


# Focus Session

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# **TARGET2 and T2S consolidation - securities (T2S) perspective**

**Mehdi Manna**  
European Central Bank

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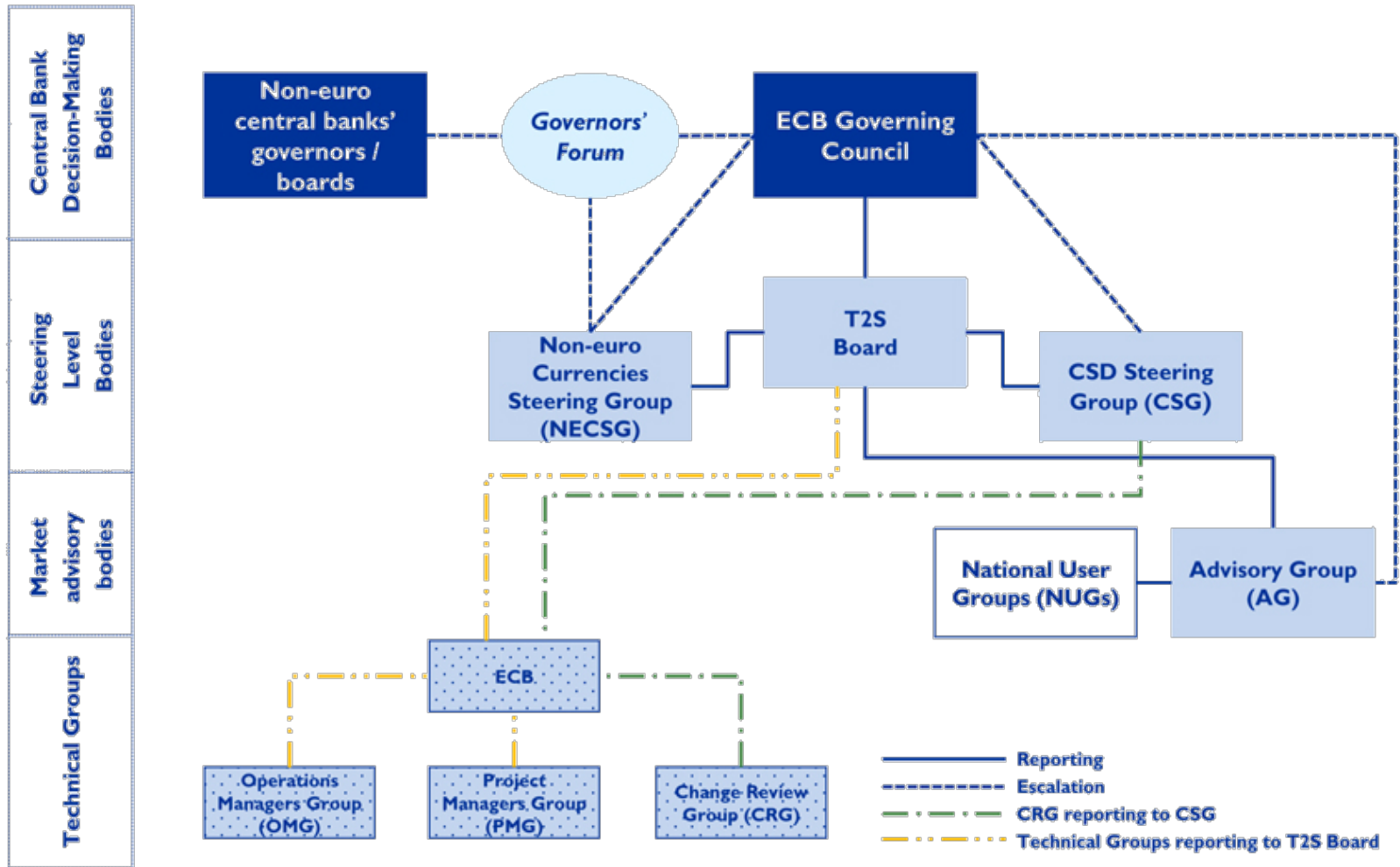
## Will the T2S governance structure change?

**No**

- T2S Framework Agreement will stay as it is.
- CSD roles and rights in T2S will remain unchanged.
- All changes proposed by the consolidation will undergo the regular T2S Change and Release Management process.



# T2S governance structure



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## Will the T2S functionalities be affected significantly?

**No**, functionality of the core T2S modules is not affected.

- There will be no change in settlement, information management and reporting.
- The functional consolidation consists to a large extent in enlarging some T2S concepts to the other services.
- Possible changes can be categorised as:
  - **mandatory** whenever the consolidation cannot be realised otherwise  
e.g. T2S DCAs linked to Main Cash Accounts instead of T2 PM accounts
  - **optional** for value-added services which could be beneficial for users  
e.g. possibility to keep cash on a T2S DCA overnight

## Will operation of the services become more complex?

**No**, on the contrary.

The consolidation will enhance operational monitoring and increase the level of automation of operational activities in the area of RTGS and T2S services.



