# Change Request form

## General Information (Origin of Request)

☒ User Requirements Document (URD)

☒ Other User Functional or Technical Documentation (SYS)

☐ Other TIPS Documentation (OTD)

| Request raised by: | Date raised: |
|---|---|
| Working Group on TARGET2 (WGT2) | 30/09/2019 |
| | [CR updated on 11/10/2024 to include changes listed in TIPS-0084-SYS and TIPS-WG decision] |

| Request title: | Name of Central Bank: | Request ref. no: |
|---|---|---|
| Liquidity transfers to/from TIPS in case of contingency | European Central Bank | TIPS CR.0011.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:** Allocated to a Release

**Description of requested change:**

TIPS supports two different types of liquidity transfer, i.e. "*inbound liquidity transfers*" (from an RTGS System to TIPS) and "*outbound liquidity transfers*" (from TIPS to an RTGS System).

All liquidity transfers, regardless of the type, are settled by moving the liquidity through *TIPS transit account* in the RTGS and *RTGS transit account* in TIPS.[1] Consequently, each individual liquidity transfer is comprised of two separate transactions where one transaction takes place in the RTGS (between *RTGS account* and *TIPS transit account*) and the other in TIPS (between *TIPS DCA* and *RTGS transit account*). Both transactions (in whichever direction) are executed automatically in the sequential order. This is possible due to the fact that the RTGS system and TIPS are technically connected to each other, which enables automated interaction.

When instructing an <u>inbound liquidity transfer</u>, the first transaction is settled between the participant's *RTGS account* and the *TIPS transit account* in the RTGS, while the second transaction takes place in TIPS debiting the *RTGS transit account* and crediting *TIPS DCA* of the recipient. In order for the second transaction to take place, TIPS needs to receive from the RTGS a payment order in a form of camt.050. However, this message is not sent if the first transaction is settled in the back-up RTGS system[2] that is not connected to TIPS.

When instructing <u>outbound liquidity transfer</u>, the first transaction is settled between the *TIPS DCA* and the *RTGS transit account* in TIPS, while the second transaction takes place in RTGS debiting the *TIPS transit account* and crediting the respective *RTGS account*. In order for the second transaction to take place, RTGS system needs to receive from TIPS a payment order in a form of camt.050. However, if the back-up RTGS system is open, the camt.050 sent from TIPS is rejected resulting in the reverse transfer in TIPS.

**PROPOSED CHANGE**
**Inbound Liquidity Transfers**

In order to allow RTGS participants to provide liquidity to TIPS also when the connected RTGS is not operating, the *proposed change* is to <u>allow instructing inbound liquidity transfers from *RTGS transit account* to *TIPS DCAs* without prior receipt of the camt.050 from the RTGS.</u> Consequently, the transfer shall originate in TIPS and it shall be initiated ~~either~~ using the TIPS GUI (U2A <u>only</u>) ~~or by camt.050 (A2A)~~. Camt.050 payment message shall in this case specify *RTGS transit account* as the account to be debited and *TIPS DCA* as the account to be credited.

This option is by default switched off and it can be enabled by the TIPS Operator, upon request, in the contingency scenario. Therefore, a switch shall be put in place allowing to instruct liquidity transfers from *RTGS transit account* only if the switch is activated by the TIPS Operator.

The inbound liquidity transfers shall be instructed only by the transit account holder<u>, namely as per status of October 2024: the ECB, Danmarks Nationalbank and Riksbank</u>.

~~After the successful settlement of the liquidity transfer, the Receipt message (camt.025) shall be sent to the transit account holder (if the liquidity transfer was initiated in A2A mode) while the TIPS DCA holder receives the BankToCustomerDebitCreditNotification message (camt.054), if previously subscribed.~~

**Outbound Liquidity Transfers**

For providing liquidity from *TIPS DCAs* to the back-up *RTGS accounts*, the proposed change is to <u>enable instructing outbound liquidity transfers from the *TIPS DCA* to the *RTGS transit account* without forwarding the camt.050 to the RTGS after the liquidity transfer is settled in TIPS.</u> The transfer shall be initiated either using the TIPS GUI (U2A) or by sending a camt.050 (A2A). The camt.050 payment message shall in this case specify the *TIPS DCA* as the account to be debited and the *RTGS transit account* as the account to be credited.

This option is by default switched off and it can be enabled by the TIPS Operator, upon request, in the contingency scenario. Therefore, a switch shall be put in place allowing to instruct liquidity transfers to *RTGS transit account* only if the switch is activated by the TIPS Operator.

The outbound liquidity transfer shall be instructed either by the responsible Central Bank on behalf of the TIPS DCA holder or by the TIPS DCA holder.

After the successful settlement of the liquidity transfer, the Receipt message (camt.025) shall be sent to the party instructing the liquidity transfer while the Central Bank holding the transit account receives the BankToCustomerDebitCreditNotification message (camt.054), if previously subscribed.

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**Reason for change and expected benefits/business motivation:**

The implementation of the proposed change request will allow parties to provide liquidity to TIPS DCAs also when the main RTGS is not operating while liquidity transfers are settled in ECONS-II. Furthermore, in opposite direction, it will enable to fuel contingency accounts in ECONS-II with the liquidity from TIPS DCAs.

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**Submitted annexes / related documents:**

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[1] The owners of transit accounts are the respective central banks. The ECB is responsible for the transit accounts denominated in euro<u>, Danmarks Nationalbank is responsible for the transit accounts denominated in DKK and Riksbank is responsible for the transit accounts denominated in SEK</u>.

[2] e.g. Contingency Module for T2

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

## Implementation option 1 (introduction of a dedicated contingency transit account)

The current option is deemed fully equivalent to the option 2, described below in the document, from a CLM viewpoint[3] in the sense that:

- the newly introduced Contingency Transit Account will not be propagated from CRDM to CLM and
- the GL message will continue to report only the regular Transit Account, whose balance will be the aggregated value of the Contingency Transit Account plus the balance of the regular Transit Account.

However, during the dependency assessment, a number of potential impact stemming from option 1 have been raised and shall be taken into consideration.

Any mismatch between the TIPS Transit Account in CLM and the CLM Transit Account in TIPS (that may occur in both option 1 and option 2 stemming from the execution in TIPS of a Liquidity Transfer that is booked on the transit account) shall be managed at operational level either by the Central Bank (directly in TIPS, e.g. by reversing the contingency transfer) or by the Operational Team through the Contingency Message Application (CMA) tool.

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**1) §1.3.2 Accounts structure and organisation**

[…]

The TIPS Operator and Central Banks input and maintain in the Common Reference Data Management repository the following categories of accounts, depending on their role:

- TIPS Account
- TIPS AS Technical Account
- Transit Account
- Contingency Transit Account

Furthermore, TIPS Participants may define Credit Memorandum Balances (CMBs) linked to their TIPS Accounts, in order to define payment capacity limits for their Reachable Parties. Similarly, Ancillary Systems may define CMBs linked to their AS Technical Accounts.

**2) §1.3.2.3 Contingency Transit Accounts – new section**

For contingency reason, e.g. in the event of an interruption in the communication between TIPS and the relevant RTGS, it will be possible for the responsible Central Bank to push/pull liquidity from/to a dedicated Contingency Transit Account to/from a TIPS Account by means of Internal Contingency Liquidity Transfers. The Contingency Transit Account has a different account type compared to the Transit Account. Moreover, its balance is equal to zero in normal conditions.

The Contingency Transit Account can be queried to get its current balance; however, for the General Ledger production, this new account will not be posted as a separate account. Its balance will be summed up to the balance of the regular Transit Account for the same currency.

Only one Contingency Transit Account per currency shall be defined.

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[3] The considerations expressed for the euro RTGS system are valid, whenever applicable, also to any other RTGS system connected to TIPS serving other currencies.

**3) §1.3.2.5 Reference data for accounts and CMBs in TIPS –table 5**

| Attribute | Description |
|---|---|
| Account Number | It specifies the unique number of the account. |
| Account Type | Type of account. The exhaustive list of account types is as follows:<br>• TIPS Account<br>• TIPS AS Technical Account<br>• Transit Account<br>• Contingency Transit Account |
| […] | […] |

[…]

In terms of account ownership, the following rules apply:

- Each TIPS Account is linked to one TIPS Participant;
- Each TIPS AS Technical Account is linked to one Ancillary System;
- Each Transit Account (and Contingency Transit Account) is linked to one Central Bank (the European Central Bank for the euro Transit Account, the relevant Central Bank for any other settlement currency).

