T2/T2S Consolidation

Overview and update on the investigation phase

1st Ad-hoc Workshop on messages for the Future RTGS Services
14 February 2017
### Eurosystem new initiatives

<table>
<thead>
<tr>
<th>New initiatives</th>
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<tbody>
<tr>
<td><strong>Make use of synergies between TARGET2 &amp; T2S (T2/T2S Consolidation)</strong></td>
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<td><strong>Support of a pan-European solution for real-time retail payments (TARGET Instant Payments Settlement)</strong></td>
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<td><strong>Harmonisation of services for collateral management (Eurosystem Collateral Management System)</strong></td>
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**Overview and update on the investigation phase**

T2/T2S Consolidation
Objectives of the T2/T2S Consolidation project

The Eurosystem intends to consolidate and optimise the provision of the T2 and T2S services, with the aim to:

• provide the opportunity to consider the development of new services for market participants or to adapt the existing ones to the changing needs of the payments business

• allow the future RTGS services to benefit from state of the art approaches and technologies offered by T2S through technical consolidation

• noticeably decrease running costs for the Eurosystem through functional consolidation between TARGET2 and T2S which could also mean dropping unused or little used functionality

• improve usability
The 4 workstreams

The T2/T2S Consolidation project is split in 4 workstreams

• **Technical consolidation** of the Eurosystem market infrastructures, aiming at more cost-efficient and resilient provision of T2 and T2S services

• **Consolidated and harmonised connectivity solution**, aiming at creating a common connectivity approach for Eurosystem market infrastructure services

• **Functional convergence** between T2 and T2S, aiming at more cost-efficient and resilient provision of T2 and T2S services and sharing of common services (e.g. introducing multi-currency capability for RTGS services, introducing ISO20022 for the future RTGS services)

• **New RTGS services**, aiming at expanding the existing services or introducing new ones
Organisation of work in the TF on Future RTGS Services

• The Task Force on Future RTGS Services is contributing to the workstreams on Functional convergence and New RTGS services

• The TF follows the approach of:
  – Keeping T2S unchanged, as far as possible
  – Reviewing the RTGS services offered by T2
    • Which services will need to remain unchanged
    • Which services should be adapted and enhanced
    • Which services are no longer needed and can therefore be de-scoped
    • Which new services should be introduced

• The TF work is divided to business domains
Overview and update on the investigation phase

Legend:
- In scope for T2/T2S Consolidation
- Focus for Task Force
- Transversal Topic
- Out of scope for T2/T2S Consolidation, but interfaces are in scope

Central Liquidity Management
- RTGS – High Value Payments
- RTGS – Ancillary Systems

Central Bank Services

Reference Data Management

Operational Monitoring
- Business Monitoring

Data Warehouse

Billing

PT – Payment Transaction; LT – Liquidity Transfer; SI – Settlement Instruction; CL – Credit Lines
Organisation of work in the TF on Future RTGS Services

• The requirements for the following business domains are discussed in detail:
  – Central Liquidity Management
  – Reference data management
  – Settlement Procedures (HVP and AS)

• The work on ISO, Information and reporting and Business Day business domains is initiated

• Some central bank-specific business domains are discussed with CBs only
Meeting Schedule of the Task Force and of the ad-hoc Workshops on messages

Overview and update on the investigation phase

- Task Force (TF) on 7 Dec
- TF on 25/26 Jan
- TF on 22/23 Feb
- TF on 27 Mar
- TF on 24 Apr
- TF on 23 May
- TF on 19 July

14 Feb: WS on messages
16 Mar: WS on messages

Finalisation of URD 0.8 on 8 May – 2 July

Market consultation on basis of URD 0.8
Objective of the ad-hoc WS on messages

The objective of the ad-hoc WS on messages is to contribute to the work of the TF on Future RTGS Services and identify the user requirements for the service interface domain, especially:

- on requirements for the business content embedded in the messages
- on message types and message flows (ISO20022/XML) to be supported by the RTGS service
- on approach for migration to ISO 20022 messages
Call for input on expectations and ideas concerning the service interface in terms of functional convergence

• Today’s presentations and workshop will focus on the service interface with special focus on ISO20022 and XML

• Mutual task: To identify and evaluate mutual expectations and requirements

Call for creative, innovative and open-minded ideas and approaches

Your help and support are needed