**EUROPEAN CENTRAL BANK**

EUROSYSTEM

5 February 2021

# Checklist for the onboarding of payment service providers (PSPs) to TIPS

## Introduction

The Eurosystem has taken a monitoring role for the timely readiness of the payment service providers (PSPs) to onboard to TARGET Instant Payment Settlement (TIPS), in accordance with the relevant pan-European reachability measure. In this regard, information on the progress of the project is being provided to relevant governance bodies in order to be able to mitigate the key risk that the PSPs are not ready to onboard before 21 November 2021. Each PSP is responsible for ensuring its own readiness and establishing its own adaptation plan to start operations in TIPS on its onboarding date. The activities on this checklist need to be considered by the PSP in their internal adaptation plan to ensure their readiness. Difficulties to perform these activities should be flagged as early as possible. Each PSP would need to communicate to its respective Central Bank any relevant information on their adaptation implementation and of any potential risks and issues which ultimately might jeopardise their go-live.

The activities (solely relevant to PSPs) are listed below.

| Code | Activity and NCB interaction | Foreseen average timing |
|---|---|---|
| | **Preparation** | |
| TIPS.PSE.PSP | Project set up<br>- Participants nominate a project manager and set up the project (allocated resources, required budget and started the impact analysis).<br>NCB interaction: NCB to be informed in the Readiness reporting cycle. | One month |
| TIPS.IA.PSP | Impact assessment | Two months |

| Code | Activity and NCB interaction | Foreseen average timing |
|---|---|---|
| | - Participants create a detailed business and technical impact assessment to adapt their IT systems and processes to the new service. This includes the impact assessment on how to connect their IT systems to TIPS.<br><br>PSPs must decide their reachability strategy during this period. Reachable Party or TIPS participant? Connect directly to TIPS or use an Instructing Party? This can be carried out in parallel with the PSE activity.<br><br>The institution carrying out the instructing party activity must be ready to bring the PSP to TIPS Prod by November 2021.<br><br>NCB interaction: NCB to be informed in the Readiness reporting cycle. | |
| TIPS.ID.PSP | Drafting of internal applications documentation<br><br>- Participants draft their internal applications documentation (e.g. business requirements and functional specifications for key functionalities).<br><br>This activity can begin before the finalisation of the TIPS.IA.PSP impact assessment activity.<br><br>NCB Interaction: NCB to be informed in the Readiness reporting cycle. | Two months |
| TIPS.SD.PSP | Software development for the required internal system adaptations<br><br>- Participants perform their internal development to adapt their IT systems and processes to the new service.<br><br>The development can begin before the end of the drafting of documentation especially when using an Agile methodology.<br><br>NCB Interaction: NCB to be informed in the Readiness reporting cycle. | Two months |
| TIPS.TA.PSP | Testing of internal applications<br><br>- Participants perform internal testing of key functionalities to enable the User testing and migration. | It depends on the participant. Average |

| Code | Activity and NCB interaction | Foreseen average timing |
|------|------------------------------|-------------------------|
| | Testing can begin before the end of software development especially when using an Agile methodology. | estimation: two months |
| | NCB interaction: NCB to be informed in the Readiness reporting cycle. | |
| TIPS.NC.PSP | Network service provider selection and connectivity planning<br><br>- Participants develop the selection criteria for the network service providers (e.g. decision on direct connection or the use of an instructing party, value added services expected from network service providers). Participants have completed the new connectivity design strategy (e.g. on U2A/A2A) and planning.<br><br>Many PSPs may not change provider but simply add to their service.<br><br>Participants using an instructing party will need to ensure that the IP is connected TIPS CERT and PROD. | One month |
| | NCB interaction: NCB to be informed in the Readiness reporting cycle. | |
| TIPS.NSP.PSP | Network service provider contract signature<br><br>- Participants procure sign a contract with their selected network service provider. | Two months |
| | NCB interaction: NCB to be informed in the Readiness reporting cycle. | |
| | **Implementation** | |
| TIPS.CON.PSP | Network connectivity tests on the testing environment<br><br>- Participants perform the connectivity testing on the testing environment before user testing activities.<br><br>This must begin immediately after the NSP contract is signed. The Eurosystem advises planning two months for this activity. | Two months |
| | NCB interaction: The Eurosystem and NSP will include the PSP in the CUG. The Eurosystem (4CB) provides support during connectivity testing. | |