**4) §1.4.2 Liquidity transfers – Table 9**

| Attribute | Description |
|---|---|
| […] | […] |
| Currency | The currency relevant for the liquidity transfer. |
| Crediting Account | TIPS account, contingency transit account or RTGS account to be credited. |
| Crediting Account Status | Blocking status for the TIPS account to be credited for inbound liquidity transfer. Exhaustive list of possible values:<br>- Blocked for credit;<br>- Blocked for debit;<br>- Blocked for credit and debit;<br>- Unblocked. |
| Debiting Account | TIPS account, contingency transit account or RTGS account to be debited. |
| Debiting Account Status | Blocking status for the TIPS account to be debited for outbound liquidity transfer. Exhaustive list of possible values:<br>- Blocked for credit;<br>- Blocked for debit;<br>- Blocked for credit and debit; |

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| Attribute | Description |
|---|---|
| | - Unblocked. |
| Status | Status of the liquidity transfer. Exhaustive list of possible values:<br>- Received<br>- Validated<br>- Settled<br>- Failed<br>- Rejected by RTGS<br>- Transient |
| Value Date | Liquidity transfer settlement date in accordance to the related RTGS System. |

5) **§1.5.1 General concepts**

[…]

The possible types of instructions processed by TIPS are listed below:

- Instant Payment transactions for the settlement of cash on a TIPS account

- Beneficiary replies to confirm or reject an Instant Payment transaction on the beneficiary side

- Recall instructions to request a refund from the Beneficiary Participant for previously settled Instant Payment transactions

- Recall answers from the Beneficiary Participant for either the refund or the rejection in response to a recall instruction

- Investigation and Request for Status Update on a Recall

- Liquidity transfers to instruct the transfer of liquidity between TIPS and an RTGS System

- Internal Contingency Liquidity transfers to instruct the transfer of liquidity between a Contingency Transit Account and a TIPS Account (or vice versa)

- Reference data maintenance instructions to modify TIPS local reference data.

Local reference data maintenance within TIPS is limited to the following set of operations that can be performed at any point in time (i.e. 24/7/365) with immediate effect:

[…]

6) **§1.5.3 Liquidity Management**

TIPS provides liquidity management functionalities to allow the transfer of liquidity between TIPS Accounts and RTGS Accounts, in both directions. Additionally, internal contingency liquidity transfers are envisaged in emergency situation to allow the transfer of liquidity between Contingency Transit Accounts and TIPS Accounts. A dedicated system parameter, switched on by the TIPS Operator upon request, enables to settle internal contingency liquidity transfers, which involve the contingency transit accounts. Liquidity transfers can only be performed between accounts – TIPS and RTGS – that are denominated in the same currency.

TIPS foresees two different types of Liquidity Transfer: Inbound (from an RTGS System to TIPS) and Outbound (from TIPS to an RTGS System). In a contingency condition, Liquidity Transfer between a Contingency Transit Account and a TIPS DCA, in both directions, is also allowed.

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~~All~~Inbound and outbound Liquidity Transfers~~, regardless of the type,~~ are settled by moving the liquidity through an RTGS Transit Account. TIPS has one and only one Transit Account defined for each currency. The Central Bank responsible for the RTGS System related to a given currency is the Central Bank accountable for the Transit Account. The ECB is responsible for the Transit Account denominated in euro~~,~~ whereas each non-Euro Central Bank is responsible for the Transit Account (and Contingency Transit Account) denominated in their currency.

Liquidity transfers do not entail a reservation of funds, unlike Instant Payment transactions, and are settled immediately.

7) **§1.5.3 New section for Internal Contingency Liquidity Transfers**

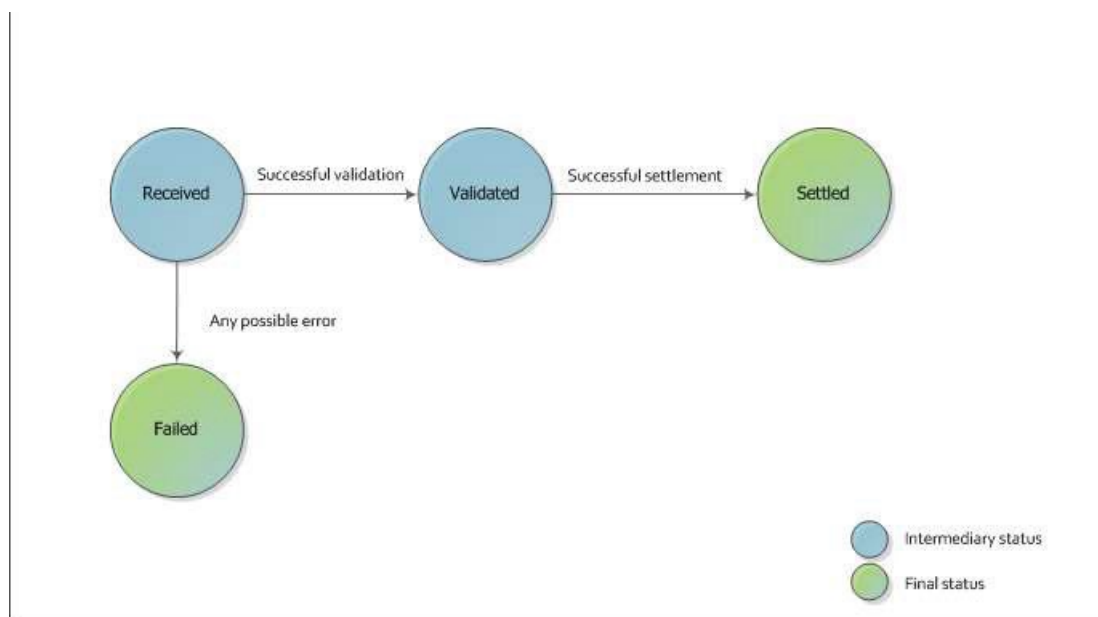**1.5.3.3 Internal Contingency Liquidity transfer**

An Internal Contingency Liquidity Transfer (ICLT) moves liquidity either from a Contingency Transit Account to a TIPS account in the same currency or vice-versa, provided that the system is in a contingency situation which makes the standard functionalities of liquidity provision and/or repatriation ineffective.

Authorised Contingency Transit Account holders may trigger Internal Contingency Liquidity Transfer orders to debit the Contingency Transit account and credit one of the TIPS Account.

If the received message passes all the business checks successfully, TIPS transfers the requested amount from the relevant Contingency Transit Account to the TIPS Account immediately. After settlement, TIPS informs the RTGS System and, optionally, the owner of the TIPS account about the successful settlement.

Internal Contingency Liquidity Transfer orders can have different statuses depending on the executed steps of the settlement process. The possible statuses of an Internal Liquidity Transfer order are described in the following diagram.

Figure 8 – Internal Contingency Liquidity Transfer status



An Internal Contingency Liquidity Transfer order is Received and Validated by TIPS if it passes all validation checks successfully and the related TIPS account is not 'blocked for credit' or 'blocked for debit and credit'; otherwise its status is set to Failed. Subsequently, it moves to the status Settled once TIPS settles the full amount of the order. Internal Contingency liquidity transfers involve messages LiquidityCreditTransfer (camt.050.001.05) and Receipt (camt.025.001.05), as well as BankToCustomerDebitCreditNotification (camt.054.001.06) for credit notifications and ReturnAccount (camt.004.001.07), if the account ceiling threshold is exceeded.

Examples involving Internal Liquidity Transfers are listed in section 2.5.x.

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**8)** **§1.7.1 Service configuration – table 39**

| Parameter name | Description | Default value |
|---|---|---|
| […] | […] | […] |
| RTGS Alert | Configurable timeframe after which the TIPS Operator is notified about a missing answer from the RTGS to an Outbound liquidity transfer.<br>The parameter value is expressed in minutes. | 15 |
| Enable ICLT | The parameter enables the liquidity transfer via the contingency transit account.<br>The Operator has the rights to change this parameter for a given RTGS system in order to allow selectively the opportunity to move liquidity from/to the contingency transit account of a given currency to/from a TIPS account denominated in the same currency.<br>The default parameter value is set to false and shall be configurable per currency. | False |

**9)** **New section 2.5.3 Internal Contingency Liquidity Transfer**

**2.5.3 Internal Contingency Liquidity Transfer**

This section describes the processing of a Liquidity Transfer order sent by an Authorised Contingency Transit Account holder to transfer liquidity from a Contingency Transit Account to a TIPS Account or viceversa.

The following Actors are involved in the Internal Contingency Liquidity Transfer business process:

- Authorised Contingency Transit Account holders or Central banks;
- TIPS that receives and confirms the request from the sender;
- TIPS Account owner (or the default DN configured as receiver), which is optionally informed if the account balance breaches the configured thresholds. Additionally, if they subscribed to the credit/debit notification, they will receive a proper notification after successful settlement.

The following messages are involved in the ICLT business process:

- Liquidity Credit Transfer: the message which enables the sender to instruct the transfer liquidity from the Contingency Transit Account to a TIPS Account;
- Receipt: the message sent by TIPS to the Authorised Contingency Transit Account holders or Central Banks to confirm/reject the execution of an ICLT;
- BankToCustomerDebitCreditNotification: the message sent by TIPS to report the settlement of a ICLT to the TIPS Account owner (or the default DN configured as receiver). The notification is sent out only if previously configured by the Account owner.
- ReturnAccount: the message sent by TIPS to notify the owner of the debited (or credited) TIPS Account that the floor (or ceiling) threshold is exceeded. The notification is generated for the TIPS Account owner only upon configuration of the relevant thresholds in CRDM.

