

TIPS Clone: A Pathway to Regional Instant Payment Integration

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Introduction to TIPS

TIPS allows instant settlement of funds between participants in real time
→ **365 days a year around-the-clock**



442

Direct participants*

15000

Reachable participants*

2.4 mln

Daily Average Volume
in €**

2.9 mln

Daily Average Volume
in Swedish Krone**

1.7 mln

Daily Average Volume
In Denmark Krone**

* reference period: Sept 2025

** reference period: Jan-Sept for € and SK, Apr-Sept for DK

The TIPS Clone initiative

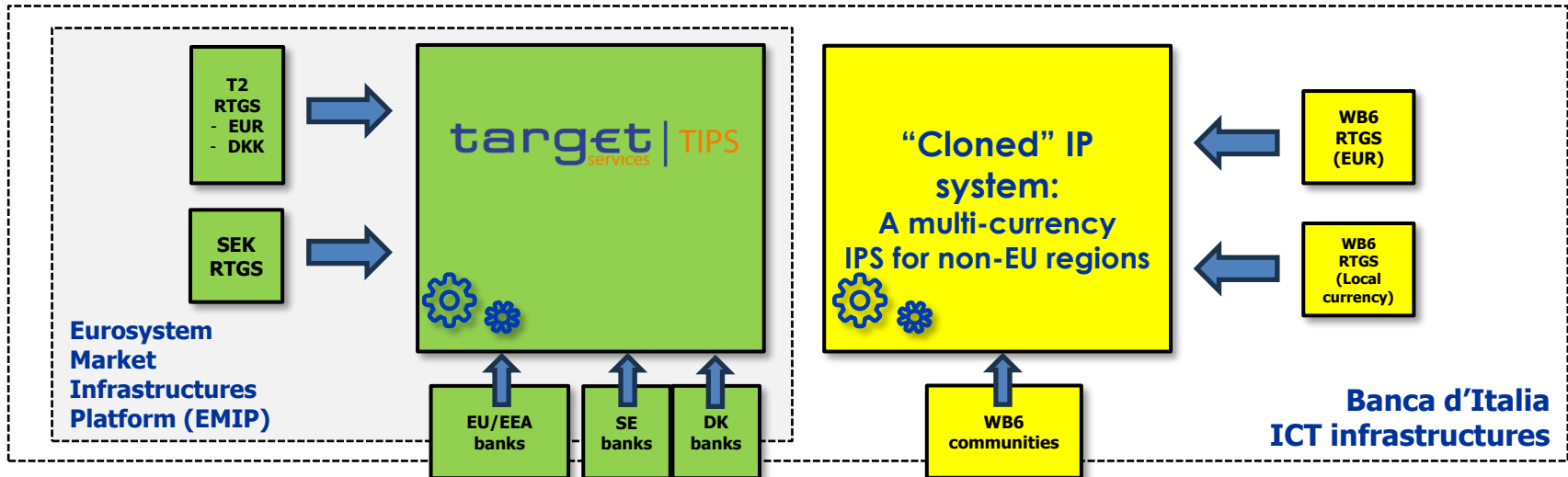
- The TIPS Clone envisages the development of an **instant payments service based on TIPS** for exclusive use by the Western Balkans 6 area
- The proposed solution is based on cloning the TIPS application into a **separate, independent but identical instance** (one single instance for all WB6) with dedicated development for non-core functionality (e.g. reference data management)
- The TIPS Clone would retain TIPS' **multi-currency features** to allow settlement in the different currencies used in the participating countries (euro commercial banks money and local currency, where available)
- The system **capacity** will be optimized according to volumes expected on WB6 side; connectivity solutions will be provided by current TIPS-certified **Network Service Providers** based on bilateral agreements to be negotiated by each WB6 Central Bank

The TIPS Clone initiative (2)

- This approach ensures the maximum **cost-effectiveness** for all involved parties, avoiding throwaway investments while offering the best possible **synergies** for WB CBs and local communities who intend to adhere to the SEPA standards and join TIPS. SEPA compliance allows for indirect participation in TIPS; no such requirement exists for participation in the TIPS Clone
- In this respect, a TIPS Clone-based solution would serve **several purposes**:
 - As an effective platform for the adoption of **Instant Payments** in WB retail markets
 - As a catalyst for the convergence to **SEPA standards** for the local banking communities
 - As a tool for technical and operational preparation in view of the possible **migration to TIPS** following EU accession, catering for an already existing business case on WB side

