



EUROPEAN CENTRAL BANK

EUROSYSTEM

**ECB**  
DG-MIP  
TIPS Project Team

# *Questions & Answers*

TIPS Contact Group

2nd Meeting on 7 November 2017

Could you please explain how the minimum reserve on weekends works?

- The General Ledger (GL) files will be generated by TIPS at the start of End-of-Day procedures in TARGET2 for each single business date. Therefore, no intermediate snapshot will be taken over the weekend.
- The calculation for the minimum reserve will follow the same approach as it is currently done in TARGET2, i.e. the GL for RM is generated on Friday whereas the following GL is produced on Monday afternoon.
- In TIPS the snapshot taken on Monday will take into account the overall activity on the TIPS accounts over the weekend.

The ECB will be providing the TIPS solution in 2018 as part of a program in which you also plan to modernise the Target2 platform. If Instant Payments grow as in other markets, will there still be a need for a High Value Payments system?

- These are two different segments in payments business with very different characteristics (retail with large volume low value vs interbank with low volume large value).
- TIPS is focussing on 24/7 and very high throughput for simple operations settled in FIFO mode. An RTGS is operating with less demanding response times but relying on sophisticated liquidity management features. The technical solutions to support these segments are different and the services will therefore remain technically distinct.
- Still, we will put a lot of efforts in integrating these services as efficiently as possible to smoothen their interactions, aiming at facilitating liquidity management by providing banks with a real time consolidation of all their holdings in Central Bank Money.

TARGET2 has a lot of operational redundancy and resilience built into it: will there be the need for additional operational contingency features or processes to be built for TIPS to ensure that it can operate 24x7?

- TIPS will make no use of synchronous copy. Its architecture features multiple nodes, each of them able to update a “journal” in a way that guarantees a Recovery Point Objective (RPO) equal to zero.
- At the go-live TIPS will be hosted in two sites of one region but it is possible that in the future it will have a second region with other two sites.
- More information can be found at the page:  
[\*TARGET Instant Payment Settlement \(TIPS\) - How?\*](#)

In the UDFS a code has been defined for “Amount exceeds the maximum authorised amount for SCT Inst”. But there is no definition of maximum amount. Does the EUR 15K limit apply also to TIPS?

- The issue of having a limit in TIPS was debated in the context of the TIPS Task Force and following the preference of the market it was decided NOT to have any limit in TIPS. In other words, we will not have the EUR 15K limit.
- What is found in the UDFS comes from the way this decision will be implemented in TIPS. We want to be able in the future to possibly change this approach. For this reason we have a system parameter in TIPS (initially set as “unlimited”) for which a control will be anyway in place. This way, if one day we want to set a limit, this will be managed very easily at the level of software.

# Thank you for the attention!

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