

**OUTCOME**  
**MEETING OF THE ADVISORY GROUP ON MARKET INFRASTRUCTURES  
FOR PAYMENTS (AMI-Pay)**

14 June 2024, 09:30 – 14:00 (CEST)

ECB, Main Building, Room C2.01

**0. Introductory remarks and approval of the agenda**

The Chair welcomed the participants. The members agreed on the agenda.

The representative from the European Commission (joining only the start of the meeting) provided an update on the instant payments regulation (IPR), published in the Official Journal of the EU on 19 March 2024 and entering into force on 8 April 2024. The European Commission held two workshops dedicated to clarifying questions concerning the interpretation and application of the new provisions on 30 April 2024 and 29 May 2024. The Commission is now taking necessary steps for publication of the questions and answers, expected for July 2024. Some participants expressed concerns on the applicability of the IPR to LVPS which may have unintended and negative implications that would require further analysis.

The European Payments Council (EPC) representative explained their work to implement the IPR and the anticipated release date for implementing the updated version of the SCT Inst scheme currently set for Sunday 5 October 2025 (instead of the usual third weekend of November). Participants highlighted that such a timing is creating additional challenges, costs and operational risk as the regular EPC release dates are in principle aligned with the ISO worldwide deployment dates for messages related changes. Some members suggested holding a dedicated AMI-Pay workshop with the participation of the European Commission to discuss these points ahead of the finalisation of the Q&A on the IPR.

## 1. T2

### 1.1 T2 operations

The ECB will provide an update on the T2 operations.

Document:

*Presentation – T2 operations*

#### **Outcome:**

The ECB provided an update on the T2 operations focusing on the traffic and liquidity developments of T2 until May 2024 as well as on the system's performance between December 2023 and May 2024. More detailed information is available in the [TARGET Annual Report 2023](#) published on 7 June 2024 on the ECB website and shared with the AMI-Pay for information.

The ECB further informed the AMI-Pay of the June Release of T2. After some delays encountered during the first day of deployment and issues faced with the GUI at the end of the day on Monday 10 and Tuesday 11, the system stabilised as of 12 June 2024. The ECB will work on lessons learned based on this experience.

AMI-Pay participants took note of the update.

### 1.2 T2 evolution

The ECB will present a status update on the evolution of T2, including the most significant change requests for upcoming releases and the ongoing work on recovery. AMI-Pay participants are invited to take note of the update.

Document:

*Presentation – T2 evolution*

#### **Outcome:**

The ECB informed the AMI-Pay on the status of the T2 June 2024 release and the planned scope of the upcoming T2 November 2024 and June 2025 releases.

In addition, participants were updated on the progress of change requests resulting from T2 Contact Group discussions which aim at improving statement reporting and enhancing the IBAN validation in T2.

AMI-Pay participants took note of the update.

## 2. TIPS

### 2.1 TIPS in operations

The ECB will provide an update on the latest developments in TIPS in operations.

Document:

*Presentation – update on TIPS in operations*

#### **Outcome:**

The ECB informed the AMI-Pay of the recent developments of TIPS traffic and liquidity as well as system's performance looking both at the technical availability of the system (that stood at 100%) and most significant incidents that occurred between January and May 2024.

AMI-Pay participants took note of the update. The following main points were raised in the discussion:

- **Rejections of transactions:** On average, the rejection rate in TIPS appears higher than that of other CSMs. For TIPS, efforts are focusing on the case of participants not being online which appears to be the main cause of rejections. It was recalled that neither the SCT Inst scheme nor the TIPS rules tolerate planned down-time. In exchanging with relevant participants and central banks, action plans are being developed to improve the situation. Another CSM representative noted that the main cause of rejections is the unavailability of participants and sanctions related concerns. It was noted that the implementation of the IPR is expected to 'dilute' the rejection rates at CSMs with the expected increase of instant payments transactions. Still, rejections need to remain in the focus of CSMs' action.

*Follow-up:* the ECB will provide a more detailed analysis of the rejections in TIPS, including the impact of the first month of implementation of the IPR for the May/June 2025 AMI-Pay meeting.

- **TIPS capacity:** following the question of a member on the expected capacity of TIPS to deal with an increased number of transactions resulting from the IPR implementation, it was clarified that even after onboarding the Swedish community, the TIPS platform has ample and reassuring capacity to process payments, that goes well beyond the expected need that will materialise due to the IPR.

- **Incident not linked to TIPS malfunctioning:** the ECB informed the AMI-Pay of a recent incident not linked to the platform functioning per se but to a wrong action by one national central bank in the reference date of the production system. This wrong action affected one CSM, which was acting as instructing party for several PSPs, and caused a high level of rejection on 14 March 2024. The ECB is following-up on this incident to ensure that relevant counter-measures are put in place going forward.

## 2.2 TIPS evolution

The ECB will present a status update on the most recent and upcoming evolutions of TIPS. AMI-Pay participants are invited to take note of the update and provide feedback on the possible further TIPS developments.

Document:

*Presentation – TIPS evolution*

**Outcome:**

The ECB provided an overview of the content of previous and upcoming 2024 TIPS releases as well as the candidate change requests for the 2025 TIPS releases, including those related to the IPR implementation. AMI-Pay was also informed of the TIPS cross-currency work following a phased approach with (i) the implementation of first TIPS cross-currency settlement service, (ii) the implementation of the enhanced linked transactions settlement model and (iii) further enhancements of the cross-currency service.