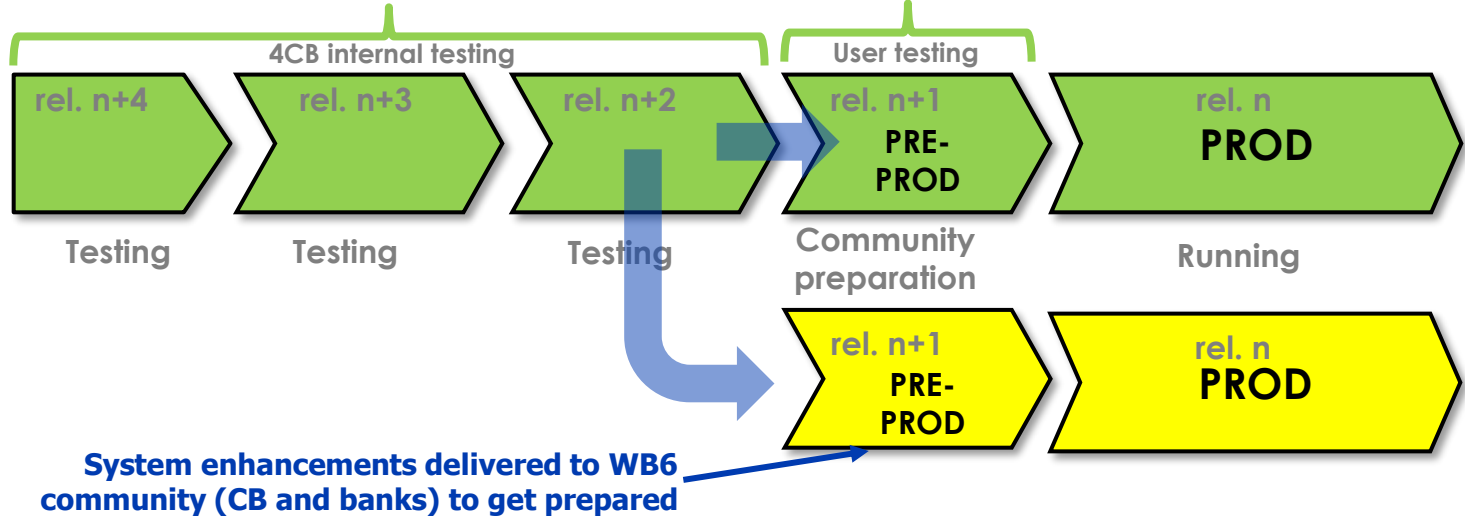
Main pillars of the TIPS Clone solution

- **A separate, independent but virtually identical instance**
 - Using the **same software version** as TIPS
 - Following the **Change, Release and Deployment schedule** of TIPS
 - Implementing the **same interfaces**
 - **Separate logical servers**
 - **Shared datacentre and basic infra services**



Main pillars of the TIPS Clone solution (2)

target | TIPS
services



- With the same application running on both sides, the TIPS Clone would follow the TIPS release schedule and receive the same system enhancements delivered to TIPS in its regular change and release management process, ***including cross-system and cross-currency features***
- However, it is not foreseen to have changes raised from the TIPS Clone side that would affect TIPS itself

- Besides the 1:1 cloning of the TIPS application, some **adjustments are foreseen to adapt to the specificities of the WB6 scenario:**
 - capacity adjustments based on expected volumes
 - set-up of the infrastructural and connectivity aspects
 - adaptation and development of additional components to cover non-core functions (i.e. what is covered by the “Common Components” for TIPS)
 - WB6 CBs are liaising directly with the Network Service Providers (NSPs) to assess the impact and carry out the steps required for the provision of connectivity solutions for the TIPS Clone; the feasibility assessment confirmed that only NSPs already certified for the provision of connectivity services in TIPS (i.e. SWIFT and Nexi) would be involved

TIPS Clone – Who does what



TIPS Clone – Realisation phase (2)

- **In January 2025 four WB CBs** (Republic of Kosovo, Albania, Montenegro and Bosnia and Herzegovina) **signed the Letter of Intent** agreeing to share the realisation and running costs for the TIPS Clone; North Macedonia joined in October 2025
- Project realisation phase **started in February 2025**
- TIPS Clone go-live is planned in **July 2026**
- No “expiry date” is foreseen for the TIPS Clone as long as it is required by at least one WB CB.

TIPS Actor

- A TIPS Clone Actor is any legal entity or organization interacting with the TIPS Clone either directly or indirectly (i.e. through an Instructing Party) and defined as an object in the Reference Data Management (RDM) component

Party

- Each Actor is identified in the TIPS Clone with a Party object
- Each Party object is univocally identified in the TIPS Clone with a BIC-11
- Several Party Types are defined in the TIPS Clone, organised in a three-level hierarchical party model:
 - TIPS Clone Operator (first level)
 - Central Bank (second level)
 - Participant, Ancillary System and Reachable Party (third level)

Legal entity

- Each legal entity may play different business roles in the TIPS Clone
 - i.e. a legal entity may be defined as a participant of different Central Banks
- A legal entity with different participations shall be identified by several Parties having different BIC-11

TIPS Clone Operator

- The **TIPS Clone Operator** is the legal and organizational entity that operates the TIPS Clone
- It is responsible for:
 - The initial setup and the day-to-day operations of the TIPS Clone
 - Monitoring of the system
 - Carrying out corrective actions in case of incidents or in the event of service unavailability
 - Setting up and maintaining Central Banks' reference data
 - Operating on behalf of any TIPS Clone Actor, upon request of the respective Central Bank (in contingency scenario)
 - Generate monthly or quarterly statistics for CB reporting
- It can also access to live and archived TIPS Clone reference data or transactional data

Central Bank

- The **Central Bank** is the only entity in legal relationship with the TIPS Clone Operator
- Responsible for:
 - Setting up and maintaining reference data in the Reference Data Management repository for all the TIPS Clone Actors belonging to their community
 - Owning and managing a Transit Account for their local currency (CeBM) and a Transit Account for the euro currency (CoBM) if required.
 - Operating on behalf of any TIPS Clone Actor in their community in case of need
- They can act as TIPS Clone Participants (in this case the CB needs to define itself as a new Party with type Payment Bank)

