

Change Request form

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements Document (URD)		
<input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<input type="checkbox"/> Other TIPS Documentation (OTD)		
<i>(to be filled in by CoG)</i>		
Request raised by: Market Infrastructure Board (MIB)	Date raised: 29/06/2018	
Request title: CMB limit utilisation reset	Name of Central Bank: European Central Bank	Request ref. no.: TIPS 0008 URD
Categorisation of changes		
1. Functional/technical importance parameter: Medium	4. Legal importance parameter: Low	
2. Operational importance parameter: High	5. Financial importance parameter: Low	
3. Stakeholder importance parameter: High		
Status: DA Approved by TIPS-WG and TIPS-CG		

Description of requested change:

A CMB limit in TIPS represents a payment capacity granted to a Reachable Party which can be modified either by updating the CMB limit or by increasing or decreasing liquidity by means of instant payment transactions. The current requirements and specifications do not envisage a functionality to reset the CMB limit headroom (e.g. on a daily basis) and the corresponding CMB limit utilisation.

After the completion of the written consultation on the different business options, the TIPS-CG members expressed a strong preference on the implementation of the option which allows a TIPS participant to submit to TIPS a CMB limit headroom reset/modification request, either via A2A or U2A, at any time.

The implementation of such change is proposed for Release 2.0 of TIPS.

Reason for change and expected benefits/business motivation:

The proposed change aims at offering to TIPS participants the possibility to reset/modify on demand the CMB limit headroom, resulting in either additional or reduced credit capacity for instant payment processing offered to a given Authorised Account User working at CMB level.

Submitted annexes / related documents:

Proposed wording update to the documentation to address the requested change:

The URD, the UDFS, the UHB and the training material shall be amended in order to introduce the following changes.
TIPS URD v1.0.0 - §.5.4.4 – New requirements

5.4.4 CMB Limits

<u>ID</u>	<u>TIPS.UR.XX.XXX</u>
<u>Name</u>	<u>CMB limit headroom change action</u>
<u>Requirement</u>	<u>TIPS shall allow an actor with suitable permissions to change/reset the limit headroom of a CMB. This limit headroom change implies a consequent alignment of the related limit utilisation.</u>

CMB limit headroom change/reset can be done by Participants owning the underlying account or Instructing Parties (given they have sufficient permissions).

A change of a CMB limit headroom imply (i) the update of the headroom to the chosen value and (ii) the concurrent update of limit utilisation to the difference between the limit value minus the limit headroom.

The reset of a CMB limit headroom results in (i) the reset of the headroom to the current limit value and (ii) the concurrent reset of limit utilisation to zero.

<u>ID</u>	<u>TIPS.UR.XX.XXX</u>
<u>Name</u>	<u>CMB limit headroom change effect timeframe</u>
<u>Requirement</u>	<u>TIPS shall ensure that changes done to CMB limit headroom are in effect immediately.</u>

Changes done to CMBs should be taken into account immediately.

TIPS UDFS v1.1.0 - §.1.4.5

1.4.5 CMB Headroom

TIPS keeps track of the utilisation and available headroom for each CMB for which a limit is defined. Whenever an Instant Payment transaction is settled against a given Originator or Beneficiary CMB, TIPS debits/credits the linked TIPS Account and decreases/increases the relevant CMB Headroom accordingly at the same time. If the amount of an Instant Payment transaction would exceed the current CMB Headroom to be debited, then it is rejected.

For unlimited CMBs, the headroom must always be considered infinite and, conversely, the utilisation always zero.

A CMB Headroom is created for each CMB and modified each time an Instant Payment transaction impacting the CMB is processed or the CMB limit is adjusted.

Besides the adjustment stemming from the Instant Payment transaction processing, the CMB headroom can be reset/modified by the responsible Central Bank and/or TIPS Participant either via the A2A or the U2A channel. The reset/modification of the CMB limit headroom implies a consequent alignment of the related limit utilisation as described in section 1.5.4.3 and in the relevant examples (see sections 2.9.1.1.9, 2.9.1.1.10 and 2.9.1.1.11).

CMB Headroom data includes the following attributes:

Table 1 – CMB Headroom data

Attribute	Description
CMB Headroom	Current value of the limit available for settlement on the related CMB.

Each CMB Headroom is linked to a single CMB as well as a single Cash Posting.

TIPS UDFS v1.1.0 - §.1.5.4.3

1.5.4.3 Limit management

TIPS allows Central Banks and TIPS Participants to update the Limits related to CMB falling under their data scope.

