IMPLEMENTATION OF AN "R-ONLY TRANSACTIONS" BIC FUNCTIONALITY

BANQUE DE FRANCE
TIPS-CG MEETING - JUNE 11, 2024

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CONTENT

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ISSUE

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1. ISSUE AT STAKE : HANDLING OF BIC TERMINATION

- **A merger between two PSPs, resulting in the upcoming termination of the BICs of the PSP that was acquired**

- **However, BICs must remain available for R-transactions (recalls, returns…) for 13 months (regulatory obligation)**

- **BICs are thus transferred within the remits of the acquiring PSPs, but should not accept any new IP transactions**

- **All incoming payments other than R-transactions should thus be rejected as BICs will be definitly terminated once the 13-months period is over**

- **However, the acquiring PSP cannot prevent participants to TIPS to send new IPs as BICs are still in the Directory, and their status is still « active »**

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PROPOSED SOLUTION

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1. PROPOSED SOLUTION

- **Introduction of an intermediary status for BICs, which gives the level of reachability, configured in CRDM and visible in the TIPS Directory**

- **3 status : fully reachable, R-only transactions, and deactivated**

- **Added value, and functionality already offered by other CSMs such as RT1**

- **Requirements not very sophisticated and could be packed with other changes in the TIPS Directory**

- **Could help prevent high rejections rate**

- **If an IP transaction is sent to a R-only BIC in spite of its status in the TIPS Directory, rejection would happen in an harmonized way**

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DISCUSSION

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