

Change Request form

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements Document (URD) <input type="checkbox"/> User Detailed Functional Specification (UDFS) <input type="checkbox"/> User Handbook (UHB) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: ECB	Institution: ECB	Date raised: June 2020
Request title: Update of the TIPS Billing to support the pan-European reachability		Request ref. no: TIPS-0038-SYS ¹
Request type:		
1. Legal/business importance parameter: High	2. Market implementation efforts parameter – Stakeholder impact: Low	
3. Operational impact: Medium	4. Financial impact parameter:	
5. Functional/ Technical impact: Medium	6. Interoperability impact: Low	
Requestor Category:		Status: Allocated to a Release

Reason for change and expected benefits/business motivation:

A new framework for the settlement of instant payments has been designed. This change aims at enabling the availability of CeBM for the funding and defunding of ACH Technical Accounts on a 24/7 basis and the settlement of instant payments also across different CSMs. The main goal of this change is to ensure that the settlement of instant payments is always possible between two PSPs that are compliant with the SCT Inst scheme and that participate in at least one of the ACHs present in TIPS. This way the problem of lack of full reachability across the euro area (and the currency areas of the currencies settling instant payments through the TIPS platform) can be solved.

As a consequence of this initiative, ACHs will constitute a new category of TIPS Actors, and consequently TIPS needs to update its billing functionality in order to enable the calculation of the amounts that are due by ACHs in TIPS.

Description of requested change:

Considering some preliminary assumptions on the pricing scheme that would apply to ACHs in TIPS (see screenshots below under “Submitted annexes”) and considering that all values there included are subject to be revised in the TIPS Pricing dossier that the GovC will discuss in November 2020, TIPS needs to undergo some changes in order to adapt its billing functionality.

The amount that an ACH will pay depends on:

1. Number of transactions (instant payments and positive recall answers) that originate in the ACH and are settled in the ACH (to be multiplied with parameter a for the Option A in the tables below);

¹ XXXX = ECMS /TIPS / CONS, NNNN = 9999, DDDD = URD/UDFS/UHB

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2. Number of transactions (instant payments and positive recall answers) settled in the ACH technical account (to be multiplied with parameter e in the tables below).

Since TIPS is not interested in the transaction flow in case of transactions (instant payments and positive recall answers) that originate in the ACH and are settled in the ACH, the information under point 1 shall be inserted in the Billing Common Component by the relevant NCB for the ACH as Invoice manual corrections.

The information under point 2 is using the functionality already available to bill PSPs in TIPS. The ACH technical accounts are not to be treated differently from the TIPS DCA accounts from this perspective.

The Change Request aims at covering related changes in both TIPS and the Billing common component.

Submitted annexes / related documents:

Table 1: Domestic or intra-ACH transactions
Assumption that both PSPs follow either option A, B or C

Pricing scheme elements		Opt. A	Opt. B	Opt. C
ACH transaction fee	a	0.0005		
TIPS Settlement fee paid by the payer PSP or by the ACH if ACH technical account is used	e		0.002	
TIPS revenues per transaction	a + e	0.0005	0.002	0.002

Table 2: Cross-border or inter-ACH transactions
Assumption that both PSPs follow either option A, B or C

In A1, TIPS is not used for settlement, because the ACH has a pan-European capacity to process a payment where payer and payee are in different countries.

In A2 and B, TIPS is used for settlement in central bank money. In A2, the ACH is instructing a cross-ACH payment on its technical account. In B, the ACH acts as instructing party and TIPS uses the PSP account to settle.

Pricing scheme elements		Opt. A1	Opt. A2**	Opt. B	Opt. C
ACH transaction fee applied to the ACH where the payment originates (i.e. sending ACH)	a	0.0005			
TIPS Settlement fee paid by the payer PSP or by the ACH if ACH technical account is used	e			0.002	
TIPS revenues per transaction	a + e	0.0005		0.002	0.002

NB: Prices are indicative and denominated in €.

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TIPS list of billable items

Billable items included in the TIPS billing in TARGET2 today

Changes stemming from TIPS CR-0033

Service Item Name	Service Item Code	Service Category	Fee trigger	Party to be charged	Fee type	Frequency
Settled Instant Payment transaction	pac.008	Settlement Services	A fixed amount per transaction	Party, being the owner of the TIPS DCA/ACH Technical Account to be debited	Variable independent	n/a
Unsettled Instant Payment transaction	pac.008	Settlement Services	A fixed amount per transaction (same as for the instant payment transaction)	Party, being the owner of the TIPS DCA/ACH Technical Account to be debited	Variable independent	n/a
Settled Positive Recall answer	pac.004	Settlement Services	A fixed amount per transaction (same as for the instant payment transaction)	Party, being the owner of the TIPS DCA/ACH Technical Account to be credited	Variable independent	n/a
Unsettled Positive Recall answer	pac.004	Settlement Services	A fixed amount per transaction (same as for the instant payment transaction)	Party, being the owner of the TIPS DCA/ACH Technical Account to be credited	Variable independent	n/a

Proposed wording for the Change request:

TIPS UDFS

1) § 1.5.6.2. Raw data for Billing

Table 3 – Raw data for Billing

Attribute	Description
Transaction Identifier	Identifier of the Instant Payment transaction or of the Recall Answer transaction.
Business Date	RTGS business date on which the transaction was processed.
Transaction Type	Type of transaction. The exhaustive list of possible values is as follows:

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	<ul style="list-style-type: none"> • IP (Instant Payment) • RA (Recall Answer)
Originator BIC	In case of an IP transaction (Transaction Type = "IP"), it is the BIC11 specified in the "Debtor Agent" field of the related incoming FI to FI Customer Credit Transfer. In case of a Recall Answer (Transaction Type = "RA"), it is the BIC11 specified in the "Debtor Agent" field of the related incoming Payment Return.
Country Code	Country code of the Central Bank which the account belongs to.
Account Number	In case of an IP transaction (Transaction Type = "IP"), it is the identification number of the debited TIPS Account/ <u>TIPS AS Technical Account</u> . In case of a positive Recall Answer (Transaction Type = "RA"), it is the identification number of the credited TIPS Account/ <u>TIPS AS Technical Account</u> .

BILL UHB

2) § 2.2.3.3 Manual Correction

Manual Correction	
[...]	[...]
Add/Delete Manual Correction	
[...]	[...]
Amount	<p>Enter the Amount of the correction to be applied on the Service Item.</p> <p>Only one among Amount and Quantity fields must be defined.</p> <p>Required format is: amount with 5 decimals.</p>
Quantity	<p>Enter the consumption related to the selected Service item.</p> <p>Only one among Amount and Quantity fields must be defined.</p> <p>Required format is: Integer.</p> <p>Reference for error message []:</p> <p>! DBC5001</p>
Unit Price	<p>Enter the Unit Price applicable to the selected Quantity.</p> <p>This field is allowed only if Quantity is filled in.</p> <p>Required format is: amount with 5 decimals.</p> <p>Reference for error message []:</p> <p>! DBC5001</p>

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Manual Correction	
Sign	<p>Select whether the performed Manual Correction has to be debited or to be credited to the participant.</p> <p>Possible values:</p> <ul style="list-style-type: none"> Debit Credit <p>This field is mandatory in create mode.</p> <p>The field is read-only in edit mode.</p>
Total Amount	<p>Shows the total amount of the Manual Correction.</p> <p>It's equal to Amount if Rate is not filled in.</p> <p>It's equal to the Rate percentage of Amount if both are filled in.</p> <p>It's blank if only Quantity is filled in.</p> <p>It's equal to Quantity times Unit Price if both are filled in.</p> <p>The field is read-only.</p>
[...]	[...]

High level description of Impact:

The BILL common component GUI behaviour has to be amended in order to accept the input of manual corrections related to the consumption stemming from transactions that originate in the ACH and are settled in the ACH.

Impacts on other projects and products:

Not detected.

Outcome/Decisions:

General Information	
Impact on TIPS	
Business Interface	
	A2A Interface

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	U2A Interface
Settlement Engine	
	Payment Transaction
	Liquidity Transfer
	Recall
Queries and Reports	
	Queries
	Reports
Others	
	Testing tool
	Contingency message application
Common Components	
	ESMIG
	CRDM
	Archiving
X	Billing
	DMT
Operational Tools	
	SLA Reporting
	TMS
	Technical Monitoring
	Change Management
	Capacity Management
Infrastructure request	
	Application components impacted

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	Application components not impacted	
Operational activities		
	Business activities impacted	
	Technical activities impacted	
New functionalities		
Impact on documentation		
Document	Chapter	Change
TIPS UDFS	- §1.5.6.2. Raw data for Billing	- Wording amended for the TIPS AS Technical Account management in raw data for billing.
CRDM UDFS		
ESMIG UDFS		
Training documentation		
Other documents	BILL UHB - § 2.2.3.3 Manual Correction	- Managing of free text manual correction as unit price * amount.
	BILL IDFS Screen documentation BILL Manual Correction_v0.1	- Managing of free text manual correction as unit price * amount.

Overview of the impact of the request on TIPS
Summary of functional, development, infrastructure, operational and security impacts
<p><u>Summary of functional impact:</u></p> <p>In order to manage the impact of the pan-European reachability measures properly, the billing functionality of</p>

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TIPS needs to be updated in order to take into account the amounts that are due by ACHs due their activity in TIPS.

In particular, from a BILL common component perspective, this is realised with a change in the manual correction functionality which will allow to properly manage the number of transactions that originates in the ACH and are settled in the ACH, which have to be multiplied with a predefined parameter (*parameter a*) using a free text manual correction.

An update of the TIPS functional documentation is required in the following areas:

- TIPS UDFS;

An update of the BILL functional documentation is required in the following areas:

- BILL UHB;

Summary of application development impact:

The BILL common component needs to be updated in order to allow manual corrections even when there are no invoice data produced and properly handle such a condition.

This under the assumption that the calculation logic to be applied to properly assign payments to ACHs (and, thus, to identify a participant as an ACH) is compatible with the current BILL design and only changes to the configuration will be needed.

Summary of infrastructure impact:

This change foresees minor infrastructural changes. Main effort, in terms of staff members' involvement, relies on system administrators implementing a tuning of existing infrastructures.

Summary of operational impact:

No operational impact.

Summary of security impact:

See Change Request Analysis.