| Code | Activity and NCB interaction | Foreseen average timing |
|---|---|---|
| TIPS.CONP.PSP | Network connectivity tests on the production environment<br><br>- Participants perform the connectivity testing on the production environment before pre-migration activities.<br><br>The Eurosystem advises at least two months for connectivity testing. This can be performed in parallel to the connectivity on the test environment. | Two months |
| | NCB interaction: The Eurosystem and NSP will include the PSP in the CUG. The Eurosystem (4CB) provides support during connectivity testing | |
| **Testing** | | |
| TIPS.UT.PSP | User testing activities<br><br>- Participants perform user testing including the certification test cases. UT allows the PSPs to interact in the TIPS certification test environment with their counter-parties, the central banks and the ACHs.<br><br>PSPs are advised to start User testing as early as possible. The Testing environment is immediately available. UT can theoretically begin as soon as connectivity is proven. At least two months should be dedicated to this activity.<br><br>Participants using the services of an Instructing party will also need to test and their selected IP must be connected to TIPS CERT for this purpose. | Two months |
| | NCB interaction: The National Service Desk at the National Central Bank of the PSP provides support throughout User Testing. | |
| TIPS.IST.PSP | Internal staff training<br><br>- Participants train their staff in order to perform user testing and later for the operational activities.<br><br>Participants will already have drafted their new procedures and can instruct users on how to perform them in the test environment. | One month |

| Code | Activity and NCB interaction | Foreseen average timing |
|---|---|---|
| | NCB interaction: PSPs may contact their NCB to find out about any planned national user events. | |
| TIPS.OP.PSP | Operational procedure adaptations<br><br>- Participants perform the operational procedure adaptations.<br><br>This can be done before staff training and the procedures can be tested during user testing. | One month |
| | NCB interaction: NCB to be informed in the Readiness reporting cycle | |
| | **On-boarding** | |
| TIPS.CL.PSP | Contractual and legal adaptations<br><br>- Participants perform all contractual and legal adaptations.<br><br>All contracts have been signed (Eurosystem, NSP, etc), ideally should be completed a month before go-live. | |
| | NCB interaction: NCB to be informed in the Readiness reporting cycle | |
| TIPS.PM.PSP | Reference data set up<br><br>- Participants' setup reference data (e.g. users, access rights, etc.) on the production environment.<br><br>Central banks will perform these onboarding tasks with the participant. | Less than one month |
| | NCB interaction: The NCB will perform the registration and assist in the PSPs configurational tasks | |

## Gannt chart including all activities with their recommended timing

| | FEBRUARY | MAY | AUGUST |
|---|---|---|---|
| TIPS.PSE.PSP | ■ (orange) | | |
| TIPS.IA.PSP | TWO MONTHS | | |
| TIPS.ID.PSP | | | |
| TIPS.SD.PSP | | | |
| TIPS.TA.PSP | | | |
| TIPS.NC.PSP | ■ (yellow) | | |
| TIPS.NSP.PSP | TWO MONTHS | | |
| TIPS.CON.PSP | | ■ (red) | |
| PS.CONP.PSP | | TWO MONTHS | |
| TIPS.UT.PSP | | | TWO MONTHS |
| TIPS.IST.PSP | | ■ (purple) | |
| TIPS.CL.PSP | | | |
| TIPS.OP.PSP | | ■ (grey) | |
| TIPS.PM.PSP | | | |