

SPECIAL TERMS AND CONDITIONS FOR ANCILLARY SYSTEMS USING THE TARGET INSTANT PAYMENT SETTLEMENT (TIPS) ANCILLARY SYSTEM SETTLEMENT PROCEDURE

Article 1

Opening and management of a TIPS AS technical account

- (1) Eesti Pank may at the request of an AS that settles instant payments pursuant to the SCT Inst scheme or near instant payments in its own books, open and operate one or more TIPS AS technical accounts.
- (2) There shall be no debit balance on a TIPS AS technical account.
- (3) The ancillary system shall use a TIPS AS technical account to collect the necessary liquidity set aside by its clearing members to fund their positions.
- (4) The ancillary system may opt to receive notifications of the crediting and debiting of its TIPS AS technical account. If the ancillary system opts for this service notification is provided immediately upon the debit or credit of the TIPS AS technical account.
- (5) An ancillary system may send instant payment orders, and positive recall answers to any TIPS DCA holder or TIPS AS. A ancillary system shall receive and process instant payment orders, recall requests and positive recall answers from any TIPS DCA holder or TIPS AS.

Article 2

Sending and receiving messages

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

Article 3

Immediate liquidity transfer orders

A TIPS AS technical account holder may submit immediate liquidity transfer orders.

Article 4

Processing of cash transfer orders on TIPS AS technical accounts

- (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(1), Eesti Pank shall check if sufficient funds are available on the payer's TIPS AS technical account 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 a liquidity transfer order from a TIPS AS technical account to a TIPS DCA has been accepted as set out in Annex I, Article 17(1), Eesti Pank shall check if sufficient funds are available on the payer's TIPS AS technical account. If sufficient funds are not available the liquidity transfer order shall be rejected. If sufficient funds are available, the liquidity transfer order shall be settled immediately.
- (7) After a positive recall answer has been accepted as set out in Annex I, Article 17(1), Eesti Pank shall check if sufficient funds are available on the TIPS AS technical account 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, Eesti Pank shall reject positive recall answers if the amount of the positive recall answer exceeds any applicable CMB.

Article 5

Recall request

- (1) A TIPS AS technical account 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 6

TIPS AS settlement procedure

The TIPS AS settlement procedure shall be operational during the times set out in Appendix V of Annex 1.

Article 7

Reachable parties via a TIPS AS technical account

- (1) A TIPS AS technical account holder may designate one or more reachable parties. Reachable parties shall have adhered to the SCT Inst scheme signing the SEPA Instant Credit Transfer Adherence Agreement.
- (2) A TIPS AS technical account holder shall provide evidence to Eesti Pank of each designated reachable party's adherence to the SCT Inst scheme.
- (3) A TIPS AS technical account 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 AS technical account.
- (4) A TIPS AS technical account holder may allow its designated reachable parties access via one or more instructing parties.
- (5) Annex I, Article 7 shall apply to an AS that has designated reachable parties.
- (6) A TIPS AS technical account holder that has designated a reachable party shall ensure that reachable party is at all times available for the purpose of receiving messages.

Article 8

Transactions processed on TIPS AS technical accounts

- (1) The following transactions shall be processed via a TIPS AS technical account in TARGET-Eesti:
 - a) instant payment orders;
 - b) positive recall answers;
 - c) liquidity transfer orders to TIPS DCAs.

Article 9

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 AS technical account holders may only distribute the TIPS directory to 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 AS technical account holders acknowledge that Eesti Pank and other CBs may publish names and BICs of reachable parties designated by the TIPS AS technical account holders and TIPS AS technical account holders shall ensure that reachable parties have agreed to such publication.

Article 10

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 11

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

- (1) Upon termination of a TIPS AS technical account holder's participation in TARGET-Eesti, Eesti Pank shall not accept any new cash transfer orders to or from that TIPS AS technical account holder.
- (2) If a TIPS AS technical account holders' participation in TARGET-Eesti is suspended on grounds other than those specified in Part 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 AS Technical Account Holder's participation in TARGET-Eesti is suspended on the grounds specified in Annex I, Article 25(1), point (a), the suspended TIPS AS technical account holder's CB shall reject all of its incoming and outgoing cash transfer orders.
- (4) Eesti Pank shall process instant payment orders of a TIPS AS technical account 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 AS technical account pursuant to Article 4(3), point (b) prior to the suspension or termination.