

T2 – T2S Consolidation – Q&A

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ECB website: www.ecb.europa.eu > Payments & Markets > TARGET services > TARGET consolidation > for professional use

<https://www.ecb.europa.eu/paym/target/html/index.en.html>

<https://www.ecb.europa.eu/paym/target/consolidation/html/index.en.html>

<https://www.ecb.europa.eu/paym/target/consolidation/profuse/html/index.en.html>

DNB website: www.dnb.nl

DeNederlandscheBank

EUROSYSTEEM

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Question	Answer
When can we send actual instructions to the platform? Please add details to the planning.	User testing against T2 is planned to start in march 2021 Respective documentation Overall Key Milestones to ensure a successful Big-Bank Migration
The consolidation serves as a moment to review current setup of banks with multi country operations. Today certain local special accounts need to be used, e.g. for settlement of checks or tax payments. Besides the Eurosystem harmonisation in terms of monetary use of the CSM/MCA e.g. reserve management. Shall other NCB specific operations be treated in a TARGET general way, i.e. can be settled from a cross border MCA or RTGS? Shall local domestic systems exist next to TARGET2?	All central banks have confirmed that no legal obligations exist for enforcing the use of domestic T2-RTGS accounts
Which ISO 20022 version will be used? Other market infrastructures appear to use the 2019 version. Banks are preparing for ISO20022 in various systems around the world.	The Target services will use ISO 20022 with the 2019 version until 2023 – Therefore with a two year freeze period Respective documentation https://www.ecb.europa.eu/paym/initiatives/shared/docs/5609a-t2-t2s-2019-12-05-tccq-additional-changes-to-messages-and-business-rules-in-the-next-udfs.pdf
What is the effect of a foreign branch cash account balance on the reserve requirement of the domestic bank?	Minimum reserve requirements are dealt with domestically only. The foreign branch RTGS DCA is linked to a foreign CLM MCA Respective documentation UDFS-CLM 5.5 Minimum reserve management and interest calculation
What is the effect of multiple instructing parties and users on ESMIG. (can one be directly connected and partially use a third party for payment instructions)	Each function of any given Service is linked to a Privilege (i.e. the privilege that allows triggering this function), which is the means used for granting (or denying) access to functions (and data) to selected Parties, Users and Roles Respective documentation UDFS-CRDM 1.3.4 Access rights management
Shall it be possible to receive credit/debit notifications (camt.054) based on standard registration (all or noting) and by requesting such notification in the respective individual transaction.	Receiving credit/debit notifications is based on message subscription. These can be setup per cash account Respective documentation UDFS-CRDM 1.2.3 Message subscription and UDFS-RTGS 12.2.21 BankToCustomerDebit CreditNotification (camt.054)
Shall there be any changes in billing principles. (e.g. cost from T2 per pacs.002 with or without possibility of selecting sliding scale rates).	under construction
How shall accounts be identified? Next to BIC also account numbers? What is their use?	For payments processing BICs are used; for liquidity transfers the actual cash account number. (which must be unique across all settlement services). The format currently used for T2S and TIPS DCA's will also be used CLM and RTGS Respective documentation https://www.ecb.europa.eu/paym/initiatives/shared/docs/71c25-t2-t2s-2020-02-13-tccq-naming-conventions-in-t2.pdf

<p>Today, in TARGET2, I hold an account for Reserve Management Purposes only. What are my options in T2.</p>	<p>CLM/MCA accounts for limited use can be based on U2A access only or can be operated by a co-manager</p>
<p>Today, in T2S, I hold a dedicated cash account. Since T2 consolidates to T2S, what is the impact?</p>	<p>Respective documentation UDFS-CLM 3.2.3 Functionalities</p> <p>T2S is one of the TARGET Services. T2S shall also make use of the common components. The T2S NSP contracts will end in 2022 and converge with the new Target Services NSP contracts. A number of change requests is being processed towards the consolidation. T2S CR-0721 links to other T2S change requests. e.g. the optional maintenance period or the possibility to leave overnight balance on the T2S DCA or take it into account for reserve management requirements</p>
<p>Today, in TIPS, I hold a dedicated cash account or I am about to open such account. Is there already any overlap or synergy towards the consolidation? E.g. in reuse of tools from the Network Service Provider.</p>	<p>Respective documentation https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/crq/ecb.targetsecrg190920_T2S-0721-SYS.en.pdf?d6095339079217acbfe383a59d3cebfd</p>
<p>Readiness reporting is required by each central bank that shall open cash accounts in CLM and or RTGS. How should branches or subsidiaries of non-domestic banks report to DNB?</p>	<p>Readiness reporting is organised by the Eurosystem using harmonised readiness reports. Branches or subsidiaries may present the report from their parent company for reporting purposes to DNB providing that this report states that it also covers the readiness of the branch or subsidiary in question</p> <p>Respective documentation https://www.ecb.europa.eu/paym/initiatives/shared/docs/31237-t2-t2s-2019-12-05-tccg-community-readiness-milestones-nsp1-iad2-iad3-community-readiness-report-v2.0.pdf</p>
<p>Readiness reporting is required by each central bank to open cash accounts in CLM and or RTGS. How should banks who report also for branches or subsidiaries of non-domestic banks report to DNB?</p>	<p>Each central bank collects readiness reporting for its respective T2 segment. DNB would like to know the readiness of banks with future accounts in CLM and or RTGS in T2-NL. If the readiness report includes other branches or subsidiaries than the overall readiness status to DNB (green, yellow, red) needs to cover only the T2-NL readiness</p> <p>Respective documentation https://www.ecb.europa.eu/paym/initiatives/shared/docs/471d2-t2-t2s-2019-12-05-tccg-community-readiness-milestones-nsp1-iad2-iad3-dashboard-v2.0.pdf</p>
<p>Where to find more information about the technical header?</p>	<p>The information on technical header is provided in a generic way in the UDFS only because ESMIG (eurosystem single market infrastructure gateway) is NSP agnostic. Therefore information on the technical header is provided by the respective NSPs. Sia Colt and Swift</p> <p>Respective documentation https://www.ecb.europa.eu/paym/initiatives/shared/docs/1297c-t2-t2s-2020-02-13-tccg-questions-answers.pdf</p>
<p>Shall there be ISO20022 message examples with more business context for the market participants?</p>	<p>Besides the ISO 20022 message examples on SwiftMystandards (UDFS2.1) the market is looking for more practical examples. (BAH plus payload). The intention is there to create such examples with the help of the TCCG and have them published on the ECB internet site</p> <p>Respective documentation https://www.ecb.europa.eu/paym/initiatives/shared/docs/1297c-t2-t2s-2020-02-13-tccg-questions-answers.pdf</p>