



EUROPEAN CENTRAL BANK

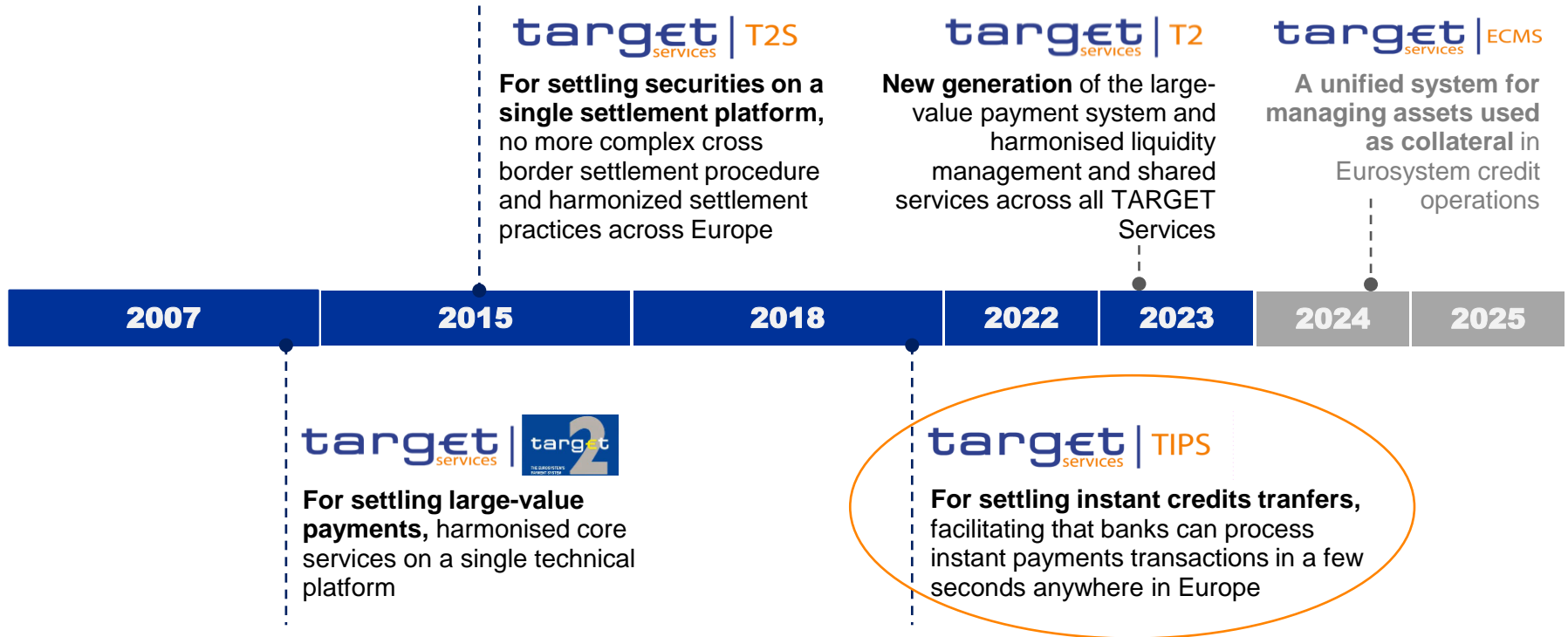
EUROSYSTEM

TIPS: the European instant payment settlement engine



Fabrizio Dinacci
ECB

TIPS part of the TARGET Services



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TIPS, a response to the market trends:

TIPS is an efficient and reliable instant payment settlement service



“Our real-time settlement platform is a pivotal contribution to Europe’s endeavours to satisfy citizens’ increasing demand for faster, cheaper and convenient payment services without compromising on security”

ECB PRESIDENT CHRISTINE LAGARDE

Challenges

1
Digitalisation of the economy

2
Instant availability

3
Fragmentation risk

TIPS features

TIPS settles instant credit transfers in central bank money

TIPS offers a seamless service enabling to pay in a few seconds, every day of the year

