

Change Request form

General Information (Origin of Request)			
☒ User Requirements Document (URD)			
☒ Other User Functional or Technical Documentation (SYS)			
☐ Other TIPS Documentation (OTD)			
(to be filled in by CoG)			
Request raised by: Market Infrastructure Board (MIB)		Date raised: 29/06/2018	
Request title: CMB limit utilisation reset		Name of Central Bank: European Central Bank	Request ref. no: TIPS 0008 URD
Categorisation of changes			
1. Functional/technical importance parameter: Medium		4. Legal importance parameter: Low	
2. Operational importance parameter: High		5. Financial importance parameter: Low	
3. Stakeholder importance parameter: High			
Status: Draft			

Description of requested change:

A CMB limit in TIPS represent a payment capacity granted to a Reachable Party which can be modified either by updating the CMB limit or by increasing or decreasing liquidity by means of instant payment transactions. The current requirements and specifications do not envisage a functionality to reset the CMB limit headroom (e.g. on a daily basis) and the corresponding CMB limit utilisation.

After the completion of the written consultation on the different business options, the TIPS-CG members expressed a strong preference on the implementation of the option which allows a TIPS participant to submit to TIPS a CMB limit utilisation reset request, either via A2A or U2A, at any time.

The implementation of such change is proposed for Release 2.0 of TIPS.

Reason for change and expected benefits/business motivation:

The proposed change aims at offering to TIPS participant the possibility to reset on demand the CMB limit headroom, resulting in either additional or reduced credit capacity for instant payment processing offered to a given Authorised Account User working at CMB level.

Submitted annexes / related documents:

Proposed wording update to the documentation to address the requested change:

The URD, the UDFS, the UHB and the training material shall be amended in order to introduce the following changes.

In order to trigger the CMB limit headroom reset request, a TIPS Participant shall be able to utilise either the A2A or the U2A channel. The reset of the CMB limit headroom shall imply a consequent alignment of the related limit utilisation.

As for the A2A mode, the camt.011 message shall be modified in order to convey the above mentioned request. In particular, the schema file of the camt.011.001.06 shall be enriched by adding a new code for the field Limit Type with value 'HDRM'.

By using the new limit type code, the customer informs TIPS that the update limit action concerns the reset of the limit headroom associated with a specific CMB.

The new limit type code 'HRDM' shall be used in addition to the New Limit Value field in order to implement the business scenarios described below:

- Scenario 1: Reset of the CMB limit headroom to the current value of the CMB limit;
- Scenario 2: Set-up of the CMB limit headroom to a specific value (which might be different from the current value of the CMB limit).

Scenario 1:

The user would like to reset the CMB limit headroom to the current value of the CMB limit by using the following message setup:

- 'Limit Type' field equal to HDRM;
- 'New Limit Value' field equal to the current CMB limit value stored in the TIPS Local Reference Data Management.

The request would imply (i) the reset of the headroom to the current limit value and (ii) the concurrent reset of *limit utilisation* to zero.

Scenario 2:

The user would like to reset the CMB limit headroom to a specific value by using the following message setup:

- 'Limit Type' field equal to HDRM;
- 'New Limit Value' field equal to a value chosen by the user.

The request would imply (i) the reset of the headroom to the chosen value and (ii) the concurrent reset of limit utilisation to the difference between the current limit value (stored in the TIPS Local Reference Data Management) minus the limit headroom.

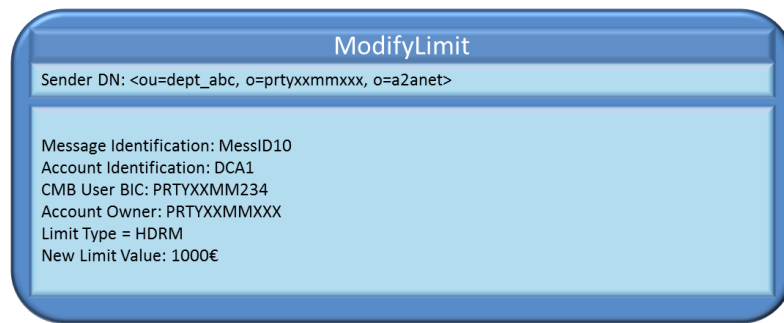
In both described scenarios, the CMB limit value stored in the TIPS Local Reference Data Management shall remain unchanged. It is worth mentioning that the existing functionality which allows the update of CMB limit (and consequently to trigger a corresponding adjustment of the CMB limit headroom and the limit utilisation) will still be available after the deployment of this change request.