## Will the T2S business day and T2S calendar change?

**No**

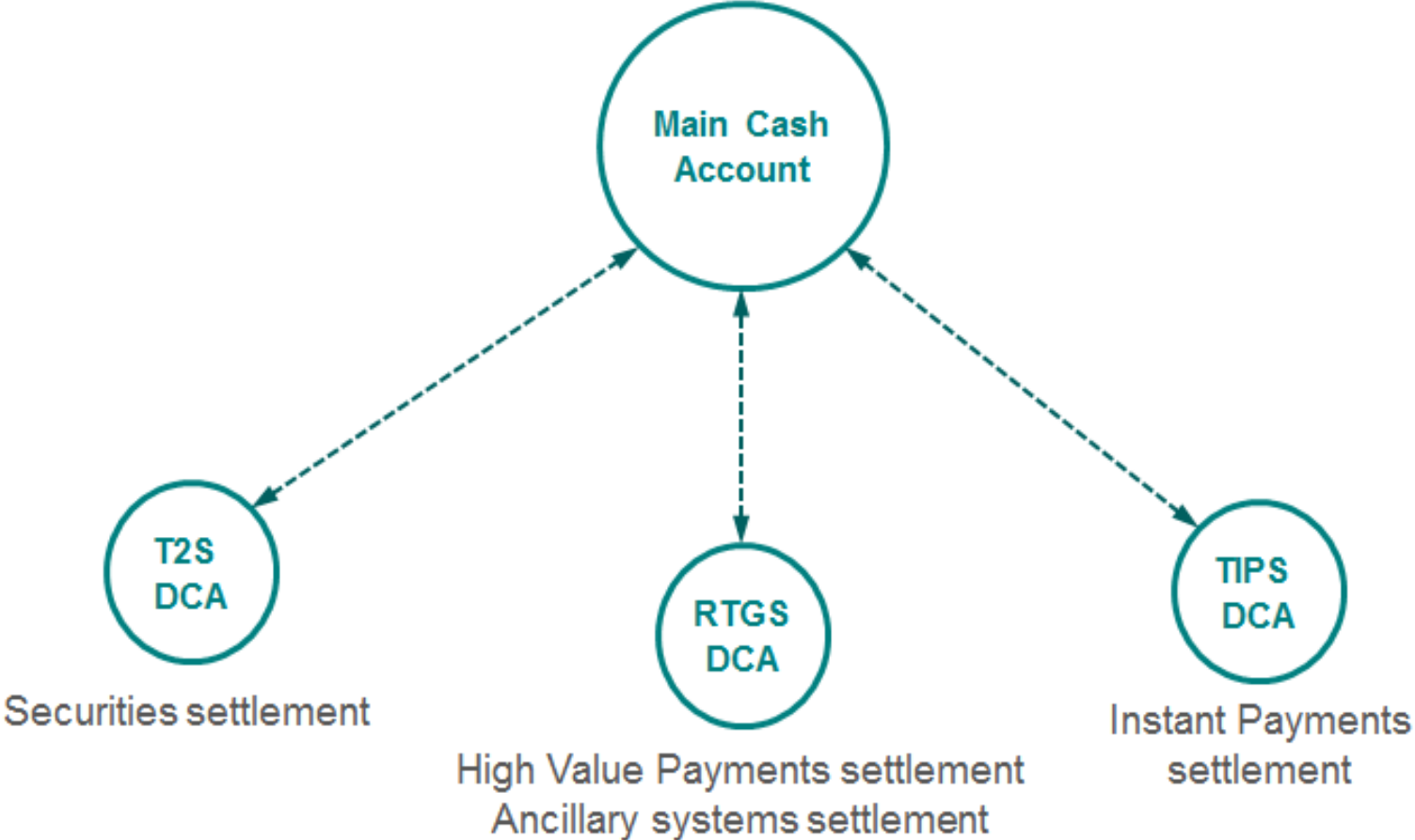
- Regarding **business day**,  
a maintenance window alignment is planned between TARGET2 and T2S to facilitate coordinated maintenance of services and to increase liquidity transfer availability.  
T2S stakeholders will be involved in the decision on whether the timing of the maintenance window will be aligned with the current T2S timing or moved forward.
- Regarding **calendars**,  
the consolidation project does not propose any changes.

## Will the T2S cash accounts (DCAs) disappear?

**No**

- T2S DCAs will remain as they are today.
- Static data management of DCAs will stay the same.  
Delivery-vs-Payment settlement will not be affected.  
Credit Memorandum Balances will remain the same to handle liquidity management in T2S.
- The consolidation will offer advanced liquidity management features, also covering T2S DCAs.
- T2S will not settle the cash leg directly in an RTGS account.

# Account structure



## Will communication channels change?

**No**

- Current T2S connectivity channels will be extended to the future RTGS services. The common connectivity module will be called **Eurosystem Single Market Infrastructure Gateway (ESMIG)**.
- There will be new service agreements with Network Service Providers (NSPs) that will be valid for the whole ESMIG. The new contracts will be reconciled with the expiration of the current T2S license agreement.