When a CMB limit is modified, the headroom of the CMB is updated accordingly. The CMB Headroom is updated (increased or decreased) on the basis of the difference between the new limit value of the CMB and the old limit value: if this difference is positive, the headroom is increased; if the difference is negative, the headroom is decreased.

It is possible, thus, that a change in the limit leads the headroom to becoming negative. In this case the CMB will only accept Instant Payments transactions in credit until the headroom once again goes over zero.

It is also possible for Central Banks and TIPS Participant to trigger the CMB limit headroom reset/modification request. By using the limit type code 'HDRM', the customer informs TIPS that the update limit action concerns the reset/modification of the limit headroom associated with a specific CMB.

The new limit type code 'HRDM' is used in addition to the New Limit Value field in order to implement the business scenarios described below:

- Reset of the CMB limit headroom to the current value of the CMB limit (scenario 1):
- Set-up of the CMB limit headroom to a specific value, e.g. which might be different from the current value of the CMB limit (scenario 2).

In the first scenario, the user would like to reset the CMB limit headroom to the current value of the CMB limit by using the following message setup:

- 'Limit Type' field equal to HDRM;
- 'New Limit Value' field equal to the value 999999999999999999, which will be interpreted as the reset of the CMB limit headroom to the current CMB limit value stored in the TIPS Local Reference Data Management.

The request would imply (i) the reset of the headroom to the current limit value and (ii) the concurrent reset of limit utilisation to zero.

In the second scenario, the user would like to modify the CMB limit headroom to a specific value by using the following message setup:

- 'Limit Type' field equal to HDRM;
- 'New Limit Value' field equal to a value chosen by the user.

The request would imply (i) the update of the headroom to the chosen value and (ii) the concurrent update of limit utilisation to the difference between the current limit value (stored in the TIPS Local Reference Data Management) minus the limit headroom.

In both described scenarios, the CMB limit value stored in the TIPS Local Reference Data Management shall remain unchanged. It is worth mentioning that the existing functionality which allows the update of CMB limit (and consequently to trigger a corresponding adjustment of the CMB limit headroom and the limit utilisation) will still be available after the deployment of this change request.

Limit management can be performed in U2A as well as A2A mode, the latter involving messages ModifyLimit and Receipt.

Examples involving limit management are listed in sections [2.9.1.1.7](#), [2.9.1.1.8](#), [2.9.1.1.9](#), [2.9.1.1.10](#) and [2.9.1.1.11](#).

TIPS UDFS v1.1.0 - §.2.9

[...]

2.9.1.1.9 Successful scenario – Reset CMB limit headroom to the current limit value for the CMB

In this scenario a TIPS Participant (with BIC 'PRTYXMMXXX') resets the CMB limit headroom of a CMB (of a Reachable Party identified by the BIC 'PRTYXMM234') under its data scope. TIPS Account with identifier equal to 'ACCOUNTA' is linked to a CMB whose limit value is equal to 1,000.00 EUR and CMB limit headroom equal to 600.00 EUR.

The ModifyLimit message received by TIPS and triggering the scenario looks like the following one:

Figure x – Reset CMB limit headroom to the current limit value



The system, after performing the expected checks successfully, completes the requested amendment:

- It resets the CMB limit headroom to the current limit value for the CMB (1,000.00 EUR), and
- It sets the CMB limit utilisation to 0.00 EUR.

2.9.1.1.10 Successful scenario – Set CMB limit headroom to a certain value

In this scenario a TIPS Participant (with BIC 'PRTYXMMXXX') sets the CMB limit headroom of a CMB (of a Reachable Party identified by the BIC 'PRTYXMM234') under its data scope to a specific value (400.00 EUR) lower than the value of the CMB limit. TIPS Account with identifier equal to 'ACCOUNTA' is linked to the CMB whose limit value is equal to 1,000.00 EUR and the CMB limit headroom is equal to 700.00 EUR.

The ModifyLimit message received by TIPS and triggering the scenario looks like the following one:

Figure x – Set CMB limit headroom to a certain value



The system, after performing the expected checks successfully, completes the requested amendment:

- It sets the CMB limit headroom for the CMB to 400.00 EUR, and

- The CMB limit utilisation to 600.00 EUR.

The TIPS GUI screen devoted to CMB limit update will be modified accordingly, in order to offer the functionality described above also to users connected in U2A mode.

