<table>
<thead>
<tr>
<th>Page</th>
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<tr>
<td>1</td>
<td>4.1 Introduction</td>
<td>Real-Time Gross Settlement (RTGS) should be Real-Time ...</td>
<td>... of TARGET2 ...</td>
<td>comment accepted</td>
</tr>
<tr>
<td>2</td>
<td>5.1.1 Purpose of the document</td>
<td>Can the new names and logos for the Target Services be introduced? Services versus infrastructures could do with some some clarification.</td>
<td></td>
<td>comment accepted</td>
</tr>
<tr>
<td>4</td>
<td>1.2 Structure of the 5 document</td>
<td>&quot;... any longer by the future Eurosystem services for real-time interbank and customer payments and the central liquidity management.&quot;</td>
<td>We propose to add the settlement of ancillary systems.</td>
<td>comment accepted</td>
</tr>
<tr>
<td>5</td>
<td>6.1.3 List of references</td>
<td>The shared services will be described in other documents, it may be good if there will be any comment for that in this section.</td>
<td>The relevant parts of the common components will be described in the RTGS UDFS and in the CLM UDFS. We do not find it necessary to specifically mentioned it in the BDD.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>6.1.3 List of references</td>
<td>The project plan was presented to TCCG in March 2018: <a href="http://www.ecb.europa.eu/paym/Initiatives/shared/docs/t26a1-02-05-2018-05-14-tccg-paper-redesign-plan.pdf">http://www.ecb.europa.eu/paym/Initiatives/shared/docs/t26a1-02-05-2018-05-14-tccg-paper-redesign-plan.pdf</a>. However, as the project plan may be finetuned and adapted to the real situation time to time, we do not see it pragmatically to update the BDD for each such time. Therefore, we prefer not to include the link to the project plan to this document.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>6.1.3 List of references</td>
<td>&quot;New addition: for delivery dates please consult the project plan.&quot;</td>
<td>Thank you very much for including the reference. Could we also provide a direct link to the project plan (similar to the links to URD)? I think this would be very helpful for the reader.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>6.1.4 Successor of TARGET2</td>
<td>&quot;AS procedure 2 &quot;Liquidity transfer&quot;, AS procedure 2 &quot;Real-time settlement&quot; and AS procedure 3 &quot;Bilateral settlement&quot; (can be handled with liquidity transfers and individual payments/payment files to/from the AS&quot;)</td>
<td>AS procedure 1 is not offered anymore today. Therefore we propose to delete it here.</td>
<td>comment accepted</td>
</tr>
<tr>
<td>9</td>
<td>6.1.4 Successor of TARGET2</td>
<td>Interface for Proprietary Home Accounting (PHA) applications</td>
<td>According to our understanding and according to the CLM UDF (CB Annex CML.CB.RB.CBL.U120 - there will still be a possibility to adjust the minimum reserve fulfilment via A2A. Considering this aspect, we kindly ask you to rephrase this aspect a bit, as it provides the impression that this A2A connection will not be available.</td>
<td>The A2A connection between CB systems and CLM will still be in place for adjusting the minimum reserve fulfilment. However, the PHA Interface (as a technical connection to local proprietary systems) will be discontinued. Therefore we prefer to keep the wording as is.</td>
</tr>
<tr>
<td>10</td>
<td>6.1.4 Successor of TARGET2</td>
<td>Could you please provide more details on this alternative solution?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>2 High level overview of the future landscape</td>
<td>The Eurosystem provides market infrastructures services for real-time interbank and customer payments as well as for settlement of securities and will provide also instant payment settlement services.</td>
<td>Could you please add into this first sentence, that the Eurosystem market infrastructures could also be used for the settlement of AS transactions.</td>
<td>comment accepted</td>
</tr>
<tr>
<td>12</td>
<td>2.1 Key aspects</td>
<td>Figure 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>&quot;...where they settle all Central Bank operations (e.g. open market operations, cash withdrawals, standing facilities, etc.)&quot;</td>
<td>This statement does not look completely accurate, because currently HAMs can address simplified interbank transfer to all PM users and same CB HAM users while, within the new configuration it would be possible to reach any RTGS DCAs (cf. URD CML.UK.CLM.LTSEN.020.040) but it would not be possible to reach MCA holders outside of the same banking group (similar to same CB HAM users today)</td>
<td>Kindly note that it is possible to transfer liquidity between MCAs that belong to the same Liquidity Transfer Group. The MPC will be invited to provide the definition of the T/LG, that the Central Banks shall apply when linking accounts to the LTG. Furthermore, there are no restrictions on liquidity transfers between CLM MCA and RTGS DCA. In our understanding this would address the raised concern.</td>
</tr>
<tr>
<td>14</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>&quot;With these functionalities, CLM addresses the needs of the current HAM module users without the necessity to open an additional RTGS DCA.&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>Such liquidity transfers between accounts can be instructed or, in case of CLM MCA and RTGS DCA, automatically triggered based on an event (e.g. a queued payment, breach of floor/ceiling amount; see section 3.2.2 TOOL BOX FOR MANAGING LIQUIDITY).</td>
<td>Kindly noted that the floor/ceiling functionality in TIPS and T2S currently include only sending of notifications. As part of the T2-T2S Consolidation project it is not planned to change this approach.</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>The credit line assigned to a credit ... to the DCA of RTGS, T2S or TIPS ... be transferred to the relevant DCA of RTGS ...</td>
<td>We prefer to keep the sentence as it currently - neutral toward how many DCAs a Party has in RTGS, TIPS or T2S. Adding the word &quot;relevant&quot; would require the specification which DCAs are relevant and which not.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>Where they settle all Central Bank operations (e.g. open market operations, cash withdrawals, standing facilities, etc.).</td>
<td>For clarity and consistency with other parts of the document (e.g. reservations), the reference to the cash withdrawal should not be deleted. A footnote can indicate that CB may decide to settle cash withdrawals in alternative cash accounts.</td>
<td>Comment accepted. Central Banks shall settle cash withdrawals on MCA. It is understood, however, that during an interim period, some Central Banks may settle cash withdrawals by other means until local systems are adapted</td>
</tr>
<tr>
<td>18</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>Please define &quot;Party.&quot; Is Party a BIC 11 as in T/STS? Does a party also require a Parent BIC as in T2S?</td>
<td>The term &quot;Party&quot; is defined in Glossary as &quot;Any entity defined in the system. This includes Central Banks, Payment Banks, Participants, Ancillary Systems and the TARGET Service Desk.&quot; Party is identified by BIC12. There is no Parent BIC concept in CLM and RTGS.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>The credit line assigned to a credit institution is linked to an MCA, where it is part of the available liquidity, which can be transferred in cash to the dedicated cash accounts (DCA) of the RTGS, T2S or TIPS services.</td>
<td>Even though it is mentioned explicitly later in the document it might be useful (to avoid any misunderstanding) to mention already here, that the credit line can only be linked to one MCA (even though there might be more than one MCA opened for the participant). Maybe you might use a footnote for that.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>2.1.1 Eurosystem market 9 infrastructures</td>
<td>The credit line assigned to a credit institution is linked to an MCA, where it is part of the available liquidity, which can be transferred in cash to the dedicated cash accounts (DCA) of the RTGS, T2S or TIPS services.</td>
<td></td>
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</table>
TARGET2-Securities (T2S) service is a single, pan-European platform for securities settlement in Central Bank Money. The settlement of the cash leg of the Deliver versus Payment (DvP) transactions takes place on the dedicated cash accounts in euro Central Bank Money. T2S went live in June 2015. T2S does not only settle DvP transactions on the cash accounts. Either all possible kind of transactions should explicitly be mentioned or it should be phrased more generic. In the latter case the DvP transactions could be mentioned as example.

TARGET2 provides data for historical, statistical and regulatory reporting.

Participants can access the DWH via U2A and A2A. They can subscribe for predefined reports or query the database by using predefined templates.

Data from the previous business day from CLM, RTGS and T2S is available in Data Warehouse (DWH) component as of the next business day. DWH provides data for historical, statistical and regulatory reporting.


date and how will TIPS data be provided ?

The predefined reports for participants are not yet defined. As long as all participants confirm that their regulatory requirements are fulfilled with such to-be-defined reports, then we prefer not to add the proposed statement to the document.

There will be a separate GUI for DWH.

This chapter does not contain information on the Scheduler and the contingency component. The daily scheduling is defined in section 2.1.3. The contingency component definition is outside of the T2-T2S Consolidation project and will be addressed in a dedicated workstream.

The information will be stored in Legal Archiving in its original content and format after 30 calendar days and will be accessible within its retention period of 10 years.

The information will be stored in Legal Archiving in its original content and format after 30 calendar days and will be accessible within its retention period of 10 years.

The deviation of T2S to my understanding will end with this year, i.e. since Easter and May 1st are already past, we would in future have the same holidays as the other Eurosystem services. Not worth referring to this [since past].

The principles for Legal Archiving will be aligned for all services and components.

Each market infrastructure service (CLM, RTGS, T2S and TIPS) will have its own opening times, while the Change of Business Day is synchronised across all services. The T2-T2S Consolidation project aims at synchronising also the timing of the maintenance windows in all services and common components, with the exception of TIPS, which operates 24/7/365 and thus have no maintenance window. As TIPS processes instant payments continuously, then the Change of Business Day occurs in TIPS at the time when CLM, RTGS and T2S start their End of Day procedures, i.e. shortly after 18:00. The Change of Business Day in CLM, RTGS, T2S and in common components takes place at 18:45.

