



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Update on TIPS cross-currency and interlinking dossiers

AMI-Pay meeting



5 December 2024

target | TIPS  
services

# Overview

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# 1

## Governing Council decisions on TIPS cross-border strategy

# Governing Council approval

On 18 October the ECB Governing Council approved the TIPS strategy on cross-border payments, in detail:

- ✓ **Implementation of a cross-currency settlement service in TIPS.** The service will allow instant payments originating in one TIPS currency to be settled in another TIPS currency and in central bank money. Initially, euro, Swedish kronor and Danish krone will be available for settlement.
- ✓ **Exploratory work on linking TIPS with other fast payment systems.** This will include developing links with partners outside the EU to improve cross-border payments globally, initially discussions with UPI and Nexus.

# TIPS cross-currency payments: phase and tentative timeline

**Phase 1** → Implementation of first TIPS cross-currency settlement service



*Largely based on EPC's One-Leg-Out Instant Credit Transfer scheme and facilitated by intermediary banks*

**June 2025**

**Phase 2** → Implementation of enhanced linked transaction (ELKT) settlement model



*Enhanced cross-currency solution guaranteeing end-to-end instantaneity of the payments between all TIPS hosted currencies.*

**Tentatively Oct 2025**

**Phase 3** → Improve cross-border payments by interlinking fast payment systems & enhancements of cross-currency services



*Interlinking of TIPS with UPI and Nexus to offer end-to-end instant settlement. Additional enhancements to the cross-currency service*

**To be decided**

# 2

Updates on Phase 1:  
Implementation of  
first TIPS cross-  
currency settlement  
service

# First TIPS cross-currency settlement service

- The first TIPS cross-currency settlement service will be implemented by means of change request [TIPS-0064-URD - Adaptation of TIPS for the settlement of cross-currency transactions \(based on OCT Inst scheme\)](#)
- Some Fast Payments Systems (FPS) have expressed interest to facilitate the interaction of their community with TIPS via one-leg-out payments → **conversations ongoing with these international actors**

This functionality will be deployed in the [TIPS release of June 2025](#)

- Deployment details and TIPS specs available under [TIPS documents & links](#)
- XSD available in [MyStandards](#) → CG-TIPS community → search for suffix “XCY”
- Testing for users will start in April 2025

# 3

## Updates on Phase 2: Cross-currency settlement for TIPS hosted currencies

# Cross-currency settlement for TIPS hosted currencies

- The Detailed Assessment of change request [TIPS-0065-URD - Enhanced Linked Transaction \(LKT\) settlement model for cross-currency in TIPS](#) is currently being finalised

## Proposal to deploy in the [TIPS release of October 2025 \(TBC\)](#)

- XSD available in [MyStandards](#) → CG-TIPS community → search for suffix “XCY” → same messages as Phase 1
- Testing for users to start in end July 2025

# 4

## Updates on Phase 3: Bilateral and multilateral links

# Bilateral and multilateral links

- The proposed strategy to the Governing Council included the possibility of **establishing a technical link between:**
  - **TIPS and Nexus** - *multilateral connection*
  - **TIPS and UPI** - *bilateral connection*
- With the approval by Governing Council, the **exploratory work around phase 3 has started**

# 5

Market outreach  
activities and call for  
expression of interest

# Market outreach activities

To further involve market participants in the TIPS cross-border dossiers, the following activities have been carried out

- ✓ *Focus sessions* for SEK and DKK markets **early October**
- ✓ *Technical/functional session* with PSPs to discuss the Enhanced Linked Transactions settlement model **early November**
- ✓ *ECB focus session* on TIPS cross-border strategy with a zoom-in on Phase 2

Upcoming steps:

- Various options are being analysed that would **help enhance the reachability of the service**
- Involvement of market participants** continues



# Call for interest on cross-currency work

On 2 December, a **call for interest was launched** to further involve market participants in the implementation of the TIPS cross-currency service and discuss the following topics:

- *Settlement model aiming at harmonized cross border settlement for the TIPS participants*
- *Provide recommendations on ensuring satisfactory reachability of the service*
- *Participation to testing and ensuring internal readiness on potential participation in PROD in one or multiple roles*

A package of documents will be shared shortly that will be useful in order to assess the readiness to participate to the testing of the TIPS cross-currency service

→ **Market participants are invited to communicate their interest by submitting a Letter of Intent by end February 2025**

**Thank you for your  
attention!**

