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TIPS to connect to other fast payment systems globally

The Governing Council of the European Central Bank (ECB) has decided to continue work on linking its [TARGET Instant Payment Settlement service \(TIPS\)](#) with other fast payment systems globally, aiming to address the risks of fragmentation of the global payments ecosystem. The decision supports the G20 roadmap for creating a faster, cheaper, more transparent and accessible global payments ecosystem, while ensuring secure and reliable instant payments. Linking fast payment systems across borders would improve their interoperability, reducing costs and increasing the speed and transparency of cross-border payments, including remittances.

The work, designed to explore the benefits of interconnecting fast payment systems across jurisdictions, will involve the following initiatives.

- i. Implementing a cross-currency settlement service for the TIPS platform, based on the European Payments Council's One-Leg Out (OLO) Instant Credit Transfer (OCT Inst) scheme. This would allow for the exchange of cross-border payments between TIPS and other fast payment systems globally. It would also enable interactions between TIPS and other fast payment systems outside of the euro area, without the need for a direct technical link to be established between the systems. The initial exploration will be done with fast payment systems that have compatible scheme and have an interest in being involved.
- ii. Joining the multilateral network of instant payment systems, Project Nexus, led by the Bank for International Settlements (BIS). By connecting to Nexus, TIPS could evolve into a hub for processing instant cross-border payments to and from the euro area. Nexus, a project from the BIS Innovation Hub's centre in Singapore, will initially connect the fast payment systems of Bank Negara Malaysia, Bangko Sentral ng Pilipinas, the Monetary Authority of Singapore, the Bank of Thailand and the Reserve Bank of India. If the exploration is successful, the Eurosystem would join the initiative.
- iii. Establishing a bilateral link with India's Unified Payments Interface (UPI), an instant payments system developed by the National Payments Corporation of India and regulated by the Reserve Bank of India. UPI has the largest instant payment transaction volumes in the world, with almost 400 million transactions per day, and India is among the top ten recipients of euro area remittances.

The initiatives aim to support cross-border payments and foster a global payments ecosystem, while ensuring secure and reliable instant payments. It also contributes to the goal of the [Eurosystem's retail payments strategy](#), which aims to help European consumers and businesses make and receive payments involving partners outside the euro area.