachability Check Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | <p>MPL shall answer any Reachability Check Request by a given MPL Actor by returning a Reachability Check Response to the same MPL Actor.</p> <p>Each Reachability Check Response related to a valid Reachability Check Request shall return Boolean indicator specifying whether a digest for the given proxy is stored in the MPL repository.</p> <p>Each Reachability Check Response related to a rejected Reachability Check Request shall include a specific error code indicating the reason for the rejection.</p> <p>Each Look-up Response shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to "ReachabilityCheckResponse")</li> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Response (Response data type)</li> <li>• Originator Scheme (for possible future use)</li> <li>• Receiver Scheme (for possible future use)</li> </ul> |

## 9.4.3 Operational requirements

### 9.4.3.1 Contingency operations

#### 9.4.3.1.1 Contingency change

|             |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ID          | MPL.OP.01.010                                                                                                                                                                                                                                                                                                                                                                                                      |
| Name        | Contingency change                                                                                                                                                                                                                                                                                                                                                                                                 |
| Requirement | <p>MPL shall allow the MPL Operator performing via GUI a contingency change of any element of the Proxy-IBAN Mapping Table, upon request of the responsible MPL Actor.</p> <p>MPL shall allow the following types of change:</p> <ul style="list-style-type: none"><li>• creation of a new element,</li><li>• update of any attribute of an existing element,</li><li>• deletion of an existing element.</li></ul> |

#### 9.4.3.1.2 Contingency snapshot

|             |                                                                                                                                                                        |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ID          | MPL.OP.01.020                                                                                                                                                          |
| Name        | Contingency snapshot                                                                                                                                                   |
| Requirement | <p>MPL shall allow the MPL Operator performing a contingency snapshot of all the elements of the Proxy-IBAN Mapping Table (full snapshot) as of a given timestamp.</p> |

#### 9.4.3.1.3 Contingency restore

|             |                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ID          | MPL.OP.01.030                                                                                                                                                                                                                                                                                                                                                                        |
| Name        | Contingency restore                                                                                                                                                                                                                                                                                                                                                                  |
| Requirement | <p>MPL shall allow the MPL Operator performing a contingency restore of a previously taken snapshot.</p> <p>A contingency restore operation shall result in replacing all the elements of the Proxy-IBAN Mapping Table with the elements contained in the snapshot.</p> <p>MPL shall not be available for the time needed to perform the restore of a previously taken snapshot.</p> |



#### 9.4.3.2 Information logging

|                    |                                                                                                                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.OP.02.010</b>                                                                                                                                                                                                                  |
| <b>Name</b>        | Audit trail                                                                                                                                                                                                                           |
| <b>Requirement</b> | <p>MPL shall keep an audit trail of all the setup and maintenance activities performed by the users while making use of the service.</p> <p>Look-up Requests and Reachability Check Requests shall not be subject to audit trail.</p> |

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|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.OP.02.020</b>                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name</b>        | Archiving                                                                                                                                                                                                                                                                                                                                                              |
| <b>Requirement</b> | <p>MPL shall archive on a daily basis all the changes performed on the Proxy-IBAN Mapping Table and all the audit trail records.</p> <p>MPL shall retain</p> <ul style="list-style-type: none"><li>• all the audit trail records for a period of three months and</li><li>• all changes performed on the Proxy-IBAN Mapping Table for a period of ten years.</li></ul> |

## **9.4.4 Non-functional requirements**

### **9.4.4.1 Network connectivity**

|                    |                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.NF.01.010</b>                                                                        |
| <b>Name</b>        | Network connectivity                                                                        |
| <b>Requirement</b> | MPL shall allow MPL Actors using the same network connectivity solution available for TIPS. |

### **9.4.4.2 Volumes and performance**

|                    |                                                                                                                                                                                    |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.NF.02.010</b>                                                                                                                                                               |
| <b>Name</b>        | Incoming requests throughput                                                                                                                                                       |
| <b>Requirement</b> | MPL shall be able to process up to an average number of 500 incoming (Look-up or Reachability Check) requests per second, with a peak of up to 2,000 incoming requests per second. |

|                    |                                                                                                           |
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| <b>ID</b>          | <b>MPL.NF.02.020</b>                                                                                      |
| <b>Name</b>        | Incoming requests response time                                                                           |
| <b>Requirement</b> | MPL shall ensure processing 99% of the incoming (Look-up or Reachability Check) requests within 1 second. |

|                    |                                                                                                                                                               |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.NF.02.030</b>                                                                                                                                          |
| <b>Name</b>        | Scalability                                                                                                                                                   |
| <b>Requirement</b> | MPL shall scale up to handle, with the same processing time, a doubling of the incoming (Look-up or Reachability Check) requests peak throughput in one year. |

### **9.4.4.3 Service availability**

|                    |                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.NF.03.010</b>                                                                                                                  |
| <b>Name</b>        | Real-time requests availability                                                                                                       |
| <b>Requirement</b> | MPL shall be available for processing of incoming (Look-up or Reachability Check) requests 24 hours every day of the year (24/7/365). |

|                    |                                                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.NF.03.020</b>                                                                                                          |
| <b>Name</b>        | Unplanned downtime                                                                                                            |
| <b>Requirement</b> | MPL unplanned downtime, calculated on a quarterly basis, shall not exceed 2.16 hours, equivalent to an availability of 99.9%. |

|                    |                                                                                                                                                               |
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| <b>ID</b>          | <b>MPL.NF.03.030</b>                                                                                                                                          |
| <b>Name</b>        | Planned downtime                                                                                                                                              |
| <b>Requirement</b> | MPL planned downtime may be envisaged in order to manage some exceptional changes that require stopping temporarily the service (e.g. restore of a snapshot). |

