EUROPEAN CENTRAL BANK

EUROSYSTEM

Non-time critical payments: Summer survey

TIPS-CG

21 October 2025

target services | TIPS

Agenda

Background

→ **To introduce NTC payments in TIPS as an optional feature.**

→ **Roadmap:**

Agenda

1 Background

2 **Outcome of the Summer survey on NTC**

Introduction

Purpose of the survey: to gather views on the usage and benefits of NTC payments

Timing: from 4th August to 8th September (extended deadline)

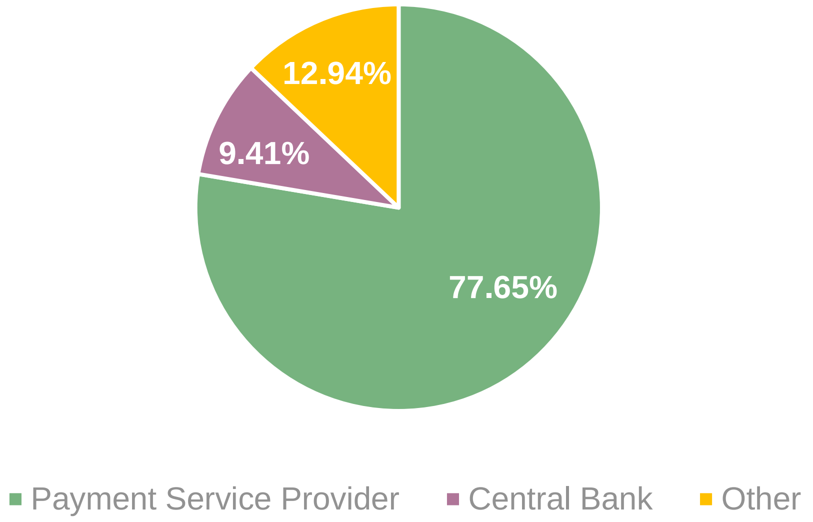
Audience: TIPS-WG, TIPS-CG, AMI-PAY, NSGs and SCT Inst scheme users (via the NCBs)

Survey respondents: 85 respondents (see next slide for details)

The Eurosystem thanks all respondents for their efforts and the rich feedback provided!

NTC survey results

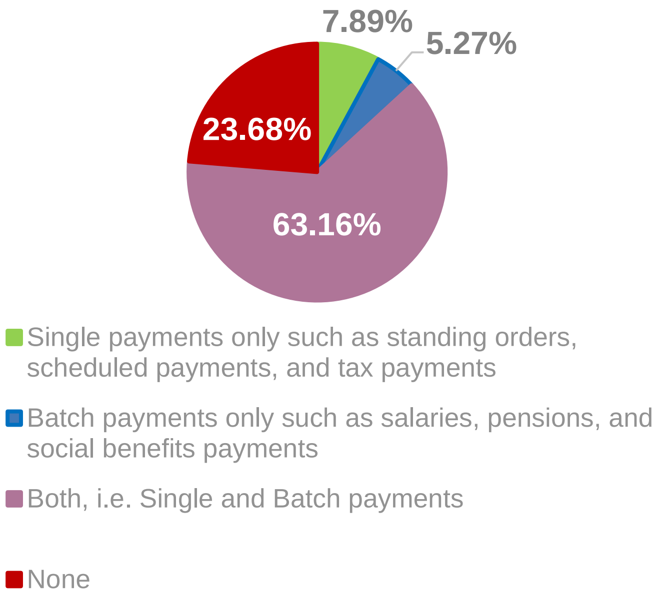
Responding institutions:



NTC survey results

Question: For all payments whose immediacy is strictly speaking not necessary, NTC payments in TIPS will have a lifecycle of up to six hours. Various business cases for NTC payments have been acknowledged to be valuable. NTC payments could be used for single payments such as standing orders, scheduled payments, and tax payments. Similarly, for batch payments like salaries, pensions, and social benefits, NTC is also a very suitable option.

Which of these presented business cases would be relevant or valuable for your institution?



Which other business cases would your institution see for the use of NTC payments?

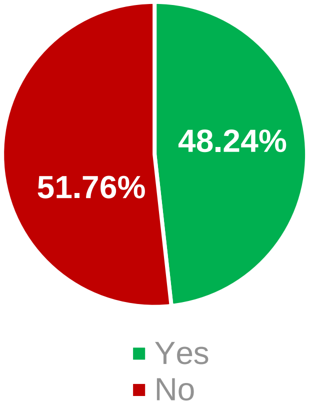
- **High-Value Payments**: An alternative to RTGS payments
- **Liquidity Management**: Cover account shortages, giving banks time to replenish accounts and avoid large-scale rejections.
- **Rejected or Sanctioned Instant Payments**: Redirect payments rejected due to the 10-second processing limit or flagged by fraud/sanction systems requiring further investigation, while keeping clients informed
- **Unattended Channels**: Use NTC for payments initiated via:
    - Paper-based channels
    - API channels, especially for clients transitioning to single-channel API strategies (e.g., replacing host-to-host channels)

NTC survey results

Question: Non-time critical processing can help to optimise the payment infrastructure by reducing peak loads for processing the payments. Thus, this enhances efficiency while preserving the benefits of instant payments. In some countries, this practice is already in place.

