

# Implementation of Non-time critical payments in TIPS





#### Overview

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What is a non-time critical payment in TIPS?

#### 1.Introductory remarks

Payment transactions can be processed in TIPS differently depending on whether or not they are considered time critical



Non – time critical payments in TIPS would be (if approved):

- An Additional Optional Service (AOS) under the SCT scheme
- Settled in TIPS
- Without the need of the maximum processing time of 20 seconds (as for an instant payment)
- CR 0041 planned to be implemented (<u>TIPS-0041-URD Introduction of non-time critical instant payments in TIPS</u>)



### Instant payments vs Non-Time critical payments in TIPS

#### 2. Instant payments vs non-time critical payments in TIPS





Scheme	SEPA Instant Credit Transfer (SCT Inst) scheme	SEPA Credit Transfer scheme – Additional Optional Service (AOS)
Settlement platform	TIPS	TIPS
Pacs.008 (group header)	Local instrument Code = NA	Local instrument Code = 'INSTNT01' (*)
Timeout threshold	Maximum 20 seconds	Maximum 24 hours
Queuing/retry mechanism	N/A	By TIPS in case of no reply received

<sup>(\*)</sup> In order to identify a transaction as a non-time critical payment in TIPS, the yellow field "Local Instrument Code" within the pacs.008.001.02 group header must be filled in with the identifying code 'INSTNT01' – the naming may be subject to change in CR review

**Features** 



#### 2. Instant payments vs non-time critical payments in TIPS

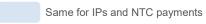




Do you accept NTC?	No, only Instant payments: Authorized Account User with flag 'False' in the TIPS Dir	Yes: Authorized Account User with flag 'True' in the TIPS Dir
Reservation of funds in TIPS	After the payment is accepted by TIPS. Until the Beneficiary PSP accepts/rejects it or the timeout threshold is reached (20")	After the payment is accepted by TIPS. Until the Beneficiary PSP accepts/rejects it or the timeout threshold is reached (24h)
Investigation message	SCT Inst Timestamp Timeout expiration (20") + Investigation Offset	SCT Inst Timestamp Timeout expiration <b>(20")</b> + Investigation Offset
Recall message	After the positive confirmation message to the original payment is sent by TIPS to the Originator PSP (*)	After the positive confirmation message to the original payment is sent by TIPS to the Originator PSP (*)

<sup>(\*)</sup> This check is delegated to the Beneficiary PSP, since TIPS does not check neither the existence nor the status of the underlying instant payment transaction.

Features





## Sending of non-time critical payments

#### 3. Sending of NTC Payments

- SCT Inst scheme adherence Using NTC payments does not prevent PSPs from being compliant with SCT Inst scheme
- TIPS will send NTC using the Instant Messaging transport protocol no Store & Forward (i.e. stateless protocol)



- If the Beneficiary PSP is online, the NTC payment is correctly delivered
- If the Beneficiary PSP is temporary unavailable or in case of network failure in the delivery of the reply message:
  - the initial NTC payment transmission will get lost and
  - TIPS will perform the NTC payment retransmission i.e. time based event

#### **Business cases**

#### 4. Business Cases - Examples



Regular payments - e.g. salaries

Batch/bulk payments

Standing orders - e.g. tax payments



#### Benefits

#### 5. Benefits









Thank you