

TARGET Instant Payment Settlement

Overview of the market feedback on the 1st UDFS draft

TIPS Contact Group #2

Summary

1. Overview of the market feedback on the UDFS
2. Main changes stemming from market comments
3. CRDM vs TIPS Graphical User Interface
4. Interaction between CRDM and TIPS
5. Transaction Status Query implementation

Overview of the market feedback on the UDFS

Overview of the market feedback on the UDFS

- **383** comments on the 1st draft received by the 6th of October.
- **57** out of **383** comments were deemed not in the scope, as related to UDFS chapters which were not included within the 1st draft.
- **326** comments have been taken into account and arranged under five different categories (see next slide).
- Additional comments have been received after the 6th of October and will be addressed in the next review cycle.

Overview of the market feedback on the UDFS

Market comments categories

Category	Actions
Accepted	<ul style="list-style-type: none">• Request to change the UDFS (e.g. typos, inconsistencies, errors, further details, etc.).• The comment have included in the 2nd UDFS draft or will be taken on board in the next draft.
Clarification	<ul style="list-style-type: none">• No changes in the UDFS document.• Additional explanation provided while answering the comment.
Rejected	<ul style="list-style-type: none">• Request cannot be accepted (e.g. request contradicting the User Requirements Document).
To be discussed with the TIPS-CG	<ul style="list-style-type: none">• No changes in the UDFS document so far.• The topic will be discussed in the TIPS-CG in order to get guidance.
To be clarified by the requestor	<ul style="list-style-type: none">• No changes in the UDFS document.• Additional information is required by the requestor.

Overview of the market feedback on the UDFS

Overall figures

Category	Figures	Percentage
Accepted	173	53,07%
Clarification	145	44,48%
Rejected	4	1,23%
To be discussed with the TIPS-CG	1	0,31%
To be clarified by the requestor	3	0,92%
Total	326	100%

Main changes stemming from market comments

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- Timeout conditions
 - Usage of reason codes in case of the different timeout scenarios in accordance with the EPC SCT Inst Implementation Guidelines.
 - TIPS mechanism to inform both the originator and the beneficiary in case of timeout.
 - Amendment of the relevant business rules.
- Diagrams of account balances:
 - All examples amended as follows:
 - Current account balance on the right
 - Credited amount on the right
 - Debited (or reserved) amount on the left
- Correction of spelling mistakes and typos.

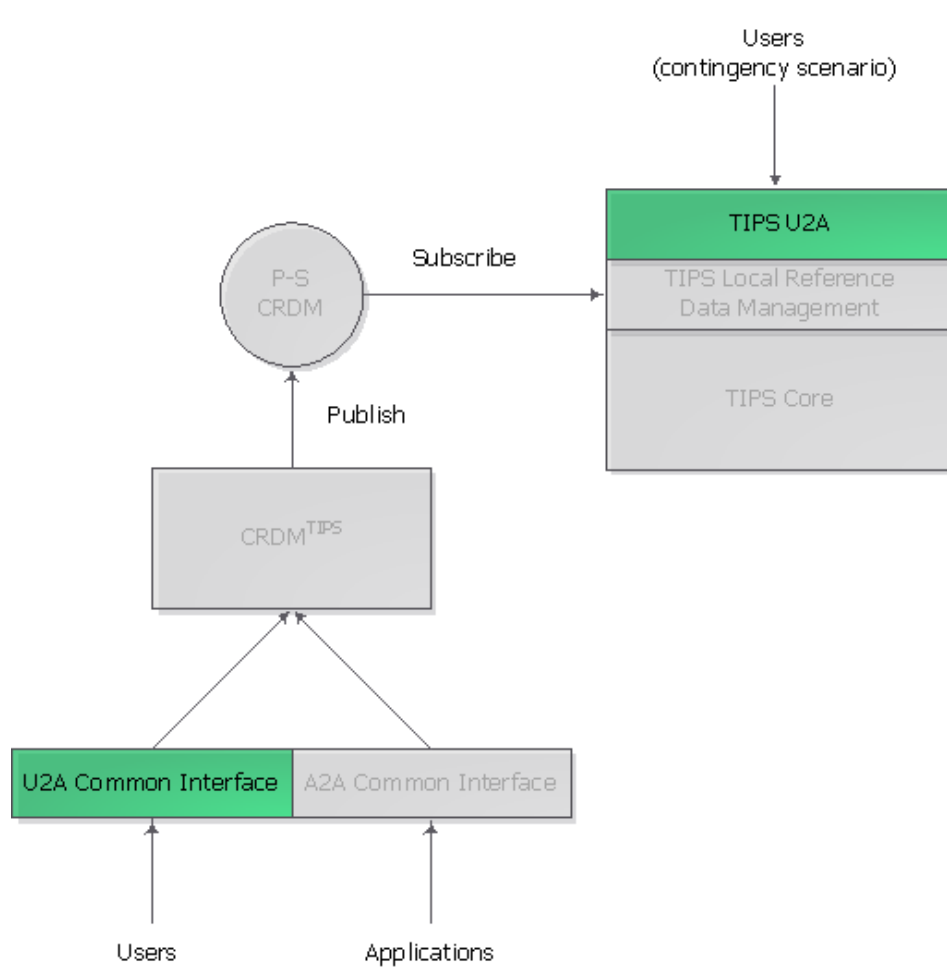
Main changes stemming from market comments

