



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Pan-European reachability of instant payments - Update

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AMI-Pay meeting  
07 December 2021



ECB  
DG-MIP/MIS

# Status Update on TIPS Community Readiness

## Progress made since the previous AMI-Pay workshop

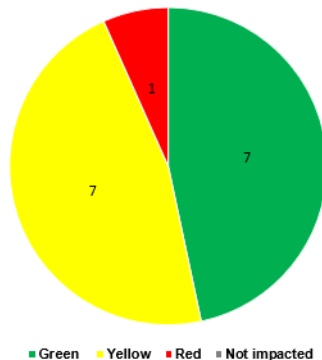
- **The fifth Readiness Reporting cycle (with cut-off 30/09/2021)** regarding the TIPS Reachability Measures was finalised and the **Readiness Reports have been shared with AMI-Pay and TIPS-CG for information on 02/11/2021.**
- **The sixth Readiness Reporting cycle (with cut-off date of 30/11/2021)** is currently on-going and **deadline for NCBs to submit their questionnaire is today.**
- **An extra seventh Readiness Reporting cycle (with cut-off date of 31/12/2021)** will take place.
- The outcome of the **fifth Readiness reporting cycle** will be presented in the following slides.

# Status Update on TIPS Community Readiness

Outcome of the fifth reporting cycle (cut-off of 30/09/21)

- Based on the feedback provided by 15 Central Banks, **the overall assessment for PSPs** (Direct Participants (DPs) and Reachable Parties (RPs) **is balanced** while it is **more positive for the ACH community**
- The **overall confidence level reported by the CBs** for their PSP communities **is decreasing** compared to the fourth reporting cycle (cut-off of 30/07/21)

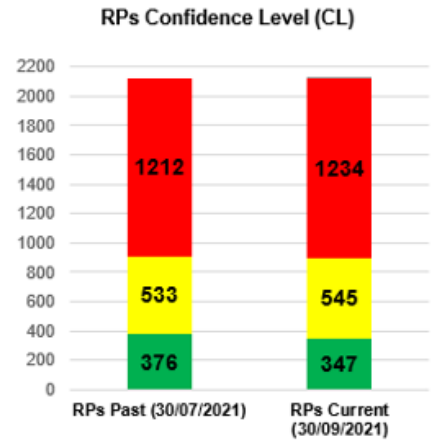
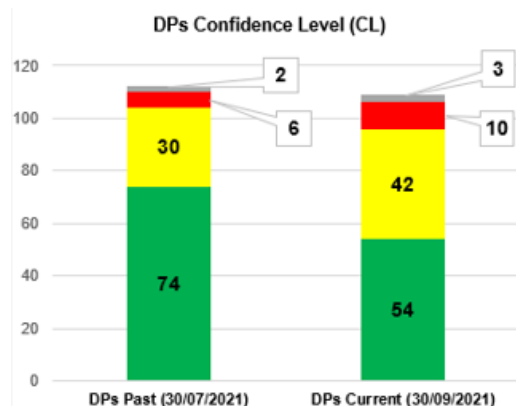
PSPs overall Confidence Level as reported by the respective CB



# Status Update on TIPS Community Readiness

## Overall confidence level of the PSPs Community:

- The overall confidence level reported by the DPs is balanced.
- The red status reported by the RPs is due to the fact that these RPs rely on the readiness of one DP to on-board to TIPS (which also reported a red status).



# Status Update on TIPS Community Readiness

In addition to the Reachable Parties issue, the main concerns encountered by the PSP communities are as follows:

- Technical issues related to the connection to ESMIG with NSP, the access to CRDM & TIPS GUIs, the installation of the Go-Sign Desktop and the NRO functionality.
- Tight project timeline.
- Lack of resources available.
- Dependencies with external providers and other priorities.
- High concentration of activities towards the end of the project deadline.
- Insufficient information from some Instructing Parties about the changes.

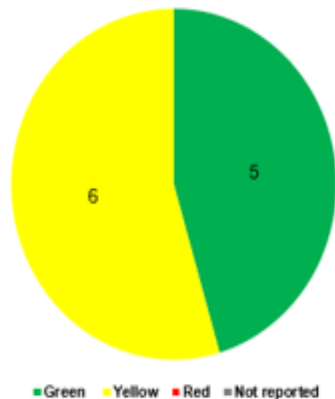
These issues are in the process of being mitigated.

# Status Update on TIPS Community Readiness

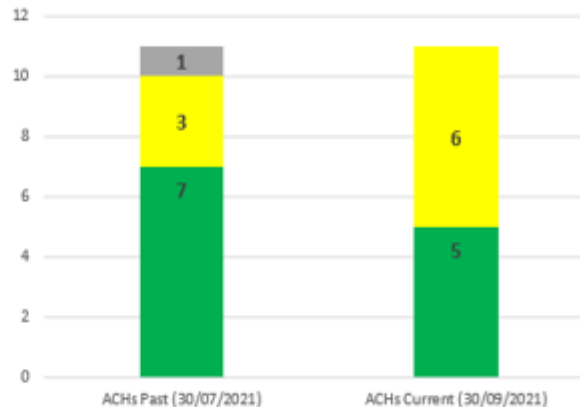
## Overall confidence level of the ACHs Community:

- The overall confidence level reported by the ACHs is positive but it has slightly decreased compared to the previous reporting cycle.

