



EUROPEAN CENTRAL BANK

EUROSYSTEM

Readiness monitoring for pan-European reachability measures

TIPS-CG

13 April 2021



ECB
DG-MIP/MIS

ECB-UNRESTRICTED

Overview on TIPS Community Readiness

- The **Community Readiness Framework for TIPS Reachability Measures** was defined by the Eurosystem and approved by the MIB;
- The **Readiness Questionnaire** for the second Readiness Reporting on TIPS Reachability Measures was defined and distributed to the NCBs;
- The **first reporting cycle** with cut-off date of 29/01 has been finalised.
- The **second Readiness Reporting cycle** was launched with the cut-off date of **31/03/2021**.
- The preparation of the **second Readiness Report** regarding the TIPS Reachability Measures is currently **on-going**.

Readiness Monitoring: What are objective & scope?

Objective of the readiness monitoring:

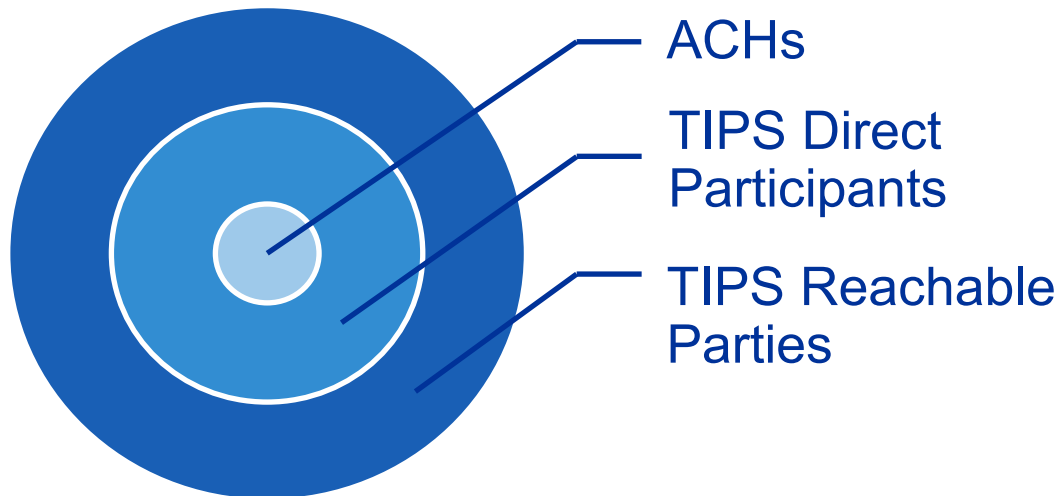
- monitor the **readiness status of the PSPs and ACHs** during the onboarding/migration process to TIPS,
- **identifying potential risks/issues** that the PSPs and ACHs might encounter, and
- **provide regular status updates** on community readiness to the TIPS Steering Level.



Scope of the readiness monitoring:

- **PSPs (TIPS Direct Participants and TIPS Reachable Parties)** against their **status for four key phases** (Preparation, Implementation, Testing, On-boarding),
- **ACHs** against the **completion of key milestones** as defined in the project plan.

Readiness Monitoring: Who needs to be ready?

