ECB
DG-MIP
T2-T2S Consolidation

Procedure for recall requests via U2A and A2A

TARGET Consolidation Contact Group

15th Meeting on 31 March 2020

Background

target services

- ## Payment recall requests

  - ➢ In its February meetings, the TSWG and TCCG requested to gain further clarification on the procedure for how to handle recall requests via U2A and A2A. This presentation informs about the implemented approaches.

  - ➢ With change request CSLD-0003-URD the enhanced recall request procedure was implement for the A2A channel.

  - ➢ The enhanced procedure for A2A recall requests:

    - ➢ With ISO 20022, the PaymentCancellationRequest **(camt.056)** message is used to recall payments. Reject or confirmation of the recall request can be done via the ResolutionOfInvestigation **(camt.029)** message. The return of the payable amount should be done via the PaymentReturn **(pacs.004)** message.

  - ➢ For U2A-only participants URD RTGS.UR.RTGS.UI.150 outlines that it is only possible to revoke a queued, warehoused or earmarked payment order, but not to recall a settled payment via U2A/GUI.

Procedure for A2A

target services

- ## A2A channel issue

  - Scenario 1: An A2A participant sends a camt.056 requesting to recall a previously settled payment in which the receiver is an U2A only participant.

    - Current implementation: The A2A sender of the camt.056 will not know when sending the recall request that the receiver of the camt.056 is an U2A only participant and therefore does not have the functionality to process the A2A recall request.

- ## A2A channel resolution

  - A validation rule already implemented, which triggers a ResolutionOfInvestigation (camt.029) response (rejection) message - send by the RTGS to the A2A sender - containing an error code informing the A2A sender that a "recall to U2A only business receiver is not allowed".

  - An A2A inbound message which is rejected, will only be visible for the sending party, but not for the receiving party. This principle of message visibility is standard TARGET2 functionality.

  - Requests to have U2A-only participants return payments should be handled manually via traditional communication channels outside of the RTGS.

Procedure for U2A

- ## U2A channel issue

  ➤ Scenario 2: An U2A participant needs to request or process a recall for a previously settled payment.

    ➤ Current implementation: The creation of recall requests and the functionality to process incoming recall requests are not in scope for U2A-only participant as per RTGS.UR.RTGS.UI.150.

- ## U2A channel resolution proposal

  ➤ Requests from U2A-only participants return payments should be handled manually via traditional communication channels outside the RTGS.

Implementation proposal

		Send recall request	
		U2A	A2A
Receive recall request	A2A	✗	✓
	U2A	✗	✗

Way forward

- TCCG is invited to take note of the decision by the TSWG on the way forward for the procedure for recall requests via U2A and A2A.

- Furthermore, the Eurosystem proposes to monitor the situation after the Go-live in order to assess the need for changing the approach.

Thank you for your attention!

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