Institution name	Portuguese Banking Community	*[Please provide the name of your institution]*

Deliverable Name	TARGET Instant Payments Settlement User Requirements	**How to use this document:**
Version No.	0.1	1 - Please fill in your Institution name
		2 - Select a Section for your comment
Document sent for review on	9 January 2017	3 - Select a requirement ID for the ID (if any)
Feedback by	24 February 2017	4 - Write your comment

No	Commented by	Page	Section	Requirement ID	Name	Comment
			[Please provide a Section by the use of the 'drop-down' list]	*[Please provide a requirement ID by the use of the 'drop-down' list]*		*[Please provide your input]*
1	Portuguese Banking Community	1	1.1 BACKGROUND	General	General Comment	We believe that Eurosystem could support the ramp up of current market initiatives with ASI6 and gather requirements for a more long term evolution of TARGET2 under project Vison2020.
2	Portuguese Banking Community	1	1.1 BACKGROUND	General	General Comment	As part of European Market Infrastructure Vision2020 why not use the TARGET2 PM account to also settle Instant Payment transactions on a 24/7 basis, instead of creating another liquidity pool to manage? With the proposed setup, liquidity in TIPS accounts can be sourced from TARGET2 only during the current TARGET2 operating hours, like the ASI6 model (since 24/7 can be guaranteed in both models for transaction processing), however, the remuneration basis for TIPS and ASI 6 RT accounts are different (see account balances that will be applicable to the minimum reserve calculation), giving rise to potential competition issues on prominent position.
3	Portuguese Banking Community	1	1.1 BACKGROUND	General	General Comment	TIPS provides basic functionality for an instant payments system, which in our view would be optimal for addressing switching and interoperability among services providers. However TIPS is not foreseen to become interoperable with other (CSM) solutions, making it difficult to guarantee full reachability and, with current design, it could contribute to the market fragmentation rather than solving it.
4	Portuguese Banking Community	1	1.1 BACKGROUND	General	General Comment	Different banks and banking communities have requirements that are specific to their context or offer (example: maximum amounts or maximum execution time). We believe that TIPS governance structure and framework do not include these value added services in the initial version.
5	Portuguese Banking Community	1	1.1 BACKGROUND	General	General Comment	The pricing information provided is not enough at this time to support any business case analysis or decision, since only a range of values for transaction is indicated and it is not clear what are the costs may exist (from the ECB or other providers). Being it a cost based price and aware that currently there are no volume estimations (since it is part of the market consultation), we must interpret that it is a target price desired by the ECB.
6	Portuguese Banking Community	1	1.3 PROJECT SCOPE AND DESCRIPTION	General	General Comment	Currently Payment Processors are eligible to participate in TARGET2, that configuration has served the market with no failures or risks - under this criteria Payment Processors should have the right to participate and have a TIPS account (since today they have it - see for Ancillary Systems). See TIPS.UR.05.050 The participation criteria in a payment system, as stated by the ECB in other matters, should be non discriminatory. The fact that Payment Processors are not allowed to participate can raise issues of level playing field.
7	Portuguese Banking Community	2	1.4 GENERAL PRINCIPLES	General	General Comment	If the volumes increase there could be an efficiency issue, since a clearing solution is typically fitted for this kind of processing services (high volumes - low amounts vs. low volumes - high amounts). See also comments #3 and #8.
8	Portuguese Banking Community	5	2.1 ACTORS	General	General Comment	It does not support the Participant Processor model, where significative efficiency could be reach. The role for Payment Processors is limited to Instructing/ed Parties.