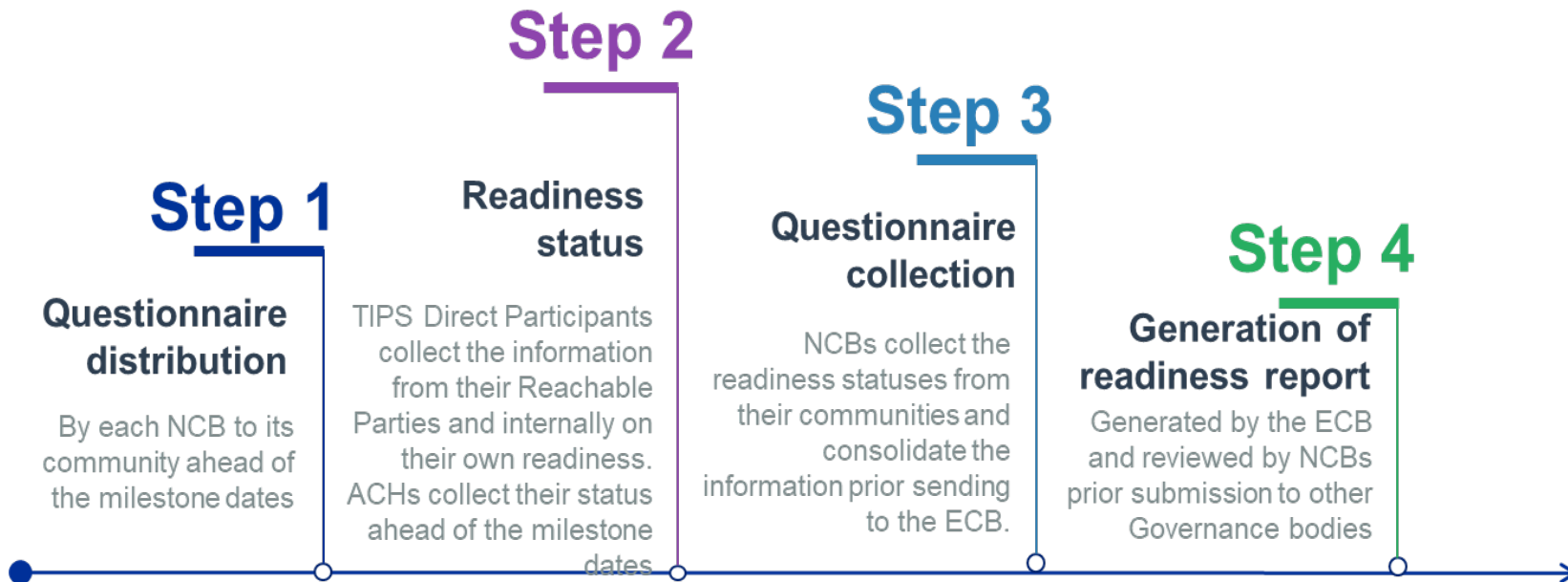


Readiness Monitoring: How is reporting organised (1/2)?

- There will be **six reporting cycles** to monitor the readiness of the PSPs and ACHs
- **Reporting takes place on an average duration of 2 months** evenly distributed throughout the on-boarding period
- **The reporting will be extended to cover the ACHs migration** once the timeline for migration waves is defined
- **Cut-off dates** for the six reporting cycles are as follows:

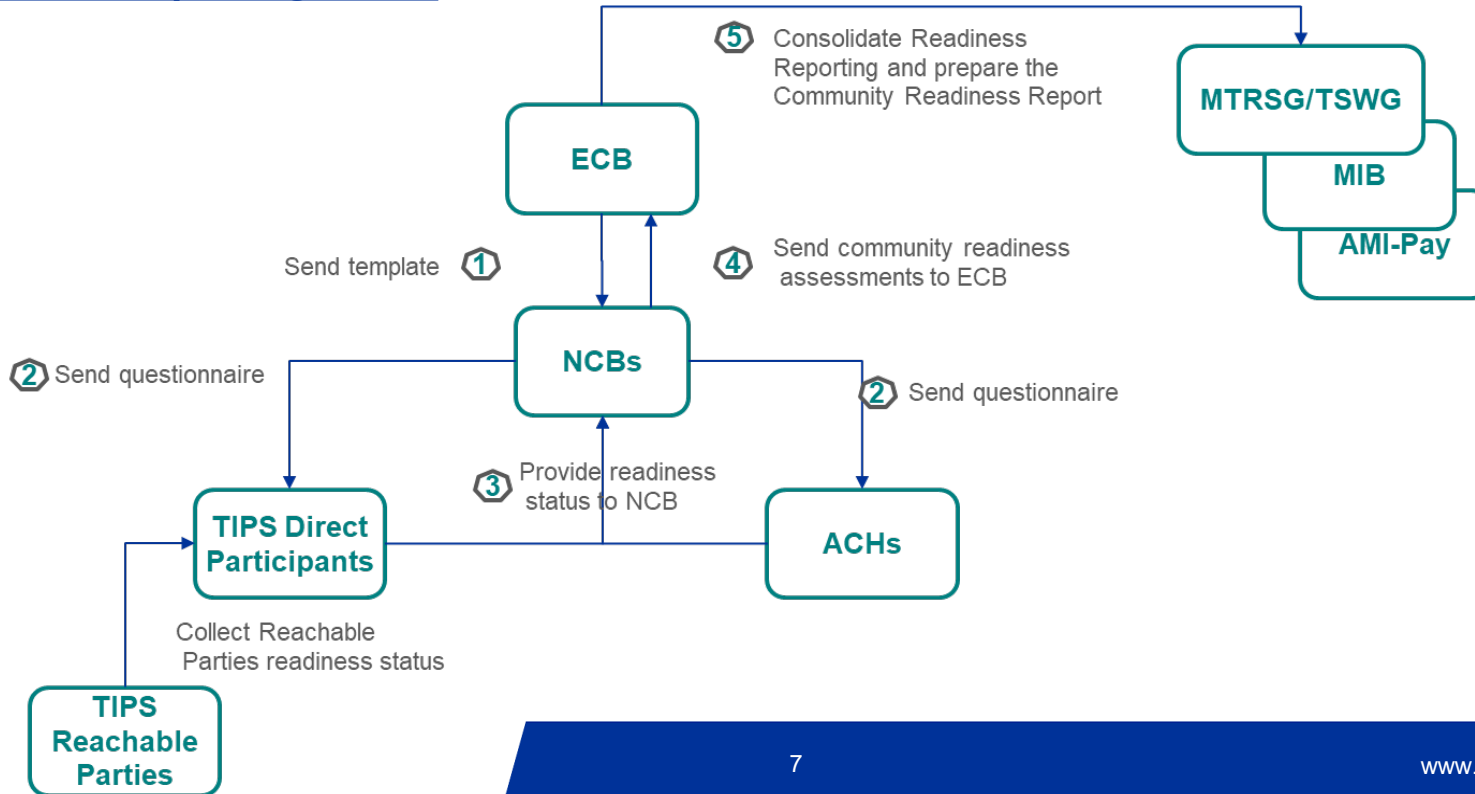
29	January	2021
31	March	2021
31	May	2021
30	July	2021
30	September	2021
30	November	2021

Readiness Monitoring: How is reporting organised (2/2)?



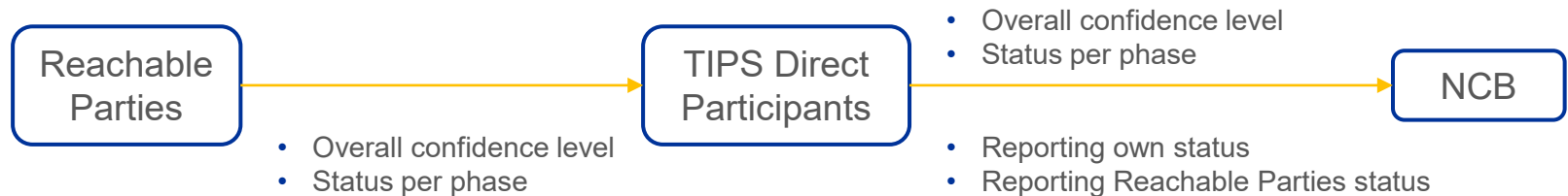
Readiness Monitoring: What is the process?