TIPS is a pan-European service by construction

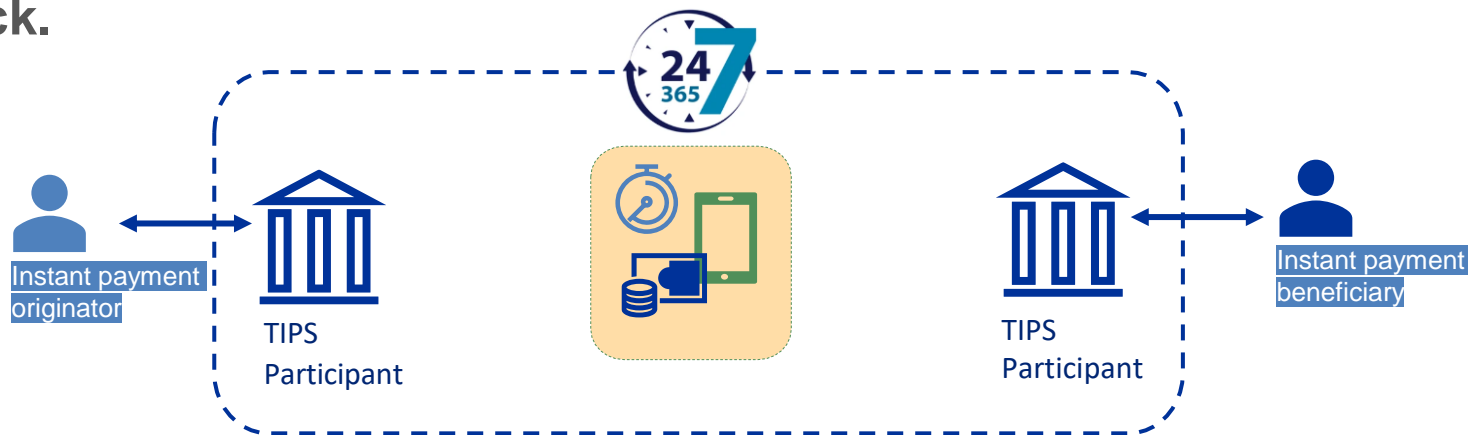
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What is TIPS?

Main features

What is TIPS?

TARGET Instant Payment Settlement (TIPS) allows **instant settlement of funds** between participants in **real time, 365 days a year** and **around-the-clock**.



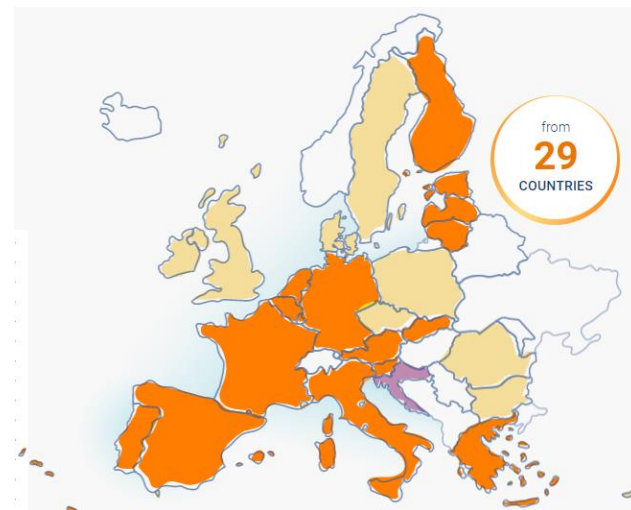
At the end of the process, the sending and the receiving participants get a **payment confirmation**. ✓

Zoom on SEPA Instant Credit Transfer in Europe

**2288 payment service providers have already joined the scheme:
62% of European PSPs and over 71 % of PSPs in the euro area.**



Chart of the estimated share of SCT Inst Volumes in all SEPA Credit Transfer volumes – [EPC website](#)



Map of the countries where PSPs are already offering SCT Inst services – [EPC website](#)

