5 October 2018

DRAFT OUTCOME OF THE 6TH MEETING OF
TARGET CONSOLIDATION CONTACT GROUP (TCCG)

04 September 2018 – 09:30 to 17:00

held at the premises of the European Central Bank, Sonnemannstraße 20,
meeting room MB C2.01, on 2nd floor

1. Introductory Remarks

The Chairperson of the Contact Group will welcome the participants and open the meeting introducing the Agenda. The Outcome of the previous meeting will be approved, following the feedback received.

Documents:

- *Draft Outcome 5th TARGET Consolidation CG Meeting (18 July 2018)*

Outcome:

The Chairperson welcomed the participants and briefly introduced the agenda of the meeting which was approved by the participants. The Outcome of the previous meeting was approved following the feedback received and will be published.

2. Planning

The Contact Group members will be presented an updated T2-T2S Consolidation project plan.

Documents:

- *T2-T2S Consolidation Project Plan (Project Plan – Excel Extract)*

- *Main activities for 2019 (Presentation ECB)*

- *Proposed Meeting TCCG Schedule 2019 (Presentation ECB)*

- *Overall Milestones for Banks (Presentation ECB)*

Outcome:

Main activities for 2019: The ECB project team presented the main activities for 2019:

- The UDFS v1.1 will represent the full scope of the project and will be available for market consultation between mid-January 2019 and beginning of April 2019. After the approval of the document by the MIB in June 2019, it will become v2.0 and will be published on the ECB website in the beginning of July 2019.

- GUI screens workshops will be organised in the first half of 2019. Further details will be provided in due course.

- The participants raised their concerns related to the unknown timeline for the Connectivity dossier. The 4CB indicated that the list of NSPs selected by the Eurosystem tender shall be published by the end of 2019, followed by a technical compliance check of the selected NSPs lasting around 6 months. It is expected that up to three NSPs will be selected. In parallel, by July 2020 the participants shall perform internal procurement and ensure the signature of contracts with their chosen NSP (among the ones selected by the Eurosystem). That would mean that as soon as the selected NSPs are announced, NCBs and their participants should start their internal procurement process and negotiations with an NSP not having any guarantee, that this NSP will pass the technical compliance check. In the view of the TCCG members, such an approach, in addition to the very short timeline for the selection process (including tender, setup, negotiations, entering into a contract), bears a risk that the chosen NSP does not pass the technical validations and that the NCB or the participant needs to perform the procurement procedure again, leading to a delay in their readiness to start connectivity tests in time. In order to mitigate this risk, the TCCG participants have requested to investigate, whether it is possible to anticipate the finalisation of the technical compliance check to end of Q1-2020. The 4CB project team will prepare for the next TCCG meeting on 9 October 2018 a presentation related to connectivity dossier, describing the process for the selection of the NSPs and the related timeline. Furthermore, the ECB will clarify by the end of 2018 if a second NSP (with a probably restricted service offer) is necessary in particular for the critical participants for contingency situations with one of the NSPs as well as for central banks in order to replace the current usage of CoreNet for contingency reasons. In this regard, it was proposed to request from each NSP to offer both a full service and a restricted service (the latter one for contingency reasons as well as a replacement for the current Internet access for T2 participants that do not need the full T2 service).

- A further concern was raised as regards the calculation of the future capacity needs for the communication in order to be prepared for the larger throughput which is difficult to estimate (due to a different standard, and two components to communicate with, i.e. CLM and RTGS). For that reason, a workshop will be organised in 2019.

Proposed TCCG meeting dates 2019: The ECB project team presented the proposal for the 2019 TCCG meeting dates along with an overview of topics to be discussed. The meetings are scheduled in line with the project plan to ensure the delivery of the main deliverables planned for 2019. The participants were asked to provide feedback on the proposal via a written procedure by Monday, 10 September 2018.

Project plan extract: The ECB project team presented an extract of the project plan for important milestones relevant to the participants. The members expressed the expectation to extend the period for signing the legal documentation with and collecting the duly filled in registration forms from local communities. Furthermore, the TCCG members felt that the period for the execution of user tests (including migration testing) from March 2021 to October 2021 will be too short and therefore proposed to review the test organisation, e.g. by shortening the connectivity testing phase and starting the test execution earlier. ECB will prepare an updated version of the plan based on the updates discussed and share it with the TCCG members in view of the next meeting.

Overall milestones for participants: A few updates were agreed and a new version will be shared with the group for feedback by Monday, 10 September 2018.

3. User Detailed Functional Specifications (UDFS)

The Contact Group members will be informed about the outcome of the written consultation on RTGS and CLM UDFS version 0.3, including the market comments received as well as the progress on the work on RTGS and CLM UDFS Version 0.4.

Documents:

- *T2-T2S Consolidation UDFS – Status Update (Presentation 4CB)*

Outcome:

The 4CB project team presented the work currently being done on UDFS for RTGS and CLM (v0.4) as well as an overview of the market feedback received during the written procedure on iteration 3. The documents will be provided to the participants on 1 October 2018 for feedback by 22 October 2018 together with the answers to the feedback received on iteration 3.

4. Business Description Document (BDD)

The Contact Group members will be informed about the outcome of the written consultation on Business Description Document (BDD) v0.4.

<u>*Documents:*</u>

- *Business Description Document v0.5 (ECB)*

- *Feedback of comments on BDD v0.4 (Excel file ECB)*

<u>Outcome:</u>

The ECB project team presented the BDD v0.5 that takes on board the feedback received during the written procedure on v0.4. After approval of the MIB, it will become v1.0 and will be published on the ECB website.

