



EUROPEAN CENTRAL BANK

EUROSYSTEM

TIPS Pricing

AMI-Pay Meeting

02 December 2022

target | TIPS
services



Agenda

1 New TIPS Pricing

2 Principles

3 Input from AMI-Pay

4 Measures currently being investigated

5 Next steps

New TIPS Pricing

➤ The Eurosystem has started reviewing the TIPS Pricing

Current Pricing was introduced in November 2020

Final approval is needed from the Governing Council

New Pricing expected to enter into force end of 2023/beginning of 2024



Main pillars of the new TIPS Pricing are presented today

The fine details will be presented upon Governing Council's approval

Background towards a new TIPS Pricing

- A comprehensive revision of the TIPS Pricing is performed for the following main reasons:
 - In the aftermath of the **Pan-European reachability, new services are provided (e.g. availability of CeBM on 24/7 basis) → A fair pricing for the services provided needs to be implemented**
 - **TIPS needs to be financially sustainable**, also to support the ambitious goal of the [Legislative proposal on instant payments by European Commission](#)
 - **Market feedback** on pricing indicated some direction to review the current fees

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Principles for TIPS Pricing

- TIPS operates on a **not-for-profit basis**
- TIPS pricing aims at **reaching cost-recovery**, with all TIPS Actors contributing to it in a fair and balanced way
- The pricing scheme has been designed from the start to support **high reachability (in TIPS we have over 99% of the SCT Inst compliant PSPs)**, while respecting **the freedom of PSPs** to decide where to instruct and where to settle
- **The Eurosystem committed to cap the contribution of ACHs for their internal settlement to 20%**

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Input from AMI-Pay

➤ **AMI-Pay provided feedback on current pricing:**

ACHs:

- Some ACHs felt that ASTAs' fee were contributing disproportionately to the TIPS revenues → asked to see an increase in the contribution from PSPs
- Some ACHs were surprised to observe a direct proportionality between their bill and their internally settled volume → asked to “soften the curve”

PSPs:

- No particular comment raised

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Measures currently being investigated (1/2)

- Fixed monthly fee on:

TIPS DCAs for PSPs

TIPS ASTAs for ACHs

AAUs (with a cap per acct)

- Degressive fee for internal settlement at **ACH** made possible by TIPS ASTAs:

The lowest price band could be set at 0.00015 EUR
(instead of the current 0.00050 EUR today)

Measures currently being investigated (2/2)

- Sharing of settlement fee between Originator and Beneficiary:

With the current fee, this translates into
Originator: 0.001 EUR / Beneficiary: 0.001 EUR

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Next steps

- By end **April 2023** → **ECB's Governing Council to approve the proposal**
- By end **May 2023** → **Communication to the market** on the updated TIPS pricing policy
- Once approved by the Governing Council, the new Pricing will be published on the ECB Website, in accordance with the **Eurosystem's principle of transparency of information**

Thank you for your attention!

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 **ECB: market infrastructure and payments**