

ECB
DG-MIP/MID

Q&A of the month

TIPS Contact Group

7th Meeting on 23 May 2018



Question with regard to the reception of the TIPS Directory:

Will a PSP that uses an instructing party as additional provider receive the directory directly from TIPS or will the instructing party receive the directory and forward the content to us?

- The instructing party is a technical address of a participant. Therefore, its access to the directory depends on the access rights that are given to it by its participant. There will be a presentation on roles and privileges connected to the access to TIPS services in one of the next TIPS CG meetings.



Question with regard to the limit in TIPS:

Since TIPS is not going to control the 15.000€ limit and it leaves that control to banks, it let a question arise between two different interpretation:

1. It means that joining TIPS would mean signing a multilateral agreement in the meaning of EPC, where banks should accept any amount of money and decide if allow to send out the amount on their responsibility
2. There is still no obligation for banks to accept transactions over 15.000€, but banks can receive high value transactions and can decide whether to accept it or not.



- TIPS itself will not have a strict 15.000€ limit. At an earlier point in time, this was an option that was discussed when the User Requirements for TIPS were detailed, but the option was ultimately discarded upon request of the market.
- The [SEPA SCT Inst Scheme](#) states under *2.5 Value Limits* the following:

*“Any SCT Inst Instruction having an amount higher than the maximum amount defined in the Scheme is rejected by the interbank parties involved in the process chain **unless otherwise agreed between individual Participants or communities of Participants** while respecting the maximum amount stipulation in the SEPA EndDate Regulation.”*



- During discussion in the development phase of the URD, we ended up lifting this limit as long as there is a bilateral or multilateral agreement between the different parties.
- In addition, TIPS does check the limit vis-à-vis a parameter for which the default value is set unlimited as shown in *Table 18 – System Parameters* of the [TIPS UDFS](#). As a consequence of having included this check, it will be possible to set the limit to a real value if this may be agreed by the TIPS community at any point in time after the go-live.
- Please be also informed about the following documentation for SCT Inst compliant parties: [MAXIMUM AMOUNT FOR INSTRUCTIONS UNDER THE SCT INST SCHEME RULEBOOK](#).



Question with regard to the minimum reserve:

Could you please provide some information regarding the creditability of the CMB-limit with respect to the minimum reserve calculation?

We assume that the CMB-limit is assigned to the reachable parties effort concerning the minimum reserve, but responsible for the allocation should be the linked RTGS account or are there other regulations concerning the jurisdictions?



- Generally the CMB limit is not creditable in terms of Minimum Reserve. Citing from the [TIPS URD](#): “*TIPS shall offer Credit Memorandum Balance (CMB) functionality which is a credit limit that is linked to a TIPS account*”, it is stated that the CMB is defined as a limit and not as a balance. Therefore, it cannot be taken into account for the calculation of the Minimum Reserve.
- Furthermore, the ‘snapshot’, which is triggered by the RTGS system, includes only the balance of the TIPS DCA accounts and not the CMBs.

Thank you for the attention!

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