The following examples are provided for further clarification.

Scenario 1 - Example

In this scenario a TIPS Participant (with BIC 'PRTYXXMMXXX') resets the CMB limit headroom of a CMB (of a Reachable Party identified by the BIC 'PRTYXXMM234') under its data scope. TIPS Account with identifier equal to 'DCA1' is linked to a CMB whose limit value is equal to 1000.00 EUR and CMB limit headroom equal to 600.00 EUR.

The ModifyLimit message received by TIPS and triggering the scenario looks like the following one:

A blue rounded rectangular box representing a 'ModifyLimit' message. It has a title bar at the top with the text 'ModifyLimit'. Below the title bar is a light blue header area containing the text 'Sender DN: <ou=dept_abc, o=prtyxxmmxxx, o=a2anet>'. The main body of the box is light blue and contains the following text: 'Message Identification: MessID10', 'Account Identification: DCA1', 'CMB User BIC: PRTYXXMM234', 'Account Owner: PRTYXXMMXXX', 'Limit Type = HDRM', and 'New Limit Value: 1000€'.

ModifyLimit

Sender DN: <ou=dept_abc, o=prtyxxmmxxx, o=a2anet>

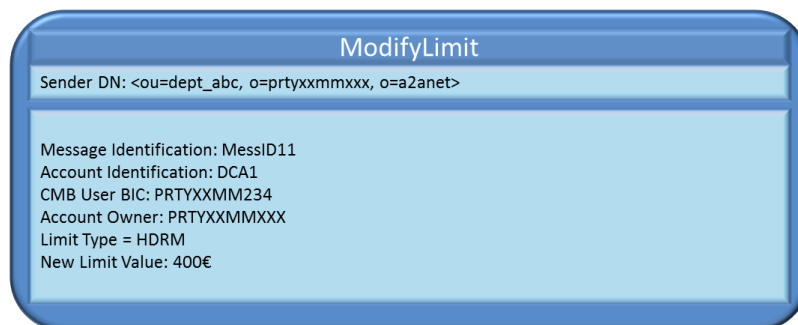
Message Identification: MessID10
Account Identification: DCA1
CMB User BIC: PRTYXXMM234
Account Owner: PRTYXXMMXXX
Limit Type = HDRM
New Limit Value: 1000€

The system, after performing the expected checks successfully, completes the requested amendment: it resets the CMB limit headroom to the current limit value for the CMB (1000.00 EUR) and sets the CMB limit utilisation to 0.00 EUR.

Scenario 2 - Example

In this scenario a TIPS Participant (with BIC 'PRTYXXMMXXX') sets the CMB limit headroom of a CMB (of a Reachable Party identified by the BIC 'PRTYXXMM234') under its data scope to a specific value (400.00 EUR). TIPS Account with identifier equal to 'DCA1' is linked to the CMB whose limit value is equal to 1000.00 EUR and the CMB limit headroom is equal to 700.00 EUR.

The ModifyLimit message received by TIPS and triggering the scenario looks like the following one:

A blue rounded rectangular box representing a 'ModifyLimit' message. It has a title bar at the top with the text 'ModifyLimit'. Below the title bar is a light blue header area containing the text 'Sender DN: <ou=dept_abc, o=prtyxxmmxxx, o=a2anet>'. The main body of the box is light blue and contains the following text: 'Message Identification: MessID11', 'Account Identification: DCA1', 'CMB User BIC: PRTYXXMM234', 'Account Owner: PRTYXXMMXXX', 'Limit Type = HDRM', and 'New Limit Value: 400€'.

ModifyLimit

Sender DN: <ou=dept_abc, o=prtyxxmmxxx, o=a2anet>

Message Identification: MessID11
Account Identification: DCA1
CMB User BIC: PRTYXXMM234
Account Owner: PRTYXXMMXXX
Limit Type = HDRM
New Limit Value: 400€

The system, after performing the expected checks successfully, completes the requested amendment: it sets the CMB limit headroom for the CMB to 400.00 EUR and CMB limit utilisation to 600.00 EUR.

The TIPS GUI screen devoted to CMB limit update will be modified accordingly, in order to offer the functionality described above also to users connected in U2A mode.

High level description of Impact:

Outcome/Decisions: