Mr Sylvain Debeaumont  
*Head of Market Infrastructure Management division*  
*ECB*

---

**Eurosistem strategic review on the future of its Financial Market Infrastructures (FMIs)**

MMCG, 14 March 2017
Why a strategic review?

- Cyber security
- Multiple network providers
- Support innovation
- Increasing efficiency
- Banks’ demand for new services
- Decrease running costs
- Regulatory pressure
- Operating times
- Adoption of ISO20022 standards
- Multicurrency Capability
- TARGET2 operated since 2007

TARGET
Instant
Payments
Settlement

T2/T2S
Consolidation
and new RTGS services
TARGET Instant Payments Service (TIPS)

- TIPS balance maintained overnight
- Predictability of funding needs
- Liquidity adjustments
- Remuneration / reserve requirements
TARGET2/T2S consolidation and future RTGS services

Consolidation

Gateway
- TARGET
  - Referential
  - Data
  - Billing

Gateway
- T2S
  - Referential
  - Data
  - Billing

Single Gateway
- TARGET
- T2S
- TIPS

- Referential data
- Data warehouse services
- Billing application
Liquidity management

- Centralisation of Central Banks’ operations on the CLM
- Dedication of liquidity to specific business usages
- Consolidation of position and centralisation of liquidity management
New RTGS services

- **Liquidity management**
  - Consolidation of positions
  - Dedication of funds
  - Enhanced technical netting

- **Operating times**
  - For clean payments
  - For ancillary system transactions
  - For liquidity transfers

- **Data analysis**
  - Benchmarking
  - Network analysis
  - Deviations from standard behavior

- **Support to compliance**
  - Sanctions screening
  - Counterparty exposure
  - Intraday liquidity monitoring & reporting
## TARGET2/T2S consolidation and future RTGS services

### Planning

<table>
<thead>
<tr>
<th>TIPS</th>
<th>Investigation phase</th>
<th>Realisation phase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **January – February ’17**: Consultation with the market
- **June ’17**: Decision by GovC
- **August ’18**: Start of pilot testing involving users
- **November ’18**: TIPS Go-live

<table>
<thead>
<tr>
<th>T2/T2S Consolidation</th>
<th>Investigation phase</th>
<th>Realisation phase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **December ’16 – April ’17**: Interaction with users
- **May ’17 – June ’17**: Consultation with the market
- **July ’17**: Review and integration of market feedback
- **December ’17**: Decision by GovC