Central Banks shall be able to initiate an ICLT even if the closing date of the TIPS Account is exceeded and regardless of the TIPS Account's blocking status.

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The process described below is triggered under the assumption that the technical validation, check of mandatory fields and authentication of the user has been already successfully performed by ESMIG. The following diagram describes the ICLT business process.

New figure for ICLT flow to be included

The table below describes each single step of the ICLT process.

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| Step | Involved messages | Involved actors | Description |
|------|-------------------|-----------------|-------------|
| 1 | LiquidityCreditTransfer | Authorised Transit Account holder or Central Bank as sender<br><br>TIPS as receiver | TIPS receives an Internal Contingency Liquidity Transfer request from the authorised Contingency Transit Account holder or Central Bank.<br>Technical validation, check of mandatory fields and authentication checks have already been successfully executed by ESMIG. |
| 2 | - | TIPS | TIPS successfully executes the following checks:<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**;<br>- LT Amount Check.<br><br>See **Error! Reference source not found.- Error! Reference source not found.** for details. |
| 2e | Receipt | TIPS as sender<br><br>Authorised Transit Account holder or Central Bank as receiver | TIPS unsuccessfully executes one of the checks of step 2.<br>At the first negative check, the system stops and sends a message to the DN of the requestor containing the proper error code.<br><br>The status of the ICLT is set to "*Failed*". |
| 3 | - | TIPS | From now on, the debited account, i.e. the Contingency Transit Account indicated in the Liquidity Transfer Order, is referred to as "Account to be debited". |
| 4 | - | TIPS | From now on, the credited account, i.e. the TIPS Account indicated in the Liquidity Transfer Order, is referred to as "Account to be credited"; |
| 5 | - | TIPS | TIPS successfully completes the execution of the following check:<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**.<br><br>See **Error! Reference source not found.- Error! Reference source not found.** for details. |
| 5e | Receipt | TIPS as sender<br><br>Authorised Transit Account holder or Central Bank as receiver | TIPS unsuccessfully executes the check indicated in step 5.<br>The system stops and sends a message to the DN of the requestor containing the proper error code.<br><br>The status of the ICLT is set to "*Failed*".<br><br>See **Error! Reference source not found.- Error! Reference source not found.** for details. |
| 6 | - | TIPS | The order is logged and sent to the Check and Execute Instruction process.<br><br>The status of the ICLT is set to "*Validated*". |
| 7 | | TIPS | The DN of the sender in step 1 is saved as information related to the transaction. From now on, this DN is referred to as "Debtor DN". |
| 8p | | TIPS | TIPS settles the full amount of the Liquidity Transfer Instruction, crediting the Account to be credited and debiting the Account to be debited.<br><br>The status of the Internal Contingency Liquidity Transfer Order is set to "*Settled*". |

| 8p | Receipt | TIPS as sender<br><br>Authorised Transit Account holder or Central Bank as receiver | The TIPS Output Dispatcher forwards to the "Debtor DN", through the Message Router, the Receipt message. |
|----|---------|--------|--------|
| 9p | ReturnAccount | TIPS as sender<br><br>TIPS Account owner as receiver | Once the status of the ICLT is set to "*Settled*", TIPS checks the "Ceiling notification amount" configured for the involved TIPS Account to be credited.<br>If the account balance is greater than the "ceiling notification amount", TIPS sends a ReturnAccount to the Account owner (or the default DN configured as receiver) involved in the transaction. |
| 10p | BankToCustomerDebitCreditNotification | TIPS as sender<br><br>TIPS Account Owner as receiver | TIPS sends a notification to the TIPS Account owner in order to report the settlement of the ICLT. |

## 10) 3.3.2.2.5 Receipt (camt.025.001.05)

[…]

In the outbound liquidity transfer scenario, it is sent by the RTGS System to TIPS to report about the execution of the liquidity transfer.

In contingency situation, the message is sent back to the originator of a liquidity transfer that either credits or debits a contingency transit account in TIPS.

## 11) 3.3.2.2.7 LiquidityCreditTransfer (camt.050.001.05)

The Liquidity Credit Transfer message is used in TIPS in order to instruct inbound and outbound liquidity transfers to/from RTGS Systems to fund accounts of TIPS Participants or repatriate money in the related RTGS System.

Besides these uses, Internal Contingency Liquidity Transfers between a TIPS account and a Contingency Transit account are also permitted in emergency condition, provided that they are denominated in the same currency.

Authorised technical user (RTGS System) can send inbound liquidity transfers from the corresponding RTGS to TIPS. In case the validation is successful, TIPS transfers the requested amount from the (technical) transit account to the TIPS account.

Participants or Instructing Parties acting on behalf of Participants can trigger outbound liquidity transfers in TIPS using a liquidity transfer order message.

[…]

## 12) 3.3.2.2.9 BankToCustomerStatement (camt.053.001.06)

### 1) Table 1 – BankToCustomerStatement (camt.053.001.06)

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| Field Name | Description | XML path | Mand. | TIPS Usage |
|---|---|---|---|---|
| [...] | [...] | [...] | [...] | [...] |
| Bank transaction code | Bank transaction code of the transaction, which allows to distinguish between Payment Transactions and Liquidity transfer Orders. | BkToCstmrStmt/Stmt/Ntry/BkTxCd/Domn/Cd | Yes | Used codes are based on the ExternalBankTransactionDomain ISO documentation.<br><br>The Domain code allowed value is "PMNT" (Payments). |
| Bank Transaction Code Family | Family of the Bank Transaction Code. | BkToCstmrStmt/Stmt/Ntry/BkTxCd/Domn/Fmly/Cd | Yes | Allowed values depend on the type of reported payment.<br>- ICDT : ~~Outbound~~Debited Liquidity Transfers (for Outbound and Internal Contingency LTs[4])<br>- RCDT : ~~Inbound~~Credited Liquidity Transfers (for Inbound and Internal Contingency LTs[5])<br>- IRCT : Debited Instant Payment Transaction<br>- RRCT : Credited Instant Payment Transaction |
| Bank Transaction Code SubFamily | SubFamily of the Bank Transaction Code. | BkToCstmrStmt/Stmt/Ntry/BkTxCd/Domn/Fmly/SubFmlyCd | Yes | In terms of reporting, both Instant Payment Transactions and Liquidity Transfers, are defined as Financial Instituion Credit Transfer.<br><br>The allowed value for this field is "FICT". |
| [...] | [...] | [...] | [...] | [...] |

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[4] ICLT where the debited account is a TIPS DCA and the credited account is a Contingency Transit Account.

[5] ICLT where the credited account is a TIPS DCA and the debited account is a Contingency Transit Account.

## 13) 4.1 Business rules

| […] | […] | […] | […] | […] | […] | […] |
|---|---|---|---|---|---|---|
| Liquidity Transfer business process | LT Amount Check | 040012 | Transferred Amount | The Transferred Amount must be greater than zero. | If the check is not respected: - error code L012 | The amount is lower or equal to zero. |
| Liquidity Transfer business process | LT via contingency Transit Account allowed | 040013 | Account debited Account credited Enable ICLT parameter | If the LT attempts to debit or credit a contingency transit account, the system shall verify whether the "Enable ICLT" parameter is set to *true*. Otherwise, the LT will be rejected. LTs attempting to address a standard transit account shall also be rejected. | If the check is not respected: - error code L013 | LT via a contingency transit account is allowed in contingency scenario only. |

## 14) 4.2.2 List of non-ISO Error code

| Error Code | Error description |
|---|---|
| […] | […] |
| L012 | The amount is lower or equal to zero |
| L013 | LT via a contingency transit account is allowed in contingency scenario only. |
| […] | […] |

## 15) 4.6 List of acronyms

| Item | Description |
|---|---|
| […] | […] |
| ICLT | Internal Contingency Liquidity Transfer |
| ILT | Inbound Liquidity Transfer |

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| Item | Description |
|------|-------------|
| […] | […] |

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**16) 1.2.3 T2 and other RTGS systems**

Liquidity in TIPS is provided from an external RTGS system (T2 for the euro). TIPS can retain the liquidity when the RTGS system is closed, provided that it collects the balances of all its accounts into a "snapshot" and communicates it to the RTGS system at the end of the business day of the RTGS system.

It is possible to transfer liquidity between an RTGS account and a TIPS account, and the owner of the RTGS Account does not need to be the same as the owner of the TIPS Account. Under normal operational conditions, TIPS foresees two types of Liquidity Transfers: Inbound (from an RTGS system to TIPS) and Outbound (from TIPS to an RTGS system). Additionally, in a contingency situation driven by a system parameter, it shall be possible to transfer liquidity to/from a Contingency Transit Account in TIPS from/to a TIPS DCA, There are no internal liquidity transfers between two TIPS Accounts. All Inbound and Outbound Liquidity Transfers, whatever the type, are performed by moving the liquidity through an RTGS Transit Account. TIPS has one and only one Transit Account defined for each currency, owned by the relevant Central Bank. The Transit Account for the euro is owned and maintained by the ECB. Liquidity transfers do not entail a reservation of funds, unlike Instant Payments, and are settled immediately.