Do you believe that NTC process would support your institution to manage higher payment volumes more effectively?

- Claimed that they do not see issues with managing peak loads or believe they have the tools and internal organisation necessary to manage liquidity peaks

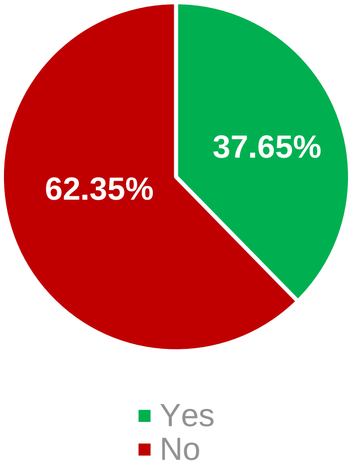


- Benefits of NTC towards SCT Inst payments: less rejections and better liquidity control for banks
- Benefits of NTC towards SCT payments: 24/7 Settlement Advantage
- Diverse use Cases for NTC Payments
- System Traffic Management

(See slide nb12 for details)

NTC survey results

Question: The effort required to implement NTC payments is estimated to be low compared to implementing instant payments. **Knowing that the estimated effort to implement NTC is relatively low, does your institution plan to offer NTC payments to your customers?**



(If Yes) Please indicate when your institution expects to offer NTC payments:

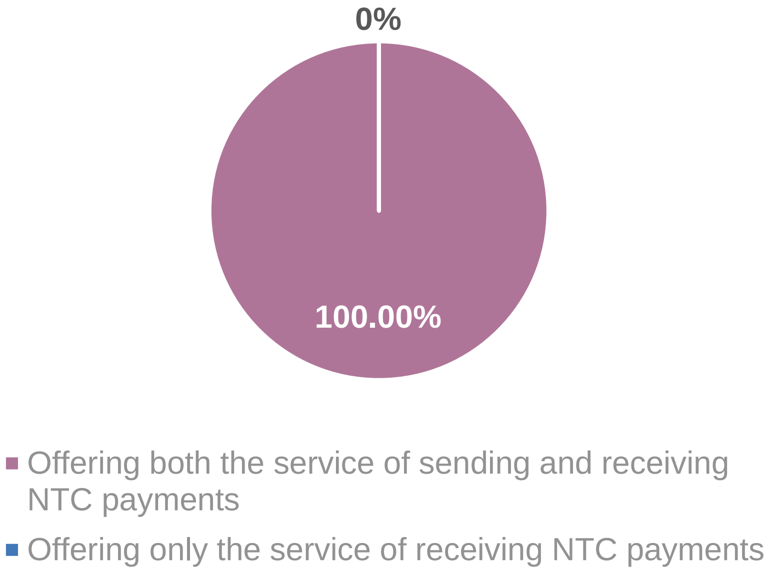
→ **Most respondents mentioned a timeframe between 2026 and 2027**

Some quotes:

- *“We already offer NTC, it's a great hybrid solution.”*
- *“As soon as technically possible”*
- *“If implementation effort is low and there's clear customer demand, the obvious answer would be yes.* ***The actual timing and priority will also <u>depend on reachability</u>, will it <u>become mandatory</u> for all participants to support this option or not.****”*

NTC survey results

Question: (If Yes) How would your institution offer NTC payments?



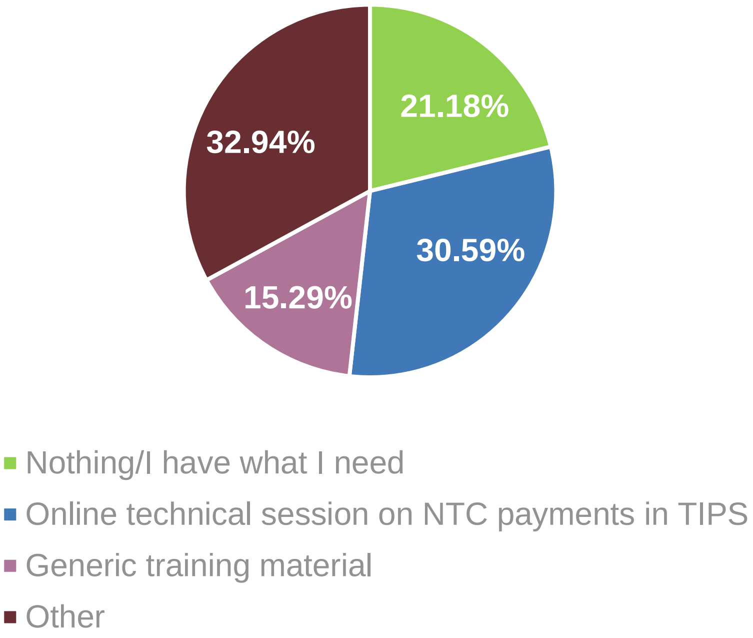
→ **It is interesting to note that all 32 respondents who indicated they would implement NTC payments stated that they would offer both the sending and receiving functionalities for NTC payments.**