#### 9.4.4.4 **Business continuity**

|                    |                                                            |
|--------------------|------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.NF.04.010</b>                                       |
| <b>Name</b>        | Recovery Point Objective                                   |
| <b>Requirement</b> | MPL shall ensure a recovery point objective value of zero. |

|                    |                                                           |
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| <b>ID</b>          | <b>MPL.NF.04.020</b>                                      |
| <b>Name</b>        | Recovery Time Objective                                   |
| <b>Requirement</b> | MPL shall ensure a recovery time objective of 15 minutes. |

#### **9.4.5 Information security and cyber-resilience requirements**

|                    |                                                                                 |
|--------------------|---------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.SC.05.010</b>                                                            |
| <b>Name</b>        | Security requirements and controls                                              |
| <b>Requirement</b> | MPL shall comply with Market Infrastructure Security requirements and controls. |

|                    |                                                                                    |
|--------------------|------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.SC.05.020</b>                                                               |
| <b>Name</b>        | Cyber-resilience requirements                                                      |
| <b>Requirement</b> | MPL shall comply with Market Infrastructure Cyber-resilience requirements (MISRC). |

## **9.4.6 Data protection requirements**

### **9.4.6.1 Snapshot**

|                    |                                                                                                                                                                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.DP.01.010</b>                                                                                                                                                                                                                                                             |
| <b>Name</b>        | Snapshot                                                                                                                                                                                                                                                                         |
| <b>Requirement</b> | <p>In order to ensure logical data integrity, MPL shall take into a Snapshot File a daily snapshot of the Proxy-IBAN Mapping Table stored in the MPL repository.</p> <p>The snapshot taken on day D shall include the full content of the Proxy-Mapping Table as of day D-1.</p> |

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| <b>ID</b>          | <b>MPL.DP.01.020</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Name</b>        | Snapshot File structure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | <p>The Snapshot File shall be named according to a pre-defined naming convention.</p> <p>The Snapshot File shall include a header containing the total number of records included in the file.</p> <p>Each record included in the Snapshot File shall include all the following data attributes:</p> <ul style="list-style-type: none"> <li>• Record Identification (identifier of the record)</li> <li>• Person Identification (Person Identifier data type)</li> <li>• Proxy (Alias data type)</li> <li>• IBAN (unique identification of the account, Creditor Account data type)</li> <li>• Authorized BIC (BIC configured in TIPS as Beneficiary BIC)</li> <li>• Account Owner (name of the owner of the account, optional)</li> <li>• Registration Timestamp (date and time by when the element was created or last updated)</li> <li>• MPL Actor BIC (BIC of the MPL Actor which uploaded the element of the mapping table)</li> <li>• Valid From Date and Time</li> <li>• Valid To Date and Time (optional)</li> </ul> |

#### 9.4.6.2 Hashing

|                    |                                                                                                                                                                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.DP.02.010</b>                                                                                                                                                                                                                                                                                                         |
| <b>Name</b>        | Proxy hashing                                                                                                                                                                                                                                                                                                                |
| <b>Requirement</b> | <p>MPL Actors shall not store their proxies in the Proxy-IBAN Mapping Table, but only their corresponding digests (see MPL.FN.02.040). The hashing algorithm in use shall be SHA-256, but MPL shall be open to changing the algorithm in the future, in case SHA-256 is no longer considered secure for whatever reason.</p> |

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|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.DP.02.020</b>                                                                                                                                                                                                                                                                                                          |
| <b>Name</b>        | Personal data hashing                                                                                                                                                                                                                                                                                                         |
| <b>Requirement</b> | MPL Actors shall not store personal data of their customers (e.g. first name, family name, birthplace, birthdate) in the Proxy-IBAN Mapping Table, but only their corresponding digests (see MPL.FN.02.090). These digests shall be calculated using the same hashing algorithm used to calculate the proxy digest (SHA-256). |

#### 9.4.6.3 Personal data retrieval

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.DP.03.010</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Name</b>        | Personal Data Retrieval Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Requirement</b> | <p>MPL shall allow any MPL Actor sending a Personal Data Retrieval Request in order to get all the elements of the Proxy-IBAN Mapping Table of the same MPL Actor that corresponds to a given physical person.</p> <p>Each Personal Data Retrieval Request shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to "PersonalDataRetrievalRequest")</li> <li>• Transaction Identification (unique transaction identifier)</li> <li>• Creation Date Time (timestamp of the request)</li> <li>• Hashing Algorithm (always equal to "SHA-256")</li> <li>• Person Identification (Person Identifier data type)</li> <li>• Originator Scheme (for possible future use)</li> <li>• Receiver Scheme (for possible future use)</li> </ul> |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL.DP.03.020</b>                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Name</b>        | Personal Data Retrieval Request validation                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Requirement</b> | <p>Each Personal Data Retrieval Request shall undergo the following validations:</p> <ul style="list-style-type: none"> <li>• authentication<sup>27</sup></li> <li>• authorisation</li> <li>• data attributes check</li> </ul> <p>Each Personal Data Retrieval Request passing all validations is processed by MPL, whereas each Personal Data Retrieval Request failing at least one validation is rejected.</p> |

<sup>27</sup> The authentication process will be carried out by the ESMIG component.

|                    |                                                                                                                                                                                               |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>ID</u>          | <b>MPL.DP.03.030</b>                                                                                                                                                                          |
| <u>Name</u>        | Personal Data Retrieval Request processing                                                                                                                                                    |
| <u>Requirement</u> | Each Personal Data Retrieval Request shall either retrieve one or multiple elements of the Proxy-IBAN Mapping Table (successful request) or find no matching elements (unsuccessful request). |



