

SPECIAL TERMS AND CONDITIONS FOR TARGET INSTANT PAYMENT SETTLEMENT (TIPS) DEDICATED CASH ACCOUNTS

Article 1

Opening and management of a TIPS DCA

- (1) Eesti Pank shall at the request of an MCA holder open and operate one or more TIPS DCAs.
- (2) There shall be no debit balance on a TIPS DCA.

Article 2

Sending and receiving messages

- (1) A TIPS DCA holder may send messages:
 - a) directly, and/or
 - b) via one or more instructing parties.
- (2) A TIPS DCA holder shall receive messages:
 - a) directly; or
 - b) via one instructing party.
- (3) Annex I, Article 7 shall apply to a TIPS DCA holder that sends or receives messages via an instructing party as though that TIPS DCA holder sends or receives messages directly.

Article 3

Reachable parties

- (1) A TIPS DCA holder may designate one or more reachable parties. Reachable parties shall have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement.
- (2) A TIPS DCA holder shall provide evidence Eesti Pank of each designated reachable party's adherence to the SCT Inst scheme.
- (3) A TIPS DCA holder shall inform Eesti Pank if any designated reachable party no longer adheres to the SCT Inst scheme and shall, without undue delay, take steps to prevent the reachable party from accessing the TIPS DCA.
- (4) A TIPS DCA holder may allow its designated reachable parties access via one or more instructing parties.
- (5) Annex I, Article 7 shall apply to TIPS DCA holders that designate reachable parties.
- (6) A TIPS DCA holder that has designated a reachable party shall ensure that at all times that reachable party is available for the purpose of receiving messages.

Article 4

Transactions processed on TIPS DCAs

- (1) The following transactions shall be processed via a TIPS DCA in TARGET-Eesti:
 - a) instant payment orders;
 - b) positive recall answers;
 - c) liquidity transfer orders to TIPS AS technical Accounts, MCAs, T2S DCAs or RTGS DCAs;
 - d) liquidity transfer orders to sub-accounts;
 - e) liquidity transfer orders to overnight deposit accounts.

Article 5

Immediate liquidity transfer orders

A TIPS DCA holder may submit immediate liquidity transfer orders.

Article 6

Processing of cash transfer orders on TIPS DCAs

- (1) A timestamp for the processing of cash transfer orders is allocated in the sequence of their receipt.
- (2) All cash transfer orders submitted to TARGET-Eesti shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.
- (3) After an instant payment order has been accepted as set out in Annex I, Article 17, TARGET-Eesti shall check if sufficient funds are available on the payer's TIPS DCA to effect settlement and the following shall apply:
 - a) if sufficient funds are not available, the instant payment order shall be rejected;
 - b) if sufficient funds are available, the corresponding amount shall be reserved while awaiting the payee's response. In the event of acceptance by the payee, the instant payment order shall be settled and the reservation shall be simultaneously lifted. In the event of rejection by the payee or the absence of a timely response, within the meaning of the SCT Inst scheme, the instant payment order shall be rejected and the reservation shall be simultaneously lifted.
- (4) Funds reserved in accordance with paragraph 3(b) shall not be available for the settlement of subsequent cash transfer orders.
- (5) Without prejudice to paragraph 3(b), Eesti Pank shall reject an instant payment order if the amount of the instant payment order exceeds any applicable credit memorandum balance (CMB).
- (6) After an immediate liquidity transfer order has been accepted as set out in Part I, Article 17, TARGET-Eesti shall check if sufficient funds are available on the payer's TIPS DCA. If sufficient funds are not available the liquidity transfer order shall be rejected.
- (7) After a positive recall answer has been accepted as set out in Annex I, Article 17, TARGET-Eesti shall check if sufficient funds are available on the TIPS DCA to be debited. If sufficient funds are not available the positive recall answer shall be rejected. If sufficient funds are available the positive recall answer shall be settled immediately.
- (8) Without prejudice to paragraph 7, TARGET-Eesti shall reject positive recall answers if the amount of the positive recall answer exceeds any applicable CMB.

Article 7

Recall request

- (1) A TIPS DCA holder may submit a recall request.
- (2) The recall request shall be forwarded to the payee of the settled instant payment order which may answer with a positive or a negative recall answer.

Article 8

TIPS directory

- (1) The TIPS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:
 - a) TIPS DCA holders;
 - b) reachable parties.
- (2) The TIPS directory shall be updated daily.
- (3) TIPS DCA holders may only distribute the TIPS directory to their branches, their designated reachable parties and their instructing parties. Reachable parties may only distribute the TIPS directory to their branches.
- (4) A specific BIC shall only appear once in the TIPS directory.
- (5) TIPS DCA holders acknowledge that Eesti Pank and other CBs may publish their names and BICs. In addition, Eesti Pank and other CBs may publish names and BICs of reachable parties designated by TIPS DCA holders and TIPS DCA holders shall ensure that reachable parties have agreed to such publication.

Article 9

MPL repository

- (1) The central Mobile Proxy Lookup (MPL) repository contains the proxy – IBAN mapping table for the purposes of the MPL service.
- (2) Each proxy may be linked to only one IBAN. An IBAN may be linked to one or multiple proxies.
- (3) Annex I, Article 28 shall apply to the data contained in the MPL repository.

Article 10

Processing of cash transfer orders in the event of suspension or extraordinary termination

- (1) Upon termination of a TIPS DCA holder's participation in TARGET-Eesti, Eesti Pank shall not accept any new cash transfer orders to or from that TIPS DCA holder.
- (2) If a TIPS DCA holder's participation in TARGET-Eesti is suspended on grounds other than those specified in Annex I, Article 25(1), point (a), Eesti Pank shall:
 - a) reject all of its incoming cash transfer orders;
 - b) reject all of its outgoing cash transfer orders; or
 - c) reject both its incoming and outgoing cash transfer orders.
- (3) If a TIPS DCA holder's participation in TARGET-Eesti is suspended on the grounds specified in Annex I, Article 25(1), point (a), Eesti Pank shall reject all of its incoming and outgoing cash transfer orders.

(4) Eesti Pank shall process instant payment orders of a TIPS DCA holder whose participation in TARGET-Eesti has been suspended or terminated under Annex I, Article 25(1) or (2) and in relation to which Eesti Pank has reserved funds on a TIPS DCA pursuant to Article 6(3), point (b) prior to the suspension or termination