9	Portuguese Banking Community	5	2.1 ACTORS	General	General Comment	The SCT Inst Scheme Rulebook specifies that CSMs supporting the SCT Inst scheme shall take the necessary measures to ensure interoperability with other CSMs. Also, the "Eurosystem expectations for clearing infrastructures to support pan-European instant payments in euro", state an expectation for infrastructures to be interoperable (in line with Regulation EU 260/2012). This obligation for compliant CSMs to be interoperable with each other, ensures that a bank will not be obliged to participate in more than one CSM in order to exchange SCT-inst payments with a bank that partipates in another CSM. The UDR document however, does not specify that TIPS shall be interoperable with other SCT-Inst compliant CSMs. It is therefore proposed that the Eurosystem includes in the UDR an additional requirement, for TIPS to be interoperable with other CSMs. This would make the TIPS solution also compliant with the Eurosystems expectations, and ensure a level playing field for TIPS and other Pan-European CSM solutions.
10	Portuguese Banking Community	6	2.3 LIQUIDITY MANAGEMENT	General	General Comment	In order to guarantee the settlement of Instant Payment transactions on a 24/7 basis in TIPS, Participants need to manage liquidity in TIPS accounts, using TARGET2 liquidity only during current TARGET2 operating hours. That could raise liquidity constraints outside TARGET2 operating hours, specially over the weekends. Why not extending this feature to 24/7/365 or using TARGET2 PM accounts to settle Instant Payment transactions directly on a 24/7 basis? With this Participants didn't have to manage another liquidity pool. Or, as it is not possible to anticipate the volume and the amount of transactions in TIPS (In and Out flows), in order to not interrupt the liquidation of operations due to lack of liquidity or to avoid large transfers of cash to TIPS accounts, especially on Fridays, we would like to propose to adopt a system Liquidity guarantee, or even the use of the current one. Why not to use the Intraday Credit to guarantee eventual liquidity lacks during the TARGET2 closing periods?
11	Portuguese Banking Community	6	2.3 LIQUIDITY MANAGEMENT	General	General Comment	Since TIPS account balances will be counted in minimum reserve computation for Euro, Participants and Central Banks must have quick access to the snapshot information to fulfil minimum reserve requirements. How are you planning to informe/reporte these snapshots to the participants? The solution to be adopted must show the information in a front-end application, with guarantee of easy and quick access. Given the unpredictability of the amounts that may be handled near the close of TARGET2, TIPS may create constraints in terms of liquidity management and the fulfilment of the minimum reserves requirement, with a particular focus on the last day of the period.
12	Portuguese Banking Community	8	3.1 OVERVIEW	Figure 1	Payment process	Does TIPS performs all scheme validations in Step2? TIPS should perform all business and technical scheme validations.
13	Portuguese Banking Community	8	3.1 OVERVIEW	Figure 1	Payment process	How does TIPS in step 6 confirms back to the Beneficiary Participant that it received the confirmation mentioned in step 5? The Beneficiary Participant Status message seems to be only for negative events.
14	Portuguese Banking Community	8	3.1 OVERVIEW	General	General Comment	Does TIPS performs all scheme validations for recalls? TIPS should perform all business and technical scheme validations.
15	Portuguese Banking Community	8	3.1 OVERVIEW	General	General Comment	TIPS does not check the timeframe of recalls, it is up to the Participants or Instructing Parties to adhere to the rules stipulated in the SCT Inst scheme. TIPS is not compliant with SCT Inst on these requirements and passes to participants the process setup and execution.
16	Portuguese Banking Community	8	3.1 OVERVIEW	General	General Comment	TIPS provides a query which covers the investigation functionality, therefore no dedicated additional messages are defined. This functionality is not aligned with SCT Inst scheme and implies manual handling. How does the Participant contacts the other Party?
17	Portuguese Banking Community	12	3.2 PAYMENT PROCESSING	TIPS.UR.03.010	Processing in a first in/first out manner	If the requirement is FIFO, the system should assure it. Otherwise seems not to be reliable.
18	Portuguese Banking Community	14	3.2 PAYMENT PROCESSING	TIPS.UR.03.070	Authorisation to debit account/decrease CMB	In the described situation (iii) there is a typo in the following sentence: "In case CMB3 would be used the payment transaction has to be rejected because R2 is not an authorised user of CMB3 (iii)". Should be R1?

