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TARGET2/T2S consolidation and future RTGS services

AMI-Pay, 9 February 2017
Consolidation of TARGET2 and T2S

Technical consolidation

- Improve **efficiency**
- Cut down **operational costs**
- Increase **cyber resilience**
- Align **messaging standards** (ISO20022)
- Integrate **newest technology**
- **Multiple Network** Service Providers

Enhanced RTGS services

- **Multi-currency** services
- **Liquidity management** services
- **Data analysis** and **business intelligence** services
- Services related to supporting **regulatory compliance**
Consolidated 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
TARGET2/T2S consolidation and future RTGS services

Common modules

- Single Gateway
  - Simplified access management for participants / counterparties
  - More cost-efficient solution for all actors

- TARGET
  - Reduced maintenance efforts
  - Consistence of participants’ static data
  - Reduced number of software modules required for maintaining reference data

- T2S
  - Enhanced analytical capabilities
  - Reports capabilities across services

- TIPS
  - Streamlined billing processes

Referential data

Data warehouse services

Billing application
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 behaviour

- **Support to compliance**
  - Sanctions screening
  - Counterparty exposure
  - LCR / BCBS
**Planning**

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<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td></td>
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<td>Q3</td>
<td>Q4</td>
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<tr>
<td>T2/T2S Consolidation</td>
<td>Investigation phase</td>
<td>Realisation phase</td>
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- **December ‘16 – April ‘17**
  Interaction with users (i.e. banks, AS, NCBs) in the context of the Future RTGS Services Task Force

- **May ‘17 – June ‘17**
  8 weeks of consultation with the Market on the draft URD

- **July ‘17**
  Review and integration of market feedback

- **December ‘17**
  Decision to develop the service based on the results of the Investigation phase
Thank you for your attention!

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ECB: market infrastructure and payments

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