|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>MPL. DP.03.040</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Name</b>        | Personal Data Retrieval Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Requirement</b> | <p>MPL shall answer any Personal Data Retrieval Request by a given MPL Actor by returning a Personal Data Retrieval Response to the same MPL Actor.</p> <p>Each Personal Data Retrieval Response related to a successful Personal Data Retrieval Request shall include all the data attributes of all the retrieved elements of the Proxy-IBAN Mapping Table.</p> <p>Each Personal Data Retrieval Response related to an unsuccessful Personal Data Retrieval Request shall include a specific error code indicating that no matching elements were found.</p> <p>Each Personal Data Retrieval Response related to a rejected Personal Data Retrieval Request shall include a specific error code indicating the reason for the rejection.</p> <p>Each Personal Data Retrieval Response shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Transaction Type (always equal to "PersonalDataRetrievalResponse")</li> <li>• Transaction Identification (identifier of the related request)</li> <li>• Response (Response data type)</li> <li>• Originator Scheme (for possible future use)</li> <li>• Receiver Scheme (for possible future use)</li> </ul> <p>plus a list of items corresponding to the elements retrieved from the Proxy-IBAN Mapping Table. Each item of the list shall include the following data attributes:</p> <ul style="list-style-type: none"> <li>• Proxy (Alias data type)</li> <li>• IBAN (IBAN, Creditor Account data type)</li> <li>• Authorized BIC (BIC configured in TIPS as Beneficiary BIC)</li> <li>• Account Owner (name of the owner of the account, optional)</li> <li>• Registration Timestamp (date and time by when the element was created or last updated)</li> <li>• MPL Actor BIC (BIC of the MPL Actor which uploaded the element of the mapping table)</li> <li>• Valid From Date and Time (date and time from which the element is valid)</li> <li>• Valid To Date and Time (date and time until which the element is valid)</li> <li>• Preference Indicator (for possible future use)</li> </ul> |

## **10 NON-FUNCTIONAL REQUIREMENTS**

### **10.1 AVAILABILITY**

|                    |                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.010</b>                                                                                             |
| <b>Name</b>        | Availability                                                                                                      |
| <b>Requirement</b> | TIPS shall be available for processing of instant payment transactions 24 hours every day of the year (24/7/365). |

TIPS is open for settlement of instant payments around-the-clock, without the need for any maintenance window or daily interruption of the service.

|                    |                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.020</b>                                                                                                     |
| <b>Name</b>        | Unplanned downtime                                                                                                        |
| <b>Requirement</b> | Unplanned downtime, calculated on a quarterly basis, shall not exceed 2.16 hours, equivalent to an availability of 99.9%. |

Even though technically capable of operating 24 hours per day each day of the year, as any other IT service TIPS may be subject to incidents or failures, which may cause a temporary and unforeseen interruption of the service. Regardless of the total number of such unplanned interruptions, the overall amount of service unavailability time calculated on a quarterly basis shall not be greater than 2.16 hours.

|                    |                                                                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.030</b>                                                                                                             |
| <b>Name</b>        | Planned downtime                                                                                                                  |
| <b>Requirement</b> | Planned downtime may be envisaged in order to manage some exceptional changes that require stopping temporarily the TIPS service. |

Even though TIPS generally operates 24 hours every day of the year and is designed to handle change management without the need of any maintenance window, there may be cases that require stopping the TIPS service temporarily and according to a pre-agreed unavailability period.

Those cases relate to an exceptional change that cannot be managed without stopping the service or to a business decision of the relevant governance bodies.

An appropriate operational governance framework shall define the process to manage those cases (e.g. in terms of actions to be undertaken, timeframes to be respected for the agreement and the announcement of the service downtime and its maximum duration), the actors involved in the process and their individual responsibilities.

## 10.2 DISASTER RECOVERY

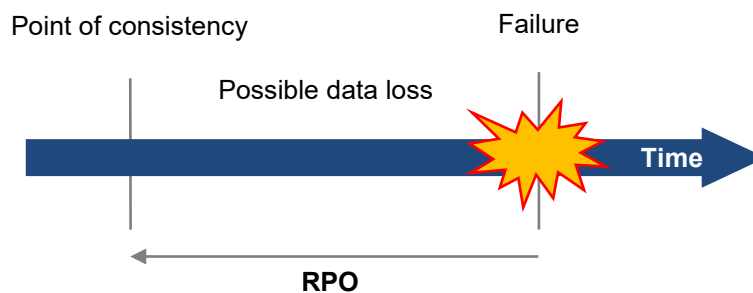
### 10.2.1 Recovery Point Objective

|                    |                                                             |
|--------------------|-------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.040</b>                                       |
| <b>Name</b>        | Recovery Point Objective (RPO)                              |
| <b>Requirement</b> | TIPS shall ensure a recovery point objective value of zero. |

The recovery point objective (RPO) is a point of consistency to which a user wants to recover or restart the service. It is measured as the amount of time between the moment when the point of consistency was created and the moment when the failure occurred.

TIPS ensures synchronous point of consistency creations and, as a consequence, no data loss in case of failures.

**Figure 20**  
**Recovery Point Objective**

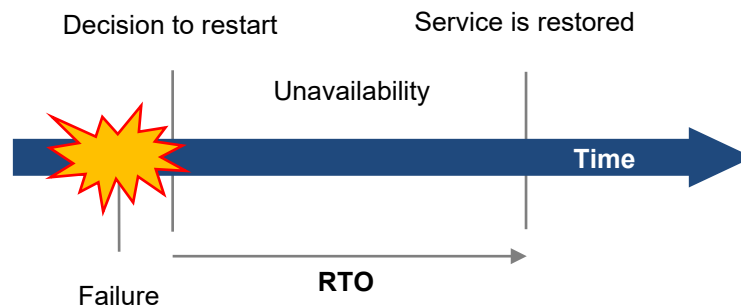


### 10.2.2 Recovery Time Objective

|                    |                                                            |
|--------------------|------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.050</b>                                      |
| <b>Name</b>        | Recovery Time Objective (RTO)                              |
| <b>Requirement</b> | TIPS shall ensure a recovery time objective of 15 minutes. |

The recovery time objective (RTO) is the maximum amount of time required for recovery or restart of the service to a specified point of consistency. In case of a major failure or a regional disaster, TIPS shall ensure maximum time of unavailability of 15 minutes starting from the time when the decision to restart the service is made up to the time the service is restored.

