Automatic Counterparty Simulator requirements for enhancement – status update

TIPS CG – 14 February 2024

- During the last TIPS-CG meeting, 4CB presented the assessment of the proposed enhancements to the **TIPS Automatic Counterparty Simulator**.

- Besides the requirements already agreed in the context of the **written procedure**, an additional analysis has been performed on 4CB side to take into consideration the opinions raised by some participants (**AP-069** and **AP-070**) during the last TIPS CG.

- The outcome of this thorough analysis has been included in a **new draft change request**.

- The aim of this presentation is to provide a status update on the results of the analysis.

<u>Four areas of intervention already agreed at the last CG meeting:</u>

- Instant payment business scenario:

  ➢ Enhance the capability to handle error scenarios in negative confirmations

- Recall scenario:

  ➢ Introduce the possibility to trigger negative and positive recall answers

- Multi-currency extension:

  ➢ Extend the simulator capability in a multi-currency context

- Usage of real BICs in the counterparty simulator:

  ➢ Alternate published BICs besides 'ACCPITRRXXX' and 'REJEITRRXXX'

<u>An additional area of intervention under study at 4CB side:</u>

- Option to trigger an incoming instant payment, in order to test the capability of acting as a Beneficiary PSP.

- Instant payment business scenario:
  - ➢ Enhance the capability to handle error scenarios in negative confirmations

- Feasibility status:
  - o **Confirmed** and **included** in the Change Request

- Description:
  - o The simulator shall be able to **reject a pacs.008** sent by a customer with a **pacs.002** message whose **reason code is customised on-demand**, based on an error code extracted from the underlying pacs.008.

  - o The pacs.008 field and the format to convey such an error code will be identified as part of the detailed assessment among the fields not used for TIPS processing.

- Recall scenario:
  - ➢ Introduce the possibility to trigger negative and positive recall answers

- Feasibility status:
  - o **Confirmed** and **included** in the Change Request

- Description:
  - o The simulator shall be able to produce, respectively, a **pacs.004** or a **camt.029** in reply to an **incoming camt.056**.

  - o The **reason code** of the negative recall response can be inferred by a field extracted from the underlying camt.056.

  - o The camt.056 field and the format to convey such an error code will be identified as part of the detailed assessment among the fields not used for TIPS processing.

- **Multi-currency extension:**
  - ➢ Extend the simulator capability in a multi-currency context

- <u>Feasibility status</u>:

  o Already feasible and configured in the testing environment. No need to **include additional changes.**

- <u>Description</u>:

  o By capturing an ad hoc configuration in CRDM (i.e. Accounts, Authorised Account Users, DN-BIC Routing links), it is already possible to use the simulator for transactions denominated in SEK and DKK.

  o Such a configuration has been already requested to the TIPS Operator and tested by some non-euro Central Banks.

  o The message responses produced are consistent with the different schemes supported (SCT-Inst, RIX-Inst) and relating suffix logic (i.e. '.EPC', '.NPC').

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- Usage of real BICs in the counterparty simulator:
  - ➢ Alternate published BICs besides 'ACCPITRRXXX' and 'REJEITRRXXX'

- Feasibility status:

  - o **Already feasible** in the testing environment. A thorough explanation on the required CRDM setup will be part of the functional documentation that is going to be produced in the Change Request realisation phase.

- Description:

  - o By capturing an ad hoc configuration in CRDM (i.e. Accounts, Authorised Account Users, DN-BIC Routing links, BICs), it is already possible to use the simulator with real BICs in the test environments.

- Option to trigger an incoming instant payment, in order to test the capability of acting as a Beneficiary PSP

- Feasibility status:
  - o **Confirmed** and **included** in the Change Request

- Description:
  - o Simulator shall be able to produce a **pacs.008** in the opposite direction triggered by an **incoming camt.056**.

  - o The incoming camt.056 shall contain the full data set required to populate the corresponding pacs.008.

  - o The camt.056 field and the format to trigger the message will be identified as part of the detailed assessment among the fields not used for TIPS processing.

Thank you for the attention!