Participant

- Identified by a BIC-11
- Entities that may hold one or many **IP Accounts**
- Receive liquidity from the relevant RTGS System by means of **Inbound Liquidity Transfers**
- The TIPS Clone Participant is responsible for:
 - setting up and maintaining CMBs linked to its IP Accounts
 - configuring Instructing Party roles for itself and for its Reachable Parties
- Can act as Instructing Party as by definition it is able to specify DNs with the prerogatives of an Instructing Party for what concerns its IP Accounts

Ancillary System

- Identified by a BIC-11 (however its BIC-11 cannot appear as authorised BIC of any account)
- Entities that may hold one **IP Technical Account**
- Receive liquidity from the relevant counterpart by means of **Intra-service Liquidity Transfers** in the TIPS Clone
- Responsible for:
 - setting up and maintaining CMBs linked to its IP Technical Account
 - configuring Instructing Party roles for itself and for its Reachable Parties
 - Instructing Instant Payments/Recall/Investigation on behalf of their customers
- Can act as Instructing Party

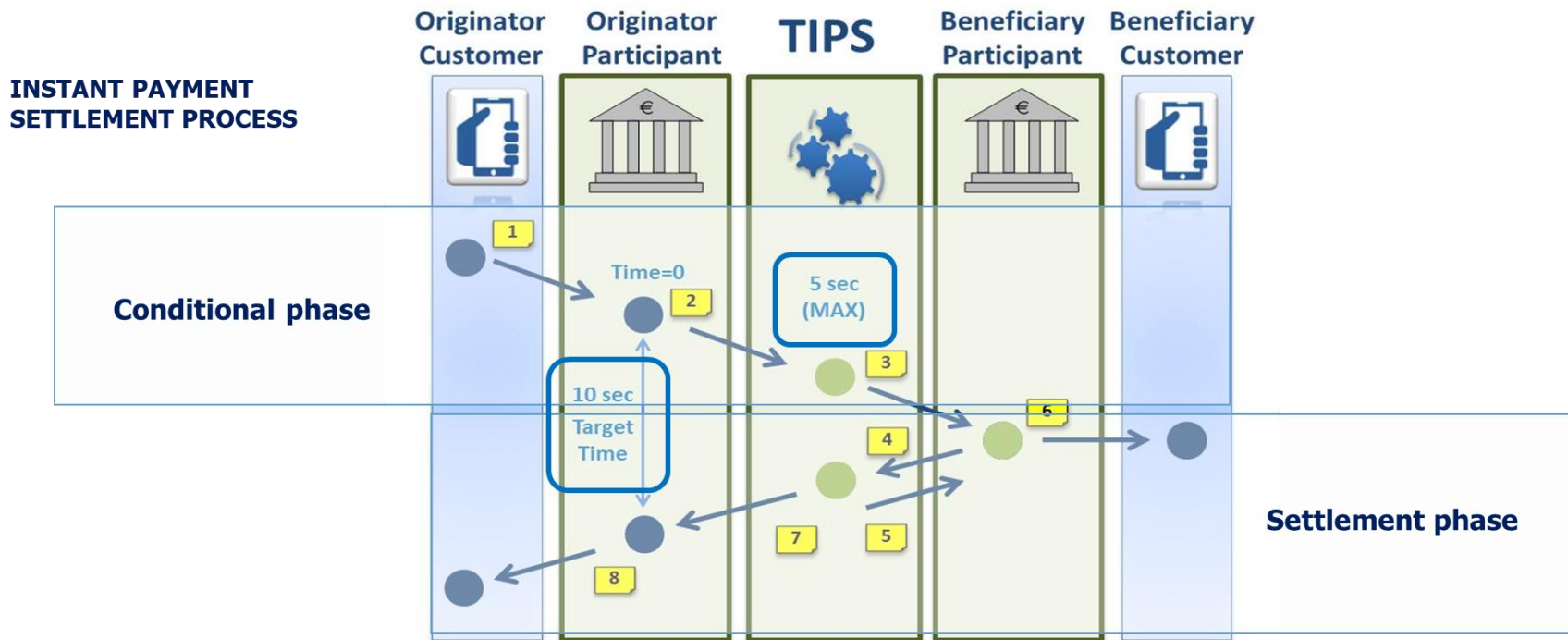
Reachable Party

- Identified by a BIC-11
- Entities that are not entitled to hold accounts in the TIPS Clone
- A **Reachable Party** relies on (i) either an IP Participant's Account or (ii) an IP Technical Account to settle Instant Payments in the TIPS Clone
- Can act as Instructing Party, assuming that it can directly interact with the TIPS Clone

