



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB
DG-MIP
T2/T2S Consolidation Project Team

T2/T2S Consolidation

Ancillary Systems Settlement Services

Task Force on Future RTGS Services

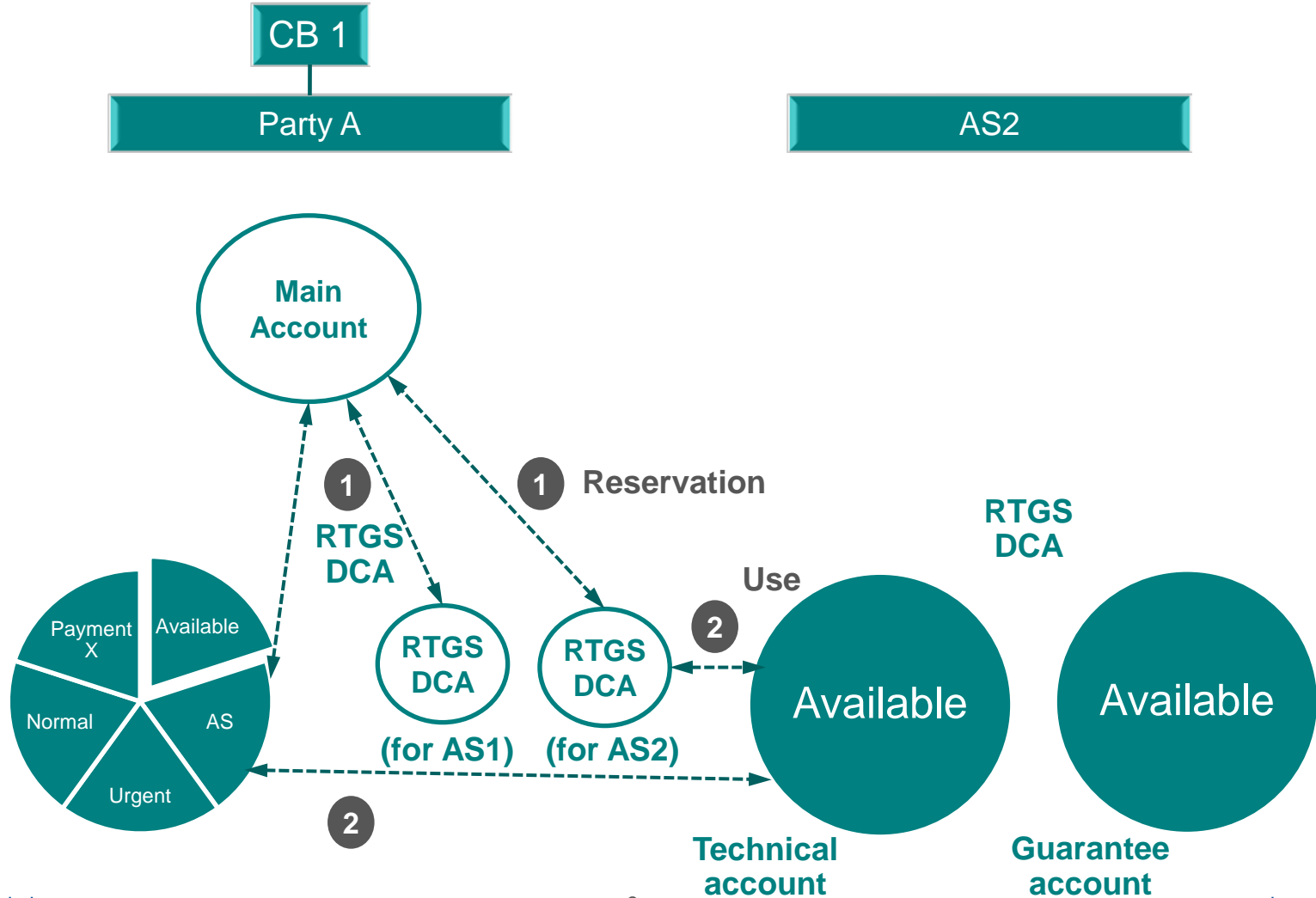
3rd TF meeting, 22-23 February 2017

Objectives of the presentation

- During the previous TF meeting, the main business needs behind the ASI procedures were reviewed
- Considering the direction taken for the T2-T2S consolidation, this presentation proposes a way forward in order to streamline the processes

Liquidity management

Segregation of liquidity following the introduction of CLM



Reservations for AS

STEP 1: reservation of liquidity

Two options:

- Having an AS allocation within the RTGS account, which could be used for any AS settlement (except current model 6)
- Having a dedicated RTGS account, with liquidity reserved for one (or several) AS

Reservations for AS

STEP 2: use of the reserved liquidity

For models other than 6, liquidity is moved to the AS technical accounts from the AS allocation or from the dedicated RTGS account

Business needs – models 2 and 3

The business needs behind models 2 and 3 are covered by the standard requirements stemming from HVP settlement, apart from 2 requirements that need to be kept:

- AS transactions sent via files, even if they settle independently
- The GUI should allow querying all of them through a dedicated criteria

Business needs – models 4 and 5

Additional specific business needs behind models 4 and 5:

- Information period
- Linked settlement: it is proposed to streamline the process keeping only “debit first”
- Guarantee mechanism:
 - The AS will be able to open a specific RTGS account for this purpose
 - At the end of the information period, in case of unsettled transactions, automated use of the guaranteed funds after confirmation from the guarantor

Business needs – model 6

Would it be possible to streamline as well the procedure 6:

- Funding: could Standing Orders be executed at Start of Day or through dedicated events, rather than at the Start of Procedure?
- Blocking of funds: would it be possible that banks can only credit AS specific RTGS accounts, leaving it up to AS to transfer the liquidity back to the RTGS accounts?
- Settlement: AS sends payments as soon as the checks following the funding are OK.