

Institution name	UniCredit Group Italy, Germany, Austria
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1	UniCredit Group Italy, Germany, Austria	1	1.2 PROJECT OBJECTIVES	General	General Comment	<p>We welcome the opportunity to analyze the URD related to instant payments settled in Central Bank Money (CeBM) through the new TIPS Module.</p> <p>We do believe that efficiency is a key success factor as well as the complete reachability of final users through their respective PSPs and CSMs. We expect that TIPS could contribute to this purpose by granting reachability at a sustainable cost interacting with the other actors. This should take place even if interoperability is excluded at the moment based on the different nature of the settlement processing (CeBM versus CoBM).</p> <p>We would focus your attention on 3 main aspects:</p> <ol style="list-style-type: none"> <li>1. the settlement certainty as per SCT Inst Rulebook that could be achieved by means of services provided by CSMs, while services provided by CSMs and TIPS share the same operational limit of not having T2 reachable 24/365.</li> <li>2. "to support Participants to comply with the SCT Inst scheme" that would be better achieved providing users of TIPS with a complete set of controls and validation in order to, inter alia, respect <ul style="list-style-type: none"> <li>- the threshold per transaction (15keur) and</li> <li>- the end to end "target maximum execution time of 10 seconds"</li> </ul> </li> <li>3. the procedures that will define the link between the end of the day (change of value date) in TIPS and in T2, providing a clear picture of the closing steps and value dates change.</li> </ol>
2	UniCredit Group Italy, Germany, Austria	5	2.1 ACTORS	General	General Comment	<p>In general the naming of actors is not the same currently in use in the payment industry and some definitions could lead to misunderstanding.</p> <p>The definition of Instructing Parties seems to be too much generic. In particular the ACH operative perimeter should be considered as well.</p> <p>Reachability aspects, if fully aligned with the EPC Scheme Rulebook for SCT-Instant Payment, should represent an alternative solution for ensuring pan-European end-to-end reaching to TIPS. Several banking communities in the Eurozone have supported Instant Payments projects, and the ACHs involved have expressed their willingness to implement interoperability with other communities from November 2017 onwards.</p> <p>TIPS access, in the contest of instructing parties, can be achieved from the start and extended gradually as and when more communities decide to use Instant Payments in Euro (in its full set of standards) indirectly, also through an ACH indirect access.</p> <p>The market expectation is that ECB should continue to drive the work to ensure reachability, at a rapid pace, in a cooperative spirit with existing as well as future industry dialogue, pursuing, as common interest, the evolution of the payment industry as a whole.</p>
3	UniCredit Group Italy, Germany, Austria	6	2.3 LIQUIDITY MANAGEMENT	General	General Comment	<p>The TIPS account balance counted in minimum reserve computation for Euro is a crucial aspect from a Treasury point of view.</p> <p>Concerning snapshot of the TIPS account (taken at closing time of TARGET2), it is not clear what happens on instant payment instructions sent to TIPS from the TARGET2 closing time (18.00 CET) to TARGET2 changing date cut-off (18.45 CET) will be managed.</p> <p>What are the value date of these instant payments if the snapshot at 18.00 CET represents the closing time for same day sending?</p>

4	UniCredit Group Italy, Germany, Austria	17	3.2 PAYMENT PROCESSING	TIPS.UR.03.150	Reservation of funds on TIPS accounts	The reservation of funds is directly linked to the concept of validation. In this paragraph we think that this concept should be more detailed. It is not clear if the validation is the process when instructions are accepted from system and how. In particular has to be defined clearly the difference between a technical validation and a business validation to better understand the reservation of funds attempt. Referring to processing it should be define what controls will be performed such as, for instance, the duplicate checking. What are the possibilities that reservation of funds could be released?
5	UniCredit Group Italy, Germany, Austria	18	3.2 PAYMENT PROCESSING	TIPS.UR.03.210	Beneficiary Participant reply timeout	In our opinion the phases concerning a positive or negative replies from beneficiary should be better described. In particular the different features of technical validation and business validation should be defined. Which kind of controls TIPS will perform on beneficiary side? If the technical validation is positive, what are the cases that could create a negative reply from a beneficiary?
6	UniCredit Group Italy, Germany, Austria	40	4.2 LIQUIDITY TRANSFERS	TIPS.UR.04.080	Liquidity transfers between RTGS accounts and TIPS accounts	TIPS shall ensure that a TIPS account is able to receive or send liquidity from/to any RTGS account. In the document only User-to-Application possibilities seem to be available. Is there the option also to instruct liquidity transfers by Application-to-Application messages (other than standing order)?
7	UniCredit Group Italy, Germany, Austria	57	5.4 REFERENCE DATA	TIPS.UR.05.290	Liquidity transfers for blocked accounts	The paragraph is related to a contingency situation for blocked accounts. We think that also some indications on participant contingency situation for technical reasons should be provided.
8	UniCredit Group Italy, Germany, Austria	67	7.2 GENERAL REQUIREMENTS	TIPS.UR.07.020	TIPS availability for queries in User-to-Application mode	In User-to-Application perimeter, through the Graphical User Interface access, in the list of queries could be important to include a specific enquiry for all liquidity transfers (inbound or outbound) to/from TIPS. This query could help the reconciliation process at back office level.
9	UniCredit Group Italy, Germany, Austria	18	3.2 PAYMENT PROCESSING	TIPS.UR.03.200	Waiting for a Beneficiary Participant reply	Although the URD does not specifically mention the target execution time of TIPS, from the presentation held during the TIPS Tour we understood that the expected average execution time would be of 5 seconds, which is too long in our opinion, being the end-to-end execution time of 10 seconds as per SCT Inst Rulebook.
10	UniCredit Group Italy, Germany, Austria	13	3.2 PAYMENT PROCESSING	TIPS.UR.03.030	Business validation of payment transactions	Further the Project Scope and Description we suggest that among the business validation rules the maximum amount per transaction (15keur) and the duplicate checking will be applied. Along with clearly defined business validation rules we consider as crucial the definition of an exhaustive process for managing transactions which divert from the regular path (e.g., rejects).