



EUROPEAN CENTRAL BANK

EUROSYSTEM

European Central Bank

DG-MIP

T2/T2S Consolidation Project Team

T2/T2S Consolidation

Overview and update on the investigation phase

1st Ad-hoc Workshop on messages for the Future
RTGS Services

14 February 2017

Eurosystem new initiatives



New initiatives

Make use of synergies between TARGET2 & T2S (T2/T2S Consolidation)

Support of a pan-European solution for real-time retail payments (TARGET Instant Payments Settlement)

Harmonisation of services for collateral management (Eurosystem Collateral Management System)

Objectives of the T2/T2S Consolidation project

The Eurosystem intends to consolidate and optimise the provision of the T2 and T2S services, with the aim to:

- provide the opportunity to consider the development of new services for market participants or to adapt the existing ones to the changing needs of the payments business
- allow the future RTGS services to benefit from state of the art approaches and technologies offered by T2S through technical consolidation
- noticeably decrease running costs for the Eurosystem through functional consolidation between TARGET2 and T2S which could also mean dropping unused or little used functionality
- improve usability

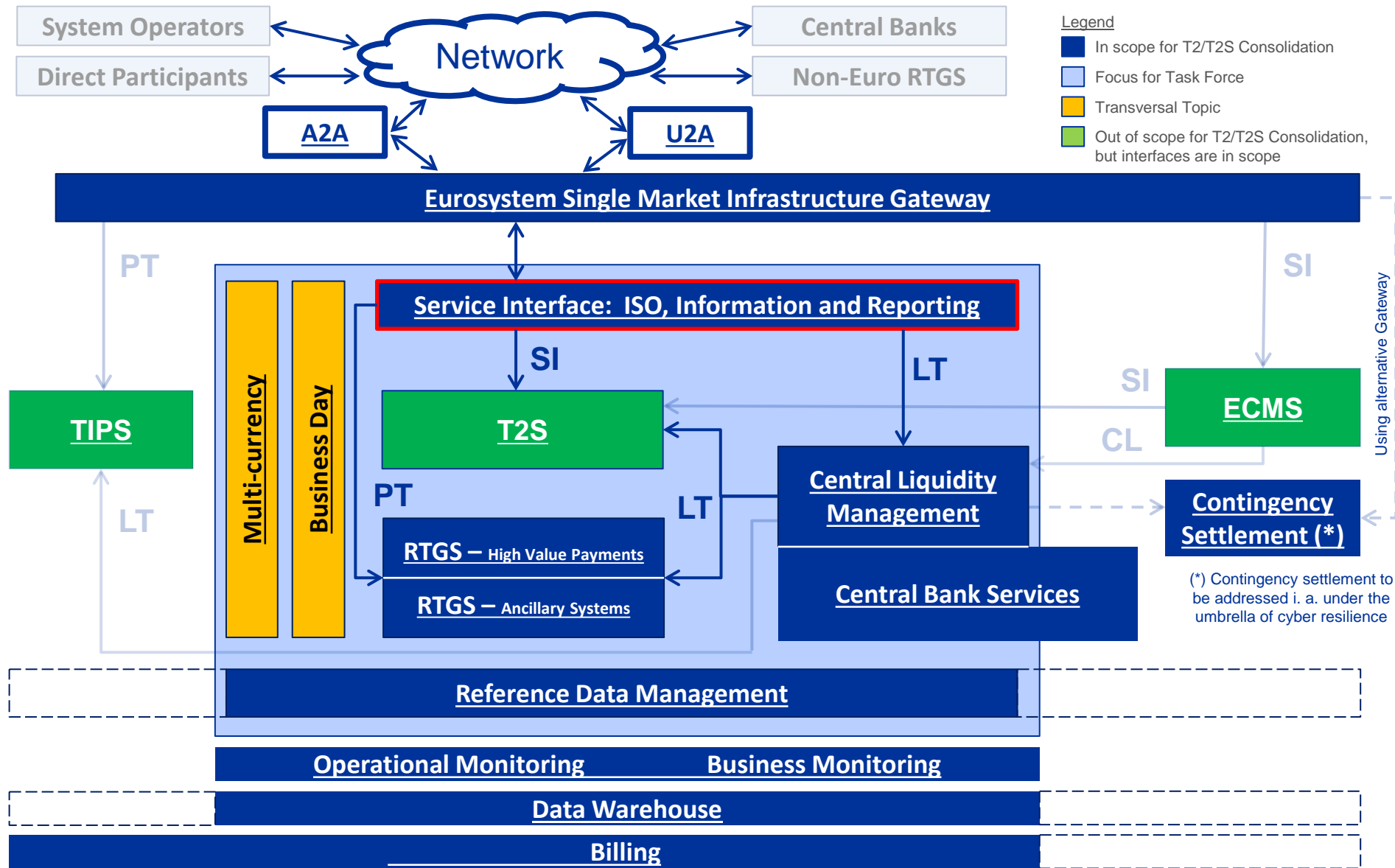
The 4 workstreams

The T2/T2S Consolidation project is split in 4 workstreams

- **Technical consolidation** of the Eurosystem market infrastructures, aiming at more cost-efficient and resilient provision of T2 and T2S services
- **Consolidated and harmonised connectivity solution**, aiming at creating a common connectivity approach for Eurosystem market infrastructure services
- **Functional convergence** between T2 and T2S, aiming at more cost-efficient and resilient provision of T2 and T2S services and sharing of common services (e.g. introducing multi-currency capability for RTGS services, introducing ISO20022 for the future RTGS services)
- **New RTGS services**, aiming at expanding the existing services or introducing new ones

