



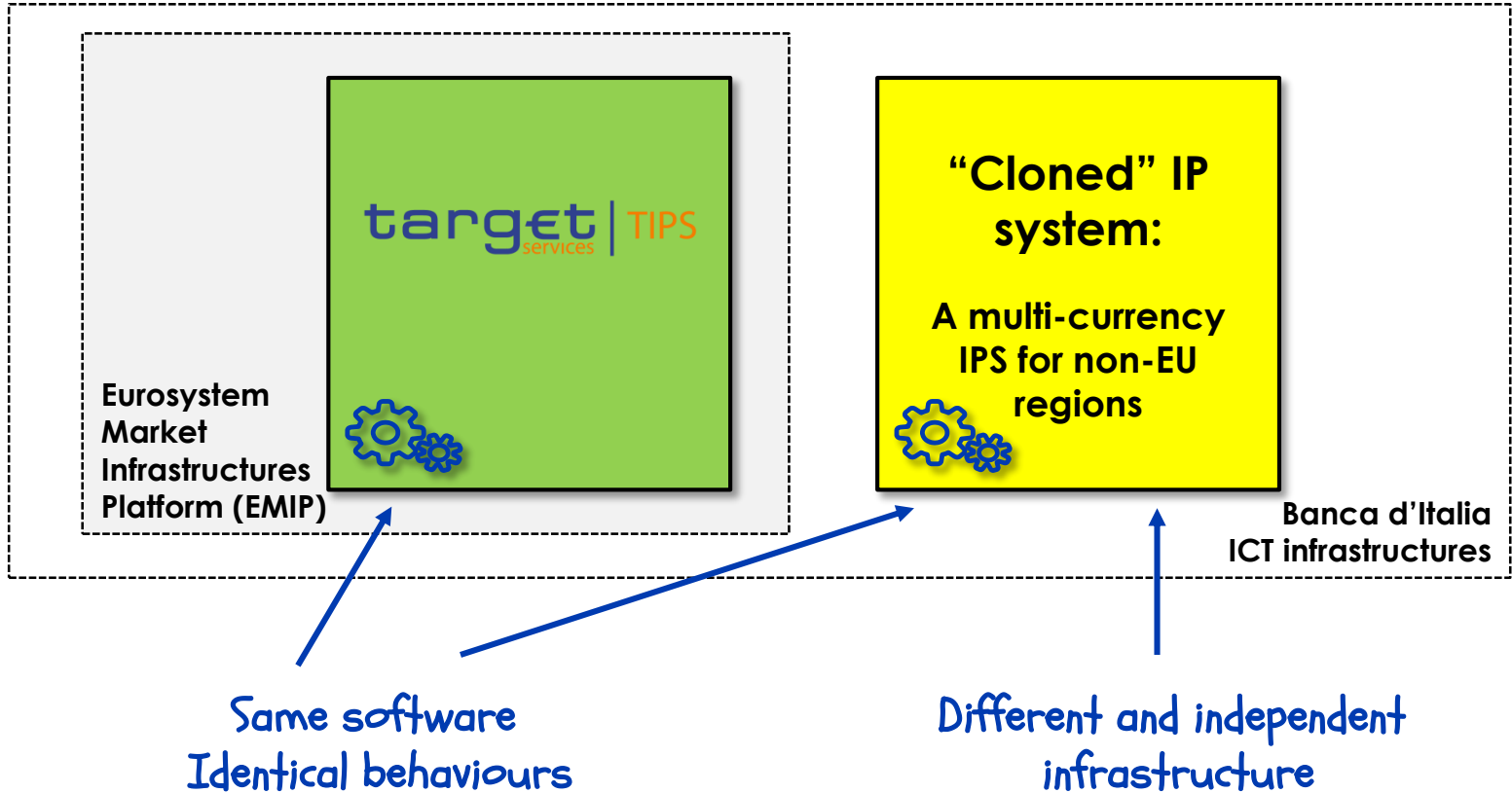
BANCA D'ITALIA
EUROSISTEMA

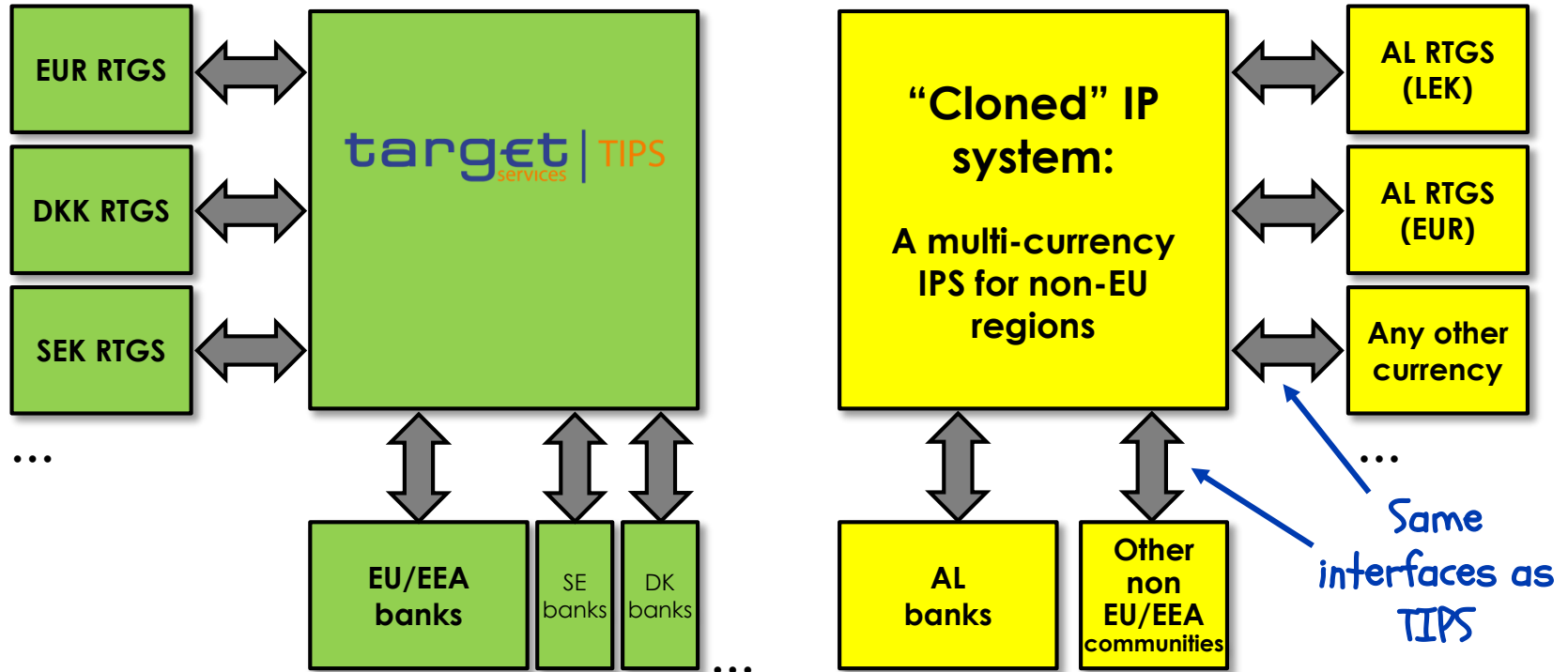
BdI – BoA COOPERATION FOR THE DEVELOPMENT OF A
LOCAL IP SYSTEM FOR **BANK OF ALBANIA**