- Following Appendices have been added to the UDFS Table of Content:
 - List of acronyms
 - List of referenced documents
 - Glossary

4. APPENDICES.....
4.1. BUSINESS RULES.....
4.2. LIST OF ISO ERROR CODES.....
4.3. INDEX OF FIGURES.....
4.4. INDEX OF TABLES.....
4.5. LIST OF ACRONYMS.....
4.6. LIST OF REFERENCES.....
4.7. GLOSSARY.....

CRDM vs TIPS Graphical User Interface

CRDM vs TIPS GUI (1/2)



- Block/Unblock TIPS Participant
- Block/Unblock TIPS Account
- Block/Unblock/Adjust CMB

CRDM vs TIPS GUI (2/2)

CRDM GUI

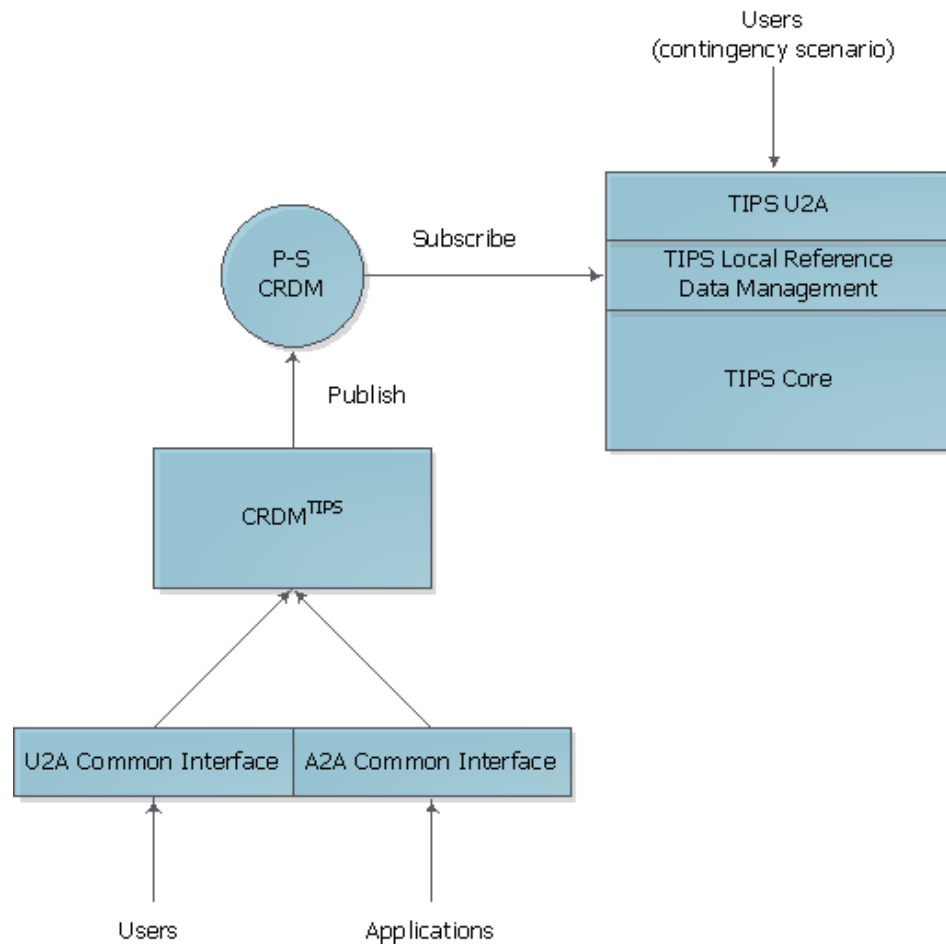
- Available during the opening hours of the Common reference Data Management module (*22 hours/day, from Monday to Friday*)
- Creation/Update/Deletion/Restore and Display of Reference Data
- Reference data changes that are not time-critical, e.g.:
 - Management of Participants and their reference data
 - System settings changes
 - Routing table changes
 - Report subscription

