



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Update on TIPS-008: CMB limit utilisation reset

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New requirements and way forward

11 June 2024



# Recap & latest updates

- As part of the yearly business value exercise, the change request TIPS-0008-URD “CMB limit utilisation reset” was ranked as last
- **However, two Central Banks indicated that there would be interest in their community if some requirements would be different. Also, we have been made aware by Norges Bank that in view of their onboarding, change requests to enhance the CMB functionality would be needed**
  - **Elements shared with the TIPS-CG members:** “Requirements of the CR to be discussed with interested CBs (DK, DE and NO) >> depending on the outcome of the discussion and re-drafting, the CR could be part of 2025 TIPS Release”
- **Current [TIPS-0008-URD change request requirements](#):**
  - Aim: to offer to TIPS participants the possibility to reset/modify on demand the CMB limit headroom, resulting in either additional or reduced credit capacity for instant payment processing offered to a given Authorised Account User working at CMB level.
  - As the existing requirements and specifications do not envisage a functionality to reset the CMB limit headroom (e.g. on a daily basis) and the corresponding CMB limit utilisation → requirement was: **TIPS participant to submit to TIPS a CMB limit headroom reset/modification request, either via A2A or U2A, at any time**

# Recap & latest updates

- **Elements received from the interested central banks:**

- *The reason for the CR was that the German community saw the need for a daily reset of the limit utilisation because the limit assigned to a Reachable Party applies on a daily basis*
  - *In 2018, 4CB provided several options how this goal could be achieved. The first option was an automated reset triggered by the change of business day. Some banks saw the problem that this would only work during weekdays, whereas over the weekend the limit might not be sufficient due to the business day covering three calendar days. The majority therefore voted for the option of a time-based daily trigger, e.g. midnight.*
  - ***But, in the written consultation of the former TIPS Contact Group, the majority at European level voted for Option 2: the possibility of an ad hoc reset via A2A or U2A. That is why this option is now described in the CR***
- *However, following recent discussions with the interested central banks, an automatic reset functionality, with reset on business day (instead of a time-based trigger) would be the preferred option*

# Recap & latest updates

- **Open points & next steps:**

- **Automatic reset functionality, with reset on business day >> view of the TIPS-CG members**

- **Any other new requirements?**

- **If there is an agreement on the new requirement, the following steps will be performed:**

- 1. **The change request TIPS-008 will be withdrawn**

- 2. **A new change request with new requirements (also including the ones of Norges Bank) will be drafted and will be shared for comments with TIPS-WG and TIPS-CG members**

# Thank you for your attention!



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