Liquidity Transfers to Overnight Deposit Accounts and RTGS Sub Accounts

TARGET Consolidation Contact Group

14th Meeting on 13 February 2020
Liquidity transfers to Overnight Deposit accounts and RTGS Sub accounts

- The UDFS 2.1 foresees the possibility to initiate liquidity transfers directly (inter alia):
  - From RTGS DCA and RTGS CB Accounts to CLM Overnight Deposit Account and vice versa
  - From CLM MCA, CLM CB to an RTGS Sub Account and vice versa
- The goal is to provide flexibility and efficiency to participants
- However the flexibility introduces additional possibilities of erroneously transferring funds to “the wrong account” as there are no restrictions on inter-service LTs
- Such risk is mitigated/limited by
  - The A2A management of liquidity transfers in many cases
  - The confidentiality of Account Numbers used to initiate liquidity transfers
  - The Naming Convention of account numbers which includes the account owner BIC
  - The tools available to monitor account balances

The TCCG is invited to take note of the risk and mitigation measures
Thank you for your attention!

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