

ECB
DG-MIP
T2-T2S Consolidation

Whitelist concept and Grouping of accounts

TARGET Consolidation Contact Group

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Overview



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Introduction



- In the 2nd TCCG meeting on 14 March 2018, some participants wondered whether there is a business case for the Whitelist concept in combination with the Liquidity Transfer Group
- With this presentation, the ECB project team
 - Invites the TCCG to confirm the status of the Whitelist concept
 - Provides the overview of the purpose and conditions for different ways of grouping accounts in the future

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Whitelist



- With the optional Whitelist concept, a Party will restrict the accounts from which liquidity transfers are allowed to its account and to which liquidity transfers are allowed from its account. This concept applies to both intra-service and inter-service liquidity transfers
- Some participants have wondered whether there is a business case for the Whitelist concept in combination with the Liquidity Transfer Group on intra-service liquidity transfers
- In response to the question on whitelist related A2A messages, the majority of the TCCG members saw limited or no business case for the Whitelist concept at all

Question to the TCCG:

- **Does the TCCG agree that**
 - **There is no business case to keep the Whitelist concept in the future TARGET services and, thus,**
 - **The Whitelist concept shall be removed from the URDs?**

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Banking Group



Banking Group (BG)

Definition	An entity allowing a number of Parties acting as TARGET Services participants to be viewed collectively for certain business purposes, such as oversight and regulation <i>PS: Proposal to amend the glossary definition as follows: “..such as oversight and regulation <u>banking supervision</u>”</i>
Setup	A CB links his Payment Banks to a BG (optional linking; based on a policy)
Specificities	A BG can include different Payment Banks associated with more than one CB (cross-border BG)
Usage	<ul style="list-style-type: none"> • For CB monitoring purposes • No usage in terms of processing of payments, liquidity transfers and operations in CLM, RTGS, TIPS or T2S

In terms of scope and coverage, the BG is comparable to Banking Group Monitoring in TARGET2

Legal definition: ‘banking group’ means (a) a parent credit institution and all its financial subsidiaries and branches, other than insurance undertakings which have received official authorisation in accordance with Article 6 of Directive 73/239/EEC (2) or Article 4 of Directive 2002/83/EC (3); or (b) a parent financial holding company and all its financial subsidiaries and branches, other than insurance undertakings which have received official authorisation in accordance with Article 6 of Directive 73/239/EEC or Article 4 of Directive 2002/83/EC, provided that in both cases the parent is head of the banking group. An entity without any subsidiary constitutes a group on its own, provided that the entity is not a subsidiary itself

Account Monitoring Group



Account Monitoring Group (AMG)

Definition	An optional clustering of accounts allowing a number of cash accounts of Parties in RTGS, CLM, TIPS and T2S to be viewed collectively for liquidity monitoring purposes
Setup	A Party associates its accounts as well as accounts of other Parties to the AMG for which it has been granted the required access rights (extended data scope)
Specificities	An AMG can include cash accounts owned by different Parties associated with more than one CB (cross-border AMG)
Usage	<ul style="list-style-type: none"> • For Party's liquidity monitoring purposes • No usage in conjunction with processing of payments, liquidity transfers and operations neither in CLM, RTGS, T2S nor in TIPS

In terms of scope and coverage, the AMG is partially comparable to TARGET2 Consolidated Information Group of Accounts (CI GoA) with following exceptions:

- Instead of a CB and its policy, a Party associates accounts to the AMG based on acquired access rights
- Contrary to CI GoA, belonging to an AMG does not allow LTOs between accounts in the same group

Liquidity Transfer Group



Liquidity Transfer Group (LTG)

Definition	An optional grouping of cash accounts within a service for the purpose of arranging Liquidity Transfers between them
Setup	A CB links accounts of its Parties to the LTG (based on a policy)
Specificities	<ul style="list-style-type: none"> • An LTG can include cash accounts owned by different Parties, which may be associated with more than one CB (cross-border LTG) • LTG does not impact liquidity transfers in which a CB Account is involved
Usage	<ul style="list-style-type: none"> • Intra-service liquidity transfers (i.e. between two RTGS DCAs or between two CLM MCAs) can only take place between accounts belonging to the same LTG • No usage for Party's liquidity monitoring purposes

In terms of scope and coverage, the LTG is partially comparable to TARGET2 Consolidated Information Group of Accounts with the exceptions that being part of an LTG does not give rights to view and monitor the liquidity on associated accounts

Overview



	Banking Group	Account Monitoring Group	Liquidity Transfer Group
Setup	CB links PBs (optional linking, based on a policy)	PB links MCAs and DCAs (based on granted access rights)	CB links PBs (based on a policy)
Coverage	Cross CB-border	Cross CB-border	Cross CB-border
Usage	For monitoring by CBs only	For monitoring by PBs only	For intra-service LTOs only

Provided that the TCCG agrees to drop the Whitelist concept,

- Controls are in place only for liquidity transfers within RTGS and CLM (intra-service LTOs)
- No controls for liquidity transfers between services (e.g. between RTGS DCA and CLM MCA)



Thank you for the attention!

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