19	Portuguese Banking Community	19	3.2 PAYMENT PROCESSING	TIPS.UR.03.220	Beneficiary Participant notification in case of timeout	How does the Beneficiary Participant for the positive cases? The Beneficiary Participant Status message seems to be only for negative events.
20	Portuguese Banking Community	24	3.2 PAYMENT PROCESSING	TIPS.UR.03.430	Same currency settlement	Maybe at this stage it makes no sense to define requirements for multi-currency since this will be a future possibility. These requirements are not sufficiently detailed.
21	Portuguese Banking Community	27	3.3 RECALLS	TIPS.UR.03.600	Business validation of recalls	Does TIPS performs all recall scheme validations? TIPS should perform all business and technical scheme validations. TIPS is not compliant with SCT Inst and passes to participants the process setup and execution. See TIPS.UR.03.620
22	Portuguese Banking Community	27	3.3 RECALLS	TIPS.UR.03.610	Authorisation to send recalls	Using the most recent set of reference data for the authorisation compromises the Participant change management process, since it implies the rejection of all r-trx.
23	Portuguese Banking Community	28	3.3 RECALLS	TIPS.UR.03.650	Business validation of recall answers	Does TIPS performs all recall answers scheme validations? TIPS should perform all business and technical scheme validations. TIPS is not compliant with SCT Inst and passes to participants the process setup and execution. See TIPS.UR.03.690
24	Portuguese Banking Community	29	3.3 RECALLS	TIPS.UR.03.670	Validation of recall answer status	"In case the answer is negative no additional processing has to be performed by TIPS. The negative message is just forwarded to the Originator Participant or Instructing Party." This description should refer to TIPS.UR.03.740.
25	Portuguese Banking Community	32	3.4 INVESTIGATIONS	TIPS.UR.03.900	Investigation functionality	This functionality is not aligned with SCT Inst scheme and implies manual handling. How does the Participant contacts the other Party?
26	Portuguese Banking Community	33	3.4 INVESTIGATIONS	TIPS.UR.03.910	Investigation answer	This requirement is not sufficiently detailed. It should comply with SCT Inst.
27	Portuguese Banking Community	34	4.1 OVERVIEW	General	General Comment	The main requirement should be, as part of the European Market Infrastructure Vision2020, use the TARGET2 PM account to also settle Instant Payment transactions on a 24/7/365 basis (instead of having another liquidity pool to manage). A second best should be to source TARGET2 PM account to do liquidity management on a 24/7/365 basis.
28	Portuguese Banking Community	34	4.1 OVERVIEW	General	General Comment	TIPS should have alarms to the Participant/Instructed Party if the balance of a specific TIPS account tops/falls below a predefined limit (configurable). This may be used to trigger an outbound/inbound liquidity transfer.
29	Portuguese Banking Community	42	4.2 LIQUIDITY TRANSFERS	TIPS.UR.04.150	Notification in case of RTGS rejection	The notification process is complex and demanding (uses 2 notifications for a single rejection). Why not sending only a negative receipt message?
30	Portuguese Banking Community	46	5.1 OVERVIEW	Figure 10	Use case 4: Multiple Instructing Parties	In the Beneficiary side, TIPS ID's for Beneficiary P should be CMB 1 or CMB 2? Instead of CMB 2 or CMB 3.
31	Portuguese Banking Community	51	5.3 ACCOUNT STRUCTURE	TIPS.UR.05.090	TIPS account identifiers	TIPS system guarantees unique id?
32	Portuguese Banking Community	52	5.3 ACCOUNT STRUCTURE	TIPS.UR.05.120	Credit Memorandum Balance functionality	The referred configuration of CMB by Central Banks is not sufficiently detailed. What operational procedures may only be performed by Central Banks? For instance, the below operational procedures may represent a burden to the Central Banks: - Create, update, delete accounts in their books and linked CMBs - Create, update and delete linkages between Participants, Reachable Parties and Instructing Parties
33	Portuguese Banking Community	53	5.3 ACCOUNT STRUCTURE	TIPS.UR.05.140	Number of CMBs per account	For management reasons the number of CMB should be limited?
34	Portuguese Banking Community	53	5.3 ACCOUNT STRUCTURE	TIPS.UR.05.160	CMB identifiers	TIPS system guarantees unique id?
35	Portuguese Banking Community	55	5.4 REFERENCE DATA	TIPS.UR.05.200	Account/CMB deletion action	If the system blocks an account with a positive balance for debiting, it will not be possible to erase it.

36	Portuguese Banking Community	71	8.2 U2A INTERFACE	General	General Comment	"TIPS will provide TIPS actors with a Graphical User Interface offering basic functionalities to access information and controls..." With regard to the information made available through the GUI on the TIPS platform in U2A, in addition to the value of the liquidity transfers and balance information of the account and CMB, do you expect to provide more information? We would like to have in GUI information on the totals of debits and credits (quantity and volume).
37	Portuguese Banking Community	88	10.7 VOLUMETRIC ASSUMPTIONS	TIPS.UR.10.130	Instant payments execution time	TIPS shall ensure completing all its processing tasks within 5 seconds for 99,9% of the processed instant payment transactions, aligning this requirement with TIPS.UR.10.020.
38	Portuguese Banking Community	89	10.8 CONNECTIVITY	TIPS.UR.10.140	Network connectivity	How many vendors will be available? And what are the connectivity requirements? Since now there seems to be issues in providing this service.
39	Portuguese Banking Community	89	10.9 SERVICE DESK	TIPS.UR.10.160	Service Desk availability	The Service Desk should be available on-site 24/7/365 (since TIPS is a 24/7/365 service).