According to our understanding, T2S should no longer be open on Easter Friday and Easter Monday from 2019 onwards.

The footnote 4 was moved to the main text.

21 2.1.1 Eurosystem market infrastructures

TARGET2-Securities (T2S) service is a single, pan-European platform for securities settlement in Central Bank Money. The settlement of the cash leg of the Deliver versus Payment (DvP) transactions takes place on the dedicated cash accounts in euro Central Bank Money. T2S went live in June 2015. T2S does not only settle DvP transactions on the cash accounts. Either all possible kind of transactions should explicitly be mentioned or it should be phrased more generic. In the latter case the DvP transactions could be mentioned as example.

comment accepted

22 2.1.1 Eurosystem market infrastructures

The settlement of the cash leg of the Deliver versus Payment (DvP) transactions takes place on the dedicated cash accounts in euro Central Bank Money. T2S went live in June 2015. T2S does not only settle DvP transactions on the cash accounts. Either all possible kind of transactions should explicitly be mentioned or it should be phrased more generic. In the latter case the DvP transactions could be mentioned as example.

comment accepted

23 10 2.1.2 Common components

DWH provides data for historical, statistical and regulatory reporting.

Participants can access the DWH via U2A and A2A. They can subscribe for predefined reports or query the database by using predefined templates.

Data from the previous business day from CLM, RTGS and T2S is available in Data Warehouse (DWH) component as of the next business day. DWH provides data for historical, statistical and regulatory reporting.

Data from the previous business day from CLM, RTGS and T2S is available in Data Warehouse (DWH) component as of the next business day. DWH provides data for historical, statistical and regulatory reporting.

When and how will TIPS data be provided?

The predefined reports for participants are not yet defined. As long as all participants confirm that their regulatory requirements are fulfilled with such to-be-defined reports, then we prefer not to add the proposed statement to the document.

The principles for billing will be defined in a later stage of the project.

There will be a separate GUI for DWH.

This chapter does not contain information on the Scheduler and the contingency component. The daily scheduling is defined in section 2.1.3. The contingency component definition is outside of the T2-T2S Consolidation project and will be addressed in a dedicated workstream.

According to our understanding and as reflected in figure 1 the scheduler will be used not only by some services, but by all (meaning CLM, T2S, RTGS, TIPS). Therefore please shift the scheduler into the previous sentence of that paragraph.

comment accepted

The information will be stored in Legal Archiving in its original content and format after 30 calendar days and will be accessible within its retention period of 10 years.

The information will be stored in Legal Archiving in its original content and format after 30 calendar days and will be accessible within its retention period of 10 years.

The statement: "…with exception of T2S, which is also open on 01 May, Easter Friday and Easter Monday"

As TIPS processes instant payments continuously, then the Change of Business Day occurs in TIPS at the time when CLM, RTGS and T2S start their End of Day procedures, i.e. shortly after 18:00. The Change of Business Day in CLM, RTGS, T2S and in common components takes place at 18:45.

Each market infrastructure service (CLM, RTGS, T2S and TIPS) will have its own opening times, while the Change of Business Day is synchronised across all services. The T2-T2S Consolidation project aims at synchronising also the timing of the maintenance windows in all services and common components, with the exception of TIPS, which operates 24/7/365 and thus have no maintenance window. As TIPS processes instant payments continuously, then the Change of Business Day occurs in TIPS at the time when CLM, RTGS and T2S start their End of Day procedures, i.e. shortly after 18:00. The Change of Business Day in CLM, RTGS, T2S and in common components takes place at 18:45.

comment partially accepted

"…with exception of T2S, which is also open on 01 May, Easter Friday and Easter Monday"

According to our understanding, T2S should no longer be open on Easter Friday and Easter Monday from 2019 onwards.

comment accepted

Calendar: …with exception of T2S, which is also open on 01 May, Easter Friday and Easter Monday.

From 2019 onwards T2S will be closed on Good Friday and Easter Monday and only open on 01 May.

May (when DKK is open). It could be easier to write: … with exception of T2S, which is also open if any of the T2S settlement currency RTGS is open.

comment accepted

bullet "Daily scheduling" "…4

reference 4 is deleted

comment accepted

T2S Calendar - Deletion of the sentence: "The Eurosystem is ready to consider opening CLM and RTGS services during a pre-agreed period also on TARGET closing days, provided that there is a valid business case and depending on the associated costs and other constraints."

T2S closing days might have changed from 2019. T2S is closed on:

- 1 January
- 25 and 26 December

Good Friday and Easter Monday;

The comment will be brought to the attention of the TSWG.

comment accepted

Calendar

Each market infrastructure service (CLM, RTGS, T2S and TIPS) will have its own opening times, while the Change of Business Day is synchronised across all services. The T2-T2S Consolidation project aims at synchronising also the timing of the maintenance windows in all services and common components, with the exception of TIPS, which operates 24/7/365 and thus have no maintenance window. As TIPS processes instant payments continuously, then the Change of Business Day occurs in TIPS at the time when CLM, RTGS and T2S start their End of Day procedures, i.e. shortly after 18:00. The Change of Business Day in CLM, RTGS, T2S and in common components takes place at 18:45.

According to our understanding, T2S should no longer be open on Easter Friday and Easter Monday from 2019 onwards.

From 2019 onwards T2S will be closed on Good Friday and Easter Monday and only open on 01 May.

May (when DKK is open). It could be easier to write: … with exception of T2S, which is also open if any of the T2S settlement currency RTGS is open.

The TCCG mentioned in the sentence: "is considered,", provided that there is a valid business case", thus implying by no means that CLM and RTGS will be opened for sure but that the Eurosystem signals the readiness to consider and discuss it. Against this background, I strongly recommend to keep the sentence. Especially after the consultation in spring 2016 and after the decision for TIPS there were several market voices to consider the opening of RTGS/CLM during the weekend. See also e.g. the Anti-Pay discussion on 29 September 2017 (agenda item 2.2).

The comment will be brought to the attention of the TSWG.

comment accepted
Shouldn’t there also be a Phase III? On page 10.2.1.2 2nd paragraph it says: Different Eurexmarket systems may finalise their migration to ESMIG after November 2021. Still, it is expected that all Eurexmarket market infrastructures are accessible via ESMIG after the Go-Live of T2-T2S Consolidation. Nevertheless, the connectivity based on T2S current NSF licenses may be kept in parallel until the expiry of the licenses.

The users will still address CRDM directly and not through CLM, RTGS, T2S or TIPS. However, the CRDM functions that CLM or RTGS will use will be described in the CLM UDFS and RTGS UDFS.

Phase 2.2 Phased implementation of T2-T2S Consolidation project

second bullet point: Phase 2 will provide all other changes in November 2021 that affect, amongst other things, including the go-live phase of phase II. Since this document is intended for senior management they should be able to get an indication that the project is not finished after Phase II.

The sentence in section 2.1.2 on ESMIG is complemented to address the point that some services may finalise their migration to ESMIG after November 2021. Still, it is expected that all Eurexmarket market infrastructures are accessible via ESMIG after the Go-Live of T2-T2S Consolidation. Nevertheless, the connectivity based on T2S current NSF licenses may be kept in parallel until the expiry of the licenses.

2.2 Phased implementation of T2-T2S Consolidation project

last point in the list: the implementation of ISO 20022 for communication with RTGS and CLM and CRDM component. According to our understanding TIPS needs to be deleted here. First of all, TIPS will be part of phase I and goes live in November 2018. Secondly TIPS data will not be included in the UDFH as of the start of the consolidation.

The users will still address CRDM directly and not through CLM, RTGS, T2S or TIPS. However, the CRDM functions that CLM or RTGS will use will be described in the CLM UDFS and RTGS UDFS.

Phase 2.2 Phased implementation of T2-T2S Consolidation project

The harmonised provision of support functionalities, such as Common Reference Data Management (CRDM), Data Warehouse (DFW) and Billing for the future RTGS, T2S and TIPS; Beside this aspect it might lead to confusion, that the CRDM is part of phase I as well as of phase II. So far it is mentioned that "parts of CRDM" are provided in phase I. May be we could stress that the "fully fledged CRDM" will be provided with phase II.

The predefined reports for participants are not yet defined. As long as all participants confirm that their regulatory requirements are fulfilled with such to-be-defined reports, then we prefer not to add the proposed statement to the document.

2.2.3 Key benefits

Shared data warehouse – central place for participants to access historic information across RTGS, CLM and T2S including reports to fulfill regulatory requirements.

Please amend as follows: However, a Central Bank may impose to its Parties to open an MCA, for instance, for the calculation of minimum reserves and/or or remuneration of overnight balances or for billing purposes.

comment accepted

13.3.1 Account structure

"There is no obligation to hold a Main Cash Account..."

This passage could possibly be rephrased as follows: "There is no obligation to hold a Main Cash Account or a Dedicated Cash Account. However, a Central Bank may impose its Parties to open an MCA in case of direct maintenance of minimum reserve.”

Please refer to URO CLM, page 6, 1st paragraph under Table 1: "For Main Cash Account operations, CLM shall trigger an automatic liquidity transfer with the missing amount from the RTGS DCA used for payments (to the Main Cash Account when there is insufficient liquidity on the Main Cash Account). The respective liquidity transfer shall be placed on top of the queue of all pending payments and liquidity transfers on the RTGS DCA."

comment accepted

13.3.1 Account structure

"Furthermore, the DCA and the connected MCA(s) may be opened in the books of different Central Banks."