5. Functional topics

5.1. Business Application Header

The Contact Group members will be provided with a clarification on the usage of the Business Application Header after T2-T2S Consolidation go-live.

<u>*Documents:*</u>

- *Business Application Header (Presentation ECB)*

<u>Outcome:</u>

The ECB project team provided a clarification on the usage of the Business Application Header (BAH) after the go-live of the T2-T2S Consolidation project. The participants agreed on the proposed way forward.

5.2. Liquidity Management

The Contact Group members will be provided with a clarification on the envisaged notifications in case of pending reservation and limit orders, i.e. the handling of immediate reservation and limit orders, as well as standing orders for reservations and limits.

<u>*Documents:*</u>

- *Messaging for Limit/Reservation changes (Presentation 4CB)*

Outcome:

The 4CB project team provided a clarification at which moments during the processing of reservation and limit orders the system will send notifications to the participants in case the order remains pending. The participants agreed to the proposed approach.

6. ISO 20022 messaging in the context of the T2-T2S Consolidation project

6.1. ISO 20022 Messaging - Clarification on Re-send and Statement Query Message

The Contact Group members will be introduced to a new message in the message portfolio to query account statements.

Documents:

- *Clarification on re-send and statement query message (Presentation 4CB)*

Outcome:

The 4CB project team presented an additional ISO20022 compliant message in the T2-T2S Consolidation project message portfolio. In detail, the admi.005 (ReportQueryRequest) message allows account holders to query for the latest version of the full statement of account independent from the report configuration (push/pull). The admi.005 message will be included in UDFS v0.4. The 4CB will clarify whether or not it will be possible to request a repeat sending via U2A.

6.2. ISO 20022 Messaging - Clarification on messaging topics from previous meetings

The Contact Group members will be presented with the conclusions on the TCCG comments in view of messaging topics from previous meetings. The presentation will summarise the TCCG comments in view of the used amount related to direct debit mandate and on the message subscription for notifications. In connection with this, also two alternative options for pacs.002 and camt.029 notification subscription will be presented. Furthermore an updated presentation on the replacement of ASI 2 and 3 by standard payment functionality providing answers to the questions raised in the last TCCG meeting (new slides 13 and 14) is provided for information of the Contact Group members in the background documents.

Documents:

- *Conclusions on messaging topics from previous meetings (Presentation ECB)*

- *Consolidated feedback on used amount related to direct debit mandate (Excel file ECB)*

- *Consolidated feedback on message subscription for notifications (Excel file ECB)*

- *pacs.002/camt.029 subscription options (Presentation 4CB)*

- *AS settlement procedures – answers added (Presentation 4CB)*

Outcome:

The ECB project team presented the outcome of the TCCG written procedures on message-related topics and the TCCG agreed on the proposed conclusions. In particular:

- The TCCG agreed that in the context of direct debit mandate, the information on "used amount" shall be provided only via U2A. The ECB will draft the respective change to the URD.

- Furthermore, the TCCG agreed that there is no business case for setting up a message subscription for a "third party". It was clarified that a "third party" is defined as a user that has not sent the underlying order or is not the account holder of the debited/credited account. Thus, the change does not impact the possibility for a co-manager to subscribe for notifications for orders sent by them. The ECB will draft the respective change to the URD. In terms of report subscription, the project teams confirmed that the account holder can configure several subscriptions for the same report at the same moment of time that shall be routed to different technical addresses.

The 4CB project team presented the two options for subscripting for pacs.002/camt.029 notifications: i.e. option 1 (message by message, but not compliant with ISO standards) or option 2 (combination of priority with message type as preconfigured in the CRDM, compliant with ISO standards). The group was more in favour of option 2. The 4CB will investigate further and describe the result in UDFS v0.4.

Due to time constraints, the presentation on AS settlement procedures was skipped. It was agreed that the ECB will organise a dedicated workshop with the ancillary systems, the banks and the central banks in order to discuss the potential impact of the replacement of ASI procedures 2 and 3 by standard payment functionality. Several participants reiterated their concerns to use pacs.009 (instead of camt.054) to be sent to the settlement bank for marking a credit.

7. RTGS and CLM GUI Workshops

The Contact Group members will be de-briefed about the second RTGS and CLM GUI workshop held on 27 August 2018 in Frankfurt. Further clarification on the GUI Style Guide, GUI specifications and GUI User Handbook and the related next steps will be provided to the Contact Group.

Documents:

* *GUI style guide (Presentation 4CB)*

Outcome:

The Contact Group members were debriefed on the outcome of the second RTGS and CLM GUI workshop in August. A GUI UHB will be provided towards the end of the development and based on the outcome of the new series of workshops that will be planned in the first half of 2019. The structure of the workshops will be provided in advance in order to allow the relevant experts to participate.

8. Any Other Business

The next Contact Group meeting will be held at the ECB premises in Frankfurt am Main, on 9 October 2018 at 10:00.

8.1. Terminology

Outcome:

The ECB project team invited the participants to share their views on the terms "cancellation", "revocation" and "rejection". A group member expressed a preference to align with the already existing SEPA terminology to the extent feasible. The project team will assess the SEPA terminology and will inform the TCCG of the final terms and their respective definitions.

After the Contact Group meetings, all meeting documents will be published on the ECB homepage (link: http://www.ecb.europa.eu/paym/initiatives/html/documents.en.html).