



IN FOCUS

TARGET Instant Payment Settlement

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Focus session, 13 December 2017, Paris

TARGET Instant Payment Settlement (TIPS)

1 Status of the project

2 Connectivity

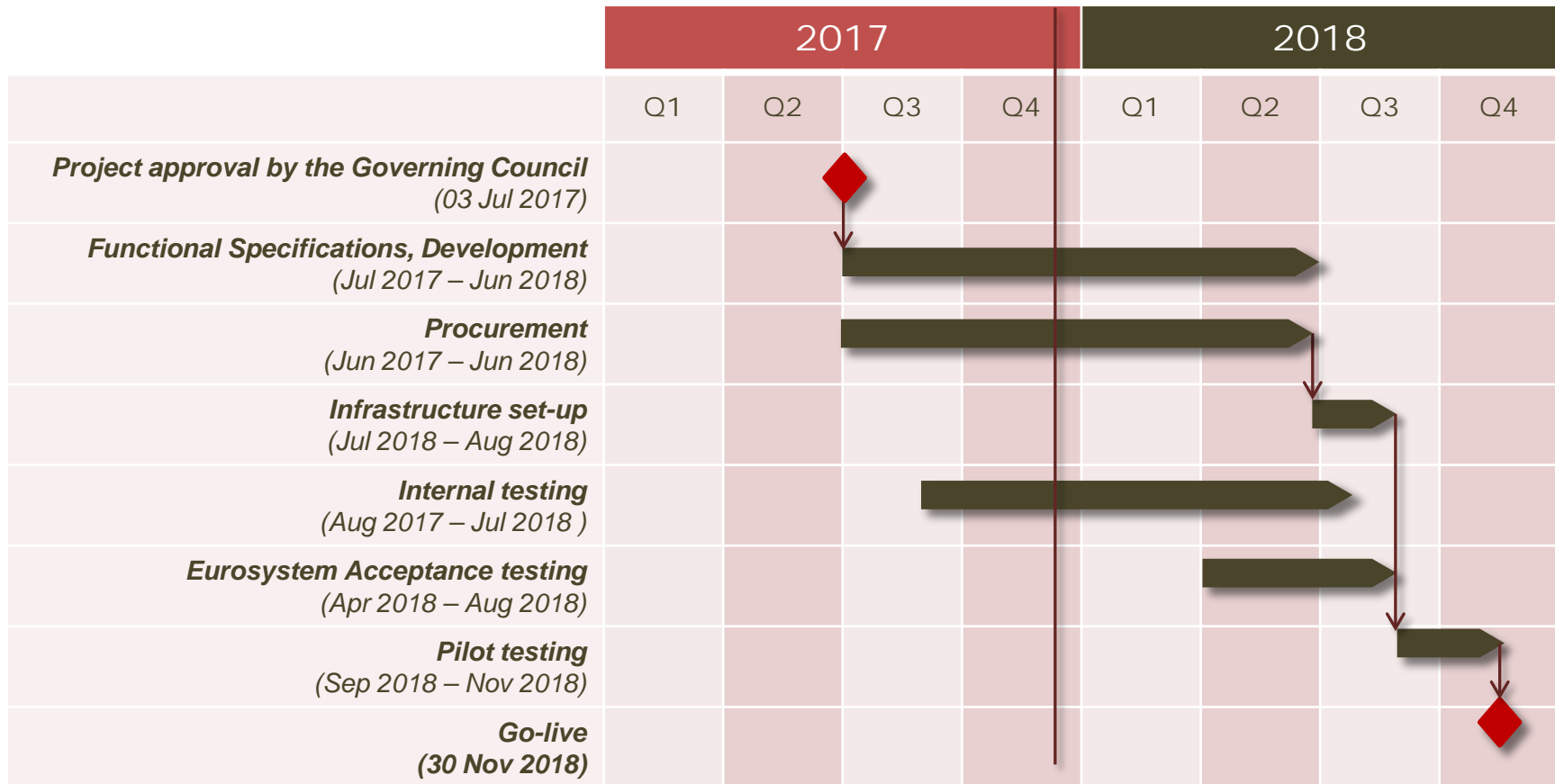
3 TIPS latency

Question for the audience

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61 45 99



Project plan overview



Project challenges



Low latency, high volumes, high availability and resilience, scalability.



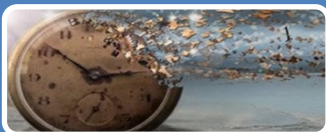
24/7/365 operations (mostly unmanned): need for re-thinking of ITSM processes.



