

Institution name	CAIXABANK
------------------	-----------

[Please provide the name of your institution]

Deliverable Name	TARGET Instant Payments Settlement User Requirements
Version No.	0.1
Document sent for review on	9 January 2017
Feedback by	24 February 2017

**How to use this document:**  
 1 - Please fill in your Institution name  
 2 - Select a Section for your comment  
 3 - Select a requirement ID for the ID (if any)  
 4 - Write your comment

No	Commented by	Page	Section	Requirement ID	Name	Comment
			<i>[Please provide a Section by the use of the 'drop-down' list]</i>	<i>[Please provide a requirement ID by the use of the 'drop-down' list]</i>		<i>[Please provide your input]</i>
1	CAIXABANK	6	2.3 LIQUIDITY MANAGEMENT	General	General Comment	Page 13. <b>TIPS service shall allow the transfer of funds between an RTGS account and a TIPS account during the operating hours of the RTGS, provided that both accounts are denominated in the same currency.</b> It may be wise widening Target2 operating hours in order to ensure 'real' 24/7/365 capabilities not only for peer-to-peer payment orders but also for interbank payments.
2	CAIXABANK	7	2.4 MANAGEMENT OF ACCOUNTS AND REFERENCE DATA	General	General Comment	Page 13. Management of accounts and Reference data. <b>Reachable Parties need to maintain contractual agreements with Participants in order to use their TIPS accounts for settlement. Similarly Participants need to have contractual arrangements with the Instructing Parties who can instruct on their behalf.</b> ECB should consider that how relationships are fixed between different entities could be out of scope of the functional design of TIPS; obviously, TIPS should be aware about the kind of relationship that different Participants have for its correct management but we're not sure that should need to define how this relationship is instrumented. Is TIPS going to check all contracts established bilaterally between Participants or it just have to be informed about linkages agreed?
3	CAIXABANK	7	2.5 QUERIES AND REPORTING	General	General Comment	<b>Queries and reports.</b> Page 13. More definition should be specified on future drafts in order to let eventual Participants analyze whether reports are sufficient for their needs. From our point of view, reports should include balance at a certain moment in time, instant payment orders correctly settled on the period of analysis, IPOs 'in flight' at the closure of the period, graphical analysis of liquidity along the period and some others.
4	CAIXABANK	8	3.1 OVERVIEW	Figure 1	Payment process	There is an apparent inconsistency on description of TIPS' workflow between figure 1 on page 14 and flow as described on 2.2. (Settlement of Payment Transaction) page 12, despite complete explanation is provided on 3.1. Description might be harmonized between all figures depicting the workflow of TIPS.

5	CAIXABANK	8	3.1 OVERVIEW	General	General Comment	<b>Page 14.</b> Step DS-2 for SCTinst does not include any Participant's/Beneficiary's account/CMB dedicated-field and does not seem to mention eventual additional fields to do so. In case that a specific field initially defined to include other kind of information could be used to indicate acct/CMB number, 'User Requirement Document' would need to specify which.
6	CAIXABANK	10	3.2 PAYMENT PROCESSING	General	General Comment	There seems to be a different treatment between payment orders transactions as described in point 3.2.2. (page 19) if compared with funding/defunding transactions (4.1.-page 40). While <b>3.2.2.</b> Page 19 Document states 'Prior settlement funds are <b>reserved</b> on the TIPS account to be debited in order to ensure that the settlement process cannot fail at a later stage due to insufficient funds' on 4.1.(page 40) when defining workflow of <b>Outbound liquidity transfers</b> it states that they are 'triggered in TIPS by authorised Participants or Instructing Parties using a liquidity transfer order message. After necessary validations have been performed TIPS transfers the requested amount from the source TIPS account to a (technical) transit account; <b>there is no reservation of funds</b> '. Reservation of funds for payment order transactions and no reservation for liquidity transfers; is that so?
7	CAIXABANK	13	3.2 PAYMENT PROCESSING	TIPS.UR.03.050	Authorisation to send payment transactions	<b>3.2.3. TIPS.UR.03.050.</b> Page 19. Authorization to send payments. If an attempt to effect an Instant Payment by an unauthorized party, occurs, besides rejecting the order, owner of the account that has suffered that potentially fraudulent payment should also be advised.
8	CAIXABANK	15	3.2 PAYMENT PROCESSING	TIPS.UR.03.080	Existence of Beneficiary Participant	<b>TIPS.UR.03.080</b> Page 21. Existence of beneficiary Participant. We understand that control designed is correct, but it would be very useful for Participants to be provided with a list of reachable entities, so that they could act before issuing the IP (by not effecting the payment through TIPS).
9	CAIXABANK	18	3.2 PAYMENT PROCESSING	TIPS.UR.03.200	Waiting for a Beneficiary Participant reply	<b>3.2.6. TIPS.UR.03.200 'Waiting for Beneficiary Participant Reply'. Page 24. Document states:</b> The payment transaction remains pending until a positive (acceptance of the payment) or negative (rejection of the payment) reply is received and settlement takes place (only for positive replies). This is incorrect: TIPS should reject payment if a time-out due to lack of answer from Beneficiary Participant occurs. Instant Payment transaction cannot be held pending from this answer. Besides it is inconsistent with next Requirement (TIPS.UR.03.210), that states that: In case the timeout is reached, the payment cannot be processed within the required timespan and has to be rejected.