ACHs overall Confidence Level as reported by the respective CB



ACHs Confidence Level (CL)

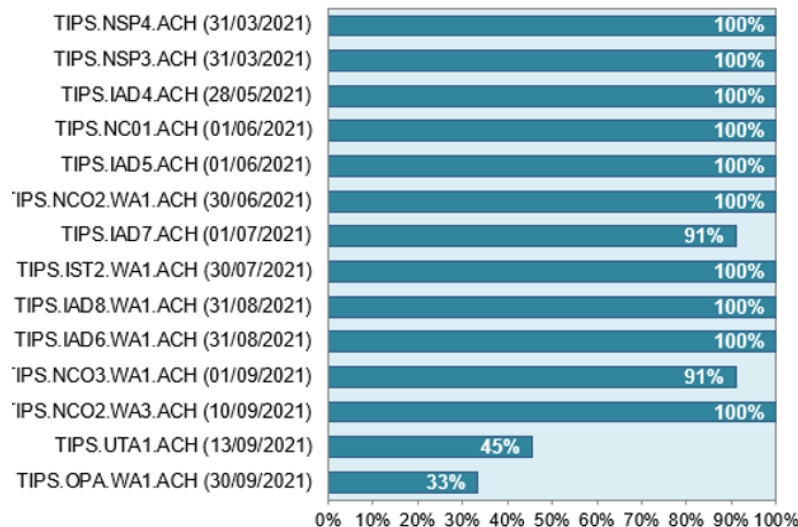


# Status Update on TIPS Community Readiness

## Milestones completion by the ACHs:

- The past and current milestones for the ACHs are significantly met; though, some ACHs have experienced limited delays on the completion of milestones UTA1 (User Testing Activities started) and OPA.WA1 (Operational procedure adaptations completed for ACHs of Wave 1).

**ACHs Current and Past Milestones % Completion**



# Status Update on TIPS Community Readiness

The main issues and concerns highlighted by the ACHs in their reporting are as follows:

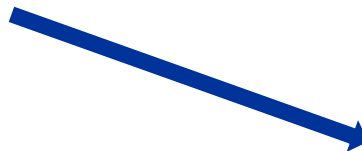
- Lack of visibility on the operational processes and contractual aspects.
- Documentation issues: updated TIPS forms and registration guide not delivered, registration process and required configuration in TIPS to initiate an intra-service liquidity transfer not clearly documented.
- Difficulties with accessing ESMIG.
- NRO functionality not working in both TIPS and CRDM.
- Technical difficulties to set up the access to TIPS and CRDM GUI with the Go-Sign application.

Documentation issues raised here above have been clarified in the meantime since a version of both the updated TIPS forms and the registration guide has been shared recently. A detailed description of the setup needed for the sending of a liquidity transfer in TIPS on behalf of a TIPS DCA holder has also been shared with the testing managers on 13 October.



# Readiness Monitoring: Next steps

- Next step is the finalization of the **sixth reporting cycle**.



7 reporting cycles prior agreed deadline:

- 29/01/21
- 31/03/21
- 31/05/21
- 30/07/21
- 30/09/21
- **30/11/21**
- 31/12/2021

ECB sends the template questionnaire to NCBs prior each cycle

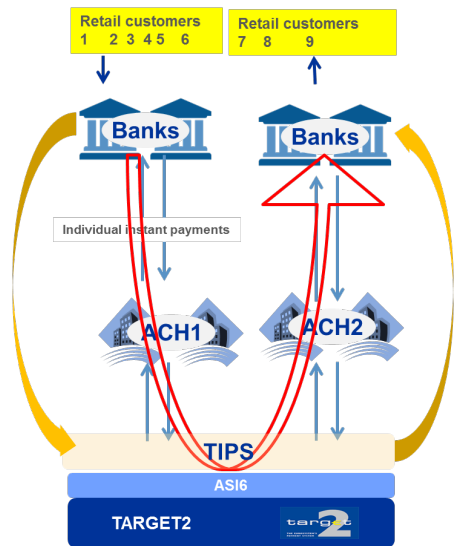
# Recap of benefits

## Pan-European reachability package

The package allows that all Participants are reachable across the chain, irrespective of which ACH (or TIPS) they are using for instant payments.

- All CSMs/PSPs are **pan-European**: Interoperability, **SEPA / SCT Inst compliance**.
- No need for fragmentation of banks' **liquidity pool** and removal of liquidity traps.
- Elimination of **credit risk** exposure and **instant finality** for inter-ACH transfers.
- Optimised liquidity management with **24/7** availability for funding and defunding.
- PSPs can decide to send payments either **ACH internally**, from an **AS technical account**, or using their **TIPS account/CMB**.

# With pan-European reachability, account location does not matter



With the second measure, INST payments from one bank account holder to another can also settle **across ACHs**, because the ACHs settle directly cross-ACH payments via TIPS\*.

Across the entire euro area, accounts can be in **any ACH or in TIPS** and they will be able to reach each other.

A **market survey** will be initiated in Q1-2022 to get a feedback on the migration period.

\* The PSPs willing to settle on the TIPS DCA can either instruct directly or make use of the instructing party service.

# Thank you for your attention!



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