AMI-Pay participants took note of the update. The following main points were raised in the discussion:

- **Possible offer of a verification of payee (VoP) service by TIPS:** A CSM representative asked about the pricing of a potential VoP service provided by the Eurosystem, considering the various solutions in the market, which all have to recover their costs, and shared the expectation that such new service will follow the principle of cost recovery already applied for TIPS in order to not distort the level playing field. The ECB explained that the Eurosystem is still analysing how to best implement this requirement stemming from the IPR. In this regard, it was noted that VoP is independent from settlement and may therefore be implemented with the solution of an external provider that would be integrated in TIPS. The related pricing would then need to be considered by the Eurosystem. As stated in the TIPS Consultative Group, it was clarified that billing decisions may be introduced a year after the VoP implementation because of a longer timing needed to implement billing requirements, though it would only be for the first year. Alternatively manual invoicing may be applied by the NCBs during this period. In addition, as for TIPS, the Eurosystem will aim at recovering the cost of any VoP solution that would be implemented.

- **PSPs interest in joining the TIPS cross-currency work:** the TIPS cross-currency change requests were published on the ECB website on 13 June 2024<sup>1</sup>. On this basis, PSPs can signal to their national central bank or the AMI-Pay Secretariat if they are interested to discuss the workstream working on this topic by 31 July cob.

- **Interlinking with initiatives at global level:** the ECB is taking part in the work conducted under the auspices of the BIS Committee on Payments and Market Infrastructure where interlinking is a priority area. In this context, the ECB is considering possible options for linkages beyond the EU.

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<sup>1</sup> See [TIPS-0064-URD - Adaptation of TIPS for the settlement of cross-currency transactions \(based on OCT Inst scheme\)](#) and [TIPS-0065-URD - Enhanced Linked Transaction \(LKT\) settlement model for cross-currency in TIPS](#)

### 3. TARGET Services on-boardings

The ECB will provide an update on the upcoming TARGET Services on-boardings.

Document:

*Presentation – TARGET Services onboarding*

#### **Outcome:**

The ECB informed the members on the upcoming TARGET Services on-boardings, with the Sveriges Riksbank onboarding to T2, the Danmarks Nationalbank to TIPS and T2 and the Norges Bank to TIPS.

AMI-Pay participants took note of the update.

### 4. Instant payments value dating

Following the December 2023 AMI-Pay meeting, a Task Force of volunteer AMI-Pay participants further worked on possible theoretical options identified regarding the application of the T2 calendar (a subset of the yearly calendar) applied to value date the TIPS accounts against the 24/7 update of balances also in T2 non-business days. AMI-Pay participants are invited to discuss the Task Force considerations and provide input in view of the further analysis.

Document:

*Presentation – value dating for SCT Inst – possible options*

#### **Outcome:**

The ING representative presented the outcome of the analysis conducted by the AMI-Pay Task Force on value dating. The presentation focused on the impacted areas/analytical considerations for each of the following potential options identified by the Task Force:

- Align the value date for the client with monetary policy applied value date;
- Re-calculate the interest using a 'central point of calculation';
- RTGS open for payments till 18.00/5 days, but business day closes at 24.00/7 days;
- RTGS open for payments till 18.00/5 days with daily closing of T2 at 18:00/7 days;
- T2 closing moves to 24.00 and opens 7 days a week;
- Keep T2 (RTGS, CLM, T2S) as is, but move TIPS interest calculation to 24x7.

AMI-Pay participants welcomed the analysis conducted and agreed with the approach taken and the analysis of the different options. As a follow-up, the Eurosystem will consider the different potential options and their potential implications, also in light of the approach taken in other currency areas in view of updating the AMI-Pay on potential next steps in the December 2024 meeting.

## 5. Update on the Eurosystem exploratory work on new technologies for central bank money settlement of wholesale financial transactions

The ECB will inform AMI-Pay participants on the Eurosystem exploratory work on the use of new technologies for central bank money settlement.

Document:

*Presentation – Update on Eurosystem ntwCeBM work*

**Outcome:**

Following the update provided in the December joint AMI-Pay/AMI-SeCo meeting, the ECB informed AMI-Pay of the progress in the Eurosystem exploratory work on the use of new technologies for central bank money settlement. The presentation outlined the adoption of the operational and legal frameworks for exploratory work, as well as the first wave of market participants and DLT operators participating in the experiments and trials. Experiments and trials are now underway and the second wave of market participants and DLT operators will soon be published.

The ECB further raised the attention of AMI-Pay on the publication of a [press release](#) by the BIS Innovation Hub on Meridan FX, a joint project by the Eurosystem and London Centres, and the Bank of England, to test synchronised settlement in FX.

AMI-Pay participants took note of the update.

## 6. Commercial Bank Money Token (CBMT) initiative

A representative of the Deutsche Kreditwirtschaft (GBIC), will update AMI-Pay participants on their CBMT initiative.

Document:

*Presentation – CBMT initiative*

**Outcome :**

A representative of the banks driving the initiative provided an update on their Commercial Bank Money Token (CBMT) initiative. This initiative seeks to reply to the automation of business operations with synchronised and self-governing payment flows simultaneously in a context where current on-chain available options, such as stablecoins, do not adequately fulfil corporate clients' needs.

A webinar<sup>2</sup> took place on 30 April 2024 where a "proof of concept" demonstrated the basic technical feasibility of the CBMT concept and highlighted its potential.

The initiative is currently reaching out to other banks and corporates beyond Germany to join this initiative.

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<sup>2</sup> Video available at: <https://bankenakademie.de/en/cooperations/think-tank/>

AMI-Pay participants took note of the update.

The Chair noted the general ECB support for innovation and European governance in payments and from this perspective welcomes that European banks take such initiatives, subject to a sound legal basis and risk management and recalling the objective to have a pan-European solution (avoiding fragmentation).

## **7. Any other business**

### **Outcome:**

The next AMI-Pay meeting will take place virtually on 4 and 5 December, including a joint session with AMI-SeCo.