In general, we would like to propose to explicitly mention in the BOD that - if you have MCAs with several NCBs - the balances cannot all be considered for the minimum reserve.

comment accepted

13.1.3 Account structure

A DCA must be connected at least one MCA to receive liquidity and with one MCA for billing purposes, while these MCA(s) may belong to a different Party than the owner of the DCA.

This sentence could lead to misunderstandings: It could be understood, that a party always needs two MCAs (one to receive liquidity and another one for the billing purpose). Therefore you could rephrase the sentence as follows: "A DCA must be connected with at least one MCA to receive liquidity and for billing purposes, while these MCA(s) may belong to a different Party than the owner of the DCA."

comment accepted

13.1.1 Main Cash Account in Central Liquidity Management

Cash withdrawal

For clarity and consistency with other parts of the document (e.g. reservations, the reference to the cash withdrawal should not be deleted. A footnote can indicate that CB may decide to settle cash withdrawals in alternative cash accounts.

comment accepted

13.1.1 Account structure

"In case the Participant participates in RTGS, it must define one of its RTGS DCAs as the default account for all its real-time interbank and customer payments."

We propose to say “may technically be opened in the books of different Central Banks” because this would mean that e.g. the balances cannot be included in the minimum reserve requirements.

Please refer to URO CLM, page 6, 1st paragraph under Table 1: "For Main Cash Account operations, CLM shall trigger an automatic liquidity transfer with the missing amount from the RTGS DCA used for payments (to the Main Cash Account when there is insufficient liquidity on the Main Cash Account). The respective liquidity transfer shall be placed on top of the queue of all pending payments and liquidity transfers on the RTGS DCA."

comment accepted

13.1.4 Management

13.1.1 Main Cash Account in Central Liquidity Management

page 16, paragraph above figure 3: However, the account can receive or transfer liquidity from/to other MCAs within the same group as illustrated in Figure 3.

Please specify "group" as we have the Liquidity Transfer Group, Banking Group and Account Monitoring Group.

It is the Liquidity Transfer Group.

Currently, T2S allows the transfer of liquidity to a T2/PIM account only. In the future, T2/PIM account will be replaced by CLM/MCA. In case there is interest to allow transfers of liquidity from T2S to TIPS or RTGS directly, then this is an enhancement of T2S functionality

Based on further analysis we have removed the referred footnotes. As the reference data of all accounts will be in the CRDM, there is no reason to have any additional checks or controls within a service on incoming and outgoing LTQs in euro.

13.1.2 Dedicated Cash Account in RTGS

Footnote 6

Please clarify what is meant exactly with “the transfer of liquidity from T2S DCA to RTGS DCA requires the enhancement of T2S functionality”. We understand from this paragraph (footnotes 6 and 7) that it will not be possible to transfer liquidity from T2S DCA to RTGS DCAs or to TIPS DCA without an enhancement of T2S functionalities. However it is not clear whether T2S will be able to receive liquidity from RTGS/TIPS DCAs. From the URD, however (URD CLM 3.1.5.2) the Inter-Service Liquidity Transfer is described as a generic process for all kinds of DCAs. It could be helpful to include a table detailing all possible kinds of liquidity transfers among DCAs.

Currently, T2S allows the transfer of liquidity to a T2/PIM account only. In the future, T2/PIM account will be replaced by CLM/MCA. In case there is interest to allow transfers of liquidity from T2S to TIPS or RTGS directly, then this is an enhancement of T2S functionality

Based on further analysis we have removed the referred footnotes. As the reference data of all accounts will be in the CRDM, there is no reason to have any additional checks or controls within a service on incoming and outgoing LTQs in euro.

13.1.2 Dedicated Cash Account in RTGS

"In addition, the RTGS DCA can receive liquidity from TIPS DCA."

Question: Today, in T2S, we have the static data "external RTGS account" to transfer liquidity from T2S to TIPS. What will be addressed via "external RTGS account" in the consolidation world? CLM, RTGS or both?

T2/PIM will be replaced with CLM/MCA

13.1.2 Dedicated Cash Account in RTGS

"The transfer of liquidity from T2S DCA to RTGS DCA requires the enhancement of T2S functionality"

Footnote 6

Please replace "standing facilities" by "automatic marginal lending facility". According to our understanding, only the automatic marginal lending facility is meant here; not the deposit facility which would also be included when using the general term "standing facilities".