Instructing Party

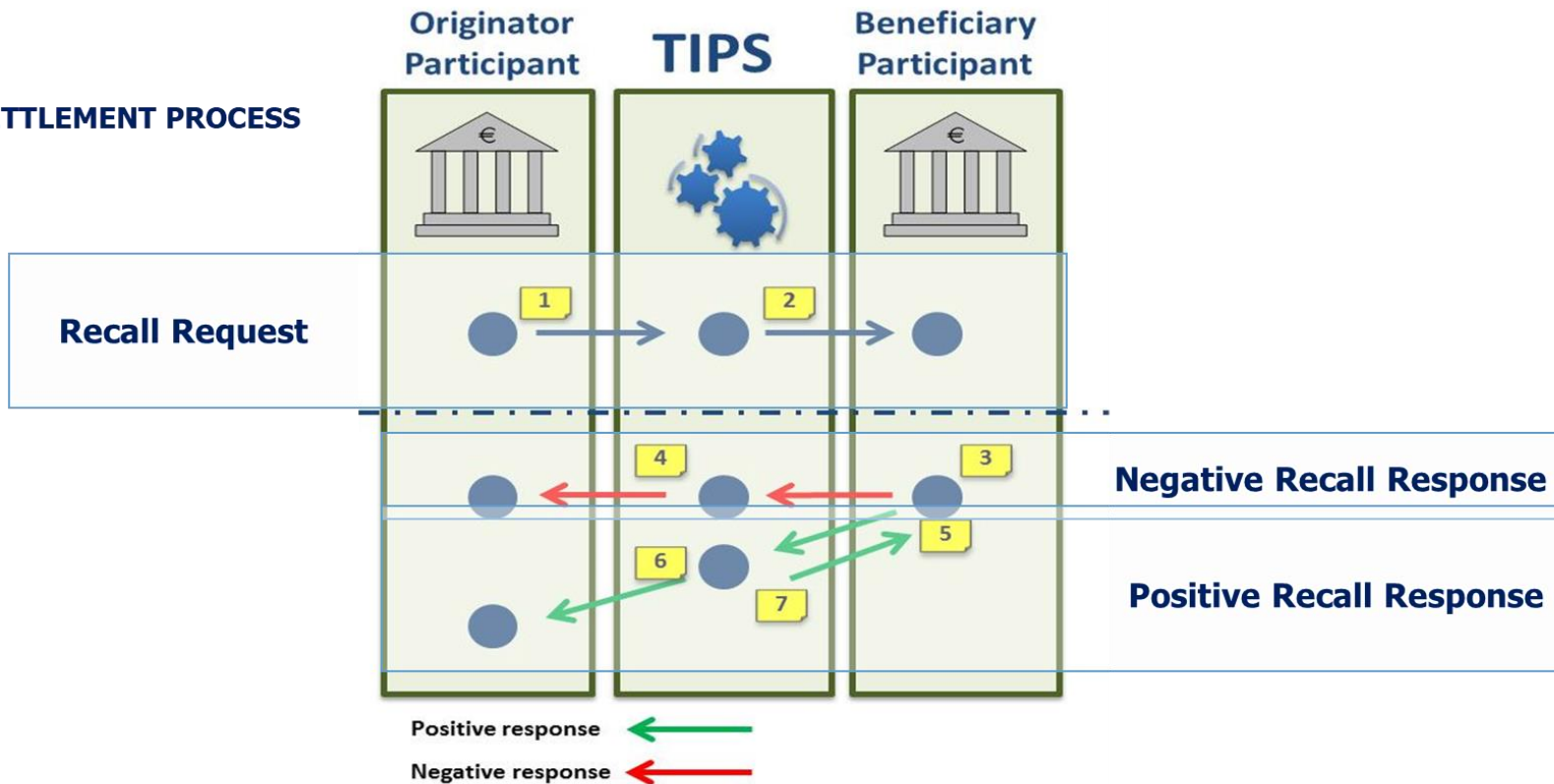
- It is not a **Party Type**. Conversely, it is a Distinguished Name (DN) that Participants, Ancillary Systems and Reachable Parties may authorise to act on their behalf
- Third parties, not necessarily Participants or Reachable Parties, can act as Instructing Parties on behalf of Participants or Reachable Parties
- Participants, Ancillary Systems and Reachable Parties can act as Instructing Parties
- Its Access Rights configuration is determined by the TIPS Clone Actor that captures it as an Instructing Party

