



Comparison between

co-management and groups

in TARGET2 and T2

Presentation by 4CB

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- This presentation gives an overview of the **co-management** and the **groups** currently used in TARGET2 and those offered for the future T2
- Groups in TARGET2
 - Group of Accounts: Aggregated Liquidity (Virtual Account)
 - Group of Accounts: Consolidated Account Information
 - Banking Group Monitoring
- Groups in T2
 - Liquidity Transfer Group
 - Account Monitoring Group
 - Banking Group
- Besides: information about the "Settlement Bank Account Group" in T2





Co-management



Co-Management



Comparison of **co-management** between TARGET2 and T2

| | TARGET2 | Т2 |
|---------------|-----------------------------------|-----------------------------------|
| Co-Management | - Available for HAM accounts only | - Available for CLM MCAs |
| | - Account-related implementation | - Account-related implementation |
| | - Co-manager must be a TARGET2 | - Co-manager has most of the |
| | participant (PM account holder) | same privileges as for his own |
| | - Dedicated co-manager role has | MCA |
| | to be granted by the respective | - Co-management set-up by CB on |
| | СВ | account level |
| | - In general, the co-manager has | - It is not possible to grant |
| | the same rights as the HAM | different privileges to users for |
| | account holder (e. g. access to | co-managed MCAs and MCAs of |
| | account information, view on | his party in CLM |
| | balance, debit the account) | |





target



Functional comparison of the group **"Consolidated Account Information**" in TARGET2 with the **"Account Monitoring Group**" in T2

Groups

| TARGET2 | | | Т2 | | |
|--------------|---|-------------------------------|------------|---|-----------------------------------|
| Consolidated | - | Available to all participants | Account | - | May comprise MCAs and DCAs |
| Account | | (PM acc. holder) from euro / | Monitoring | | (RTGS, T2S, TIPS) |
| Information | | non-euro area countries | Group | - | Accounts can be owned by |
| | - | Cross-CB possible | | | several parties |
| | - | Consolidated view on balances | | - | Cross-CB possible |
| | | and credit lines of the PM | | - | Clustering of accounts to be |
| | | accounts belonging to the | | | viewed collectively for liquidity |
| | | group | | | monitoring purposes |
| | | | | - | Setup by CLM account holder |
| | | | | - | Leader is the CLM account |
| | | | | | holder opening the AMG |





Functional comparison of the group "**Banking Group Monitoring**" in TARGET2 and the "**Banking Group**" in T2 (1/2)

| TARGET2 | | Т2 | |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Banking Group Monitoring | Only for CBs (e.g. for the reason of oversight and regulation) Accounts are grouped Cross-CB possible | Banking Group | Set up by CBs Parties (Payment banks) are grouped for liquidity monitoring purposes Cross-CB possible |





For the group "Aggregated Liquidity (Virtual Account)" in TARGET2 there will be nothing similar in T2

Groups

| TARGET2 | | Т2 |
|------------|----------------------------------|------------|
| Aggregated | Comparable to "consolidated | Not |
| Liquidity | account information" with some | applicable |
| (Virtual | differences: | |
| Account) | - Only available to participants | |
| | from euro area countries | |
| | - Automated processing of | |
| | payments based on the global | |
| | liquidity available in the group | |
| | (VA: sum of available liquidity | |
| | of all group accounts) – even | |
| | in case there is not enough | |
| | liquidity on a single account | |





For the group "Liquidity Transfer Group" in T2 there is nothing similar in TARGET2

| TARGET2 | Т2 | |
|-------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Not applicable | Liquidity Transfer Group | Grouping of cash accounts that belong to the same settlement service (CLM or RTGS) Allows arranging of liquidity transfers between them Setup by CB Include either MCAs or RTGS DCAs (depending on the service) which may be owned by different parties, which may be associated with more than one CB |





- The "Settlement Bank Account Group"
 - contains the list of accounts used for ancillary system settlement

- does not allow to view balances of accounts by using this group





Thank you