**Figure 21  
Recovery Time Objective**



### 10.3 ARCHIVING

|                    |                                                                                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.060</b>                                                                                                                               |
| <b>Name</b>        | Archiving of transactional data                                                                                                                     |
| <b>Requirement</b> | TIPS service operator shall be able to retrieve payment transaction and status message data not older than ten years, upon request by Participants. |

The TIPS operator shall be able to extract the archived payment transaction and status message data from the offline repository upon request. After the data extraction, the content shall be made available to the requestor, e.g. in a file format.

|                    |                                                                                                                        |
|--------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.070</b>                                                                                                  |
| <b>Name</b>        | Archiving of reference data                                                                                            |
| <b>Requirement</b> | TIPS service operator shall be able to retrieve reference data not older than ten years, upon request by Participants. |

The TIPS operator shall be able to extract the archived reference data from the offline repository upon request. After the data extraction, the content shall be made available to the requestor, e.g. in a file format.

|                    |                                                                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.080</b>                                                                                                                       |
| <b>Name</b>        | Archiving of authentication and security data                                                                                               |
| <b>Requirement</b> | TIPS service operator shall be able to retrieve authentication and security data not older than three months, upon request by Participants. |

The TIPS operator shall be able to extract the archived authentication and security data from the offline repository upon request. After the data extraction, the content shall be made available to the requestor, e.g. in a file format.

## 10.4 AUDIT TRAIL

|                    |                                                                                                                   |
|--------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.090</b>                                                                                             |
| <b>Name</b>        | Audit trail                                                                                                       |
| <b>Requirement</b> | TIPS shall keep an audit trail of all the activities performed by the users while making use of the TIPS service. |

TIPS must collect and store audit logs recording user activities, exceptions and information security events in order to assist in the access control monitoring performed by the system owner. Logging facilities and log information is protected against tampering and unauthorised access. Activities performed by privileged users (administrators, service desk operators, auditors, etc.) are also logged.

Audit trail information to be collected and stored includes the following data:

- payment transaction records;
- authentication successes and failures of normal and privileged users;
- security related messages (e.g. changes of access rights, alerts and exceptional events).

Audit trail records must contain registration timestamps and, when relevant, the identifier of the user who performed the recorded action.

## 10.5 INFORMATION SECURITY

|                    |                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.100</b>                                                                      |
| <b>Name</b>        | Security requirements                                                                      |
| <b>Requirement</b> | TIPS shall be compliant with the Market Infrastructure Security Requirements and Controls. |

TIPS must be compliant with the Market Infrastructure Security Requirements and Controls, where applicable, in order to cover all the different aspects related to security, e.g.:

- security policies and procedures;
- users' authentication and authorisation;
- audit trail and access rights review;
- data integrity, confidentiality and non-repudiation;
- physical security;
- asset identification and classification;
- security incidents management.

## 10.6 CYBER RESILIENCE

|                    |                                                                                       |
|--------------------|---------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.110</b>                                                                 |
| <b>Name</b>        | Cyber resilience requirements and controls                                            |
| <b>Requirement</b> | TIPS shall be compliant with the Market Infrastructure Cyber Resilience Requirements. |

TIPS shall be compliant with the Market Infrastructure Cyber Resilience Requirements, where applicable, in order to cover all the different aspects related to cyber resilience, e.g.:

- definition and governance of the cyber resilience framework;
- identification and classification of processes and assets;
- protection of processes and assets;
- detection of cyber-attacks;
- incident response, resumption and recovery.

## 10.7 VOLUMETRIC ASSUMPTIONS

|                    |                                                                                                                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.120</b>                                                                                                                                                                       |
| <b>Name</b>        | Instant payments processing throughput                                                                                                                                                      |
| <b>Requirement</b> | TIPS shall be able to process up to an average number of 500 incoming instant payment transactions per second, with a peak of up to 2,000 incoming instant payment transactions per second. |

Assuming that the volume of incoming instant payment transactions does not reach its maximum value right from the start of operations, but it would rather increase over the first years of operations and reach its maximum value only at the end of this transition period, TIPS architecture and application shall be able to scale, in order to handle this increasing volume in a cost-effective manner.

On this basis, TIPS transactions processing capacity shall be scalable up to a maximum average number of 500 instant payment incoming transactions per second. This value equals the following hourly, daily and yearly volumes:

|                                              |                     |
|----------------------------------------------|---------------------|
| <b>Hourly volume of payment transactions</b> | 1.8 millions/hour   |
| <b>Daily volume of payment transactions</b>  | 43.2 millions/day   |
| <b>Yearly volume of payment transactions</b> | 15.77 billions/year |

|                    |                                                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.130</b>                                                                                                         |
| <b>Name</b>        | Instant payments execution time                                                                                               |
| <b>Requirement</b> | TIPS shall ensure completing all its processing tasks within 5 seconds for 99% of the processed instant payment transactions. |

TIPS shall support the participants to achieve the target of a maximum of 10 seconds as execution time to process (i.e. either to settle or to reject) an instant payment transaction over the whole payment chain.

Such execution time shall be calculated starting from the time the Originator Participant has validated the instant payment transaction received from the Originator, to the time the Originator Participant has received either the confirmation the transferred funds are available to the Beneficiary or the rejection of the instant payment transaction.

Out of this overall execution time, TIPS shall ensure completing all its processing tasks within 5 seconds for 99% of the processed instant payment transactions. These processing tasks include:

- All the tasks performed by TIPS between the reception of the instant payment transaction from the Originator Participant and the forwarding of the same transaction to the Beneficiary Participant.
- All the tasks performed by TIPS between the reception of the reply from the Beneficiary Participant and the sending of the confirmations to the Originator Participant and the Beneficiary Participant.

|                    |                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.131</b>                                                                                                        |
| <b>Name</b>        | Scalability                                                                                                                  |
| <b>Requirement</b> | TIPS shall scale up to handle, with the same execution time, a doubling of the instant payments peak throughput in one year. |

TIPS is capable to scale up, in order to manage increasing volumes of instant payments, while ensuring the same execution time in the processing of each transaction (see TIPS.UR.10.130). Such increase of processing capacity should be based on a yearly forecast of the expected volumes and it may reach a maximum increase of two times the peak throughput in one year, till reaching the maximum throughput required by TIPS.UR.10.120.