"Standing facilities" by "automatic marginal lending facility". According to our understanding, only the automatic marginal lending facility is meant here; not the deposit facility which would also be included when using the general term "standing facilities".

comment accepted
3.1.3 Dedicated Cash Account in TIPS

- The TIPS DCA balance does ... at End of Day to be taken into account

- Same comment as above: Please replace “standing facilities” by “automatic marginal lending facility”

3.1.4 Dedicated Cash Account in TARGET2:

- Account under management (AM-Seti) where the project pays for such changes, shall they decide on going for them

3.1.5 Dedicated Cash Account in TARGET2

- The balance of T2S DCA must be transferred to the linked MCA by mandatory cash sweep at End of Day for the respective processes and cannot remain on T2S DCA

3.1.6 Liquidity management (Target 2)

- In addition to priority reservations, this chapter also addresses the reservation on MCA. As all operations/payments on MCA have the same priority (with the exception of credit line decrease), then on MCA a Party can only reserve liquidity for a business purpose

3.2.1 Tool for monitoring liquidity

- Why is it still considered, it should clearly say so. The wording ‘...community to decide on whether this change shall be implemented’ is unclear. It should say: ‘the T2S Party can order an automated Cash Sweep’ or alternatively ‘ExD sweep is done automatically but users can set a parameter to suppress this’ or, if the community as a whole has to decide it should say a change of the ExD routines would be suggested as a CR to the relevant committees.

3.2.2 Tool for monitoring liquidity

- Liquidity transfers

- Please amend sentence: ”Furthermore, contrary to the principles of the RTGS and TIPS DCAs, the balance of T2S DCA must be transferred to the linked account a mandatory cash sweep at End of Day for the respective processes and cannot remain on T2S DCA.”

3.2.3 Tool for monitoring liquidity

- "Cash Withdrawals” were removed on page 15 in chapter 3.1.1. Please check for consistency.

3.2.4 Tool for monitoring liquidity

- "... Immediate liquidity transfer orders...

- The TIPS DCA balance does not need to be transferred to MCA at End of Day to be taken into account for the minimum reserve and standing facilities...

3.2.5 Tool for managing liquidity

- "Highly Urgent payments (HU-payments) are settled with utmost priority. This priority class is exclusively allowed for AS transactions sent by the Parties and ancillary systems...

- As Cbs also can initiate payments on RTGS DCAs - i.e. Cash Withdrawals - therefore also Cbs should be able to use Highly Urgent priority.

3.2.6 Tool for managing liquidity

- ...cancel a payment...

- A Party should NOT be possible to cancel a HU-payment.
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<td>77</td>
<td>3.2.2</td>
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<td>3.2.2.4 In order to control its settlement of N-payments with other credit institutions, the Party can define</td>
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<td>3.2.2</td>
<td>5</td>
<td>3.2.2.5 Due to the highest priority given to settlement of CB operations, in case of a lack of payment capacity and/or</td>
</tr>
<tr>
<td>79</td>
<td>3.2.2</td>
<td>6</td>
<td>3.2.2.5 Shall the Party opt for the behaviour 2, it shall also redefine the target amount to be reached if the floor or ceiling is breached.</td>
</tr>
<tr>
<td>80</td>
<td>3.2.2</td>
<td>7</td>
<td>3.2.2.5 This priority class is exclusively allowed for AS transactions sent by the Parties and ancillary systems.</td>
</tr>
<tr>
<td>81</td>
<td>3.2.2</td>
<td>8</td>
<td>3.2.2.5 Highly Urgent reservation (HU reservation) is for payment orders linked to AS transactions sent by the Party or an eligible ancillary systems.</td>
</tr>
<tr>
<td>82</td>
<td>3.2.2</td>
<td>9</td>
<td>3.2.2.5 The limit represents the maximum value amount for N-payments that a Party is willing to pay to another specific account or to all other participants/accounts (excluding those with whom a bilateral limit is defined).</td>
</tr>
<tr>
<td>83</td>
<td>3.2.2</td>
<td>10</td>
<td>3.2.2.5 Example box in part 3.2.2.2 &quot;the Central Bank sends a payment order to settle an open market operation with an amount of 90 on the Party's MICA.&quot;</td>
</tr>
<tr>
<td>84</td>
<td>3.2.2</td>
<td>11</td>
<td>3.2.2.5 IMMEDIATE AND STANDING LIQUIDITY TRANSFER ORDER</td>
</tr>
<tr>
<td>85</td>
<td>3.2.2</td>
<td>12</td>
<td>3.2.2.5 The regular standing orders shall specify the amount to be transferred.</td>
</tr>
<tr>
<td>86</td>
<td>3.2.2</td>
<td>13</td>
<td>3.2.2.5 The regular standing orders shall specify the amount to be transferred.</td>
</tr>
<tr>
<td>87</td>
<td>3.2.2</td>
<td>14</td>
<td>3.2.2.5 In terms of processing, any liquidity transfer initiated by an ancillary system (i.e. someone who has no view on the account balance) or by the services itself based on a standing order can settle partially</td>
</tr>
<tr>
<td>88</td>
<td>3.2.2</td>
<td>15</td>
<td>3.2.2.5 These automatic liquidity transfers are mandatory and do not require any prior configuration by the participant. Such automatic LTs are not applicable to and do not involve TIPS DCA and T2S DCA.</td>
</tr>
</tbody>
</table>
Table 1: Prefixed order of liquidity tapping

