

OUTCOME OF THE 20TH MEETING OF TARGET CONSOLIDATION CONTACT GROUP (TCCG)

25 February 2020 - 10:00 to 13:00

01. Introduction

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

Outcome:

As the newly appointed Chairperson of the TARGET Consolidation Contact Group, Jean Clement, welcomed the participants. Afterwards, he introduced the agenda highlighting its amended structure. The agenda was then approved by the participants without changes.

02. Status Update on Project Deliverables

The Contact Group members will be provided with a status update on the project deliverables.

Document:

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

Outcome:

The ECB project team provided a status update of the T2-T2S Consolidation project and presented key highlights of the project's activities and deliverables.

Regarding the specifications, it was highlighted that the UDFS v2.2 was under finalisation and expected to be published on the ECB website by end March 2021 together with the updated T2 glossary. In terms of content, it was explained that this UDFS version would include only approved change requests. In that respect, participants were invited to have a careful look at

02. Status Update on Project Deliverables

the release note that will accompany the UDFS as it will include clear description of the changes made.

Concerning the testing and migration, the project team reported that the EAT execution activities were on-going and that the drafting of the relevant testing and migration deliverables were progressing. It was also mentioned that an updated list of migration and testing deliverables delivery dates was under preparation as some deadlines have shifted due to new elements e.g. internal discussions on the need for a common connectivity guide, etc. In addition, this updated list should also include 1) a description of deliverables as a preview of the expected content and 2) the meaning of each delivery date as this does not necessarily mean that the deliverable would be published on the ECB website. Some deliverables will be delivered to the CBs that, in turn will make them available to their respective communities.

Finally, the project team reassured participants that in any case, any deliverable intended for their testing and migration preparation and execution would be made available to them, in due time. Regarding the deliverables that were initially scheduled to be delivered on 01 Feb 2021 i.e. the testing calendar and the connectivity guide, the project team confirmed that the Testing Calendar framework foreseen in the list of deliverables includes a preview of the actual testing calendar. The final version of the Testing Calendar will be delivered to CBs that will make it available to their respective communities in Q3 2021. The T2 connectivity guide is now expected to be delivered by mid-April 2021.

In terms of Legal Readiness it was reported that the Guideline v1.0 is on track to be published by end of February 2022, and that transitional clauses will be added to the Guideline to inform about the legal implications if the migration is delayed.

03. Specifications (UDFS, UHB)

The Contact Group members will be provided with a status update on the UDFS and UHB.

Document:

- *T2-T2S Consolidation Specifications - Status update (ECB oral debrief)*

Outcome:

This agenda point was presented together with the previous agenda point: 2. Status Update on Project Deliverables.

04. 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)*

Outcome:

The ECB project team provided a status update of the T2-T2S Consolidation project. In this regard, participants were provided with an overview of all CRs per categories 1) all CRs that will be included in UDFS v2.2, 2) all MIB-Approved Change Requests impacting future UHB or UDFS versions i.e. UDFS v3.0 and UHB v2.0 and 3) ongoing CRs.

Following a question from a participant, the project team also clarified that the change request 44 will be implemented before the go-live and ready for use at the start of the T2-T2S Consolidation project.

In addition, the project team provided participants with the background of the MIB decision to park the CR51-Multi-addressee in Payload for possible considerations after the go-live. It was explained that the MIB mainly considered the lack of consensus among the different communities represented in the TSWG and the risk associated to this change request. Consequently, the current RTGS UDFS implementation of the multi-addressee functionality remains valid i.e. the usage of the multi-addressee BIC in the BAH and Account BIC in the payload.

The TCCG participants welcomed these additional details on the topic and requested to have some concrete examples of the most used market use cases. As a result, the project team will work with some identified contacts in the banking community to prepare those examples.

The ECB project also reported that it is currently reorganising the CR section of ECB website in order to clarify the UDFS/UHB version in which each CR is expected to be included. This change is expected to be effective as of mid-April 2021.