Some quotes:

- *"Given that the estimated implementation effort is relatively low, we are in favour of providing both sending and receiving opportunity for our customers."*
- *"Priority will be on the ability to allow our customers to initiate NTC payments* ***first to optimise internal systems behaviour*** *and secondly introduce it for the receiving of NTC payments from the new NTC scheme."*
- *"Sending is the most crucial part for us, batches from corporate customers form peak loads"*

NTC survey results

Question: What support would your institution need from the Eurosystem to implement NTC smoothly and successfully?



→ Based on the feedback received, there is the need to organize a dedicated training session before implementing NTC. This session should include a presentation of the technical details, similar to the approach taken for the automatic counterparty simulator training.

Some quotes:

- *"To ensure a smooth and successful implementation of NTC payments, we would welcome support in the form of common standards and guidance for the transformation of SEPA Credit Transfers towards NTC."*
- *"Both Online technical session on NTC payments in TIPS and General training material"*
- *"Clear early communication of NTC message formats, workflows, and liquidity guidelines is vital for smooth implementation."*
- *"Detailed technical specifications"*

NTC survey results

Overview of general positive comments on NTC:

- **Benefits of NTC towards SCT Inst payments:**
  - SCT Inst payments involve a sophisticated process with real-time processing, interoperability challenges, and strict time constraints → these complexities lead to a higher likelihood of transaction failures compared to SCT Classic
  - NTC fills a critical gap by improving transaction **success rates** while leveraging existing SCT Inst infrastructure
  - **Managing peak volumes: Reduces performance intensity**, **enabling better liquidity control for banks without disadvantaging clients**

- **Benefits of NTC towards SCT payments**:
  - NTC payments offer continuous settlement, unlike SCT Classic, which is limited to specific operating hours
  - Supports the long-term decommissioning of SCT, streamlining payment systems across Europe

- **Diverse use Cases for NTC Payments**:
  - Ideal for non-time critical transactions, **such as salary payments, that don't require immediate processing**
  - **Prevents disruption of payments (e.g., P2P payments, EPI/Wero, commerce, real-time treasury use cases) tied to the 10-second SLA**

- **System Traffic Management**:
  - Differentiating between true Instant Payments (IP) and NTC Payments allows systems **to prioritize IP traffic**
  - **Helps avoid time-outs and improves overall traffic management within internal systems**

NTC survey results

Overview of general negative comments on NTC:

- **Low Interest in NTC Concept**:
  → There seems to be a common misunderstanding: NTC payments are designed to be transparent to the end customer. They primarily provide added value to banks by improving their internal processes and will not have any noticeable difference/impact on the end customer

- **Investments and Development Impacts/Concerns**:
  → The required efforts for implementing NTC, as reported by those who have already adopted it, have been shown to be minimal compared to the implementation of instant payments. Furthermore, it has been demonstrated that the benefits of NTC far outweigh the initial low effort required

- **Performance and Infrastructure**:
  → NTC is not an afterthought; it is designed to complement the increasing volumes of Instant Payments, enabling banks to manage higher global transaction volumes more effectively. Since the Transactions Per Second (TPS) capacity varies across banks, NTC can provide valuable support to some institutions, helping to alleviate the strain on their systems.

NTC survey conclusion

General take aways from the survey:

- **Overall, the result is positive:**
  - **48%** (i.e. 41 out of 85) of respondents believe that NTC process would support their institution to manage higher payment volumes more effectively
  - Knowing that the estimated effort to implement NTC is relatively low, **38%** (i.e. 32 out of 85) of the respondents plan to offer NTC payments to their customers by 2026 or 2027

ECB Take aways from the survey:

- **There are still some misunderstandings about the added value of NTC, particularly in relation to its benefits for PSPs' internal processing of transaction volumes**
- **Compared to previous exchanges with the market, we now observe increased support towards NTC payments**

Thank you for your attention!

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ECB: market infrastructure and payments