



EUROPEAN CENTRAL BANK

EUROSYSTEM

TIPS Cross Currency Settlement

AMI-Pay



04 May 2023

target | TIPS
services

Agenda

- 1** **Background**
- 2** Initial assessment of market consultation
- 3** Open questions
- 4** Way forward

Background

- February and March 2023 → Consultations with € and SEK markets took place with 13 participants
- March 2023 → EPC has published the [Euro One-Leg Out Credit Transfer \(\[Inst\] Euro OCT\) Arrangement Rulebook scheme](#)

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Initial assessment of market consultation

	Euro area	Sweden
Interest overall	<ul style="list-style-type: none"> • Some interest expressed, either as x-ccy PSP or normal participant (or processors), pending further details 	<ul style="list-style-type: none"> • More cautious stance from first consultation confirmed, but all banks wanted to continue the dialogue
Issues raised	<ul style="list-style-type: none"> • Transformative nature of the service • Client use cases to be developed 	<ul style="list-style-type: none"> • Timing a challenge due to busy agenda • FX quotes not available 24/7
Interest in a pilot	<ul style="list-style-type: none"> • Four banks expressed interest in (doing joint work ahead of) a pilot 	<ul style="list-style-type: none"> • Three banks in Sweden are checking their feasibility (follow up talks will be held)
Additional remarks	<ul style="list-style-type: none"> • Adding currencies is an important 'selling point' among market participants • Pilot should be envisaged as based on a minimum viable product (e.g. excluding a Central Exchange Hub (CEH) and limited operating hours instead of the 24/7 availability) 	

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Open questions

What will be the impact of the EPC OCT scheme on the proposed [Linked Transactions settlement \(LKT\) model](#)?

- EPC recently published the OCT scheme Rulebook
- The implementation guidelines are not published yet ([foreseen for the end of June 2023](#))

Main discussion points on the potential pilot

- The **scope of the pilot** (minimum viable product) with respect to currency trading layer operational hours has to be further elaborated
- Potential **timeline**
- Open issues (e.g., dependencies with EPC OCT scheme)

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Way forward

- I. Continue assessment of EPC OCT scheme (based on the latest publication)
- II. Finalisation of explanatory document on cross-currency pilot characteristics
- III. Follow-up with EUR and SEK PSPs that expressed interest in participating in pilot

Thank you for your attention!



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