05. T2S Change Requests – Consolidation Project Triggered

The participants will be provided with a status update on the T2S change requests stemming from the Consolidation project following the discussion of these CRs in the T2S Governance.

05. T2S Change Requests – Consolidation Project TriggeredDocument:

- *Status update on Change Requests on T2S due to T2-T2S Consolidation (Presentation ECB)*

Outcome:

The ECB team presented a status of T2S Change Requests stemming from the T2-T2S Consolidation project and provided an overview of the release allocation of those CRs as of 27 January 2021 covering the following categories 1) CRs implemented, 2) CRs under implementation for a T2S release and 3) CRs authorised at T2S Steering Level. In this respect, the ECB team highlighted the change of the release allocation of CR734 – EUR cash sweep decommissioned, which will now be implemented with the go-live of the T2-T2S Consolidation to avoid any change in TARGET2.

In relation to the T2S CRs not raised with the Consolidation project, but which still deserves attention of the Payment community, the ECB team mentioned CR720 - Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off, CR733 - Definition of a classification of transactions for CB T2S data, and CR753 - Export of T2S cash transactional data from the Data Warehouse to a Eurosystem's analytical platform, that are expected to be implemented in June 2022.

Regarding the preparation of the migration of T2S to ESMIG, the ECB team explained that the readiness activities are currently ongoing and related questions should be addressed through the relevant T2S governance bodies. Nevertheless, for a T2S direct participant, the migration to ESMIG should not significantly change compared to today as the T2S connectivity is already network agnostic.

Addressing T2S functional questions raised by the participants, the ECB team clarified that, when configuring an optional cash sweep after the go-live of CLM, the participant can choose to sweep liquidity into any T2 account that is available for other liquidity transfers from T2S (RTGS DCA, RTGS Central Bank Account, TIPS Account, MCA or CLM Central Bank Account). The ECB also clarified that to be an active participant in T2S, only holding a MCA is not sufficient, the participant needs to hold a T2S DCA as well.

06. Functional Topics

The participants will be presented with various functional topics.

Documents:

- *Propagation of Liquidity Transfers references (ECB Word document)*
- *Delta set retrieval (4CB presentation)*

Outcome:

RTGS Directory examples

The ECB project team introduced the RTGS directory examples composed of an excel file containing an explanation of different fields of the RTGS directory and a file readable machine.

The ECB project team took the opportunity to mention that it is currently working on a request from a participant to share with the participants an extract of a T2 testing RTGS directory file to be used in their internal testing.

Status update on Structured Address written procedure

The ECB project team provided a status update on the TSWG written procedure on structured postal address. In this respect, the ECB project team expressed its satisfaction on the response rate and informed that it is currently conducting an in-depth analysis of the data collected covering three dimensions: Clarification, Correctness and Completeness of the data. In that context, it was explained that answers received revealed some issues related to the understanding of ISO20022 schemas and to the accuracy of data.

Regarding the way forward, the ECB project team informed that it is planning to finalise the analysis by the end Q1 2021.

The ECB project team took the opportunity to recap the Eurosystem expectation in terms of timeline associated to the usage of structured address information. That timeline includes the following key dates, if address information must be submitted in payment messages:

- As of Nov 2022: Effective with the start of the co-existence phase it is expected to use a structured address of the Debtor and Creditor, if a payment is initiated by the Debtor's Agent in ISO 20022 which will be the case for T2 participants

- As of Nov 2023: also for payments initiated on FIN or by an MI not on ISO 20022 yet, the

06. Functional Topics

same strong recommendation to use a structured address of the Debtor and Creditor applies

- As of Nov 2025: The unstructured “address line” element will be removed in payment messages

This timeline will be presented as question of the month in the upcoming TCCG meeting.

07. Market Enquiries

The participants will be presented with a selection of market enquiries received during the month of January.