## **10.8 CONNECTIVITY**

|                    |                                                  |
|--------------------|--------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.140</b>                            |
| <b>Name</b>        | Network connectivity                             |
| <b>Requirement</b> | TIPS shall be a network vendor agnostic service. |

TIPS is a network vendor agnostic service. The intention of the Eurosystem is to let each TIPS Participant to decide on the network vendor they intend to use, as long as this network vendor complies with a set of requirements to be provided and published by the Eurosystem.

## **10.9 SERVICE DESK**

|                    |                                                                                                                                               |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.150</b>                                                                                                                         |
| <b>Name</b>        | Service Desk                                                                                                                                  |
| <b>Requirement</b> | A Service Desk shall be available at the TIPS service provider to respond to any operational and technical issue concerning the TIPS service. |

The TIPS Service Desk shall be the single point of contact for any kind of operational and technical issues concerning the TIPS service.

The TIPS Service Desk shall be responsible for providing direct support to Central Banks and TIPS Participants for managing the technical connection, also during the non-standard service hours.

Central Banks shall maintain vis-à-vis their own community of TIPS Participants the responsibility of the reference data setup and liquidity management during the standard service hours.

|                    |                                                                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.160</b>                                                                                                                                            |
| <b>Name</b>        | Service Desk availability                                                                                                                                        |
| <b>Requirement</b> | The TIPS Service Desk shall be available both on-site during standard service hours and on-call during non-standard service hours with different service levels. |

The TIPS Service Desk shall be available according to the following service hours:

- from 6:30 to 19:30: standard service hours;
- from 19:30 to 6:30 (and on TARGET2 closing days): non-standard service hours.

|                    |                                                                                |
|--------------------|--------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.170</b>                                                          |
| <b>Name</b>        | Trouble Management System                                                      |
| <b>Requirement</b> | The TIPS Service Desk shall be supported by a Trouble Management System (TMS). |

The TIPS Service Desk shall be supported by a Trouble Management System (TMS). All activities of the TIPS service provider related to IT Service Management processes shall be supported by the TMS, which covers the workflow and serves as information base providing, e.g. the status of an incident/problem, the actors involved and details about reasons and solutions.

|                    |                                                                                   |
|--------------------|-----------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.180</b>                                                             |
| <b>Name</b>        | Access to the Trouble Management System                                           |
| <b>Requirement</b> | Central Banks and TIPS Participant shall have read-only online access to the TMS. |

Central Banks and TIPS Participants shall have online access to the TMS, with the possibility to view information related to broadcast incidents and problems, and their own incidents and problems.



|                    |                                                                     |
|--------------------|---------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.190</b>                                               |
| <b>Name</b>        | Contacting the Service Desk                                         |
| <b>Requirement</b> | TIPS Service Desk shall be reachable via telephone, fax and e-mail. |

The communication between the TIPS Service Desk and Central Banks resp. TIPS Participants shall be based on the use of telephone, fax and e-mail.

## **10.10 CLOCK SYNCHRONISATION**

|                    |                                                  |
|--------------------|--------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.10.200</b>                            |
| <b>Name</b>        | Clock reference                                  |
| <b>Requirement</b> | TIPS shall use atomic clock time as a reference. |

The TIPS service clock has to be synchronised to an atomic clock time (in UTC).

## **11 STATISTICAL INFORMATION**

TIPS provides two sets of statistical indicators. The first, for transactions denominated in euro currency; the second, for transactions in a currency different from the euro. These statistical indicators are grouped in reports regarding instant payments and recall transactions<sup>28</sup>. Such reports can be created by the TIPS Operator in user-to-application (U2A) mode on a monthly or quarterly basis and then provided to the Central Banks.

### **11.1 GENERAL FEATURES**

|                    |                                                                                                                          |
|--------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.010</b>                                                                                                    |
| <b>Name</b>        | Availability for creation of Statistical Information reports in user-to-application mode                                 |
| <b>Requirement</b> | TIPS shall be able to produce the statistical information reports from the Graphical User Interface on a 24/7/365 basis. |

The creation of the statistical information reports is available for the TIPS operator and is executed on the basis of the latest available data present in TIPS operational database. Via the Graphical User Interface, it is possible to select the reference period according to monthly or quarterly basis. The report is produced as an Excel file containing all the categories of statistical indicators listed in the following section.

### **11.2 CATEGORIES OF STATISTICAL INDICATORS FOR THE EURO CURRENCY**

|                    |                                                                                                                                                                                 |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.020</b>                                                                                                                                                           |
| <b>Name</b>        | General Transactions                                                                                                                                                            |
| <b>Requirement</b> | The reports shall include general information on quantitative volumes of transactions exchanged in TIPS, including the transactions submitted to TIPS from an Ancillary System. |

The general information contains five indicators:

- Number of transactions per amount;
- Number of transactions per hour;
- Number of positive confirmation messages per duration of the processing;
- Number of negative confirmation message per duration of the processing;
- Number of investigation requests processed by TIPS.