Cost containment to offer the service at an attractive price, in line with market expectations.



Time and technical dependencies with other projects (T2-T2S Consolidation).



Tight plan (both for development and procurement): 353 days to go-live...

Next steps

- **Connectivity Dossier:**
 - **End of Dec 2017:** Connectivity Guide.
 - **End of Jan 2018:** Connectivity Requirements (updated).
- **Scope Defining Documents:**
 - **16/03/2018:** User Detailed Functional Specifications v.1.0.
 - **30/04/2018 :** User Handbook v.1.0.

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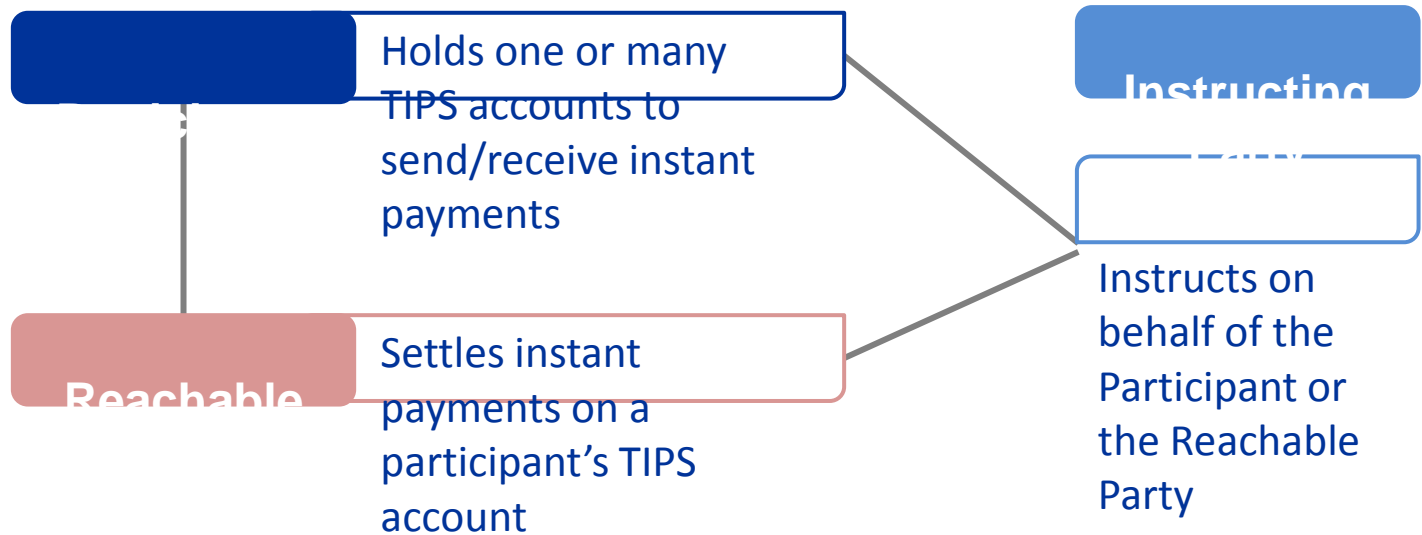
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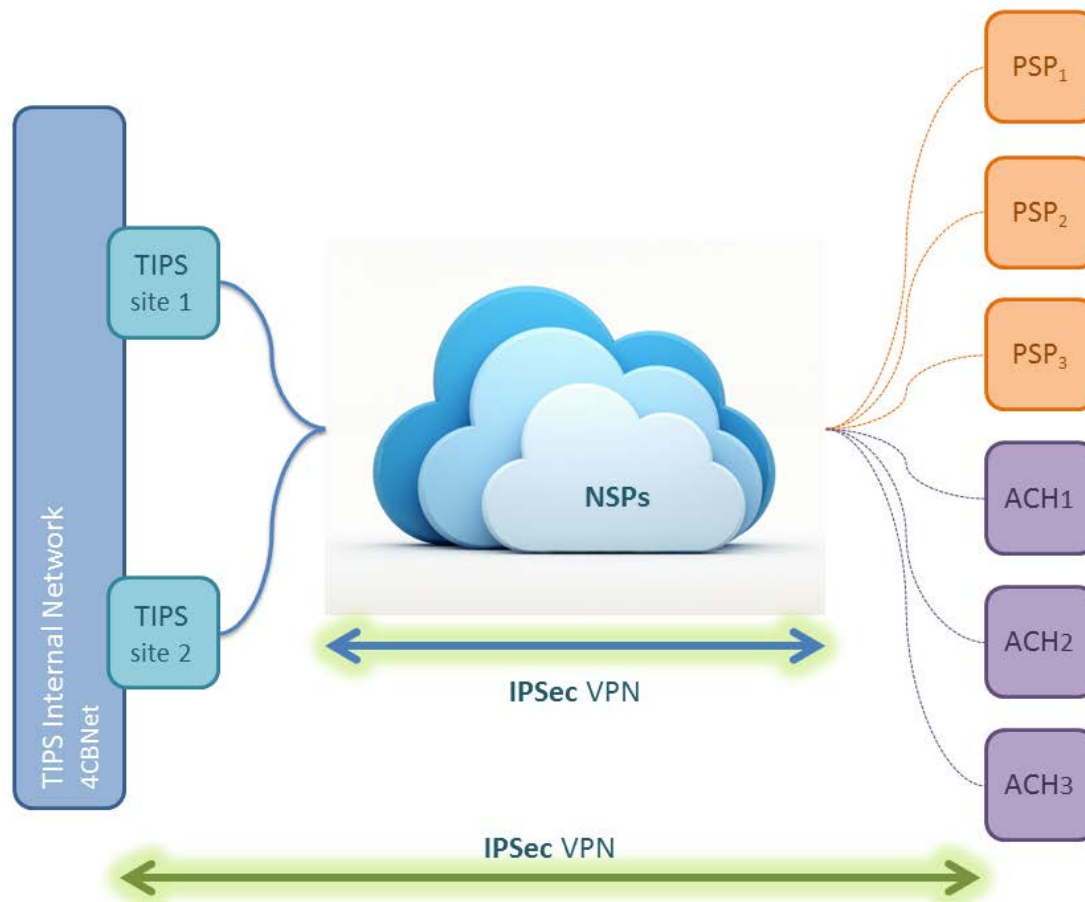
3 TIPS latency