NCBs are responsible to **monitor their community readiness** and have a decisive role in the consolidation of the respective readiness assessments. **NCBs are the central hub of the reporting chain.**



Readiness monitoring: Reporting on PSPs readiness

- TIPS Reachable Parties **report** to their supporting TIPS Direct Participant
- TIPS Direct Participants **report** on **their own readiness status** **and** on **their Reachable Parties community to their NCB**



Readiness monitoring: Reporting on PSP readiness



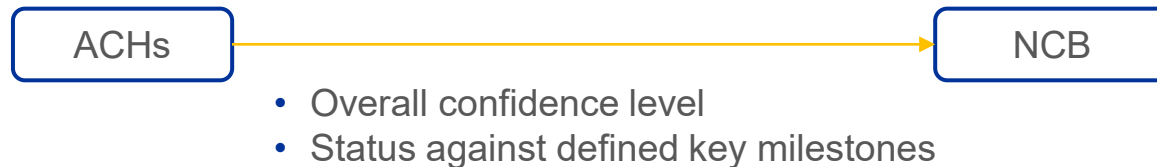
- PSPs will provide their **overall confidence level** to on-board to TIPS by the defined **target date**
- In addition, PSPs will provide their **progress status** for the following phases:
 - ✓ Preparation
 - ✓ Implementation
 - ✓ Testing
 - ✓ On-boarding
- The status reporting is based on traffic light approach



- For the **confidence level**: **Green** (no issues) - **Yellow** (mitigated issues) - **Red** (blocking issues)
- For the **key phases**: **Green** (completed) – **Blue** (on-going) – **Grey** (not started).

Readiness monitoring: Reporting on ACHs readiness

- ACHs **report** on **their own readiness status** to their **NCB**
- ACHs readiness **will be monitored** against the **completion of the key milestones**
- Key milestones to be met by the ACHs have been **defined in the project plan** and **published on the ECB website**.



Status Update on TIPS Community Readiness

Outcome of the first reporting cycle (cut-off of 29/01/21)

- 1st Reporting cycle – cut off 29/01/21 – main outcome:

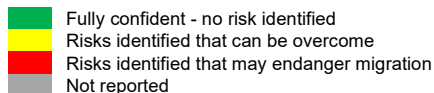
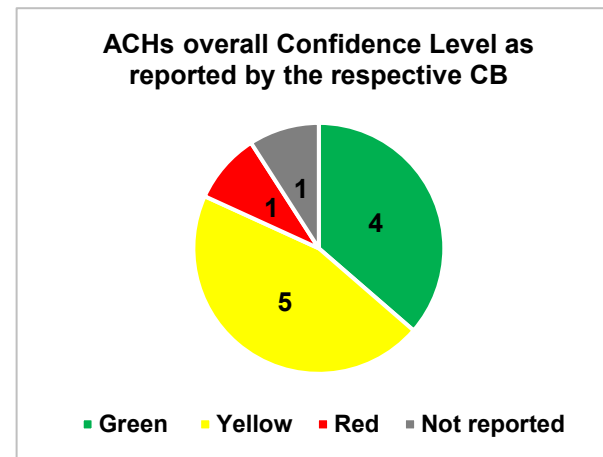
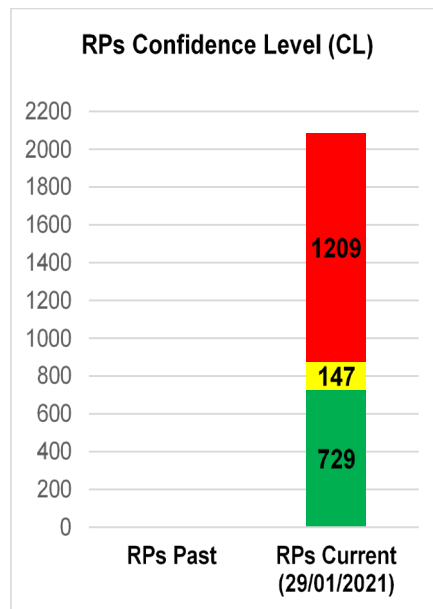
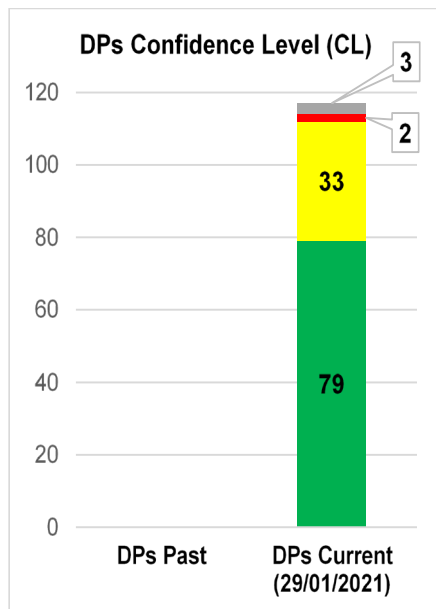
The first reporting cycle has been successfully approved without changes by the MIB.