TIPS Clone – Business cases



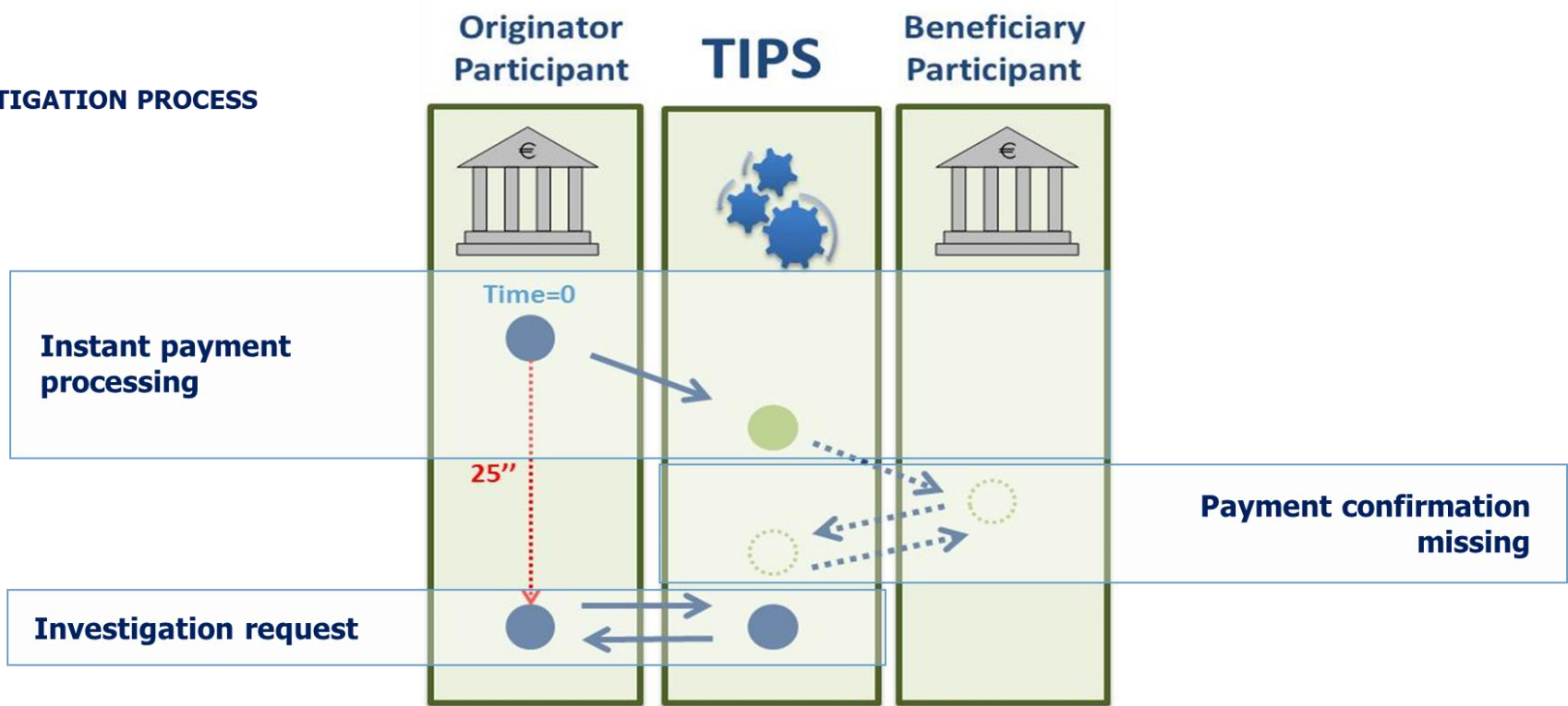
TIPS Clone – Business cases

RECALL SETTLEMENT PROCESS



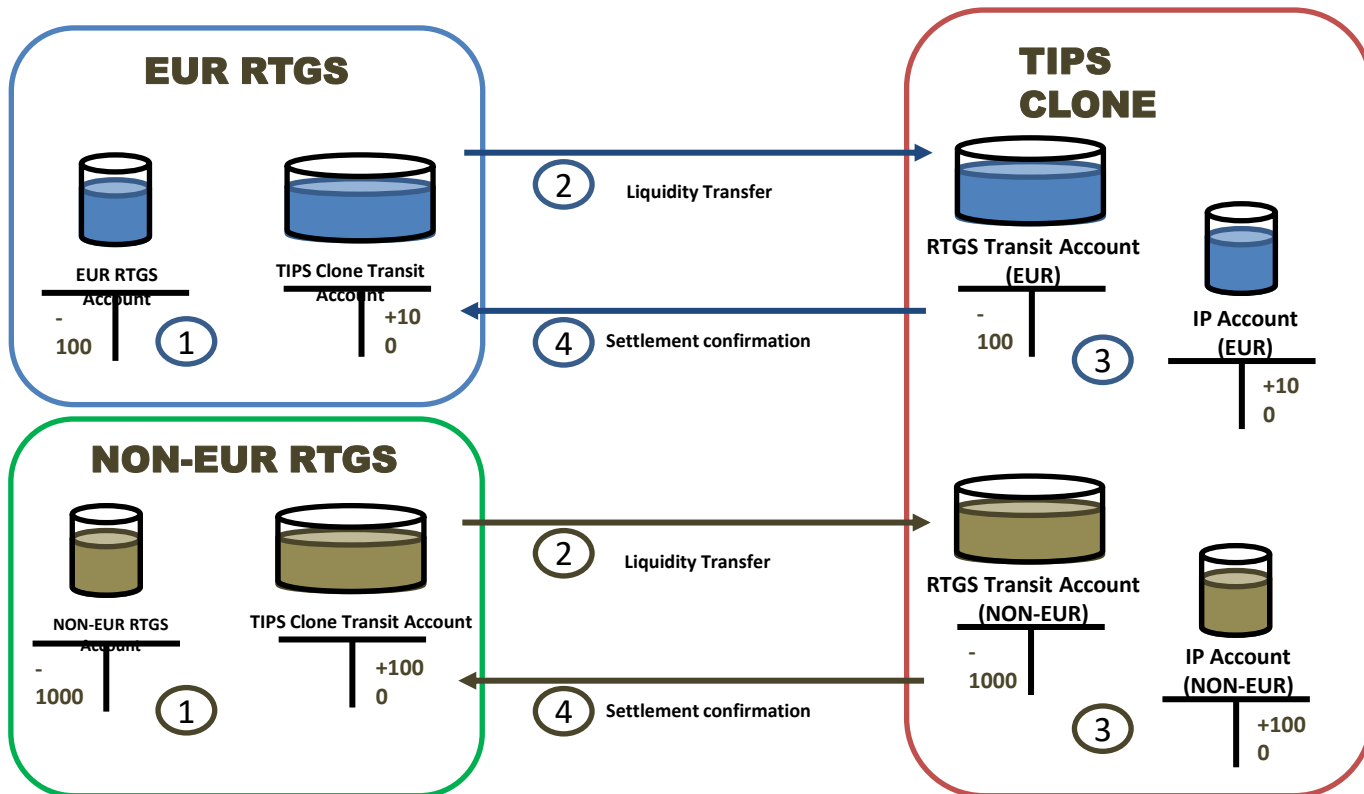