Document:

- *Questions of the month (Presentation ECB)*

Outcome:

The ECB project team presented a selection of three market enquiries and answers related to the following topics:

Message routing configuration in CRDM: case of camt.004

The first question referred to the routing configuration of camt.004 in CRDM. In particular, the question was raised whether it would be possible for RTGS/CLM to route various camt.004 messages internally to different applications. For example, the camt.004 sent due to a floor/ceiling breach would have to be sent to a different DN than the camt.004 sent as a response to a camt.003. In this respect, the ECB team explained that a camt.004 notification of floor/ceiling breach will be sent for RTGS/CLM according to the default routing for the party (which defines a default technical address for the party) while camt.004 sent as an answer to a camt.003 will be sent to the technical address which sent the camt.003 in the first place.

Following a question from a participant on whether a camt.004 as a notification of floor/ceiling breach can be sent according to a conditional routing, different to the default routing for the party, the ECB project team informed that according to the specifications, the camt.004 is not subject to conditional routing and that a CR would be needed in order to change that functionality.

EndToEnd ID of Central Bank Operations

07. Market Enquiries

The second question was aiming to clarify whether the "EndToEndId" in camt.054 sent by CLM to the NCB after reimbursement of overnight deposits would map the EndToEnd Id of the original camt.050 sent by the participant to instruct the overnight deposit. And whether the same EndToEndId would be also contained in camt.054 sent by CLM to the NCB after settlement of interest.

The ECB response was that the set up(s), reimbursement and interest payments of Overnight Deposit will each carry different EndToEnd Ids. Each camt.054 will carry the EndToEnd Id of the underlying cash transfer, as expected. The same answer is also valid in case of set up(s) and reimbursement of Marginal Lending. The system generated EndToEnd Id will not follow any pattern which can be used

EndToEnd id of Billing Invoice

In the third question, a payment bank is requesting information on the pattern of billing invoice number that will appear in the EndtoEnd field of the camt.054 message.

The ECB informed that the pattern of the billing invoice will be the following:

- First 3 digits: ISO country code (ISO 3166-1:2020 numeric – three-digit country codes)
- Digits 4 and 5: service code : 01 TIPS, 02 T2S, 03 T2, 04 ECMS
- Remaining digits: sequential number starting from 1

In addition, the invoice number will be contained in the EndToEndID of the pacs.010 direct debit and optional camt.054. This will be described in the BILL UDFS v2.2.

XML structure of BAH+payload

The fourth question is enquiring whether there will be any XML/XSD schema that joins the head.001 + message (for example pacs.009) while mentioning that in MyStandards they only have separate XML schema.

The ECB informed that for T2 and other TARGET services making use of DEP and BAH, BAH and payload shall be included into the DEP envelope following the indications provided to their customers by each NSP.

Following a request from a participant for practical examples in MyStandards integrating the BAH and payload, like those provided by CBPR+, the ECB project team informed that it would investigate and revert to the TCCG.

08. Any Other Business

Document:

- *MyStandards switch-off SWIFTNet validation blocks (Presentation 4CB)*

Outcome:

Following the communication informing the TCCG members about the removal of SWIFTNet Validation from MyStandards Usage Guidelines, the 4CB team presented further details regarding the topic and highlighted that this decision was motivated by the need to bring more clarity as the current display of T2 related message elements in MyStandards raises multiple questions from T2 customers i.e. T2-component specific use (e.g. RTGS, CLM, CRDM, BILL...), Generic ISO 20022 scope description and SWIFTNet related information, e.g. SWIFT error etc.. Moreover, it conflicts the network vendor agnostic approach of T2-T2S consolidation project.

This decision was facilitated by the SWIFT release of November 7th, 2020 that enables to remove all references to SWIFTNet Validations. The removal will be applicable to T2 RTGS, CLM and CoCo collections as of the UDFS v2.2.

The next Contact Group meeting is planned to be held via WebEx, on 8 April 2021.

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>).