An Inbound Liquidity Transfer moves liquidity from an RTGS account to a TIPS account in the same currency. Inbound Liquidity Transfer orders can be triggered only in the RTGS System and are received by TIPS (TIPS does not provide a functionality to pull liquidity from the relevant RTGS System).

Since TIPS can keep the liquidity in its accounts while T2 is closed and considering that the balances of the TIPS accounts are, from a legal perspective, considered to be in the jurisdiction of T2, TIPS prepares snapshots of the balances during the T2 end of day procedure, ensuring that no liquidity transfers are pending confirmation from T2. The same procedure is foreseen for any other RTGS system connected to TIPS.

**17) 4.4.1 Liquidity transfer functionality**

| Liquidity Transfer | |
|--------------------|--------------------|
| **Object** | **Required Format** |
| Debtor BIC | Field where to enter the BIC of the owner of the TIPS Account to be debited. In contingency scenario, the Debtor BIC can also be informed with the BIC of the Contingency Transit Account holder in the given currency.<br><br>Format is BIC11.<br><br>References for error messages: [▶]:<br><br>❚ L002 |
| Debtor ~~TIPS~~ Account | Field where to enter the TIPS Account to be debited.<br>In contingency scenario, the Debtor Account can also refer to the Contingency Transit Account in TIPS.<br>Format is max. 34 characters (SWIFT-x).<br><br>References for error messages: [▶]:<br><br>❚ L002 |

| | |
|---|---|
| Creditor BIC | Field where to enter the BIC11 of the owner of the RTGS Account to be credited. <u>In contingency scenario, the Creditor BIC can also be informed with the BIC of the Contingency Transit Account holder in the given currency.</u><br><br>Format is BIC11.<br><br>References for error messages: [▶]:<br>▮ L001 |
| Creditor ~~RTGS~~ Account | Field where to enter the RTGS Account to be credited. <u>In contingency scenario, the Creditor Account can also refer to the Contingency Transit Account in TIPS.</u><br><br>Format is max. 34 characters (SWIFT-x).<br><br>References for error messages: [▶]:<br>▮ L001 |
| […] | […] |

**18) <u>4.4.1 Liquidity transfer functionality – Button table</u>**

| | |
|---|---|
| Submit | This function enables to Inject the Outbound Liquidity Transfer 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.<br><br>References for error messages: [▶]:<br>▮ L005<br>▮ L006<br>▮ L007<br>▮ L008<br>▮ L009<br>▮ L011<br>▮ L012<br>▮ <u>L013</u><br>▮ TBL1 |
| Reset | This function enables the user to set all fields to default value and blanks out all optional fields. |
| Cancel | This function enables the user to cancel the process |

**19) <u>4.5.1.2 Task List – Details Screen – Field description for New LT</u>**

| Selected Task | |
|---|---|
| […[ | […[ |
| ~~Outbound~~ **Liquidity Transfer** | |

| Debtor BIC | Shows the BIC11 of the owner of the debited TIPS Account. |
|---|---|
| Debtor ~~TIPS~~ Account | Shows the debited ~~TIPS~~ Account. |
| Creditor BIC | Shows the BIC11 of the owner of the credited RTGS Account. |
| Creditor ~~RTGS~~ Account | Shows the credited ~~RTGS~~ Account |
| Amount | Shows the amount to be transferred with the Liquidity Transfer. |
| Currency | Shows the currency used for the amount of the Liquidity Transfer. |

**20) 6.1.1 Error Codes**

| Reference for error message | Field or Button | Error text |
|---|---|---|
| [...] | [...] | [...] |
| L012 | ❙ Amount field<br>❙ Submit button | The amount is lower or equal to zero |
| <u>L013</u> | ❙ <u>Submit button</u> | <u>LT via a contingency transit account is allowed in contingency scenario only.</u> |
| [...] | [...] | [...] |

**CRDM UDFS:**

**21) §1.3.3.3 Description of the entities**

| ATTRIBUTE | DESCRIPTION |
|---|---|
| [...] | [...] |

| Account Type | It specifies a classification for the cash account. The exhaustive list of possible values for the TIPS Service is as follows: |
|---|---|
| | **I** TIPS Account |
| | **I** TIPS AS Technical Account |
| | **I** TIPS Transit Account[6] |
| | **I** <u>TIPS Contingency Transit Account</u> |
| | **I** TIPS Credit Memorandum Balance |
| | The exhaustive list of possible values for the RTGS Service is as follows: |
| | **I** RTGS DCA |
| | **I** Ancillary System Guarantee Funds Account |
| | **I** RTGS Sub-account |
| | **I** RTGS CB Account |
| | **I** RTGS Dedicated Transit Account |
| | **I** Ancillary System Technical Account |
| | The exhaustive list of possible values for the CLM Service is as follows: |
| | **I** Main Cash Account |
| | **I** Overnight Deposit Account |
| | **I** CLM CB Account |
| | **I** CB ECB Account |
| | **I** ECB Mirror Account |
| | **I** CLM Dedicated Transit Account for T2S |
| | **I** CLM Dedicated Transit Account for TIPS |
| | **I** CLM Dedicated Transit Account for RTGS |
| | **I** Marginal Lending Account |
| | The exhaustive list of possible values for the ECONS II Service is as follows: |
| | **I** CB Contingency Account |
| | **I** Contingency Cash Account |
| | **I** Contingency Technical Account (for Ancillary Systems) |
| | **I** Contingency Transit Account |
| […] | […] |

22) **§4.5.3.12 Cash Account**

---

[6] A Transit Account (and a Contingency Transti Account) per currency exists in TIPS and it belongs to a Central Bank. The Transit Account for euro belongs to the European Central Bank.

## Change Request form

| Flat file column | Excel Column | Column Name | Format | Description | Rules | Occurs per Record | Occurs per Group |
|---|---|---|---|---|---|---|---|
| [...] | [...] | [...] | [...] | [...] | [...] | [...] | [...] |
| 5 | E | Account Type | Possible values:<br>• CSHA<br>• NCBA<br>• RTGS<br>• TACC<br>• TCMB<br>• TTAC<br>• TTCC<br>• TAST<br>• RDCA<br>• RSAA<br>• RCBA<br>• RTAC<br>• AGAC<br>• ATEC<br>• CMCA<br>• ONDP<br>• MGLD<br>• CCAC<br>• CECB<br>• CEMA<br>• CTTS<br>• CTTI<br>• CTRT<br>• ECCB<br>• ECCA<br>• ECTA<br>• ECTR | Possible values:<br><br>T2S Account Types:<br>CSHA : T2S Dedicated Cash Account<br>NCBA : T2S Central Bank Account<br>RTGS ; T2S Dedicatd Transit Account<br><br>TIPS Account Types:<br>TACC : TIPS Account<br>TCMB : TIPS Credit Memorandum Balance<br>TTAC : TIPS Transit Account<br>TTCC : TIPS Contingency Transit Account<br><br>TAST: TIPS AS Technical Account {Tips<br><br>RTGS Account Types:<br>RDCA : RTGS Dedicated Cash Account<br>RSAA : RTGS Sub-Account<br>RCBA: RTGS Central Bank Account<br>RTAC : RTGS Dedicated Transit Account<br>AGAC : Ancillary System Guarantee Funds Account<br>ATEC : Ancillary System Technical Account<br><br>CLM Account Types:<br>CMCA : Main Cash Account<br>ONDP : Overnight Deposit Account<br>MGLD : Marginal Lending Account<br>CCAC : CLM Central Bank Account<br>CECB : Central Bank ECB Account | | 1..1 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | CEMA : ECB Mirror Account<br><br>CTTS : CLM Dedicated Transit Account for T2S<br><br>CTTI : CLM Dedicated Transit Account for TIPS<br><br>CTRT : CLM Dedicated Transit Account for RTGS<br><br>ECONS II Account Types:<br>ECCB : CB Contingency Account<br><br>ECCA : Contingency Cash Account<br><br>ECTA : Contingency Technical Account<br><br>ECTR : Contingency Transit Account | | | |
| […] | […] | […] | […] | […] | […] | […] | […] |