Actors in TIPS

- Same participation rules apply as in TARGET2 as participants should be eligible for accessing Central Bank Money
- Banks established in the EEA (or outside the EEA, but acting through a branch established in the EEA) are eligible for direct participation in TARGET2, provided they are supervised by their relevant national authorities



Topology



NSPs Services

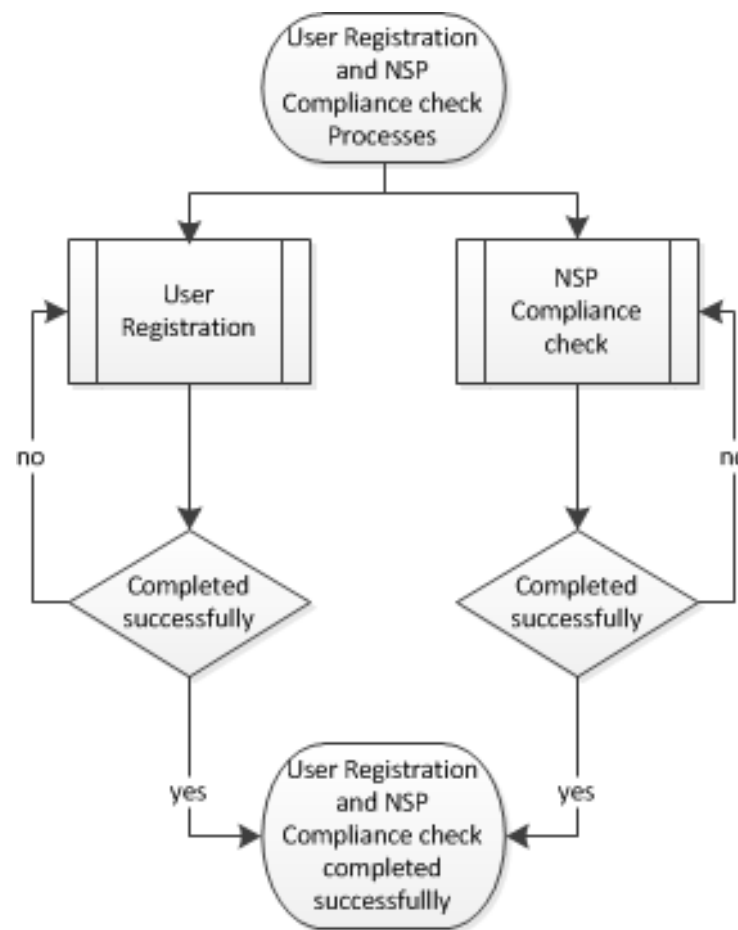
The NSPs shall provide the following services:

- Network connectivity;
- Messaging services in U2A and A2A mode;
- Security services: PKI and Closed Group of Users (CGU) management;
- Operational services: Support and incident management.

