

OUTCOME

**MEETING OF THE JOINT ADVISORY GROUP ON MARKET
INFRASTRUCTURES FOR PAYMENTS (AMI-Pay) and SECURITIES AND
COLLATERAL (AMI-SeCo)**

7 December 2023, 15:00 – 15:45 (CET)

Teleconference (MS Teams)

0. Introductory remarks and approval of the agenda

**1. Update on the implementation of the action plan addressing
recommendations following the 2020 TARGET Services incidents**

The ECB informed AMI-Pay and AMI-SeCo participants on the progress related to the implementation of the action plan for addressing recommendations following the 2020 TARGET Services incidents with a focus on TARGET Services crisis communication.

Document:

Presentation – Update on implementation of action plan for addressing recommendations following the 2020 TARGET Services incidents

Outcome:

The action plan consists of 155 actions addressing 74 recommendations raised by the external consultant, the auditors and the lead overseers. By end-September 2023, 138 actions (89% of total actions) were assessed by both the auditors and the lead overseers. 133 actions were closed (86% of total actions), thus fully closing 57 recommendations and closing partially 9 recommendations. For 5 actions further evidence or additional enhancements were requested by the auditors in November 2023 and new timeline needs to be assessed. 17 actions have encountered a slight delay not creating though any specific risk for the provision of TARGET Services. 12 of them will be completed by the end of 2023.

It was clarified that, in case of a crisis, the decision on activating the Crisis Communication Groups, that were set up as one of the items in the action plan, lies with the crisis managers. To preserve the necessary flexibility of crisis management and not to be too prescriptive on how different crises are

managed, no strict pre-conditions have been agreed on when to activate the Crisis Communication Groups. Nevertheless, a set of soft criteria in the form of advice / guidance to crisis managers could be considered. The ECB and the relevant TARGET Services groups will reflect on these potential soft criteria and will update the AMIs in their next regular meetings.

2. Update on the Eurosystem's exploratory framework on new technologies for central bank money settlement of wholesale financial transactions

The ECB informed AMI-Pay and AMI-SeCo participants on the Eurosystem exploratory framework on the use of new technologies for central bank money settlement.

Documents:

Presentation – Update on Eurosystem ntwCeBM exploratory framework

Outcome:

The ECB provided an update on the Eurosystem's investigation into how central bank money settlement in euro could take place in the presence of new technologies such as Distributed Ledger Technologies (DLT). The ECB recalled that the Eurosystem's exploratory work does not constitute a commitment by the Eurosystem to provide any steady-state solution(s) in the future or to make any changes to its current infrastructure. The objectives of the exploratory work are to i) consolidate and further develop the ongoing work of Eurosystem central banks in this area, ii) gain insights into how different solutions could facilitate interaction between TARGET services and DLT platforms, and iii) meet market demand for central bank money settlement during their own pilots (e.g. under the DLT Pilot Regime Regulation). The launch of the public call for interest is foreseen on 13 December 2023 [done], after which the technical onboarding of registered participants and testing will commence. Subject to Governing Council approval, the execution phase of the exploratory work would commence in May 2024 (Wave 1) and would continue with a second wave in July 2024 (Wave 2). The exploratory work (for both wave 1 and wave 2) is envisaged to end in November 2024. During the exploratory work, eligible parties will have the opportunity to carry out experiments (test transactions) and trials (transactions settling in central bank money) using one or all of the three interoperability-type solutions identified by the Eurosystem, namely the Trigger solution by Deutsche Bundesbank, the TIPS Hash Link solution by the Banca d'Italia and the Full-DLT Interoperability solution by the Banque de France. While the focus of the exploratory work will be on DVP use cases, PVP and single payment use cases may also be considered. The Eurosystem expects that the parties interested in the conduct of experiments and/or trials and registering will propose use cases that explore the opportunities and benefits of new technologies and setup the necessary partnerships (e.g., for native DLT assets, market stakeholders will need to find issuers, investors and trading venues etc.

The Eurosystem will follow to the extent possible an open participation approach, within operational boundaries. Without prejudice to existing access rules to the TARGET Services and for the duration of Eurosystem trials and experiments, there are two types of participating actors foreseen: eligible market participants and eligible market DLT operators ([see ECB webpage for further details on eligibility criteria](#)). The eligibility criteria are for the purposes of the Eurosystem's exploratory work only and do

not, in any way, pre-empt the formation of a new category of actor that could access TARGET Services in the future. It was also reiterated that the policy for accessing central bank money will not change nor will it be modified for the purposes of the exploratory work. A dedicated public ECB focus session, including also more details on the three interoperability-type solutions that will be offered during Eurosystem exploratory work, will be held with interested stakeholders on 15 December 2023.

3. Any other business

The next joint regular meeting of the AMI-Pay and AMI-SeCo is scheduled for 4-5 December 2024.