



EUROPEAN CENTRAL BANK

EUROSYSTEM

# TIPS Cross Currency Settlement

---

AMI-Pay



04 May 2023

target | TIPS  
services

# Agenda

- 1** **Background**
- 2** Initial assessment of market consultation
- 3** Open questions
- 4** Way forward

# Background

- February and March 2023 → Consultations with € and SEK markets took place with 13 participants
- March 2023 → EPC has published the [Euro One-Leg Out Credit Transfer \(\[Inst\] Euro OCT\) Arrangement Rulebook scheme](#)

# Agenda

- 1 Background
- 2 Initial assessment of market consultation**
- 3 Open questions
- 4 Way forward

# Initial assessment of market consultation

	Euro area	Sweden
<b>Interest overall</b>	<ul style="list-style-type: none"> <li>• <b>Some interest expressed</b>, either as x-ccy PSP or normal participant (or processors), pending further details</li> </ul>	<ul style="list-style-type: none"> <li>• <b>More cautious stance</b> from first consultation confirmed, but all banks wanted to continue the dialogue</li> </ul>
<b>Issues raised</b>	<ul style="list-style-type: none"> <li>• <b>Transformative nature</b> of the service</li> <li>• <b>Client use cases</b> to be developed</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Timing</b> a challenge due to busy agenda</li> <li>• <b>FX quotes</b> not available 24/7</li> </ul>
<b>Interest in a pilot</b>	<ul style="list-style-type: none"> <li>• <b>Four banks</b> expressed interest in (doing joint work ahead of) a pilot</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Three banks in Sweden</b> are checking their feasibility (follow up talks will be held)</li> </ul>
<b>Additional remarks</b>	<ul style="list-style-type: none"> <li>• <b>Adding currencies</b> is an important 'selling point' among market participants</li> <li>• <b>Pilot</b> should be envisaged as based on a <b>minimum viable product</b> (e.g. excluding a Central Exchange Hub (CEH) and limited operating hours instead of the 24/7 availability)</li> </ul>	

# Agenda

- 1 Background
- 2 Initial assessment of market consultation
- 3 **Open questions**
- 4 Way forward

# Open questions

What will be the impact of the EPC OCT scheme on the proposed [Linked Transactions settlement \(LKT\) model](#)?

- EPC recently published the OCT scheme Rulebook
- The implementation guidelines are not published yet ([foreseen for the end of June 2023](#))

Main discussion points on the potential pilot

- The **scope of the pilot** (minimum viable product) with respect to currency trading layer operational hours has to be further elaborated
- Potential **timeline**
- Open issues (e.g., dependencies with EPC OCT scheme)

# Agenda

- 1 Background
- 2 Initial assessment of market consultation
- 3 Open questions
- 4 **Way forward**



# Way forward

- I. Continue assessment of EPC OCT scheme (based on the latest publication)
- II. Finalisation of explanatory document on cross-currency pilot characteristics
- III. Follow-up with EUR and SEK PSPs that expressed interest in participating in pilot

**Thank you for your attention!**



**TIPS@ecb.europa.eu**

[www.ecb.europa.eu/paym](http://www.ecb.europa.eu/paym)



**ECB: market infrastructure and payments**