TIPS GUI

- Available 24/7/365
- Only a limited set of time-critical functions can be triggered:
 - Block/unblock account
 - Block/unblock CMB
 - Block/unblock party
 - Increase/decrease of a CMB
 - Payment Transaction Status query
 - Account Balance Status query
 - CMB Limit Status query
- Time-critical reference data changes, e.g. when the CRDM is not open.

Interaction between CRDM and TIPS

Interaction between CRDM and TIPS (1/2)



Interaction between CRDM and TIPS (2/2)

- As far as TIPS is concerned, the dialogue between CRDM and TIPS envisions two types of interactions:
 - **Daily propagation:** it is the main interaction between CRDM and TIPS. CRDM extracts the data to be loaded into TIPS Local Reference Data Management module at 5:00 PM. The propagation of data includes the reference data that will become valid in TIPS as of the next business day (of the RTGS).
 - **Contingency propagation:** in case of contingency the TIPS Operator may trigger an ad-hoc daily propagation from CRDM to TIPS. The extraction will contain all the reference data to be propagated since the last daily propagation.

Transaction Status Query implementation

Transaction Status Query implementation 1/4

SEPA SCT Inst schema lets the Originator PSP query the status of a payment transaction by the **Investigation** business case

- This is implemented with pacs.028 and pacs.002 is returned

The TIPS URD introduced the Transaction Status Query to let also the Beneficiary party be able to retrieve a status of payment transaction

- Available U2A and A2A

This function for the Beneficiary party is out of the EPC SCT Inst scheme. Moreover, it covers a residual case, e.g. a scenario in which the pacs.008 reached already the Beneficiary PSP and suddenly either the Network Service Provider or TIPS becomes not available.

In order to identify a possible way forward, the TIPS Contact Group is required to exchange views on the following three options.

Transaction Status Query implementation 2/4

Option 1: Implementation with “Investigation Like” A2A messages

- Query issued with pacs.028
- Query response returned with pacs.002
- PROs and CONs
 - + No new message introduced
 - Messages need additional fields out of SEPA SCT Inst guideline:
 - pacs.028 – Instructing Agent to transport the Beneficiary PSP BIC
 - pacs.002 – Amount of the original transaction to be included

Transaction Status Query implementation 3/4

Option 2: No additional Payment Transaction Status query will be offered, neither in U2A nor in A2A

- Full de-scoping of the URD (i.e. A2A and U2A queries removed)
- Drop TIPS.UR.07.080, modify TIPS.UR.07.010, TIPS.UR.07.020, TIPS.UR.07.040, TIPS.UR.08.030 and TIPS.UR.08.040
- PROs and CONs
 - + Reduce the complexity of using pacs.028/pacs.002 for both (i) Investigation and (ii) the Payment Transaction Status query
 - The beneficiary bank will not be able to check the status of a payment transaction (only in the specific scenario described before).
- This option will not impact the Investigation workflow which will remain available to the originator bank as per the SCT Inst scheme.

Transaction Status Query implementation 4/4

Option 3: Payment Transaction Status query available in U2A only

- Partial de-scoping of the URD (i.e. A2A query is removed).
- Modify TIPS.UR.07.010, TIPS.UR.08.030 and TIPS.UR.08.040 (the latter only for wording alignment).
- PROs and CONs
 - + Reduce the complexity of using pacs.028/pacs.002 for both (i) Investigation and (ii) the Payment Transaction Status query.
 - + The beneficiary bank will always be able to check the status of a payment transaction.
 - Access in U2A mode only allowed.
- The option will not impact the Investigation workflow which will remain available to the originator bank as per the SCT Inst scheme.