

OUTCOME
**MEETING OF THE ADVISORY GROUP ON MARKET INFRASTRUCTURES
FOR PAYMENTS (AMI-Pay)**

20 May 2021, 9:30 – 13:00 (CEST)

WebEx teleconference

0. Introductory remarks and approval of the agenda

The Chair welcomed the participants and in particular the new members: Ms Giorgi (Crédit Agricole) and Mr. Kaczmarek (DZ Bank)
The participants agreed on the agenda.

1. Follow-up to the AMI-Pay/SeCo workshop on the TARGET Services crisis communication

The ECB will inform AMI-Pay participants on the follow-up to the joint AMI-Pay/SeCo workshop on the TARGET Services crisis communication held on 22 February 2021.

Document:

Presentation – TARGET Services crisis communication update

Outcome:

The ECB informed the members of the follow-up to the joint AMI-Pay/SeCo workshop on the TARGET Services crisis communication with a focus on:

- the progress of the ongoing external review, noting that the external reviewer report is now envisaged to be published in the course of July instead of end-June;
- the status of the changes relating to external communication distinguishing between those already implemented and ongoing ones. It was noted that the final conclusions on communication shall be reached together with the external review report to ensure a holistic and consistent approach.

Following the question of a member, it was confirmed that AMI-Pay and AMI-SeCo members will continue to be consulted on crisis communication as the work progresses.

2. T2-T2S consolidation

The ECB will present an update on the T2-T2S consolidation project.

Document:

Presentation – update on T2-T2S consolidation

Outcome:

The ECB updated AMI-Pay participants on the status of the T2-T2S consolidation focusing on the milestones of relevance to AMI-Pay, namely the Community Readiness report on Connectivity Testing and start of User Testing. The members were further informed of an upcoming Focus Session on the T2-T2S consolidation on 15 June 2021.

Following the remark of a member on the timing for the activation of the SWIFT “like-for-like” set-up, the ECB stressed that the continuous dialogue with SWIFT gives a positive feedback that the implementation of the TMP is progressing well. The formal decision will be taken by the MIB in June 2021, which has been identified as the latest point in time ensuring the duty of diligence while not impacting the planned go-live of the project.

In the unlikely case that the SWFIT “like-for-like” would have to be activated, the ECB would reach out to market participants to understand the impact of this decision.

3. Instant payments

3.1 Implementation of pan-European reachability measures

The ECB will update AMI-Pay participants on the progress towards the implementation of the measures to support the pan-European reachability of instant payments, including the market readiness milestones as well as the community readiness monitoring.

Document:

Pan-European reachability of instant payments - update

Outcome:

The ECB provided an update on the implementation of the pan-European reachability measures, including the readiness status of the PSP and ACH communities.

AMI-Pay participants took note of the update.

3.2 TIPS roadmap

The ECB will update AMI-Pay on the TIPS roadmap discussions, including the planned operational resilience improvement, the progress of the cross-currency work as well as the reflection on possible future developments such as request-to-pay.

AMI-Pay participants are invited to take note of the update and provide feedback on the possible further developments considered in the context of the TIPS roadmap.

Documents:

TIPS roadmap

TIPS operational resilience enhancements

Outcome:

The 4CB – Banca d'Italia representative informed AMI-Pay participants on the improvements of the TIPS roadmap connected to the operational resilience; such improvements cover the Resilience And Continuity Enhancements (RACE) as well as the TIPS end-to-end checker.

The ECB informed the AMI-Pay on the reflections on the TIPS roadmap including several initiatives for the evolution of TIPS, which were also part of a prioritisation exercise conducted in the TIPS Consultative Group and further analysis at the level of the TARGET Services Working Group. Members were invited to share their views on the possible evolution of TIPS in the coming years. The following main points were raised in the discussion:

- Request-to-pay (RTP) in TIPS and possible issues related to interoperability of the usage of API:

Interoperability was not perceived as an issue – or at least not one that could not be solved notably considering EACHA work in this field. The ECB will follow-up with relevant AMI-Pay participants to understand how interoperability of RTP services would be ensured.

Connection via API was seen as a step in the direction of allowing to link between RTP and the investments banks made for the PSD2 implementation.

- Usage of the TIPS platform for business cases beyond the processing of SCT Inst payments:

The discussion focused on the introduction of non-time critical payments where some participants supported the need to discuss this issue in a broader forum considering the anticipated impact on the flow management for banks treasurers.

In principle, going beyond the pure SCT Inst processing was not considered problematic, and some members stressed that this would simplify liquidity management for banks allowing them to settle more payments via the liquidity held in TIPS.

- Expectations towards the Eurosystem to support the growth of instant payments in Europe:

One member noted that the Eurosystem could help by broadening education on virtues of instant payments and promote product development at PSP level.

Follow-up:

The AMI-Pay input will be taken into account in the further Eurosystem discussions on the TIPS roadmap.

The question of interoperability of RTP services will be followed-up bilaterally by the ECB with relevant AMI-Pay participants.

3.3 Instant payments and sanctions screening

Following the December 2020 AMI-Pay meeting and a second stock-take, an ad hoc technical AMI-Pay workshop was held on 15 April 2021 to support the further AMI-Pay reflection on sanctions screening and instant payments in view of possibly defining best practices that are consistent with the current regulatory framework.

AMI-Pay members are invited to consider the outcome of the workshop and agree on the way forward on this matter.

Document:

Sanctions screening and instant payments – outcome of the 15 April AMI-Pay technical workshop and possible way forward

Outcome:

The ECB presented the outcome of the technical AMI-Pay workshop on instant payments and sanctions screening held on 15 April 2021 and suggested way forward resulting from the workshop.

The European Commission representative noted that the issue of sanctions screening had been identified as a potential friction for cross-border instant payments but the issue of sanctions screening goes way beyond payments. While appreciating the wish to remove any friction, it was emphasised that this may be politically sensitive and require full cooperation of the Member States.

With regard to the creation of the unique “SEPA-domestic” zone, the members supported the view that specifying common European lists via commonly-implemented and agreed processes in Europe/SEPA could facilitate that cross-border SCT Inst transactions are exempted from in-flow sanction screening. It was noted that this practice may even increase the global average sanction screening level in Europe/SEPA by bettering any potential “weak link” in the chain we might have today, thus creating a trust environment to make seamless instant payment transactions possible.

AMI-Pay participants supported the three suggested areas for follow-up resulting from the workshop namely:

- possible actions in the remit of AMI-Pay: harmonising practices of PSPs and improving PSPs' internal operational processes. This could build on the work conducted by SWIFT that would be invited to update AMI-Pay in the next meetings. In addition, the ECSAs will coordinate the work related to the work on bank processes. AMI-Pay would be a forum to share experience and to discuss how further progress can be achieved.

- possible actions at scheme level by the EPC: raising to the EPC for their further consideration possible options such as (in the SCT Inst scheme) compulsory and standardised usage of purpose and reject reason codes; (in the SEPA request-to-pay scheme) the possible use of purpose codes or other additional data to identify payments at the POI; the potential use of the SEPA Proxy-Lookup scheme/service for sanctions screening purposes.

- Investigation of possible actions by relevant authorities: raising to the European Commission for their further consideration possible paths such as the creation of a unique "SEPA-domestic" zone where the majority of SCT Inst transactions would be exempt from in-flow sanctions screening; further investigation into the level playing field issue with card payments (which allegedly are not screened against sanctions lists, unlike SCT Inst based payments at the POI).

The European Commission invited market participants to provide further details on the identified unlevel playing field in terms of sanctions screening between instant payments and card transactions.

4. Any other business