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>00:00</td>
<td>Start of market day</td>
<td>The Eurosystem offers two overnight standing facilities for monetary policy counterparties.</td>
</tr>
<tr>
<td>00:30</td>
<td>First target time</td>
<td>The payment orders linked to CB operations (e.g., collateral) are processed by the monetary policy counterparts.</td>
</tr>
<tr>
<td>01:00</td>
<td>Second target time</td>
<td>The payment orders associated with the current day’s transactions are processed by the monetary policy counterparts.</td>
</tr>
<tr>
<td>01:30</td>
<td>Third target time</td>
<td>The payment orders linked to the day’s transactions are processed by the monetary policy counterparts.</td>
</tr>
<tr>
<td>02:00</td>
<td>End of market day</td>
<td>The Eurosystem offers two overnight standing facilities for monetary policy counterparties.</td>
</tr>
</tbody>
</table>

Table 2: overnight liquidity transfers

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</table>

Table 3: overnight liquidity transfers

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<td>02:00</td>
<td>End of market day</td>
<td>The Eurosystem offers two overnight standing facilities for monetary policy counterparties.</td>
</tr>
</tbody>
</table>
At the End of Day, all balances in all settlement services (i.e. RTGS, TIPS and T2S) are aggregated. In RTGS, TIPS, T2S and also CLM. 

All accounts belonging to a MFI must also be held by the same Central Bank. 

Footnote 11 “Currently, the cash sweep at End of Day from T2S towards TARGET2 is mandatory. The future solution facilitates the possibility to make such cash sweep optional. The respective decision remains with the T2S Governance.” This footnote was deleted. From our point of view we should keep the footnote because it contains important information. In addition, we need the footnote to keep “T2S” in figure 5. At least, your feedback to our comment was that you addressed our concern in the footnote.

At the End of Day the balances in RTGS, TIPS, also and All belonging to the same Central Bank in order to be taken into account for the fulfilment of minimum reserve. Indeed, from a legal perspective, MFI can open accounts in different NCBS.

Monitoring by Central Banks

This section is final. The aim of this section is to inform the credit institutions of the concept of Banking Group. Banking Group is different from Liquidity Transfer Group (see section 3.2.2.9) and is comparable to Banking Group Monitoring in TARGET2 in terms of scope and coverage.

As the chapter clearly describes the functionality of the banking group monitoring we suggest to replace the title as follows “Banking Group Monitoring by Central Banks”.

A Party can also use for all AS settlement procedures that settle on RTGS DCA its RTGS DCA for payments. It is up to the Party whether it prefers to open a separate RTGS DCA for interaction with ancillary systems.

Monitoring by Central Banks

Footnote: “Currently, the cash from our point of view is kept. It is envisaged that the same terms and conditions for participation in RTGS will apply as today in TARGET2. Further details will be provided in respective legal documentation.

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Multi-branch access
A direct RTGS participant can authorise its branches and credit institutions belonging to its group located in the EEA countries via a so-called multi-address access to channel payments through the RTGS DCA of the direct participant without its involvement by submitting/receiving payments directly to/from RTGS.

Access as correspondent BIC ("addressable BIC")
Any correspondent (or a branch of a correspondent) of a direct RTGS participant that holds a BIC is eligible to be listed in the RTGS directory irrespective of its place of establishment. These addressable BIC can only send and receive payment orders to/from RTGS via the direct RTGS participant. 

For the sake of completeness it should be added that also the multi-address access and the addressable BIC can be registered through one and only one RTGS participant.

comment accepted

Does an AS have the same role as a direct participant?

Does an AS have the same role as a direct participant?

Can we be more specific? Are we referring to direct participants offering cash corresponding bank services to other entities and that may need to keep FIn capabilities to dialogue with these entities?

Will this need exclusively exist for the cross border business?

More generally speaking, is there an intention to address at some point and some time the question of the potential non ISO 20022 readiness of some participants, as a contingency procedure?

The sentence refers to the potential need for direct participants to relay the payment orders received from their customers in FIn standard to RTGS in ISO 20022 as well as vice versa (i.e. correspondent banking services).

The case, when a direct participant is not ready to send and receive at the go-live of the T2-T2S Consolidation project, will be addressed as a potential risk for migration

"Multi-branch access
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4.4 Contingency measures

In the event of a technical system problem, the direct RTGS participant may not be able to send or receive payment orders in A2A mode. It seems that this chapter is only valid for RTGS. Which contingency measures are foreseen in CLM? Could you please add it in the document? comment accepted

39 4.5.1 Business day scheduler

Table 2 (or anywhere above that...)

It may be worth adding that all times are CET. It is obvious in this project but there will be a lot of readers in the UK comment accepted

39 4.5.1 Business day scheduler

Table 3. “...03:00-18:00 (continuous processing of payment orders, AS transactions and LTOs)” and in 4.5.2, “...At 19:30, CLM and RTGS are available again for Parties...”