- At least 1 SCT Inst participant and a majority of payment accounts in the country
- At least 1 SCT Inst participant but no majority of payment accounts in the country
- Readiness date: 24 June 2023
- No SCT Inst scheme participants in the country

Zoom on SEPA Instant Credit Transfer in Europe

TIPS is compliant with the SCT Inst Scheme

- ❖ The [SCT Inst scheme Rulebook](#) was developed by the [European Payments Council \(EPC\)](#) - following invitation by the Euro Retail Payment Board (ERPB)

The main elements of the SCT Inst scheme today are:

PSP steps to provide instant payments to your end customers:

- 1/ Adhere to SCT Inst scheme
- 2/ Onboard to a Clearing and Settlement Mechanism (CSM): **TIPS!**

1. Based on the existing SEPA Credit Transfer scheme

2. Scope EU/EEA

3. Credit transfers in euro

4. Funds available to the beneficiary in max. 10 seconds
(→ with TIPS, much less!)

5. Transactions of up to 100,000 euro, but no check performed on TIPS

6. Optional scheme: PSPs can adhere as beneficiary only or as both originators and beneficiary

TIPS main features

target | T2
services

Same **participation criteria** as for T2



Instant payments settlement in **central bank money (CeBM)**



Multi-currency technical capability

SEPA
Single Euro Payments Area

Supports participants to comply with the **SEPA Instant Credit Transfer (SCT Inst) scheme**



Pan-European platform following the **ISO 20022 standard**



Operated on a **full cost-recovery and not-for-profit** basis

See brochure: [Instant payments: TIPS for getting there](#)

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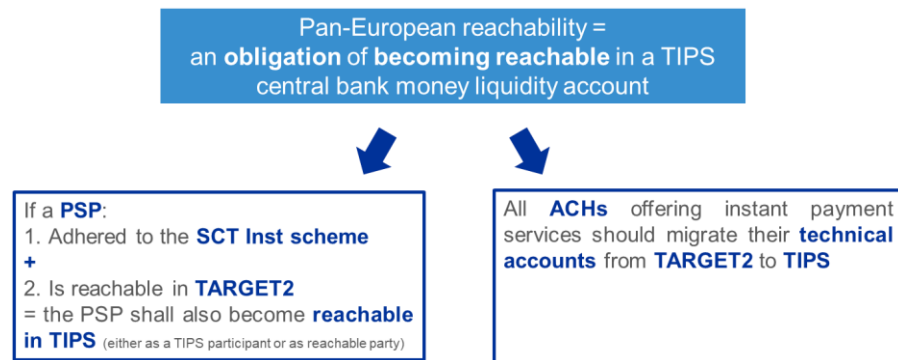
Pan-European Reachability

What is it? How does it work?

Pan-European reachability

Pan-European Reachability measures set by the ECB's Governing Council in mid-2020

- ❖ **More than 99% of PSPs** who adhere to the SCT Inst scheme are already reachable in TIPS DCAs – the rest via ACHs' technical accounts
- ❖ All 11 ACHs offering instant payment services have moved their accounts from TARGET2 to TIPS



→ TIPS helps ensure that instant payments can be rolled out anywhere in the euro area irrespective of the location of the sender's or the receiver's bank

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Compliance with the Instant Payments Regulation (IPR)

Compliance with the IPR

New obligations for the PSPs with the entry into force of the Instant Payments

Regulation (IPR):

Requirements
towards the
PSPs
stemming
from IPR



Instant payments and channels

Instant processing of payments shall be offered across all channels



Fraud

Obligation to offer a Verification-of-Payee (VoP) service



Price of an instant payment

Obligation to offer instant at no extra cost compared to regular credit transfers