**CRDM UHB:**

**23) §2.3.2.1 Cash Account – Search/list screen**

| **Fields Description** | **Cash Accounts – Search Criteria** | |
|---|---|---|
| | […] | […] |
| | Cash Account Number | Enter the number of the Cash Account.<br><br>Required format is: max. 34x characters. |

| Account Type | Select the type of the cash account from the possible values: |
|---|---|
| | ❚ All (default value) |
| | ❚ TIPS Account |
| | ❚ TIPS Transit Account |
| | ❚ TIPS Contingency Transit Account |
| | ❚ TIPS Ancillary System Technical Account |
| | ❚ TIPS Credit Memorandum Balance |
| | ❚ RTGS Dedicated Cash Account |
| | ❚ RTGS Sub-Account |
| | ❚ RTGS Central Bank Account |
| | ❚ RTGS Dedicated Transit Account |
| | ❚ Ancillary System Guarantee Funds Account |
| | ❚ Ancillary System Technical Account |
| | ❚ Main Cash Account |
| | ❚ Overnight Deposit Account |
| | ❚ Marginal Lending Account |
| | ❚ CLM Central Bank Account |
| | ❚ Central Bank ECB Account |
| | ❚ ECB Mirror Account |
| | ❚ CLM Dedicated Transit Account for T2S |
| | ❚ CLM Dedicated Transit Account for TIPS |
| | ❚ CLM Dedicated Transit Account for RTGS |
| | ❚ Contingency Cash Account |
| | ❚ CB Contingency Account |
| | ❚ Contingency Technical Account |
| | ❚ Contingency Transit Account |
| | ❚ T2S Dedicated Transit Account |
| | ❚ T2S Central Bank Account |
| | ❚ T2S Dedicated Cash Account |
| | Reference for error message [▶]: |
| | ❚ DCD1013 |
| | ❚ DCD1014 |
| | ❚ DCD1555 |
| […] | […] |

**§2.3.2.3 Cash Account – New/Edit screen**

| Cash Account | |
|---|---|
| […] | […] |

| Account Type | Select the type of the cash account from the possible values: |
|---|---|
| | ❚ TIPS Account |
| | ❚ TIPS Transit Account |
| | ❚ TIPS Contingency Transit Account |
| | ❚ TIPS Ancillary System Technical Account |
| | ❚ TIPS Credit Memorandum Balance |
| | ❚ RTGS Dedicated Cash Account |
| | ❚ RTGS Sub-Account |
| | ❚ RTGS Central Bank Account |
| | ❚ RTGS Dedicated Transit Account |
| | ❚ Ancillary System Guarantee Funds Account |
| | ❚ Ancillary System Technical Account |
| | ❚ Main Cash Account |
| | ❚ Overnight Deposit Account |
| | ❚ Marginal Lending Account |
| | ❚ CLM Central Bank Account |
| | ❚ Central Bank ECB Account |
| | ❚ ECB Mirror Account |
| | ❚ CLM Dedicated Transit Account for T2S |
| | ❚ CLM Dedicated Transit Account for TIPS |
| | ❚ CLM Dedicated Transit Account for RTGS |
| | ❚ Contingency Cash Account |
| | ❚ CB Contingency Account |
| | ❚ Contingency Technical Account |
| | ❚ Contingency Transit Account |
| | ❚ T2S Dedicated Transit Account |
| | ❚ T2S Central Bank Account |
| | ❚ T2S Dedicated Cash Account |
| | Reference for error message [▶]: |
| | ❚ DCC1531 |
| | ❚ DCC1532 |
| | This field is mandatory in create mode. |
| | This field is read-only in edit mode. |
| […] | […] |

**Change Request form**

TIPS User Training material:

**24) FN.050_Liquidity management**

New slides to describe the ICLT mechanism in contingency situation.

**Change Request form**

**Implementation option 2 (usage of the existing transit account)**

**TIPS UDFS v3.0.0**

1) **§1.3.2.2 Transit Accounts**

Transit Accounts in TIPS are accounts that belong to Central Banks, which may have either zero or negative balance as they reflect any movement of liquidity from/to the RTGS. The transit accounts are technical accounts involved in the liquidity transfer process. They cannot be involved in the settlement of Instant Payment transactions. Only one Transit Account per settlement currency can exist in TIPS. The Transit Account for euro belongs to the European Central Bank. The TIPS Operator creates Transit Accounts for the Central Banks. For contingency reason, e.g. in the event of an interruption in the communication between TIPS and the relevant RTGS, it will be possible for the responsible Central Bank to push/pull liquidity from/to the Transit Account to/from a TIPS Account by means of Internal Contingency Liquidity Transfers.

2) **§1.4.2 Liquidity transfers – Table 9**

| Attribute | Description |
|---|---|
| […] | […] |
| Currency | The currency relevant for the liquidity transfer. |
| Crediting Account | TIPS account, transit account or RTGS account to be credited. |
| Crediting Account Status | Blocking status for the TIPS account to be credited for inbound liquidity transfer. Exhaustive list of possible values:<br>- Blocked for credit;<br>- Blocked for debit;<br>- Blocked for credit and debit;<br>- Unblocked. |
| Debiting Account | TIPS account, transit account or RTGS account to be debited. |
| Debiting Account Status | Blocking status for the TIPS account to be debited for outbound liquidity transfer. Exhaustive list of possible values:<br>- Blocked for credit;<br>- Blocked for debit;<br>- Blocked for credit and debit;<br>- Unblocked. |
| Status | Status of the liquidity transfer. Exhaustive list of possible values:<br>- Received<br>- Validated<br>- Settled<br>- Failed<br>- Rejected by RTGS<br>- Transient |
| Value Date | Liquidity transfer settlement date in accordance to the related RTGS System. |

3) **§1.5.1 General concepts**

[…]

The possible types of instructions processed by TIPS are listed below:

- Instant Payment transactions for the settlement of cash on a TIPS account
- Beneficiary replies to confirm or reject an Instant Payment transaction on the beneficiary side
- Recall instructions to request a refund from the Beneficiary Participant for previously settled Instant Payment transactions
- Recall answers from the Beneficiary Participant for either the refund or the rejection in response to a recall instruction
- Investigation and Request for Status Update on a Recall
- Liquidity transfers to instruct the transfer of liquidity between TIPS and an RTGS System
- <u>Internal Contingency Liquidity transfers to instruct the transfer of liquidity between a Transit Account and a TIPS Account</u>
- Reference data maintenance instructions to modify TIPS local reference data.

Local reference data maintenance within TIPS is limited to the following set of operations that can be performed at any point in time (i.e. 24/7/365) with immediate effect:

[…]

4) **§1.5.3 Liquidity Management**

TIPS provides liquidity management functionalities to allow the transfer of liquidity between TIPS Accounts and RTGS Accounts, in both directions. <u>Additionally, internal contingency liquidity transfers are envisaged in emergency situation to allow the transfer of liquidity between Transit Accounts and TIPS Accounts. A dedicated system parameter, switched on by the TIPS Operator upon request, enables to settle internal contingency liquidity transfers, which involve the transit accounts.</u> Liquidity transfers can only be performed between accounts ~~TIPS and RTGS~~ that are denominated in the same currency.

TIPS foresees two different types of Liquidity Transfer: Inbound (from an RTGS System to TIPS) and Outbound (from TIPS to an RTGS System). <u>In a contingency condition, Liquidity Transfer between a Transit Account and a TIPS DCA, in both directions, is also allowed.</u>

~~All~~<u>Inbound and outbound</u> Liquidity Transfers~~, regardless of the type,~~ are settled by moving the liquidity through an RTGS Transit Account. TIPS has one and only one Transit Account defined for each currency. The Central Bank responsible for the RTGS System related to a given currency is the Central Bank accountable for the Transit Account. The ECB is responsible for the Transit Account denominated in euro~~.~~<u>, whereas each non-Euro Central Bank is responsible for the Transit Account denominated in their currency.</u>

Liquidity transfers do not entail a reservation of funds, unlike Instant Payment transactions, and are settled immediately.

5) <u>**§1.5.3 New section for Internal Contingency Liquidity Transfers**</u>

<u>**1.5.3.3 Internal Contingency Liquidity transfer**</u>
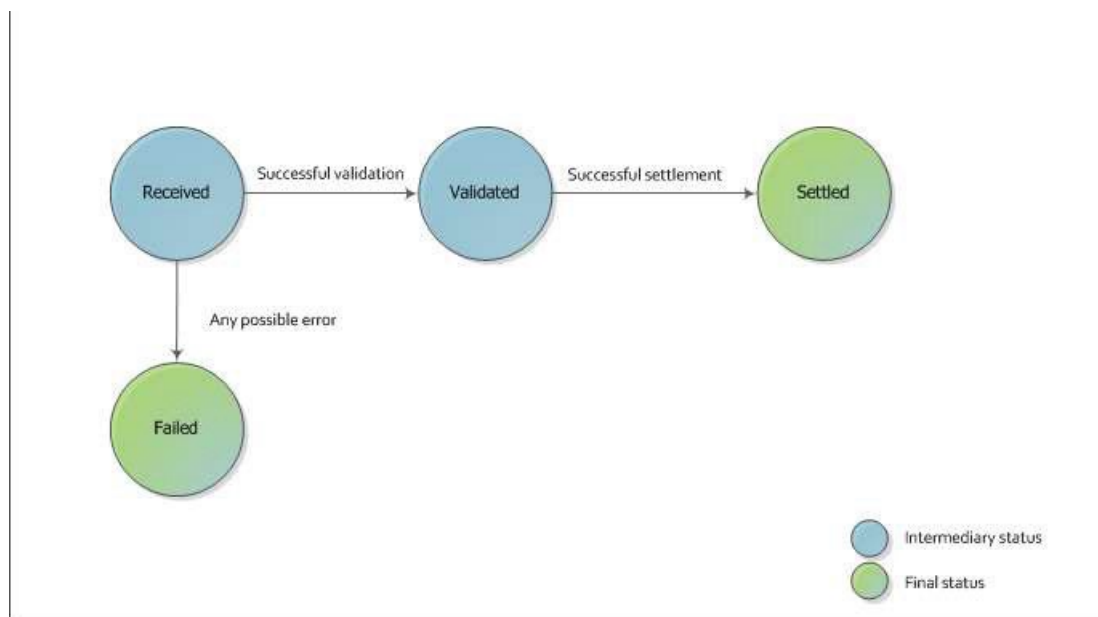
<u>An Internal Contingency Liquidity Transfer (ICLT) moves liquidity either from a TIPS Transit Account to a TIPS account in the same currency or vice-versa, provided that the system is in a contingency situation which makes the standard functionalities of liquidity provision and/or repatriation ineffective.</u>