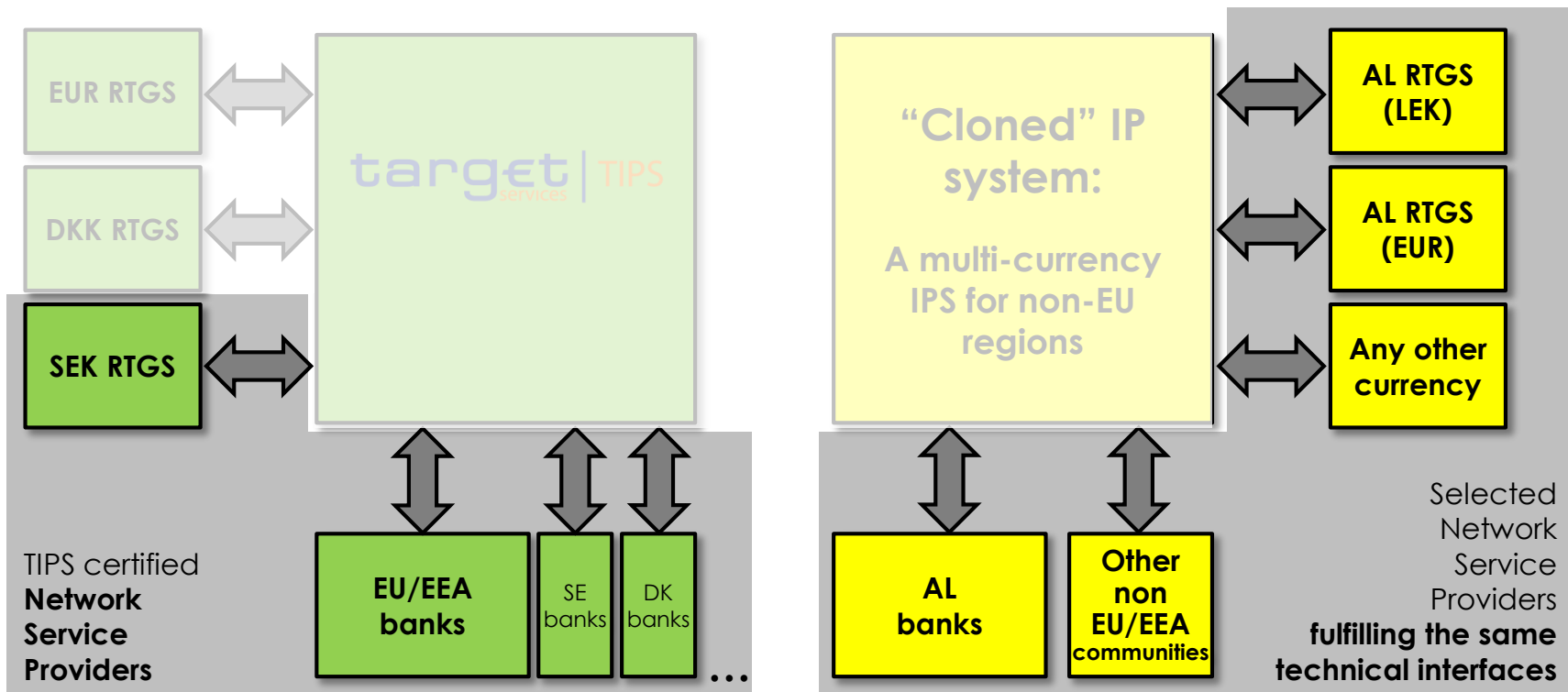
- **BoA intends to adopt a domestic IP system**
 - ❑ For this purpose, BoA and Bdl are discussing how to create such infrastructure.
- **The new platform will have to facilitate convergence towards the adoption of SEPA standards**
 - ❑ And it will have to prepare the banking community for possible future accession to TIPS
- **The Governing Council in November approved the re-use of TIPS to realize the TIPS-clone according to the current legal framework**

- **BoA would use a service provided by Bdl**
 - ❑ BoA and the banking system would avoid “throw away” investments
 - ❑ Additionally, technical operation of the new service would be carried out by Bdl (with BoA ensuring business operation)
- **It is crucial that the new service is directly derived from TIPS (TIPS clone) in order to:**
 - ❑ **Prepare BoA and local community to join TIPS**
 - ❑ Minimize the investment needed to migrate from the TIPS-clone to TIPS