And therefore for normal payment business? If so, does an agreement exist concerning the onsite availability for 4CB ServiceDesk and / or CBs at night? Should something be mentioned here? The credit institutions can do their normal payment business on RTGS from 03:00-18:00. The period between 19:30-00:30 is only for settlement of AS transactions and liquidity transfers. TARGET2 Service Desk will be available both during standard and non-standard support hours with different service levels. As the Central Banks are the first-level contact for their communities, they shall specify their standard and non-standard support hours with different service levels in MOP.

39 4.5.1 Business day scheduler

Table 2: INDICATIVE TIMING OF SUBSET OF BUSINESS DAY EVENTS CLM, RTGS and CROM/D/WH

Availability for users: RTGS 19:00-00:30 or 19:30 - 00:30? In the next page it is indicated that at 19:30, CLM and RTGS are available again for Parties. CLM will be available for users at 19:00 (e.g. to monitor balances). However, according to the current schedule, the user can transfer liquidity only from 19:30 onwards.

You are correct

39 4.5.1 Business day scheduler

Table 2: indicative timing of subset of business day events in CLM, RTGS and CROM/D/WH

This indicative timing can be misleading for the banking community and generate either expectations or concerns although the decision on the opening time is not yet taken by the Eurosystem. Besides please note that at two titles for this table with a different numbering.

The timings in a business day schedule can only be indicative as many of them depend on the finishing of a previous activity or cycle. For example, 4CB procedure starts only once the last settlement algorithm is finished. Similarly, Changes of Business Day can only take place once CLM, RTGS, T2S and common components all have finished their 4CB procedures. The word “indicative” is used with reference to this specific context and shall not challenge the general business day structure. Please note that the former “title” is actually a cross-reference to the Table. We adapted the document to avoid such misunderstanding.

39 4.5.1 Business day scheduler

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39 4.5.1 Calendar

Table 4 “1 May (Labour Day) * 26 December”.

one logic should be kept: like Labour Day (1 May), Boxing Day (26 December)

comment accepted

41 Day procedures

4.5.2 End of Day and Start of Day procedures

We propose to add “last settlement algorithm in RTGS”

comment accepted

41 Day procedures

4.5.2 End of Day and Start of Day procedures

We propose to add that TIPS has no EoD/SdO procedure.

comment accepted

41 4.5.3 Calendar

Table 4 “1 May (Labour Day) * 26 December”.->

one logic should be kept: like Labour Day (1 May), Boxing Day (26 December)

comment accepted

41 4.5.3 Calendar

page 43 on the top “...The same business day continues on the next calendar day that is an opening day of CLM and RTGS by finishing the maintenance widow”

tipo - w.cleanup

comment accepted

41 4.5.3 Calendar

page 43 - Example

please delete T2S from the example as it can be different for T2S, right?

In our understanding the example will be valid also for T2S

41 4.5.3 Calendar

Table 4 Closing days of CLM, RTGS and common components.

For the sake of completeness there should also be a table for the closing days of T2S (as the document is named T2-T2S Consolidation Business Description Document)

comment accepted

41 4.5.1 Calendar

Table 3 rows “Availability for users” and “Maintenance Window”

Table 4

It might be useful to highlight what is different for T2S.

comment accepted

41 4.5.1 Calendar

The Parties can submit payments 10 business days in advance... In CLM, central banks can also send payments 10 business days in advance... Please use chapter numbering as 4.6.1. directory service, 4.6.2. warehoused payments 4.6.3. billing. comment accepted

41 4.5.1 Calendar

warehouse payments “...10 business days”

According to UDFS it will be 10 CALENDAR days

comment accepted

41 4.6 Other aspects

directory service, warehouse payments, billing for usage of service...

Suggestion to add “up to” 10 business days in advance in both sentences.

comment accepted

41 4.6 Other aspects

warehoused payments “...10 business days”

Please use chapter numbering as 4.6.1. directory service, 4.6.2. warehoused payments 4.6.3. billing.

comment accepted

41 4.6 Other aspects

“...RTGS and CLM provide or are supported by the following functionality...

Billing for usage of services”

According to our understanding the billing shall also be harmonised for T2S and TIPS.

Please note the adapted wording

45 List of abbreviations

SSP

In the UDFS the 4CB are using the term EMPI - European Market Infrastructure Platform – should this term be used in all our documents for T2-T2S Consolidation at it seems to be right new term?

EMPI is 4CB internal term and shall not be used in external T2-T2S Consolidation project deliverables.

T2S means the set of hardware, software and other technical infrastructure components through which the Eurosystem provides the services to participating CSIDs and Eurosystem CBs that allow core, neutral and borderless settlement of securities transactions on a delivery-versus-payment basis in central bank money. (-> copied from the T2-Guideline)

Please note that T2S is not a system under the designation of the SFD.

comment accepted