TIPS Clone – Business cases

INVESTIGATION PROCESS



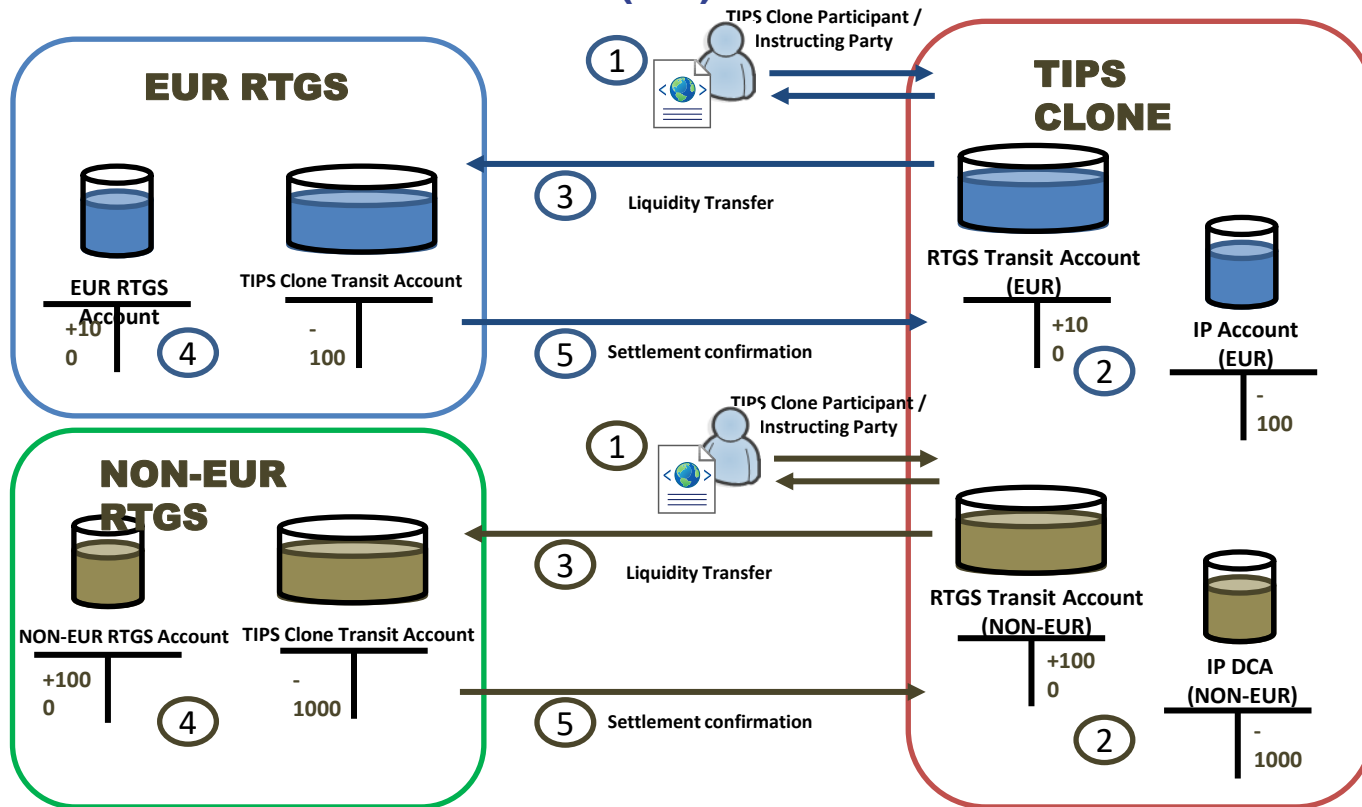
TIPS Clone – Liquidity Management

Overview - Inbound LT