2.9.1.1.11 Successful scenario – Set CMB limit headroom to a value greater than current limit value for the CMB

In this scenario a TIPS Participant (with BIC 'PRTYXXMMXXX') sets the CMB limit headroom of a CMB (of a Reachable Party identified by the BIC 'PRTYXXMM234') under its data scope to a specific value (1,100.00 EUR) greater than the value of the CMB limit. TIPS Account with identifier equal to 'ACCOUNTA' is linked to the CMB whose limit value is equal to 1,000.00 EUR and the CMB limit headroom is equal to 700.00 EUR.

The ModifyLimit message received by TIPS and triggering the scenario looks like the following one:

Figure x – Set CMB limit headroom to a value greater than current limit value for the CMB



The system, after performing the expected checks successfully, completes the requested amendment:

- It sets the CMB limit headroom for the CMB to 1,100.00 EUR, and
- The CMB limit utilisation to -100.00 EUR.

TIPS UDFS v1.1.0 - §.3.3.2.2.3, table 47

Table 2 – ModifyLimit (camt.011.001.06)

Field Name	Description	XML path	Mand.	TIPS Usage
[...]	[...]	[...]	[...]	[...]
Limit Type	Type of the limit to be modified	ModifyLmt/LmtDtls/LmtId/Cur/Tp/Cd	Yes	Only allowed values are "BILI" and "HDRM". Possible values are checked within schema validation.
[...]	[...]	[...]	[...]	[...]

TIPS UDFS v1.1.0 – XSD schema for camt.011

Updated XSD schema shall be provided in order to take into consideration the new limit type 'HDRM'.

TIPS UHB v1.1.0 - §.3.2.2

[...]

For unlimited CMBs, the headroom must always be considered infinite and, conversely, the utilisation always zero. If a limit is set for a previously unlimited CMB, the headroom and utilisation are calculated starting from the moment the limit is set. In other words, the headroom is automatically set to the same value as the limit, while the utilisation remains zero. These values are then normally updated with each subsequent payment transaction and limit change as described above. Besides the Instant Payment transaction processing, the CMB headroom can be reset or modified by authorised users. This process triggers an alignment of the relevant limit utilisation.

TIPS UHB v1.1.0 - §.4.3.1

4.3.1.1 CMB Limit Modification – Search/display screen

[...]

Screenshot has to be modified accordingly.

[...]

Buttons

Buttons	
[...]	[...]
<u>Modify Headroom</u>	<p><u>This function enables to access the Modify Headroom screen where to reset/modify the CMB Headroom.</u></p> <p>References for error messages: []:</p> <p><u> R021</u></p>

4.3.1.3 CMB Limit Modification – Modify Headroom screen

Context of Usage This screen contains a number of fields regarding the CMB Headroom. The user can enter a new Headroom or set the Headroom to the current value of the CMB limit. This screen can be used either in 2-eyes or in 4-eyes mode. This function is available in both U2A and A2A mode.

Screen Access | Credit Memorandum Balance >> Search/display screen >> Click on the Search button >>
Click on the Modify Headroom button

Privileges To use this screen, the following Privilege is needed:
| TIP AdjustCMBLimit

Screenshot *Screenshot has to be provided.*

Field description

<u>CMB Headroom Modification</u>	
<u>Object</u>	<u>Description</u>
<u>CMB Number</u>	<u>Shows the ID of the CMB, which is unique in TIPS and whose Headroom the user wants to create or update.</u>
<u>Current Limit</u>	<u>Shows the current Limit of the TIPS CMB.</u>
<u>Current Headroom</u>	<u>Field where the current amount of the CMB Headroom is displayed.</u>
<u>Current Limit Utilisation</u>	<u>Field where the current amount of the Limit Utilisation for the CMB is displayed.</u>
<u>Limit Headroom</u>	<u>Field where to enter the new amount of the CMB Headroom.</u> <u>If the field is left empty, the Limit Headroom shall be set to the value 999999999999999999, and therefore rest to the Current Limit value.</u> <u>If a different amount is entered, the headroom shall be modified to the value selected by the user.</u> <u>In both scenarios, the limit utilisation will be updated accordingly to the difference between the current limit value (stored in the TIPS Local Reference Data Management) minus the limit headroom.</u>

Buttons

<u>Submit</u>	<u>This function enables to reset or modify the CMB headroom according to the information entered. Upon clicking on the submit button the user will be asked to enter their PIN for digital signature purposes (NRO). With the entry of the PIN, TIPS attaches a digital signature to the instruction entered by the TIPS actor</u>
<u>Cancel</u>	<u>This function enables the user to cancel the process and return to the previous screen.</u>

TIPS UHB v1.1.0 - §.5.2

5.2.5 CMB Headroom Modification**Context of**

This business scenario describes how to manage the CMB Limit Headroom allowing the user to reset/modify the value of the headroom. When a CMB Limit Headroom is modified, the utilisation of the CMB is updated accordingly. The CMB Utilisation is updated (increased or decreased) on the basis of the difference between the CMB Headroom and the current limit value of the CMB.