- Based on the feedback sent by 15 Central Banks, the overall assessment for PSPs (Direct Participants (DPs) and Reachable Parties (RP)) is positive while it is more balanced for the ACH community
- 9 Central Banks have reported that none of their community members are impacted by the TIPS reachability measures, they were therefore excluded from the report

Status Update on TIPS Community Readiness

Outcome of the first reporting cycle (cut-off of 29/01/21)

- 1st Reporting cycle – cut off 29/01/21 – overall confidence level of the TIPS Community:



Status Update on TIPS Community Readiness

The main issues and concerns encountered by the PSP communities are as follows:

- Tight project timeline, feeling that the time dedicated for this migration is too short;
- High concentration of activities towards the end of the project deadline, leaving little buffer in case of slippage;
- Some PSPs have open questions on TIPS functionalities which can impact their project preparation timeline;
- Potential resource constraints due to parallelism of initiatives.
- [For Reachable Parties]: Concentration risk as many Reachable Parties rely on the readiness of one specific institution to on-board to TIPS.

These issues are in the process of been mitigated and should not impact the ability of these PSPs to reach the agreed deadline for on-boarding.

The main issues and concerns highlighted by the ACHs in their reporting are as follows:

- Late publication of the latest version of the specifications (v4.0);
- Lack of visibility on the operational and contractual documentation;
- Additional analysis required on the operational processes (e.g. migration to TIPS technical account) and contractual aspects (also related to the above point);
- Challenging planning (especially testing period);

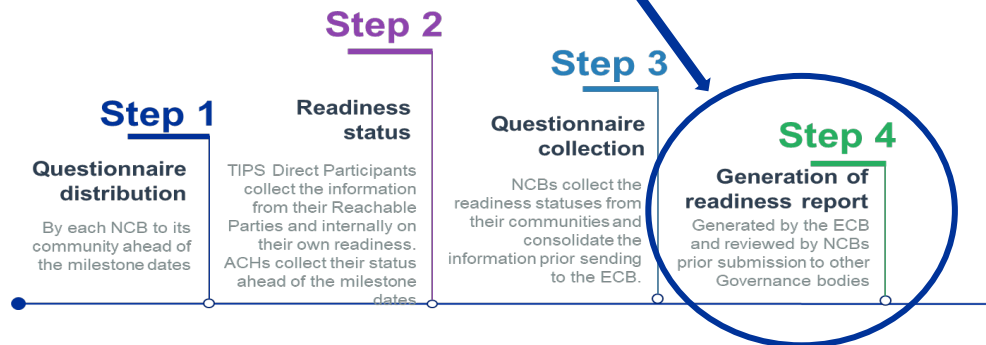
Readiness Monitoring: Next steps

- **Second reporting cycle** is under finalization
- Generation of the **consolidated readiness report** is on going
- **Distribution** of the report to the AMI-PAY is planned by **beginning of May 2021**

6 reporting cycles prior agreed deadline:

- 29/01/21
- **31/03/21**
- 31/05/21
- 30/07/21
- 30/09/21
- 30/11/21

ECB sends the template questionnaire to NCBs prior each cycle



Thank you for your attention!



TIPS@ecb.europa.eu



www.ecb.europa.eu/paym



ECB: market infrastructure and payments