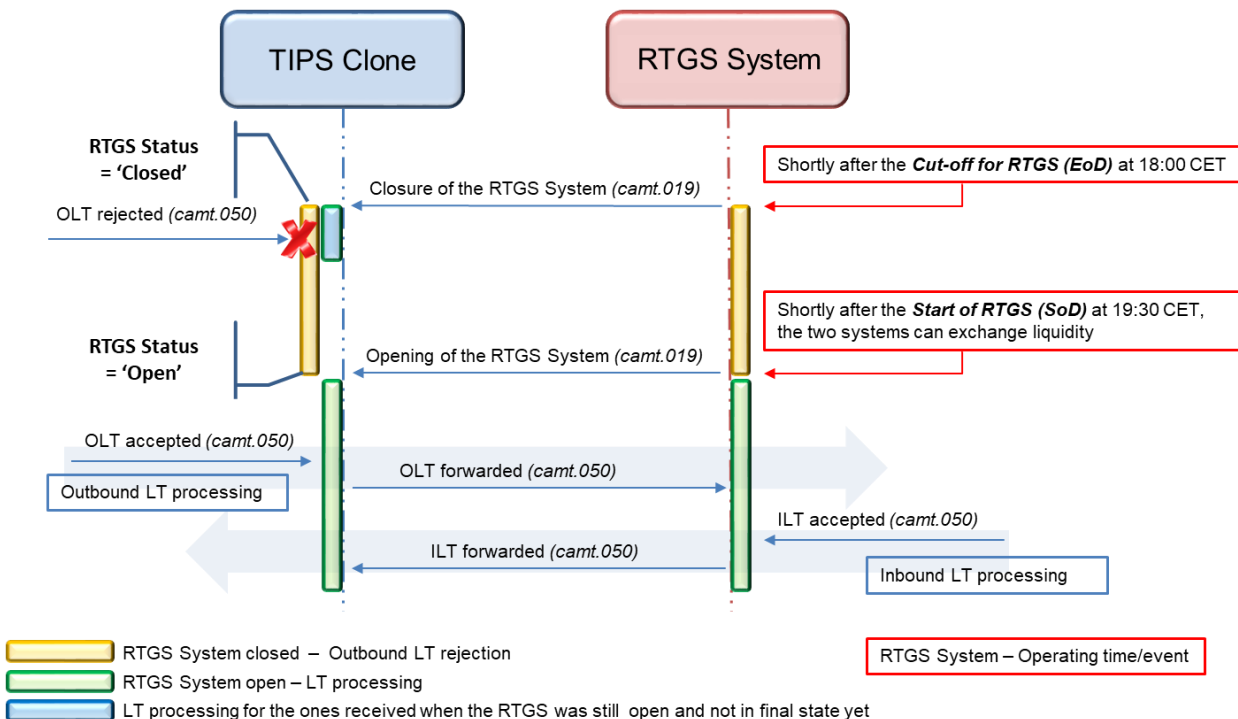


TIPS Clone – Liquidity Management

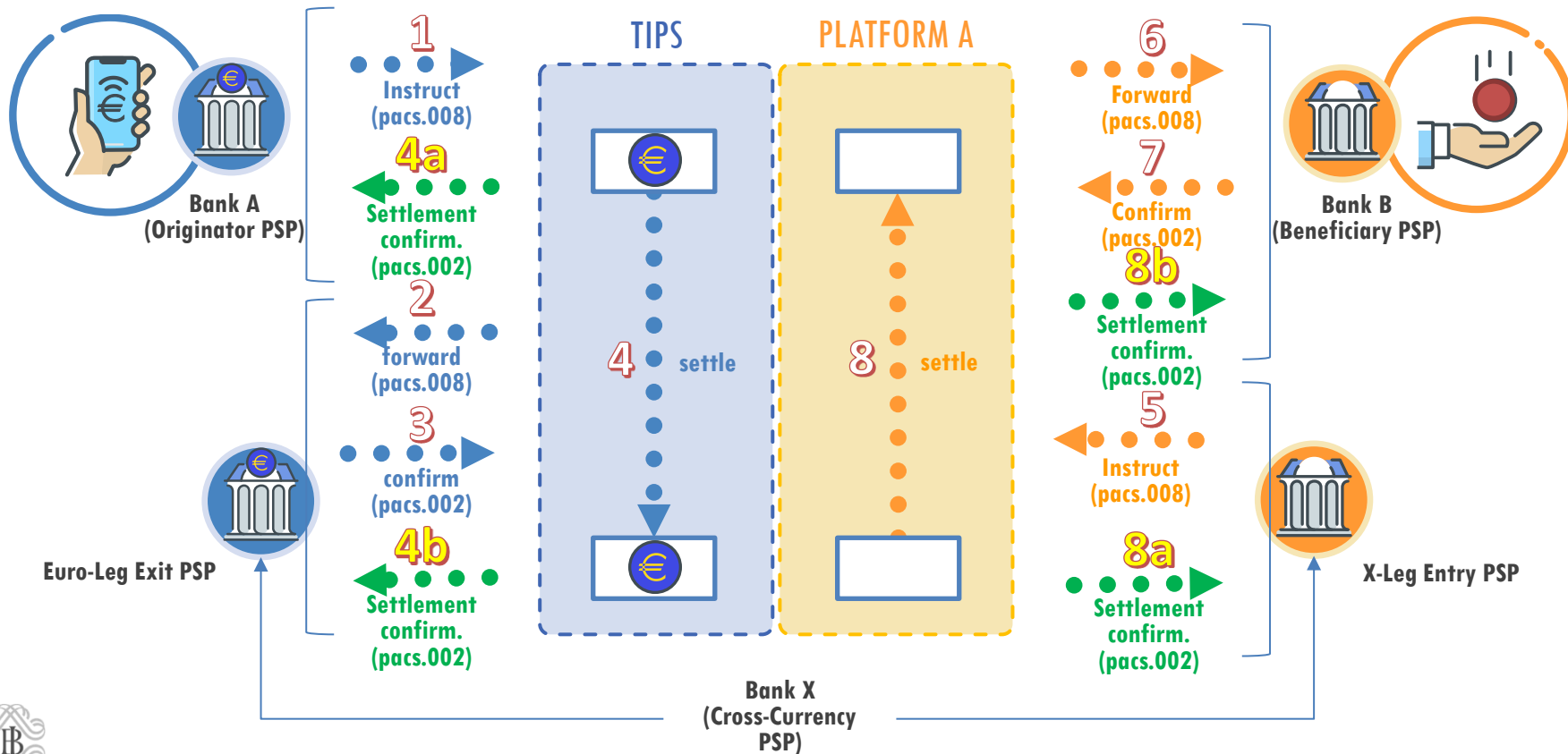
Overview - Outbound LT (2/2)