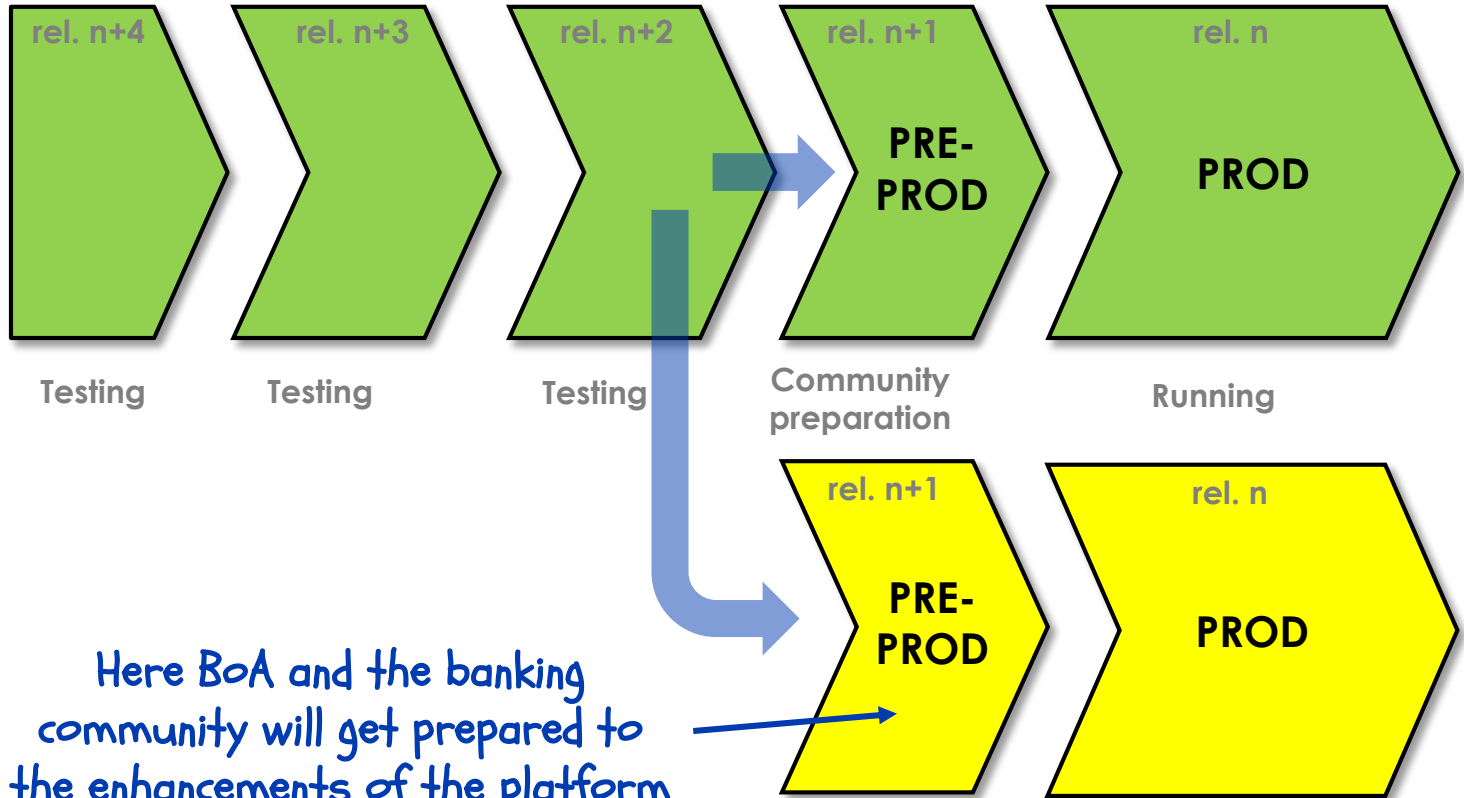








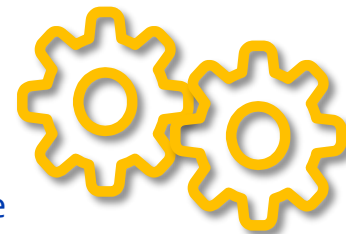
target | TIPS
services



“Cloned”
IP system:

Here BoA and the banking
community will get prepared to
the enhancements of the platform

- **Banca d'Italia would create an independent “clone” of the TIPS platform:**
 - ❑ With **different “size”** (i.e. processing capacity)
 - ❑ With the **very same software version**, i.e.:
 - ❑ Identical (current and future) behavior compared to TIPS
 - ❑ All updates (Change Requests, patches, etc.) will be applied to both the platforms thereby facilitating the future boarding on TIPS
 - ❑ The **very same interfaces**, i.e.:
 - ❑ The banks must use “selected” Network Service Providers
 - ❑ Such NSPs must adhere to the tech rules and protocol already in place for TIPS
 - ❑ The BoA RTGSs must be connected to the IPS (for Liquidity Transfers and EoD synch), adhering to the tech rules and protocol already in place for TIPS



- **Advantages of the proposed approach:**

- ❑ No **throw-away investments**, less expensive solution than implementing the new ISP from scratch.

The “service approach” would avoid the need to technically operate the platform.² BoA would anyway preserve its role as business operator³ of the banking system, while being able to rely on a centralized business support too.

- ❑ BoA and local community **would get prepared and trained for joining TIPS and SEPA standards.**
- ❑ BoA and local community **would benefit of all enhancements implemented in TIPS (e.g. cross-currency settlement).**
- ❑ **Potential onboarding of additional non-euro currencies.**



² Even though training activities will take place, to explain how the system works from a functional and technical standpoint.

³ This implies BoA will remain in full control of the governance of the service, the applicable legal framework, access rules, etc.



Questions?