7 November 2019

# OUTCOME OF THE 12$^{TH}$ MEETING OF
# TARGET CONSOLIDATION CONTACT GROUP (TCCG)

**16 October 2019 - 09:30 to 17:00**

*held at the premises of the Deutsche Bundesbank, Hauptverwaltung München,*
*Leopoldstraße 234, 80807 Munich,*
*meeting room Leo R1 1003*

## 1. Introductory Remarks

*The Chairperson of the Contact Group will welcome the participants and open the meeting introducing the Agenda.*

Outcome:

The Chairperson, Holger Thiemann, welcomed the participants and introduced the agenda which was approved by the participants.

## 2. Status Update on Project Deliverables

*The Contact Group members will be provided with a status update on the project deliverables as well as on the status of change requests on T2-T2S Consolidation URDs.*

*Document:*

- *Status Update on T2-T2S Consolidation project (Presentation ECB)*

Outcome:

The Chairperson presented the status update on the T2-T2S Consolidation project covering the Specifications (UDFS, UHB, BDD, GUI), Testing and Migration as well as Operational and Legal Readiness.

The pricing will be decided as part of the financial envelope. The ECB agreed to provide some schedule on the dates by the next TCCG meeting in December.

### 3. User Detailed Functional Specifications (UDFS)

*The Contact Group members will be provided with a status update on the UDFS and the next steps towards the delivery of v2.1.*

*Document:*

- *T2-T2S Consolidation UDFS - Status update (Presentation 4CB)*

Outcome:

The 4CB project team presented the status update on the UDFS way forward towards v2.1 and explained that there will be separate UDFS for each common component. A market consultation is not foreseen on this version. The following were discussed and agreed:

- The 4CB will provide together with the UDFS delivery a mapping table to facilitate the comparison with the previous version as well as a table where all changes will be tracked.
- Revision marks will be used only to track the content-related changes but not the structural ones.
- The specifications in MyStandards will be delivered together with the UDFS on 20 December.

### 4. Change requests on T2-T2S Consolidation URDs and UDFS

*The participants will receive an update on the status of the change requests on T2-T2S Consolidation URDs and UDFS.*

*Document:*

- *Status update on URD and UDFS change requests (Presentation ECB)*
- *URD-UDFS Compliance review (Presentation ECB)*

Outcome:

The ECB project team presented the status update on the Change Requests (CRs) on the T2-T2S Consolidation URDs, covering the ongoing and upcoming CRs.

Additionally, the ECB project team presented a compliance review of the UDFS versus the URD during which some discrepancies were identified. It was proposed:

- To limit some interactions to U2A only
- To remove some query criteria
- To remove some query outputs
- Not to generate a payment for zero interest on marginal lending

The participants were invited to review and provide feedback on the cases where functionality is proposed to be de-scoped from the URD, by Wednesday 23 October cob.

## 5. Functional topics

### 5.1. Direct debit initiation via U2A in RTGS

*The Contact Group members will be invited to provide guidance on the way forward on the use of pacs.010 DirectDebit via U2A in RTGS.*

*Document:*

- Pacs.010 direct debit initiation via U2A in RTGS *(Presentation ECB)*

Outcome:

The ECB project team presented a proposal on the way forward on the use of pacs.010 in U2A mode. The recommendation was made by the CB participants during the CLM and RTGS GUI workshop on 3 September and it was then presented to the TSWG on 4-5 September. The TSWG agreed that the direct debit via U2A is not needed. The TCCG members agreed also on the proposed way forward.

### 5.2. Messaging related aspects

*Documents:*

- *Main reasons for updates to messages in UDFS V2.0 (Presentation 4CB)*
- *Potential sources for further message updates (Presentation ECB)*
- *Common Components Messages Activities (Presentation 4CB)*
- *Timestamps in TARGET messages (Presentation ECB)*

Outcome:

The 4CB presented the main reasons for updates to messages in the UDFS v2.0 as well as an overview of the future updates in the next UDFS version.

Among them, the 4CB confirmed that UDFS v2.1 message usage guidelines will be aligned to HVPS+ to the extent possible/feasible based on the current discussion status, e.g. unstructured postal address information will be allowed temporarily in pacs messages.

The following clarification was provided:

Owing to the EEA Jurisdiction rule (EU 2015/847), it is sufficient to identify Creditor, Debtor, Ultimate Debtor and Ultimate Creditor by Name and IBAN only. Therefore, T2 has to make sure to enable EEA jurisdiction payments. For this reason T2 will not apply the HVPS+ rule as a business validation "Either AnyBIC or Name and Address must be present and both can be present. Other elements remain optional." in order to avoid the necessary provision of the address for Creditor, Debtor, Ultimate Debtor and Ultimate Creditor elements. Instead T2 will provide following annotations for these four elements:

For EEA: For Jurisdictional transactions, (element place holder)/Name is mandatory with either (element place holder) Account or (element place holder) Identification (that is within a country or for regions under same legislations – e.g. EAA).

Note: The jurisdictional rules apply only when all agents in the payment chain underlie the same jurisdiction. For all other payments: Either AnyBIC or Name and Address must be present and both can be present. Other elements remain optional.

In parallel, the ECB presented the potential sources for further message updates covering the strict alignment to HVPS+, the alignment between CBPR+ and HVPS+ as well as correction of errors and inconsistencies identified so far. The message usage guidelines will be frozen with UDFS v2.1 for external requests for changes. Any further updates to the messages (excluding corrections and inconsistencies which are to be applied continuously until implementation of CLM and RTGS in November 2021) will need to be reflected in November 2023 following two years of stabilisation.

The 4CB presented also Common Components messages activities with the objective to describe all changes performed in the MyStandards Usage Guidelines from version v1.1.1 to v2.0 as well as some improvements to be delivered with v2.0.1.

Timestamps in TARGET messages: The ECB project team presented the Guiding principles and the proposal on making the time offset mandatory.

### 5.3. A2A monitoring of TIPS/T2S DCA and "pull" Liquidity Transfers

*The Contact Group members will discuss the A2A monitoring of TIPS / T2S DCA and "pull" Liquidity Transfers for TARGET participants who are not directly connected to TIPS and T2S.*

*Document:*

- *Liquidity Transfers for TARGET participants not directly connected to TIPS or T2S (Presentation ECB)*

Outcome:

The ECB presented the current and future state for the T2S A2A connection for T2S indirect participants.

As of the Consolidation go-live in November 2021 the indirect connectivity to T2S through TARGET2 will no longer be available. Pushing/pulling liquidity between T2S and CLM will be possible in U2A through the CLM GUI via ESMIG. In addition, pushing liquidity from CLM to T2S will be available in A2A through ESMIG. However, immediately after the go-live, it will not be possible to move liquidity from T2S to CLM through an A2A instruction via ESMIG. It was explained that the issue is relevant to the participants who do not have a direct T2S connectivity today. With the T2S migration to ESMIG in June 2022, participants can leverage their ESMIG connectivity already in place for CLM/RTGS to interact with T2S both U2A and A2A, including

pushing liquidity from T2S to CLM. Thus, the period between November 2021 and June 2022 is of special interest here.

The aim of the presentation was to address this temporary issue and evaluate possible solutions, if needed. The participants were invited to discuss and analyse with their communities. There will be a follow up at the next meeting in December.

## 6. GUI Workshops

*The Contact Group members will be de-briefed on the fourth, fifth and sixth and seventh GUI workshops.*

*Documents:*

- *GUI Workshops debrief (Presentation ECB)*
- *Payments and Backup Payments functionality in U2A (Presentation 4CB)*

Outcome:

The participants received an update on the four GUI workshops as well as on the upcoming Common Components (CoCo) Workshops which are a continuation of the CLM and RTGS workshops. A follow-up GUI workshop - Webex session - covering also the outstanding feedback from WPs, will take place on Monday 21 October from 10:00 to 11:30. Regarding the GUI specifications, the first part will be shared in the fourth week of October and the second one in the middle of November.

Additionally, the 4CB project team presented the payments and back-up payments functionality in U2A and explained that once there is access to the "bookmarks" screen (to be activated by the CB, also intraday), any payment can be done. The templates (bookmarks) for the screens in the GUI can be created without activation of the back-up functionality.

## 7. Any Other Business

*The next Contact Group meeting will be held at the ECB premises in Frankfurt am Main, on 5 December 2019.*

*Document:*

- *TCCG Meeting dates for 2020 (Presentation ECB)*

Outcome:

The next Working Group meeting will be held at the ECB premises in Frankfurt am Main, on 5 December 2019. A Christmas dinner will take place on Wednesday 4 December at 19:00.

TCCG Meeting dates for 2020: It will be considered whether the meeting on 8 December 2020 can be moved due to the public holiday in Italy.

Business Day Schedule (AS aspects): The Change Request CSLD-0012-URD on Maintenance window (MW) states that the MW will be moved (to align with the T2S timing) and become optional. If there is a need from the operator to use the MW, it will be across all services. The Ancillary System (AS) Settlement will be extended to the whole day except for the maintenance window. All AS Settlements are based on a contractual relationship between an AS and the bank and are only allowed to act according to their contract. There will not be any technical restrictions. The above will be clearly stated in the T2 Guideline.

Milestone reporting: Following the discussion on the standardisation of the milestone reporting, some market participants stated that it is important that the banks with international presence need to report only to one CB. It was agreed that there will be a follow-up for this item at the MTRSG level first.

After the Contact Group meetings, all meeting documents will be published on the ECB homepage (link: https://www.ecb.europa.eu/paym/initiatives/html/documents.en.html?skey=T2/T2S).