## Will T2S static data management undergo a drastic transformation?

**No**

- The consolidated platform will use a **Common Reference Data Management (CRDM)** that will be shared across all services (T2S, RTGS services and TIPS).
- The future CRDM will be based on the existing T2S static data concept.
- Each service will maintain its own specific static data.
- Some enhancements in the area of T2S static data are possible, such as party attributes (commonly used in the future) and DCA attributes (e.g. associate a DCA with one monetary financial institution for reserve requirements).



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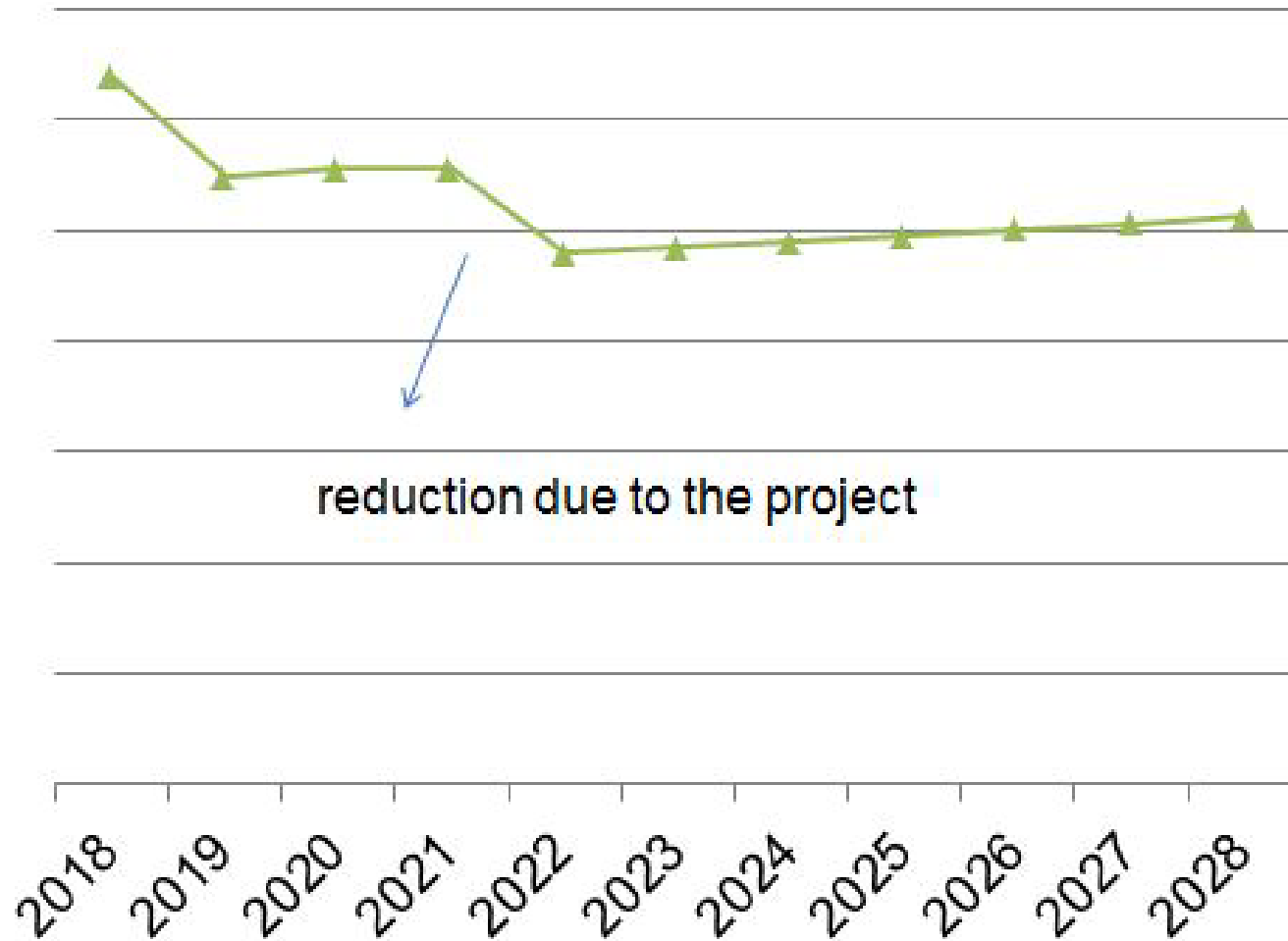
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## Will the T2S instruction price increase?

**No**

- The implementation costs of the consolidation will not be recovered via an increase in T2S prices.
- Consolidation aims at creating synergies and a **long-run positive impact** on operational costs, which should eventually outweigh the implementation costs.
- However, prior to the consolidation, T2S prices can be modified to reflect the changing **cost-recovery** prospects by balancing the costs and the revenues from the service.

## Combined T2S and new RTGS operational costs



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## What to take away?

- T2S **governance remains** in place.
- T2S **operations** would be **improved**.
- T2S **functional scope** remains **unaffected**.
- Synergies to have **positive long-run effects on costs**.





# Thank you!

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