---

<sup>28</sup> The list of all the statistical indicators with the related description will be detailed in the UDFS.

|                    |                                                                                                                                                |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.030</b>                                                                                                                          |
| <b>Name</b>        | National Transactions                                                                                                                          |
| <b>Requirement</b> | The reports shall include information on instant payments, recall requests and request for recalls executed within the same country of origin. |

The national transactions are grouped by the country code of the BIC of the originator PSP and contain six indicators:

- Number of national instant payment transactions;
- Number of national instant payment transactions with an unsettled status
- Number of national recall requests;
- Number of national instant payment transactions with an unsettled status and grouped by reason code;
- Number of national recall requests grouped by reason code;
- Number of national request for recall by originator.

|                    |                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.040</b>                                                                                                                                      |
| <b>Name</b>        | Cross-border Transactions                                                                                                                                  |
| <b>Requirement</b> | The reports shall include information on instant payments, recall requests and request for recalls executed between PSPs belonging to different countries. |

The national transactions are grouped by the country code of the BIC. Each operation is considered both from the originator and the beneficiary side. Twelve indicators are therefore included:

- Number of cross-border instant payment transactions;
  - Sent by the Originator and grouped by his country code of the BIC
  - Received by the Beneficiary and grouped by his country code of the BIC
- Number of cross-border instant payment transactions with an unsettled status
  - Sent by the Originator and grouped by his country code of the BIC
  - Received by the Beneficiary and grouped by his country code of the BIC
- Number of cross-border recall requests;
  - Sent by the Originator and grouped by his country code of the BIC
  - Received by the Beneficiary and grouped by his country code of the BIC
- Number of cross-border instant payment transactions with an unsettled status and grouped by reason code;
  - Sent by the Originator and grouped by his country code of the BIC
  - Received by the Beneficiary and grouped by his country code of the BIC
- Number of cross-border recall requests grouped by reason code;
  - Sent by the Originator and grouped by his country code of the BIC
  - Received by the Beneficiary and grouped by his country code of the BIC
- Number of cross-border request for recall by originator;
  - Sent by the Originator and grouped by his country code of the BIC
  - Received by the Beneficiary and grouped by his country code of the BIC.

|                    |                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.050</b>                                                                                                                                      |
| <b>Name</b>        | Overall monthly figures on payment transactions in TIPS                                                                                                    |
| <b>Requirement</b> | The reports shall include information on instant payments, recall requests and request for recalls executed between PSPs belonging to different countries. |

The overall monthly figures contain information on volumes and values of payment transactions settled in TIPS grouped by the country code of the BIC of the originator PSP. Two main indicators are included:

- Volume of national payment transactions
- Value of national payment transactions.

### 11.3 CATEGORIES OF STATISTICAL INDICATORS FOR NON-EURO CURRENCY

|                    |                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.060</b>                                                                                                                                                                                                               |
| <b>Name</b>        | General Transactions for non-euro currencies                                                                                                                                                                                        |
| <b>Requirement</b> | The reports can include general information on quantitative volumes of transactions exchanged in TIPS and denominated in a currency different from the euro, including the transactions submitted to TIPS from an Ancillary System. |

The general information can include the following indicators:

- Total number of IP transactions denominated in a non-euro currency with a settled status;
- Total value of IP transactions denominated in a non-euro currency with a settled status;
- Number of IP transactions denominated in a non-euro currency, per Amount;
- Number of IP transactions denominated in a non-euro currency, per Hour;
- Number of positive confirmation messages, per duration of the processing;
- Number of negative confirmation messages, per duration of the processing;
- Total number of Investigation Requests for IP denominated in a non-euro currency processed by TIPS;

|                    |                                                                                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ID</b>          | <b>TIPS.UR.11.070</b>                                                                                                                               |
| <b>Name</b>        | National Transactions for non-euro currencies                                                                                                       |
| <b>Requirement</b> | The reports can include information on instant payments, recall requests and request for recalls executed within the context of a non-euro country. |

The national transactions can include the following indicators:

- Number of IP transactions denominated in a non-euro currency with an unsettled status;
- Number of Recall Requests for IP transactions denominated in a non-euro currency;

- Number of IP transactions denominated in a non-euro currency with an unsettled status and grouped by reason code;
- Number of Recall Requests for IP transactions denominated in a non-euro currency grouped by reason code;

## 12 ANNEX

### 12.1 LIST OF REFERENCES

|     | Title                                                                                      | Source |
|-----|--------------------------------------------------------------------------------------------|--------|
| [1] | SEPA Instant Credit Transfer (SCT Inst) Scheme Rulebook, Version 1.0, 2021                 | EPC    |
| [2] | SEPA Instant Credit Transfer Scheme Inter-PSP Implementation Guidelines, Version 1.0, 2021 | EPC    |

### 12.2 GLOSSARY

| Item                       | Description                                                                                                                                                                                                                                                                                                                                | Source |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| A2A                        | See application-to-application                                                                                                                                                                                                                                                                                                             | ECB    |
| Ancillary System           | An entity which has a BIC and own one and only one TIPS technical account (and/or linked CMBs); their accounts cannot have a negative balance. This entity is responsible for the setup and configuration of CMBs linked to their accounts.                                                                                                | ECB    |
| application-to-application | A technical mode of communication that permits the exchange of information between different software applications without a graphical user interface.                                                                                                                                                                                     | ECB    |
| Beneficiary                | A customer identified in the SCT Inst transaction to whom the funds are sent to.                                                                                                                                                                                                                                                           | EPC    |
| Beneficiary Participant    | A Beneficiary account servicing payment services provider.                                                                                                                                                                                                                                                                                 | EPC    |
| Billable item              | An event, transaction or a combination of both, that is used as a basis to calculate fees.                                                                                                                                                                                                                                                 | ECB    |
| Business Identifier Code   | An international standard for identification of institutions within the financial services industry. It consists of eight or eleven contiguous characters, comprising a financial institution code (four characters), a country code (two characters), a location code (two characters) and, optionally, a branch code (three characters). | ECB    |
| camt                       | See Cash Management message                                                                                                                                                                                                                                                                                                                | ECB    |
| Cash Management message    | (Camt) ISO 20022 standard for XML messages to be used to manage cash.                                                                                                                                                                                                                                                                      | ECB    |
| Ceiling                    | An upper threshold for notifying the account owner that a defined account balance or CMB limit has been reached.                                                                                                                                                                                                                           | ECB    |
| Central Bank Money         | Liabilities of a central bank, in the form of either banknotes or bank deposits held at a central bank, which can be used for settlement purposes.                                                                                                                                                                                         | ECB    |