Usage**Privileges**

To carry out this business scenario, the following Privileges are needed:

- I TIP_Query
- I TIP_QueryReachable
- I TIP_AdjustCMBLimit

Reference

Further information on screens involved can be found in the screen reference part:

I 4.3.1.2 CMB Limit Modification – Modify Headroom screen

Instructions

1. Go to the CMB – search/display screen
2. Enter the CMB number as search criterion
3. Click on the Search button. The current Limit is shown
4. Click on the Modify Headroom button
5. Type the desired amount on the CMB Headroom field
6. Click on the Submit button
 - The CMB Headroom is displayed with the new value
 - The CMB Utilisation is displayed with the adjusted value

TIPS User Training - FN.030 TIPS Actors and account structure

- Slide 27 shall be amended to take into consideration the new scenarios of CMB headroom reset/modification.

TIPS User Training - FN.060 Reference data management

- Add a new slide to explain the reset/modification mechanism envisaged for the CMB headroom.

High level description of Impact:

Outcome/Decisions:

L3 analysis - General Information	
Impact on TIPS	
Business Interface	
X	A2A Interface
X	U2A Interface
Settlement Engine	

	Payment Transaction	
	Liquidity Transfer	
	Recall	
Queries and Reports		
	Queries	
	Reports	
Common Components		
	ESMIG	
	CRDM	
	Archiving	
	Billing	
	DMT	
Operational Tools		
	SLA Reporting	
	TMS	
	Technical Monitoring	
	Change Management	
	Capacity Management	
Infrastructure request		
	Application components impacted	
	Application components not impacted	
Operational activities		
	Business activities impacted	
	Technical activities impacted	
New functionalities		
Impact on documentation		
Document	Chapter	Change
UDFS	TIPS UDFS (§.1.4.5, §.1.5.4.3, §.2.9, §.3.3.2.2.3)	Detailed changes will be identified during the implementation phase.

UHB	TIPS UHB (§.3.2.2, §.4.3.1.2, §.5.2)	Detailed changes will be identified during the implementation phase.
Training documentation	FN.030 (TIPS Actors and account structure) FN.060 (Reference data management)	Detailed changes will be identified during the implementation phase.
Other documents	xsd schema (camt.011)	Detailed changes will be identified during the implementation phase.

Overview of the impact of the request on TIPS (L2 view)
Summary of functional, operational, development, infrastructure and security impacts
<p><u>Summary of functional impact:</u></p> <ol style="list-style-type: none"> Enhancement of message <i>camt.011</i>, in order to allow submitting to TIPS a CMB limit headroom reset/modification request in A2A mode. In particular, the schema file of the camt.011.001.06 shall be enriched by adding a new code for the field Limit Type with value 'HDRM'. Enhancement of screen <i>CMB Limit Modification – Modify Limit</i> of the TIPS GUI, in order to allow submitting a CMB limit headroom reset/modification request in U2A mode. In particular, the screen shall be enriched by adding a new output field showing the current CMB headroom and a new input field for the updated value of the CMB headroom. <p><u>Summary of operational impact:</u></p> <p>No operational impact.</p> <p><u>Summary of application development impact:</u></p> <ol style="list-style-type: none"> TIPS GUI: enhance the Change Limit screen to support the new version of camt.011. TIPS Message Router: enhancement to accept and check the new version of camt.011 with new Limit type ('HDRM') and to add the two new commands to reset and update the headroom, into the sequence for the Settlement Engine. TIPS Settlement engine: enhancement to process the new two commands for resetting and updating the headroom. <p>All TIPS changes must be designed, implemented and tested in such a way that they could be deployed without any service disruption, i.e. old and new version of software and database will coexist for a period of time.</p> <p><u>Summary of infrastructure impact:</u></p> <p>No infrastructure impact.</p>

Summary of security impact:

No security impact.