TIPS Clone – Liquidity Management



Cross-Currency features



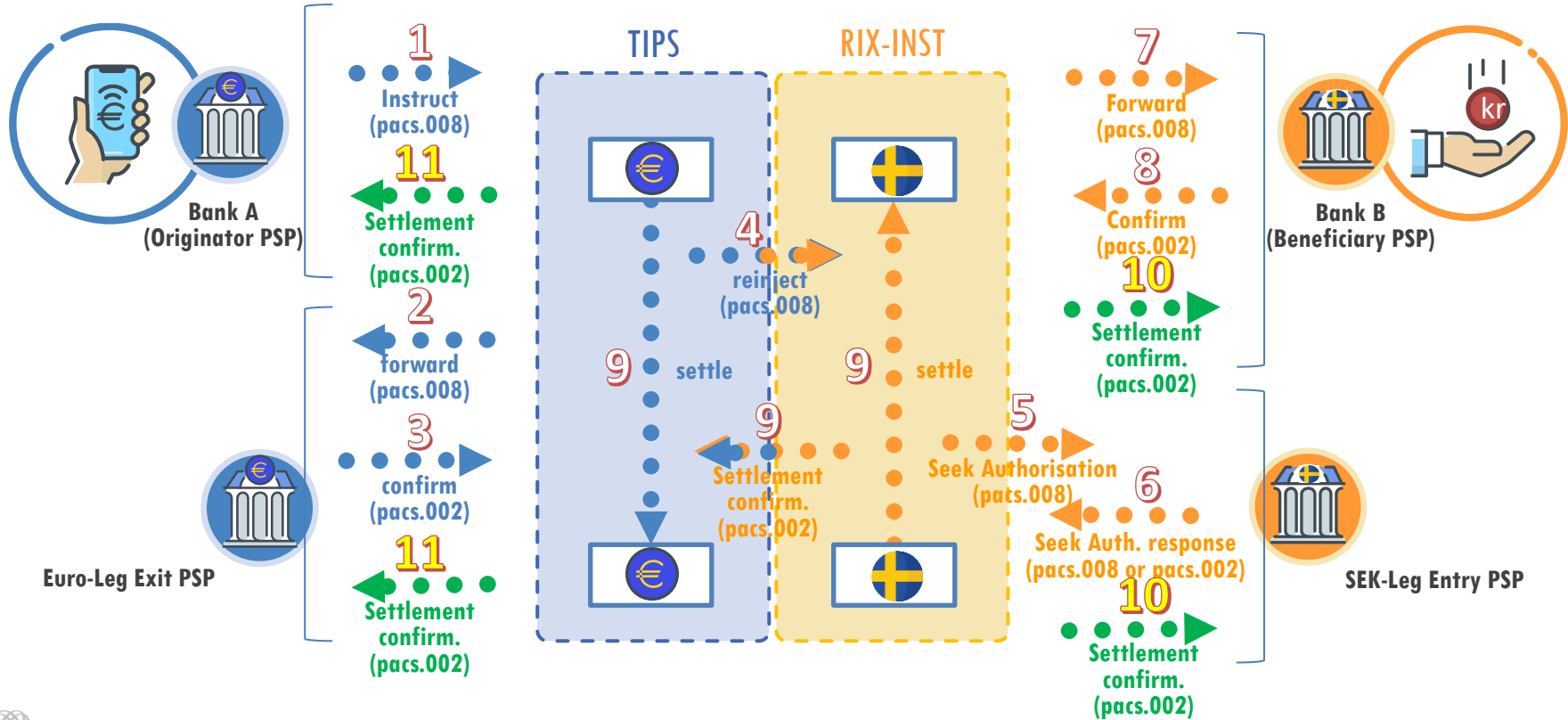


Cross-Currency features

- Since 2020, the ECB, Banca d'Italia, Sveriges Riksbank and Danmarks Nationalbank have been exploring possible ways of enabling the TIPS platform to process **cross-currency instant payments** between TIPS-hosted currencies.
- In October 2025 the **Enhanced Linked Transaction (E-LKT)** model was implemented in TIPS.
- The new settlement model enables cross-currency settlement with a TIPS-hosted currency:
 - enabling **end-to-end cross-currency instant settlement** in 20 seconds;
 - providing **certainty of funds delivery** to the ultimate payee in a matter of seconds;
 - enabling **atomic settlement** of the two legs (i.e. "all or nothing").



Cross-Currency features



TIPS Clone – Cross-border and cross-currency aspects

- **Cross-border EUR payments** between WB countries represent a new scenario for the TIPS Clone compared to TIPS (due to the absence of a central entity such as the ECB)
- Cross-border EUR payments will be offered through an **adapted One-Leg Out scheme (OLO)**, implemented in TIPS in June 2025⁽¹⁾
- The **Enhanced Linked Transaction (ELKT)** model (implemented in TIPS in October 2025) enables potential solutions removing the requirement of a central orchestrator or of a bilateral agreement between two parties⁽²⁾. Both OLO and ELKT will be available by the go-live of the TIPS Clone
- In a following step, TIPS (and therefore the TIPS Clone) will **fully align** to the OLO scheme, including use cases not expected to be supported in the first step, e.g. recall functionality
- The OLO protocol will also allow to explore **cross-currency**, between different currencies in the TIPS Clone, **and cross-system** solutions, between TIPS and the TIPS Clone; as other OLO-based use cases, a central orchestrator party (or a bilateral agreement between two parties) is required, while ELKT will automate cross-currency payments end-to-end for both scenarios

(1) The EPC OLO scheme is based on a central party (or a bilateral agreement between two parties) present in both countries and acting as orchestrator of the two payment legs

(2) Enabling synchronized cross-currency payments providing atomic settlement (i.e. on an all-or-nothing basis).



THANK YOU FOR YOUR ATTENTION!

Q&A