| Item                          | Description                                                                                                                                                                                                                                                                                                                                                                                                       | Source |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Central Securities Depository | An entity that: 1) enables securities transactions to be processed and settled by book entry; 2) provides custodial services (e.g. the administration of corporate actions and redemptions); and 3) plays an active role in ensuring the integrity of securities issues. Securities can be held in a physical (but immobilised) form or in a dematerialised form (whereby they exist only as electronic records). | ECB    |
| Clearing                      | The process of transmitting, reconciling and, in some cases, confirming transfer orders prior to settlement, potentially including the netting of orders and the establishment of final positions for settlement.                                                                                                                                                                                                 | ECB    |
| Credit Memorandum Balance     | A credit limit that is linked to a TIPS account.                                                                                                                                                                                                                                                                                                                                                                  | ECB    |
| Dataset                       | It specifies the full range of data to be provided in the relevant ISO 20022 XML message.                                                                                                                                                                                                                                                                                                                         | ECB    |
| Delta report                  | A delta report is a report which only contains data for which the status/content has changed since the generation of the previous report.                                                                                                                                                                                                                                                                         | ECB    |
| Distinguished name            | A name that uniquely identifies an entry in a directory or network. Usually it is a sequence of attribute-value assertions (e.g. "cn=smith") separated by commas, e.g. <cn=smith,ou=t2s-ops,o=bnkacctt,o=nsf-1>.                                                                                                                                                                                                  | ECB    |
| Euro Retail Payments Board    | A high-level body chaired by the European Central Bank that brings together the supply and the demand side of the industry to address strategic retail payments issues                                                                                                                                                                                                                                            | ECB    |
| European Payments Council     | An association representing payment service providers that supports and promotes payments integration and development in Europe. The primary task of the EPC is to manage the SEPA payment schemes.                                                                                                                                                                                                               | EPC    |
| Eurosystem                    | The central banking system of the euro area. It comprises the ECB and the national central banks of those EU Member States whose currency is the euro.                                                                                                                                                                                                                                                            | ECB    |
| Extensible Markup Language    | (XML) An open standard developed and maintained by World Wide Web Consortium (W3C), for describing and structuring data for the transmission and exchange of information between computer applications and organisations / humans.                                                                                                                                                                                | ECB    |
| First In/First Out            | Processing sequence in which the payment orders are treated in the same sequence as they arrived (ie: the first payment arrived is treated first, the latest one is treated at the end).                                                                                                                                                                                                                          | ECB    |
| Floor                         | A lower threshold for notifying the account owner that a defined account balance or CMB limit has been reached.                                                                                                                                                                                                                                                                                                   | ECB    |
| Headroom                      | The (remaining) headroom of a CMB specifies the current cash amount available to the user of the CMB for settlement of instant payment transactions. The headroom is the limit minus limit utilisation.                                                                                                                                                                                                           | ECB    |

| Item                              | Description                                                                                                                                                                                                                                                                                                                                                                                                                           | Source |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Instant Payment                   | A payment that can be executed 24 hours a day, each day of the year, and resulting in the immediate or close-to-immediate interbank clearing of the transaction and crediting of the payee's account with the confirmation to the payer within seconds of payment initiation. This is irrespective of the underlying payment instrument used and of the underlying arrangements for clearing and settlement that makes this possible. | ERPB   |
| Instant Payment Transaction       | A transaction or message requesting the transfer of funds from a debtor to a creditor by means of an instant payment.                                                                                                                                                                                                                                                                                                                 | ECB    |
| Instructing Party                 | An entity acting on behalf of either a Participant or a Reachable Party and communicate with TIPS directly (i.e. send and receive messages). Participants and Reachable Parties can act as Instructing Parties and impersonate them.                                                                                                                                                                                                  | ECB    |
| International Bank Account Number | An International Organization for Standardization (ISO) technical code that is an expanded version of the basic bank account number (BBAN). Intended for use internationally, the IBAN uniquely identifies an individual account at a specific financial institution in a particular country. The IBAN also includes the bank identifier of the financial institution servicing that account.                                         | ECB    |
| ISO 20022                         | The international standard for financial services messaging, maintained by the International Organization for Standardisation.                                                                                                                                                                                                                                                                                                        | ECB    |
| Limit                             | Quantitative limit on the funds transfer activity of participants in a system; limits may be set by each participant or imposed by the body managing the system.                                                                                                                                                                                                                                                                      | ECB    |
| Limit utilisation                 | The limit utilisation of a CMB specifies the amount by which its limit is already reduced by settlement of instant payments. The limit utilisation is the limit minus headroom.                                                                                                                                                                                                                                                       | ECB    |
| Liquidity transfer                | An instruction to transfer central bank money from an RTGS account to a TIPS account or vice versa from a TIPS account to an RTGS account.                                                                                                                                                                                                                                                                                            | ECB    |
| National Central Bank             | A Central Bank that provides cash account services to Participants for settlement of instant payments in central bank money                                                                                                                                                                                                                                                                                                           | ECB    |
| Netting                           | An agreed offsetting of mutual obligations by participants in a system. This process involves the calculation of net settlement positions and their legal reduction to a (bilateral or multilateral) net amount. Netting may take several legal forms.                                                                                                                                                                                | ECB    |
| Originator                        | A Customer who initiates directly or indirectly the SCT Inst by providing the Originator Participant with an instruction.                                                                                                                                                                                                                                                                                                             | EPC    |
| Originator Participant            | An Originator account servicing payment services provider.                                                                                                                                                                                                                                                                                                                                                                            | EPC    |
| pacs                              | See Payments Clearing and Settlement message                                                                                                                                                                                                                                                                                                                                                                                          | ECB    |
| Participant                       | An entity which has a BIC and own at least a TIPS (and/or linked CMBs); their accounts cannot have a negative balance. This entity is responsible for the setup and configuration of CMBs linked to their accounts.                                                                                                                                                                                                                   | ECB    |
| Payment Transaction               | See Instant Payment Transaction                                                                                                                                                                                                                                                                                                                                                                                                       |        |