Registration and NSP Compliance

Two sub-processes: User Registration and NSP Compliance check

- Participants, Reachable Parties, Instructing Parties or Central Banks acting as Participants have to apply for a registration process before starting to use TIPS services
- Sponsored NSP have to pass a compliance check process in order to offer their services to their TIPS users



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Perimeter

ORIGINATOR
CUSTOMER



ORIGINATOR PSP



NSP



TIPS



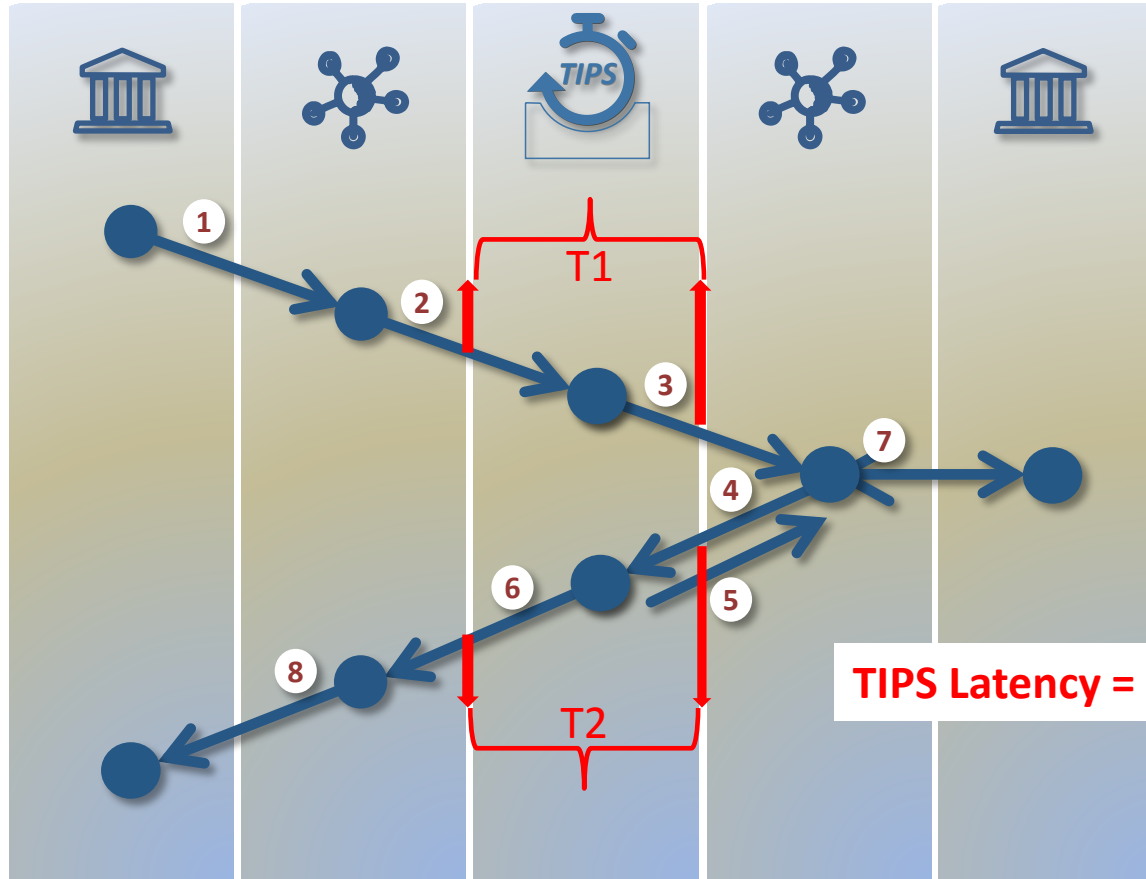
NSP



BENEFICIARY PSP



BENEFICIARY
CUSTOMER



TIPS Latency = T1 + T2

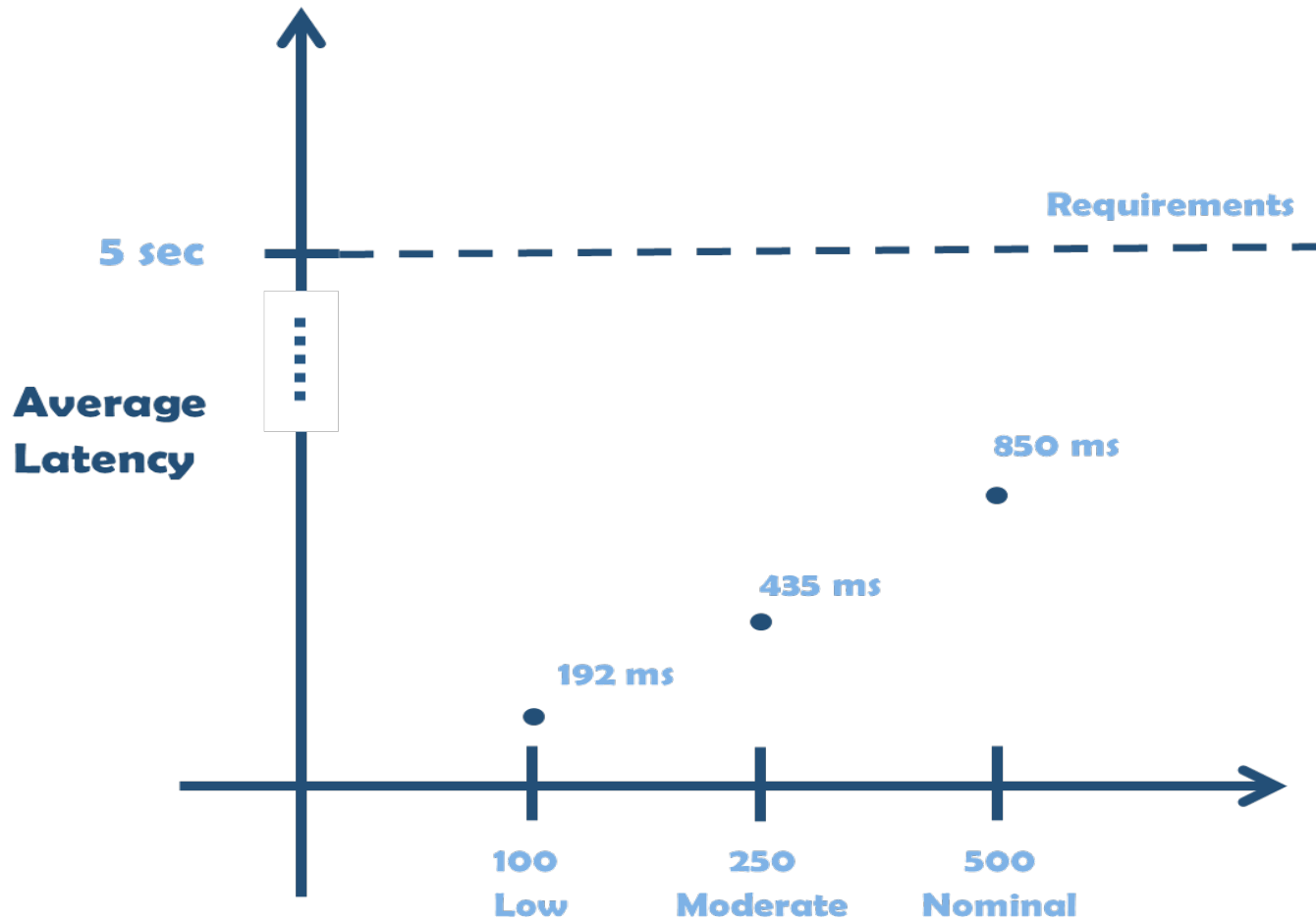
Environment

- TIPS is under development into a temporary environment (domestic server farm) with multiple parallel instances, but less powerful hardware (compared to the real system).
- Some features, potentially affecting the latency, have not been implemented so far, such as (i) internal security and (ii) multi-site stretching cluster.

Conditions

- Average latency per 1 minute under:
 - low workload (100 ip/sec)
 - moderate workload (250 ip/sec)
 - nominal workload (500 ip/sec)

Results



Conclusions

TIPS application behaves as expected and no bottlenecks have been found at the current stage of the implementation.

The testing campaign will be repeated in June 2018, when an environment with a configuration closer to the production system will be available.



Thank you for the attention!

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