Focus on TIPS-0041-URD

Introduction of non-time critical (NTC) instant payments in TIPS

17 April 2023

target | TIPS
services

Point for discussion: TIPS-0014-URD and TIPS-0041-URD

Detailed Assessment _ Questions to be clarified by the originator:

1.   TIPS has been sized to manage high volume of instant payments (500 IP/sec, 2000 IP/sec as a peek).
By extending the lifecycle of a payment transaction (from 20 seconds, up to 24 hours), the maximum number of concurrent NTC transactions that can be managed **cannot scale up with the same rate envisioned for the standard IPs and shall be limited to e.g. 1 million for performance reasons**. **The value of this threshold may be captured as a system parameter to allow some fine-tuning during the volume testing campaign, <u>nevertheless this is a "hard limit" that, when implemented, cannot be modified in the live environment, i.e. changing the limit would imply a change in the settlement core code with a disruption of the TIPS service</u>**

2. 4CB's understanding of the requirement is that a **recall request received when the lifecycle of the underlying NTC instant payment is still pending in TIPS** (i.e. no final status is reached for the underlying NTC transaction) **will be validated and simply forwarded by TIPS to the Beneficiary PSP**. It is up to the recall assignee to detect that the received recall request is linked to a NTC payment whose settlement has not been confirmed by the Beneficiary PSP yet. **No retry mechanism is introduced** for the recall in case the recall assignee is offline.

3. During the preliminary assessment it was not deemed necessary to rely on both triggers (e.g. time-based and message-based). Therefore, the current working assumption relies on the time-based trigger only.

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Open issues/questions to be clarified by the originator:

- What parameters would be necessary:

    I. Confirmation of the business case for the NTC

    II. What would be the ideal number of concurrent NTCs (1 million as suggested?)

    III. What should be the hard time limit for NTCs? (e.g., 12 hours instead of 24 hours?)

    IV. What should be the interval for retransmission? (3 – 4 Hours convenient?, a balanced duration should be defined keeping in view the NSP related costs for beneficiary)

    V. No retry mechanism for recall requests, any issues in such approach?

Thank you for your attention!

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