<u>Authorised Transit Account holders may trigger Internal Contingency Liquidity Transfer orders to debit the Transit account and credit one of the TIPS Account.</u>

<u>If the received message passes all the business checks successfully, TIPS transfers the requested amount from the relevant Transit Account to the TIPS Account immediately. After settlement, TIPS informs the RTGS System and, optionally, the owner of the TIPS account about the successful settlement.</u>

<u>Internal Contingency Liquidity Transfer orders can have different statuses depending on the executed steps of the settlement process. The possible statuses of an Internal Liquidity Transfer order are described in the following diagram.</u>

Figure 8 – Internal Contingency Liquidity Transfer status



<u>An Internal Contingency Liquidity Transfer order is Received and Validated by TIPS if it passes all validation checks successfully and the related TIPS account is not 'blocked for credit' or 'blocked for debit and credit'; otherwise its status is set to Failed. Subsequently, it moves to the status Settled once TIPS settles the full amount of the order. Internal Contingency liquidity transfers involve messages LiquidityCreditTransfer (camt.050.001.05) and Receipt (camt.025.001.05), as well as BankToCustomerDebitCreditNotification (camt.054.001.06) for credit notifications and ReturnAccount (camt.004.001.07), if the account ceiling threshold is exceeded.</u>

<u>Examples involving Internal Liquidity Transfers are listed in section 2.5.x.</u>

**6) §1.7.1 Service configuration – table 39**

| Parameter name | Description | Default value |
|---|---|---|
| […] | […] | […] |
| RTGS Alert | Configurable timeframe after which the TIPS Operator is notified about a missing answer from the RTGS to an Outbound liquidity transfer.<br>The parameter value is expressed in minutes. | 15 |
| Enable ICLT | The parameter enables the liquidity transfer via the transit account in contingency scenario.<br>The Operator has the rights to change this parameter for a given RTGS system in order to allow selectively the opportunity to move liquidity from/to the transit account of a given currency to/from a TIPS account denominated in the same currency.<br>The default parameter value is set to false and shall be configurable per currency. | False |

**7) New section 2.5.3 Internal Contingency Liquidity Transfer**

**2.5.3 Internal Contingency Liquidity Transfer**

This section describes the processing of a Liquidity Transfer order sent by an Authorised Transit Account holder to transfer liquidity from a Transit Account to a TIPS Account or viceversa.

The following Actors are involved in the Internal Contingency Liquidity Transfer business process:

- Authorised Transit Account holders or Central banks;
- TIPS that receives and confirms the request from the sender;
- TIPS Account owner (or the default DN configured as receiver) which is optionally informed if the account balance breaches the configured thresholds. Additionally, if they subscribed to the credit/debit notification, they will receive a proper notification after successful settlement.

The following messages are involved in the ICLT business process:

- Liquidity Credit Transfer: the message which enables the sender to instruct the transfer liquidity from the Transit Account to a TIPS Account;
- Receipt: the message sent by TIPS to the Authorised Transit Account holders or Central Banks to confirm/reject the execution of an ICLT;
- BankToCustomerDebitCreditNotification: the message sent by TIPS to report the settlement of a ICLT to the TIPS Account owner (or the default DN configured as receiver). The notification is sent out only if previously configured by the Account owner.
- ReturnAccount: the message sent by TIPS to notify the owner of the debited (or credited) TIPS Account that the floor (or ceiling) threshold is exceeded. The notification is generated for the TIPS Account owner only upon configuration of the relevant thresholds in CRDM.

Central Banks shall be able to initiate an ICLT even if the closing date of the TIPS Account is exceeded and regardless of the TIPS Account's blocking status.

The process described below is triggered under the assumption that the technical validation, check of mandatory fields and authentication of the user has been already successfully performed by ESMIG. The following diagram describes the ICLT business process.

**Change Request form**

The table below describes each single step of the ICLT process.

**Change Request form**

| Step | Involved messages | Involved actors | Description |
|---|---|---|---|
| 1 | LiquidityCreditTransfer | Authorised Transit Account holder or Central Bank as sender<br><br>TIPS as receiver | TIPS receives an Internal Contingency Liquidity Transfer request from the authorised Transit Account holder or Central Bank.<br>Technical validation, check of mandatory fields and authentication checks have already been successfully executed by ESMIG. |
| 2 | - | TIPS | TIPS successfully executes the following checks:<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**;<br>- LT Amount Check.<br><br>See **Error! Reference source not found.- Error! Reference source not found.** for details. |
| 2e | Receipt | TIPS as sender<br><br>Authorised Transit Account holder or Central Bank as receiver | TIPS unsuccessfully executes one of the checks of step 2.<br>At the first negative check the system stops and sends a message to the DN of the requestor containing the proper error code.<br><br>The status of the ICLT is set to "*Failed*". |
| 3 | - | TIPS | From now on, the debited account, i.e. the Transit Account indicated in the Liquidity Transfer Order, is referred to as "Account to be debited". |
| 4 | - | TIPS | From now on, the credited account, i.e. the TIPS Account indicated in the Liquidity Transfer Order, is referred to as "Account to be credited"; |
| 5 | - | TIPS | TIPS successfully completes the execution of the following check:<br>- **Error! Reference source not found.**;<br>- **Error! Reference source not found.**.<br><br>See **Error! Reference source not found.- Error! Reference source not found.** for details. |
| 5e | Receipt | TIPS as sender<br><br>Authorised Transit Account holder or Central Bank as receiver | TIPS unsuccessfully executes the check indicated in step 5.<br>The system stops and sends a message to the DN of the requestor containing the proper error code.<br><br>The status of the ICLT is set to "*Failed*".<br><br>See **Error! Reference source not found.- Error! Reference source not found.** for details. |
| 6 | - | TIPS | The order is logged and sent to the Check and Execute Instruction process.<br><br>The status of the ICLT is set to "*Validated*". |
| 7 | | TIPS | The DN of the sender in step 1 is saved as information related to the transaction. From now on, this DN is referred to as "Debtor DN". |
| 8p | | TIPS | TIPS settles the full amount of the Liquidity Transfer Instruction, crediting the Account to be credited and debiting the Account to be debited.<br><br>The status of the Internal Contingency Liquidity Transfer Order is set to "*Settled*". |

| 8p | Receipt | TIPS as sender<br><br>Authorised Transit Account holder or Central Bank as receiver | The TIPS Output Dispatcher forwards to the "Debtor DN", through the Message Router, the Receipt message. |
|---|---|---|---|
| 9p | ReturnAccount | TIPS as sender<br><br>TIPS Account owner as receiver | Once the status of the ICLT is set to "*Settled*", TIPS checks the "Ceiling notification amount" configured for the involved TIPS Account to be credited.<br>If the account balance is greater than the "ceiling notification amount", TIPS sends a ReturnAccount to the Account owner (or the default DN configured as receiver) involved in the transaction. |
| 10p | BankToCustomerDebitCreditNotification | TIPS as sender<br><br>TIPS Account Owner as receiver | TIPS sends a notification to the TIPS Account owner in order to report the settlement of the ICLT. |

## 8) 3.3.2.2.5 Receipt (camt.025.001.05)

[…]

In the outbound liquidity transfer scenario, it is sent by the RTGS System to TIPS to report about the execution of the liquidity transfer.

In contingency situation, the message is sent back to the originator of a liquidity transfer that either credits or debits a transit account in TIPS.

## 9) 3.3.2.2.7 LiquidityCreditTransfer (camt.050.001.05)

The Liquidity Credit Transfer message is used in TIPS in order to instruct inbound and outbound liquidity transfers to/from RTGS Systems to fund accounts of TIPS Participants or repatriate money in the related RTGS System.

Besides these usages, Internal Contingency Liquidity Transfers between a TIPS account and a Transit account are also permitted in emergency condition, provided that they are denominated in the same currency.