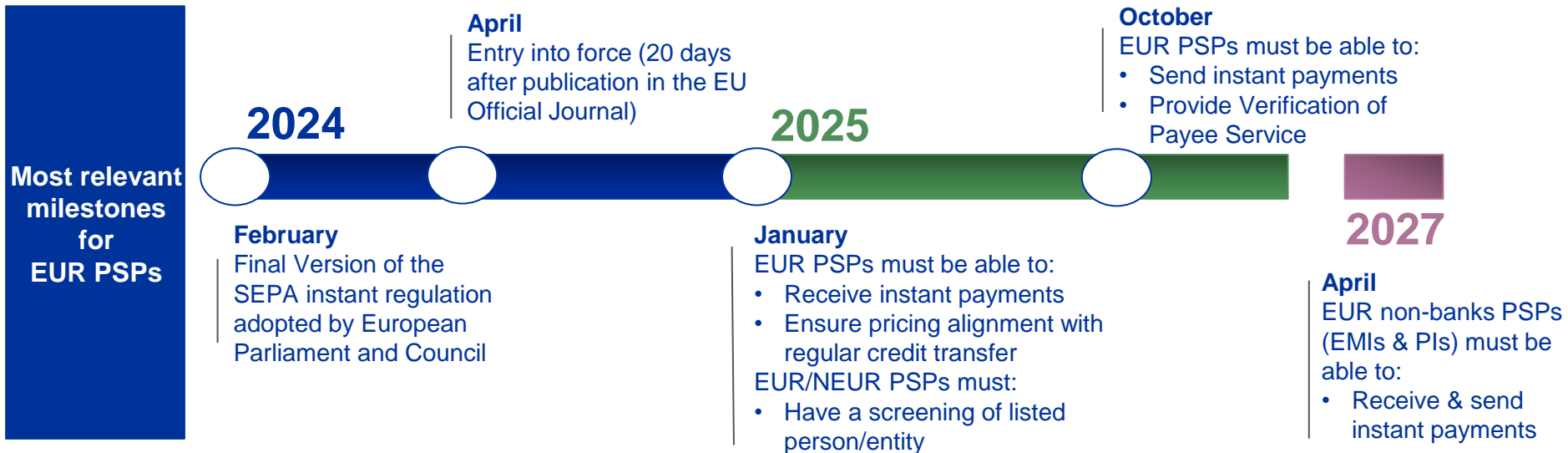
Screening

Verify at least daily clients against EU sanctions lists

Compliance with the IPR

New obligations for the PSPs with the entry into force of the Instant Payments Regulation (IPR):

Regulation (IPR):



Compliance with the IPR

Potential new feature of TIPS:

- ❖ In view of the **Verification of Payee (VoP)** to be provided by the PSPs to their customers, and in order to further support PSPs, the question of whether a matching algorithm should also be proposed in TIPS **is currently being analysed**



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TIPS, an evolving platform

What were/are the planned
evolutions?

TIPS, an evolving platform

TIPS is continuously evolving to provide you with additional features

By listening to the
voice of TIPS users



Platform enhancements

A few examples:



Graphical User Interface (GUI) enhancements

See the change requests implemented in March 2024:

- [TIPS-00027-URD – Improve the informative content in the TIPS GUI.](#)
- [TIPS-0026-URD - Additional Search Criteria for Transaction Query](#)
- [TIPS-0048-URD - Enhanced information in TIPS U2A screens](#)

Rule-based liquidity transfer between TIPS and T2

See the change request to be implemented in November 2025:

- [TIPS-0028-URD](#)

TIPS, an evolving platform

Strategic enhancements

A few examples:

• **TIPS Resilience And Continuity Enhancement (RACE)**

• **Migration to 2019 version of ISO 20022 messages**

• **Additional currencies together with EUR**

Onboardings of non-EUR currencies:

- Sweden joined TIPS with its own currency (SEK) in February 2024
- Others are preparing and/or expressed interest (Denmark, Norway)

• **Cross-currency instant payments**

- Intra-TIPS cross-currency settlement (i.e. with the currencies hosted/to be hosted in TIPS)
- But also, much beyond with cross-platforms initiatives

Taking into account the future of the instant payment ecosystem