Organisation of work in the TF on Future RTGS Services

- The Task Force on Future RTGS Services is contributing to the workstreams on Functional convergence and New RTGS services
- The TF follows the approach of:
 - Keeping T2S unchanged, as far as possible
 - Reviewing the RTGS services offered by T2
 - Which services will need to remain unchanged
 - Which services should be adapted and enhanced
 - Which services are no longer needed and can therefore be de-scoped
 - Which new services should be introduced
- The TF work is divided to business domains

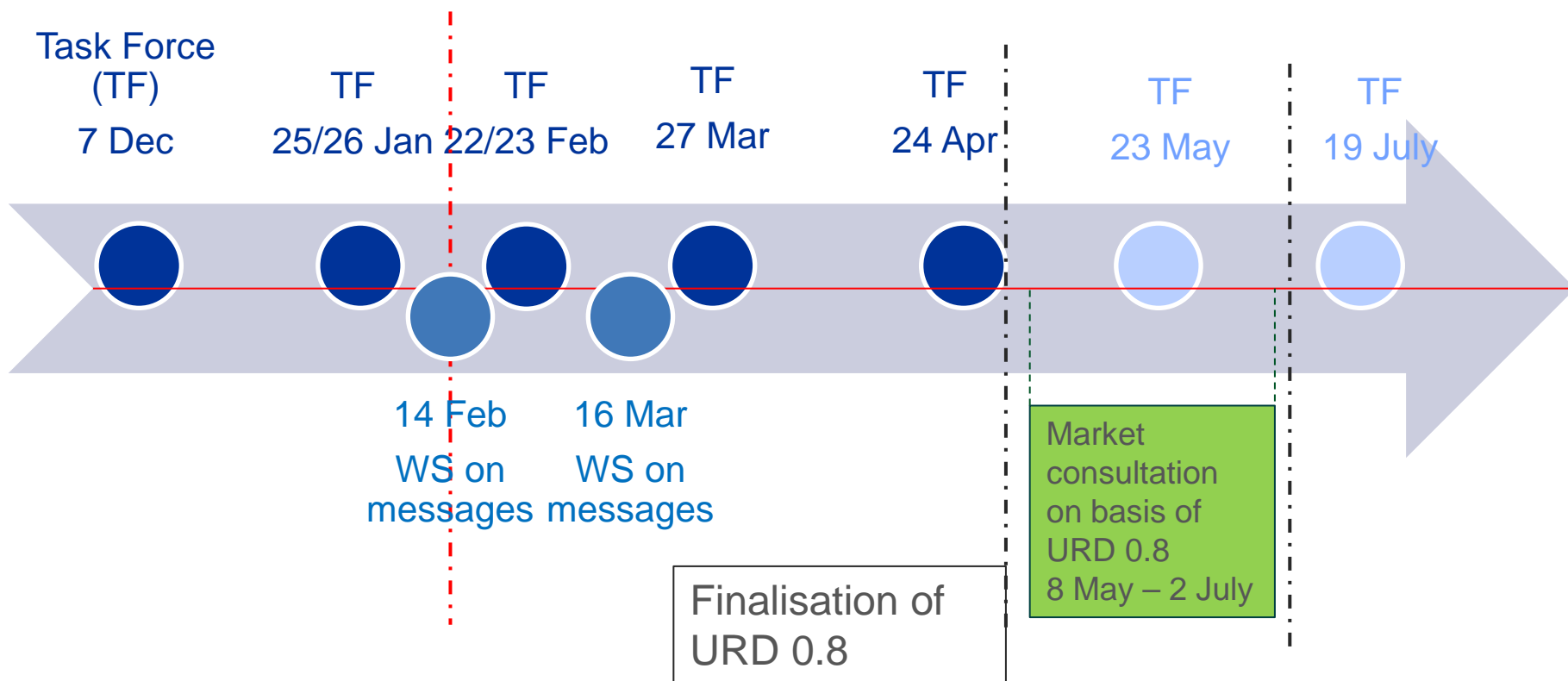


PT – Payment Transaction; LT – Liquidity Transfer; SI – Settlement Instruction; CL – Credit Lines

Organisation of work in the TF on Future RTGS Services

- The requirements for the following business domains are discussed in detail:
 - Central Liquidity Management
 - Reference data management
 - Settlement Procedures (HVP and AS)
- The work on ISO, Information and reporting and Business Day business domains is initiated
- Some central bank-specific business domains are discussed with CBs only

Meeting Schedule of the Task Force and of the ad-hoc Workshops on messages



Objective of the ad-hoc WS on messages

The objective of the ad-hoc WS on messages is to contribute to the work of the TF on Future RTGS Services and identify the user requirements for the service interface domain, especially

- on requirements for the business content embedded in the messages
- on message types and message flows (ISO20022/XML) to be supported by the RTGS service
- on approach for migration to ISO 20022 messages

Call for input on expectations and ideas concerning the service interface in terms of functional convergence

- Today's presentations and workshop will focus on the service interface with special focus on ISO20022 and XML
- Mutual task: To identify and evaluate mutual expectations and requirements



Call for creative, innovative and open-minded ideas and approaches

Your help and support are needed