Authorised technical user (RTGS System) can send inbound liquidity transfers from the corresponding RTGS to TIPS. In case the validation is successful TIPS transfers the requested amount from the (technical) transit account to the TIPS account.

Participants or Instructing Parties acting on behalf of Participants can trigger outbound liquidity transfers in TIPS using a liquidity transfer order message

[…]

## 10) 3.3.2.2.9 BankToCustomerStatement (camt.053.001.06)

### 2) Table 2 – BankToCustomerStatement (camt.053.001.06)

| Field Name | Description | XML path | Mand. | TIPS Usage |
|---|---|---|---|---|
| […] | […] | […] | […] | […] |
| Bank transaction code | Bank transaction code of the transaction, which allows to distinguish between Payment Transactions and Liquidity transfer Orders. | BkToCstmrStmt/Stmt/Ntry/BkTxCd/Domn/Cd | Yes | Used codes are based on the ExternalBankTransactionDomain ISO documentation.<br><br>The Domain code allowed value is "PMNT" (Payments). |
| Bank Transaction Code Family | Family of the Bank Transaction Code. | BkToCstmrStmt/Stmt/Ntry/BkTxCd/Domn/Fmly/Cd | Yes | Allowed values depend on the type of reported payment.<br>- ICDT : ~~Outbound~~Debited Liquidity Transfers (for Outbound and Internal Contingency LTs[7])<br>- RCDT : ~~Inbound~~Credited Liquidity Transfers (for Inbound and Internal Contingency LTs[8])<br>- IRCT : Debited Instant Payment Transaction<br>- RRCT : Credited Instant Payment Transaction |
| Bank Transaction Code SubFamily | SubFamily of the Bank Transaction Code. | BkToCstmrStmt/Stmt/Ntry/BkTxCd/Domn/Fmly/SubFmlyCd | Yes | In terms of reporting, both Instant Payment Transactions and Liquidity Transfers, are defined as Financial Instituion Credit Transfer.<br><br>The allowed value for this field is "FICT". |
| […] | […] | […] | […] | […] |

---

[7] ICLT where the debited account is a TIPS DCA and the credited account is a Transit Account.

[8] ICLT where the credited account is a TIPS DCA and the debited account is a Transit Account.

## 11) 4.1 Business rules

| […] | […] | […] | […] | […] | […] | […] |
|---|---|---|---|---|---|---|
| Liquidity Transfer business process | LT Amount Check | 040012 | Transferred Amount | The Transferred Amount must be greater than zero. | If the check is not respected: - error code L012 | The amount is lower or equal to zero. |
| Liquidity Transfer business process | LT via Transit Account allowed | 040013 | Account debited Account credited Enable ICLT parameter | If the LT attempts to debit or credit a transit account, the system shall verify whether the "Enable ICLT" parameter is set to *true*. Otherwise, the LT will be rejected. | If the check is not respected: - error code L013 | LT via a transit account is allowed in contingency scenario only. |

## 12) 4.2.2 List of non-ISO Error code

| Error Code | Error description |
|---|---|
| […] | […] |
| L012 | The amount is lower or equal to zero |
| L013 | LT via a transit account is allowed in contingency scenario only. |
| […] | […] |

## 13) 4.6 List of acronyms

| Item | Description |
|---|---|
| […] | […] |
| ICLT | Internal Contingency Liquidity Transfer |
| ILT | Inbound Liquidity Transfer |
| […] | […] |

**TIPS UHB v3.0.0**

**14) 1.2.3 T2 and other RTGS systems**

Liquidity in TIPS is provided from an external RTGS system (T2 for the euro). TIPS can retain the liquidity when the RTGS system is closed, provided that it collects the balances of all its accounts into a "snapshot" and communicates it to the RTGS system at the end of the business day of the RTGS system.

It is possible to transfer liquidity between an RTGS account and a TIPS account, and the owner of the RTGS Account does not need to be the same as the owner of the TIPS Account. Under normal operational conditions, TIPS foresees two types of Liquidity Transfers: Inbound (from an RTGS system to TIPS) and Outbound (from TIPS to an RTGS system). Additionally, in a contingency situation driven by a system parameter, it shall be possible to transfer liquidity to/from a Transit Account in TIPS from/to a TIPS DCA, There are no internal liquidity transfers between two TIPS Accounts. All Inbound and Outbound Liquidity Transfers, whatever the type, are performed by moving the liquidity through an RTGS Transit Account. TIPS has one and only one Transit Account defined for each currency, owned by the relevant Central Bank. The Transit Account for the euro is owned and maintained by the ECB. Liquidity transfers do not entail a reservation of funds, unlike Instant Payments, and are settled immediately.

An Inbound Liquidity Transfer moves liquidity from an RTGS account to a TIPS account in the same currency. Inbound Liquidity Transfer orders can be triggered only in the RTGS System and are received by TIPS (TIPS does not provide a functionality to pull liquidity from the relevant RTGS System).

Since TIPS can keep the liquidity in its accounts while T2 is closed and considering that the balances of the TIPS accounts are, from a legal perspective, considered to be in the jurisdiction of T2, TIPS prepares snapshots of the balances during the T2 end of day procedure, ensuring that no liquidity transfers are pending confirmation from T2. The same procedure is foreseen for any other RTGS system connected to TIPS.

**15) 4.4.1 Liquidity transfer functionality**

| Liquidity Transfer | |
|---|---|
| **Object** | **Required Format** |
| Debtor BIC | Field where to enter the BIC of the owner of the TIPS Account to be debited. In contingency scenario, the Debtor BIC can also be informed with the BIC of the RTGS Transit Account holder in the given currency.<br><br>Format is BIC11.<br><br>References for error messages: [▶]:<br>▍L002 |
| Debtor ~~TIPS~~ Account | Field where to enter the TIPS Account to be debited.<br>In contingency scenario, the Debtor Account can also refer to the RTGS Transit Account in TIPS.<br>Format is max. 34 characters (SWIFT-x).<br><br>References for error messages: [▶]:<br>▍L002 |

| | |
|---|---|
| Creditor BIC | Field where to enter the BIC11 of the owner of the RTGS Account to be credited. <u>In contingency scenario, the Creditor BIC can also be informed with the BIC of the RTGS Transit Account holder in the given currency.</u><br><br>Format is BIC11.<br><br>References for error messages: [▶]:<br>❚ L001 |
| Creditor ~~RTGS~~ Account | Field where to enter the RTGS Account to be credited. <u>In contingency scenario, the Creditor Account can also refer to the RTGS Transit Account in TIPS.</u><br><br>Format is max. 34 characters (SWIFT-x).<br><br>References for error messages: [▶]:<br>❚ L001 |
| […] | […] |

## 16) <u>4.4.1 Liquidity transfer functionality – Button table</u>

| | |
|---|---|
| Submit | This function enables to Inject the Outbound Liquidity Transfer 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.<br><br>References for error messages: [▶]:<br>❚ L005<br>❚ L006<br>❚ L007<br>❚ L008<br>❚ L009<br>❚ L011<br>❚ L012<br>❚ <u>L013</u><br>❚ TBL1 |
| Reset | This function enables the user to set all fields to default value and blanks out all optional fields. |
| Cancel | This function enables the user to cancel the process |

## 17) <u>4.5.1.2 Task List – Details Screen – Field description for New LT</u>

| Selected Task | |
|---|---|
| […[ | […[ |
| ~~Outbound~~ **Liquidity Transfer** | |

| Debtor BIC | Shows the BIC11 of the owner of the debited TIPS Account. |
|---|---|
| Debtor ~~TIPS~~ Account | Shows the debited ~~TIPS~~ Account. |
| Creditor BIC | Shows the BIC11 of the owner of the credited RTGS Account. |
| Creditor ~~RTGS~~ Account | Shows the credited ~~RTGS~~ Account |
| Amount | Shows the amount to be transferred with the Liquidity Transfer. |
| Currency | Shows the currency used for the amount of the Liquidity Transfer. |

## 18) 6.1.1 Error Codes

| Reference for error message | Field or Button | Error text |
|---|---|---|
| [...] | [...] | [...] |
| L012 | ❙ Amount field ❙ Submit button | The amount is lower or equal to zero |
| L013 | ❙ Submit button | LT via a transit account is allowed in contingency scenario only. |
| [...] | [...] | [...] |

**TIPS User Training material:**

## 19) FN.050_Liquidity management

New slides to describe the new ICLT mechanism in contingency situation.

**High level description of Impact:**

**Impacts on other projects and products:**

Impacts on CSLD side, stemming from option 1, were identified during the dependency assessment.

