

# Comments

## Market Consultation of the ECB

TARGET Instant Payments Settlement (TIPS) User Requirements

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Berlin, 24 February 2017

Answer to ECB via e-mail to [REDACTED]

The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent more than [REDACTED]

## **Comments on Market Consultation of the ECB TARGET Instant Payments Settlement (TIPS) User Requirements**

### **General remarks of the German Banking Industry Committee (GBIC)**

On 9 January 2017, the European Central Bank (ECB) issued its paper "TARGET Instant Payments Settlement (TIPS) User Requirements" for a market consultation until 24 February 2017. The German Banking Industry Committee (GBIC) is the joint committee operated by the central associations of the German banking industry and represents currently more than 1,700 banks in Germany. On the one hand individual banks in Germany will respond to the technical topics and on the other hand we want to give some general remarks for the German community.

- The considerations by the Eurosystem to offer possible solutions in the context of settlement of payments are sensible, and should be pursued.
- However, any offer by the Eurosystem which will only be made available from November 2018 onwards, in fact constitutes a postponement of the launch of the EPC payment scheme "SCT Inst".
- TIPS is not a solution to the key issue to guarantee the mutual reachability of all scheme participants.
- Pan-European reachability is of utmost importance to the success of instant payments. With regard to TIPS, we are looking for a clear statement by the Eurosystem as to how the reachability of all scheme participants will be promoted and guaranteed through the interoperability of all clearing systems.
- According to information provided by the Eurosystem, TIPS will presumably require five out of a total of the ten seconds processing time. Based on a preliminary assessment, using this portion of the maximum ten seconds available for a "SCT Inst" payment is excessive – and is a contradiction to the ECB's original demands to process the entire payment within a maximum period of five seconds.
- TIPS should consider and implement the rules and regulations of the European Payments Council payment scheme "SCT Inst", without making any own interpretations.
- We expect TIPS to establish a level playing field for other clearing systems, especially with respect to eligibility for inclusion under minimum reserve requirements.