| Item                                     | Description                                                                                                                                                                                                                                                                                                       | Source |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Payments Clearing and Settlement message | (Pacs) ISO 20022 standard for XML messages to be used to manage payments clearing and settlement.                                                                                                                                                                                                                 | ECB    |
| Payments Module (of TARGET2)             | In the context of TARGET2, it's a mandatory module which allows the settlement of payments in the RTGS account, held by all direct participants. In addition, it offers advanced services for liquidity management, for the communication with direct participants and ancillary systems.                         | ECB    |
| PM                                       | See Payments Module (of TARGET2)                                                                                                                                                                                                                                                                                  | ECB    |
| Reachable Party                          | An entity which does not have TIPS accounts and have to rely on a Participant to allow them to use an account (or CMB). Reachable parties can interact with TIPS directly (i.e. send payment transactions) if they assume the role of an Instructing Party; however, responsibility remains with the Participant. | ECB    |
| Real-Time Gross Settlement system        | A settlement system in which processing and settlement take place on a transaction-by-transaction basis (without netting) in real time.                                                                                                                                                                           | ECB    |
| Recall                                   | A recall occurs when the Originator Participant requests to cancel an SCT Inst Transaction. The Recall procedure can be initiated only by the Originator Participant which may do it on behalf of the Originator.                                                                                                 | EPC    |
| Recovery Point Objective                 | The recovery point objective (RPO) is a point of consistency to which a user wants to recover or restart the service.                                                                                                                                                                                             | ECB    |
| Recovery Time Objective                  | The recovery time objective (RTO) is the maximum amount of time required for recovery or restart of the service to a specified point of consistency.                                                                                                                                                              | ECB    |
| Reservation of funds                     | A process of preventing the transfer of a specified amount of funds in a specific currency in one account to any other account except for the purpose for which the funds were reserved.                                                                                                                          | ECB    |
| Scheme                                   | A scheme can be considered as a set of procedures, rules and technical standards governing the execution of payment transactions.                                                                                                                                                                                 | ECB    |
| Settlement                               | An act that discharges obligations in respect of funds or securities transfers between two or more parties.                                                                                                                                                                                                       | ECB    |
| Single Euro Payments Area                | A process initiated by European banks and supported, inter alia, by the Eurosystem and the European Commission with a view to integrating retail payment systems and transforming the euro area into a true domestic market for the payment industry.                                                             | ECB    |
| System User                              | An individual or a technical process/application that can log into the service with a login name and password.                                                                                                                                                                                                    | ECB    |
| T2S                                      | See TARGET2-Securities                                                                                                                                                                                                                                                                                            | ECB    |
| TARGET2                                  | The Eurosystem's single shared platform enabling the settlement of payments in central bank money in Europe, supporting the implementation of the Eurosystem's monetary policy.                                                                                                                                   | ECB    |

| Item                       | Description                                                                                                                                                                                                                                                                                                                 | Source |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| TARGET2-Securities         | The Eurosystem's single technical platform enabling central securities depositories (CSDs) and national central banks to provide core, borderless and neutral securities settlement services in central bank money in Europe.                                                                                               | ECB    |
| Timestamp                  | A timestamp is a sequence of characters, denoting the date and/or time at which a certain event occurred.                                                                                                                                                                                                                   | ECB    |
| TIPS Operator              | The Operator is the legal and/or organisational entity/entities that operates/operate the instant payment service.                                                                                                                                                                                                          | ECB    |
| Transit Account            | A cash account in the RTGS system and in TIPS held and used by the responsible system operator to transfer funds between the two. The transit account opened within TIPS is referred as RTGS dedicated transit account and the transit account opened within the RTGS system is referred as TIPS dedicated transit account. | ECB    |
| U2A                        | See user-to-application                                                                                                                                                                                                                                                                                                     | ECB    |
| User Requirement           | A condition or capability needed by a stakeholder to solve a problem or achieve an objective.                                                                                                                                                                                                                               | ECB    |
| User Requirements Document | The document setting out the user requirements of a service.                                                                                                                                                                                                                                                                | ECB    |
| user-to-application        | A mode of technical communication that permits the exchange of information between software applications of TIPS and a TIPS system user through a graphical user interface.                                                                                                                                                 | ECB    |

## 12.3 LIST OF ACRONYMS

| Item     | Description                                |
|----------|--------------------------------------------|
| 24/7/365 | 24-hour and seven-day around the year      |
| A2A      | application-to-application                 |
| AS       | Ancillary System                           |
| BIC      | Business Identifier Code                   |
| camt     | Cash Management                            |
| CMB      | Credit Memorandum Balance                  |
| CSD      | Central Securities Depository              |
| DN       | Distinguished Name                         |
| DS       | Dataset                                    |
| ECB      | European Central Bank                      |
| EPC      | European Payments Council                  |
| ERPB     | Euro Retail Payments Board                 |
| FIFO     | First-In First-Out                         |
| GUI      | Graphical User Interface (see U2A)         |
| IBAN     | International Bank Account Number          |
| MPL      | Mobile Proxy Lookup                        |
| pacs     | Payments Clearing and Settlement           |
| PM       | Payments Module (of TARGET2)               |
| RPO      | Recovery Point Objective                   |
| RTO      | Recovery Time Objective                    |
| SEPA     | Single Euro Payments Area                  |
| SIP      | Single Instructing Party                   |
| T2S      | TARGET2-Securities                         |
| TIPS     | TARGET Instant Payments Settlement Service |
| TMS      | Trouble Management System                  |
| TR       | Task Requirement                           |
| U2A      | user-to-application                        |
| UDFS     | User Detailed Functional Specifications    |
| UR       | User Requirement                           |
| URD      | User Requirements Document                 |
| UTC      | Coordinated Universal Time                 |
| XML      | Extensible Mark-up Language                |