A first rough estimation revealed a not exhaustive number potential impact reported below. Potentially affected modules are CLM, RTGS and DWH and all their interfaces to CRDM and TIPS. The list of issues so far includes:

- Data propagation from CRDM to CLM/RTGS
  - Not propagating the accounts with the new account type
  - Not propagating data rows of any other CRDM entity referring accounts with the new account type
- Including the balance of the contingency transit account in the contingency account in the TIPS GL sent to CLM
- CLM balance query to TIPS, including the balance of the contingency transit account in the contingency account
- DWH CRDM data takeover
  - unlike for the data propagation to CLM/RTGS DWH reads directly from CRDM tables
  - exclusion of the new accounts unclear

**Outcome/Decisions:**

TIPS-0084-SYS - *Editorial changes to TIPS SDDs baseline version R2024.NOV* has been drafted to align the R2025.JUN official documentation on some:

1. Improvements at the TIPS application level stemming from the implementation of *TIPS-0011-URD "Liquidity transfer with the transit account"* (option 2) with TIPS ~~R2024.NOV~~

2. Improvements at the TIPS and CoCo application level stemming from the implementation of some PBIs (impacting the SDDs) with TIPS Release R2024.NOV, which were allocated by the TIPS Governance to the release after the related SDDs delivery

TIPS-0084-SYS will grant support to TIPS users testing phase for TIPS R2024.NOV.

Following TIPS-WG September 2024 meeting, it was agreed to update the change request TIPS-0011-URD with track changes for audit purpose. The main change is that inbound contingency liquidity transfers (ICLT) will be available only via the U2A channel (i) as this function is exercised only by transit account holders (i.e. currently, ECB, Danmarks Nationalbank and Riksbank) which normally works from the GUI and (ii) to fully rely on existing security enforcements such as Non-Repudiation of Origin (NRO) and 4-eyes principle when triggering that sensitive function. This leads to the following: ICLT orders can be initiated via U2A (both inbound and outbound) or A2A (outbound only).

**Change Request form**

| General Information | |
|---|---|
| **Impact on TIPS** | |
| **Business Interface** | |
| X | A2A Interface |
| X | U2A Interface |
| **Settlement Engine** | |
| | Payment Transaction |
| X | Liquidity Transfer |
| | Recall |
| **Queries and Reports** | |
| | Queries |
| X (only option 1) | Reports |
| **Other functions** | |
| | Local Reference Data Management |
| | Statistics |
| | Complex Queries and Reports |
| | Mobile Proxy Look-up |
| X | Testing Tool |
| | Contingency message application |
| X | Informational database |
| **Common Components** | |
| X | ESMIG |
| X (only option 1) | CRDM |
| | Archiving |
| | Billing |
| X (only option 1) | 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 | **Option 1 only** | **Option 1 only** |
| | §1.3.2 Account structure | New account type |
| | §1.3.2.3 Contingency Transit Accounts | New section |
| | §1.3.2.5 Table 5 | New account type |
| | **Option 2 only** | **Option 2 only** |
| | §1.3.2.2 Transit Accounts | Amendment of the text |
| | **Option 1 and 2** | **Option 1 and 2** |
| | §1.4.2 Liquidity transfers§1.4.2 Liquidity transfers | Amendment of the textUpdate of table 9 |
| | §1.5.1 General concepts | Amendment of the section |
| | §1.5.3 Liquidity Management | New section for internal LT |
| | §1.7.1 Service configuration | Update of table 39 |
| | §2.5.3 Internal Contingency LT | New section for internal LT |
| | §3.3.2.2.5 Receipt | Amendment of the Receipt |
| | §3.3.2.2.7 LiquidityCreditTransfer | Amendment of the LT |
| | §3.3.2.2.9 BankToCustomerStatem. | Update of the Statement |

|  | §4.1 Business rules | New business rule |
|---|---|---|
|  | §4.2.2 List of non-ISO Error code | New error code definition |
|  | §4.6 List of acronym | New acronym |
| UHB | **Option 1 and 2**<br><br>§1.2.3 T2 and other RTGS system<br>§4.4.1 Liquidity transfer functionality<br><br>§4.5.1.2 Task list<br>§6.1.1 Error codes | **Option 1 and 2**<br><br>Editorial amendments<br><br><br>Add reference to contingency scenario<br>Amendment of the labels<br>New error code defined |
| Training documentation | **Option 1 and 2**<br><br>FN.050_Liquidity management | **Option 1 and 2**<br><br>New slides describing the new internal contingency LT |
| CRDM UDFS | **Option 1 only**<br><br>§1.3.3.3 Cash Account entity<br>§4.5.3.12 Cash Account – DMT | **Option 1 only**<br><br>New account type<br>New account type |
| CRDM UHB | **Option 1 only**<br><br>§2.3.2.1 Cash Account – Search/list<br>§2.3.2.2 Cash Account – new/Edit | **Option 1 only**<br><br>New account type<br>New account type |
| Other documents |  |  |

**Overview of the impact of the request on TIPS**

**Change Request form**

| Summary of functional, development, infrastructure, operational and security impacts |
|---|

Summary of functional impact:

Two possible implementation options have been assessed:

Option 1

This Change Request aims at introducing the possibility to debit/credit a newly introduced account type, namely a Contingency Transit Account in TIPS, to be used under contingency situation. Such a contingency scenario is activated by enabling a system parameter under the control of the Operational Team; a new business rule in TIPS shall be envisaged to enforce the abovementioned condition.

An update of the TIPS functional documentation is required in the following areas, including DMT application:

- TIPS UDFS;
- TIPS UHB;
- TIPS User Training Material
- CRDM UDFS
- CRDM UHB
- CRDM Internal specification for back-end and GUI

An impact on the CRDM data propagation shall be envisaged to make the option 1 fully equivalent to the option 2, from a CLM viewpoint, in the sense that: the newly introduced Contingency Transit Account shall not be propagated from CRDM to CLM.

Option 2

This Change Request aims at introducing the possibility to debit/credit a Transit Account in TIPS in contingency scenario. Such a contingency situation is activated by enabling a system parameter under the control of the Operational Team; a new business rule in TIPS shall be envisaged to enforce the abovementioned condition.

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

- TIPS UDFS;
- TIPS UHB;
- TIPS User Training Material

Summary of application development impact:

The new types of Liquidity Transfers will allow payments to be settled on account of the Central Bank responsible for the currency. This makes necessary to pay special care in reducing any risk of improper access to these functionalities; as it happens to the current "Contingency Message Application", the TIPS operator must explicitly enable them when they are needed and their normal status will not allow entering and processing of such ICLTs.

Additionally, the new ICLT will be submitted to the TIPS backend using a dedicated channel subject to "local authentication" to maximise the protection of the communication.

Two alternative implementations have been taken into consideration:

- Option 1: the ICLT are settled on a new and dedicated "transit account", one per each currency;
- Option 2: the ICLT are settled on the same RTGS account used for any other LT in the given currency.

Option 1 does not need to change the TIPS "settlement core" and it is backward-compatible, i.e. no need to stop the TIPS service during the deployment. Additionally, in this case the "switch" function to enable/disable the ICLT is the same function already available to block/unblock any TIPS account. For option 1, TIPS will sum up the balance of the transit account and the balance of the RTGS account in order to provide a single entry in the General Ledger sent to the RTGS.

Option 2 requires to change the TIPS "settlement core" in a way that cannot be backward-compatible, i.e. the deploy of the change will need to stop the TIPS service for the time needed to install the new version of the software on all the servers. For option 2, a new function is needed to enable and disable the ICLT functionality and this new function is considered to be made available in the TIPS GUI.

Cost drivers:

- The "Contingency Message Application" (CMA), is currently dedicated to bear contingency conditions such as the unavailability of T2 and can only be activated from inside the 4CBNet, i.e. having the TIPS Operator acting on behalf of the Central Bank. Consequently, the new ICLTs cannot reuse such CMA and the new functions have to be implemented "from scratch", as a separate new GUI.

- Security and risk assessment must consider the risk linked to message injection by unauthorized subjects or improper access to the GUI screens, This CR takes into account, as mitigation measure, the requirement to have the new functionality usually disabled and to activate them only in the event of the contingency. Additionally, this makes necessary to build a dedicate "local authentication" (LAU) feature dedicated to this use.

- Moreover, 4-eyes and NRO are assumed as needed for LTs and for enabling new functions by Operational Team (switch updates), as well.

- The CR consider two separate switches to enable U2A and A2A separately. The switches act on a single currency, i.e. they enable only one specific RTGS/transit account at a time.

- Option 2 (i.e. the reuse of the already existing RTGS account for settling the ICLTs) requires the TIPS "Settlement Core" to be changed, to properly process ICLT in a single step and to not consider them in the end-of-day reconciliation with the relevant RTGS. These changes cannot be delivered into a "rolling deployment" fashion (as the old and new versions of the settlement core would not be compatible each other). Therefore, in case Option 2 is implemented, TIPS service must be stopped for the time needed to install new version on all the servers.

Summary of operations impact:

The activation of the parameter to enable the ICLT must be tested and the Manual of Procedures (MOP) has to be amended accordingly.

Summary of infrastructure impact:

Dedicated queues must be set-up between TIPS GUI and TIPS message routers, in order to make it possible to protect the communication with both TLS and LAU. The currently existing documentation has to be updated accordingly.

Summary of security impact:

See Change Request Analysis.