Introduction

In order to fulfil all markets participants needs a wide range of possibilities to join the TARGET2 system is foreseen!

TARGET2 will offer fair and open access to the payment module

Ways to access the TARGET2 system:

a. Direct participation
b. Indirect participation
c. Multi-addressee access
d. Addressable BICS

Although TARGET2 will be legally constructed as a multitude of RTGS systems, the participation framework will be harmonised to the largest extend possible.
a) Direct participation

• **Technical and business characteristics**
  
  • RTGS account in the PM
  
  • sending/receiving payments directly to/from the PM
  
  • Access to real time information and control measures
  
  • Responsible for all payments sent on their account by any authorised entity
a) Direct participation

• **Access criteria**

  • Supervised credit institutions established in the EEA (including branches)
  • Investment firms established in the EEA
  • Treasury departments of central or regional governments of Member States
  • Public sector bodies of Member States authorised to hold accounts for customers
  • Organisations providing clearing and settlement services
  • Central banks of Member States

No additional financial or operational requirements. Capacity and country opinions may be required.
b) Indirect participation

Technical and business characteristics:

- No own RTGS account in the PM
- Payments on behalf of the indirect participant are sent to the PM by the direct participant
- Payments are settled on the account of the direct participant
- Registered in the PM for the purpose of routing
- Published in the T2 directory
b) Indirect participation

• **Access criteria**

  • Only supervised credit institutions established in the EEA could become indirect participants

  • Bilateral agreement with one direct participant

  • Service level could be agreed between direct and indirect participants (recommendations for the SLA might be established by the Eurosystem)
c) Multi-addressee access

- **Technical and business characteristics**
  - Members of “a group” can directly send payments to the PM on one RTGS account
  - Settlement is taking place on the RTGS account of one direct participant
  - Access to real time information and control measures
c) Multi-addressee access

• Access criteria

• Credit institutions located in EEA which create “a group” according to the definition of the International Accounting Standards (IAS)

• Additional requirements:
  – A satisfactory legal opinion would be required from the branches located outside the EEA
  – Access by “network affiliations“, i.e. cooperative/savings banks, belonging to the same “group” is to be confirmed by the Governing Council.
d) Addressable Institutions/BICs

• Technical and business characteristics

• Technical characteristics resemble those of indirect participants

• No own RTGS account with the PM

• Payments are sent/received the PM by the direct participant on the behalf of the addressable institution and settled on the direct participant’s account

• Published in TARGET2 Directory
d) Addressable Institutions/BICs

- **Access criteria**
  
  - Any direct participant’s customer can become an addressable institution/BIC
  - No institutional, territorial or financial/administrative criteria
  - It is up to the direct participant marketing strategy to decide whether or not to offer such status
  - Addressable Institutions/BICs are not known to the system in a legal sense.
# TARGET2 participation framework

## Summary:

<table>
<thead>
<tr>
<th></th>
<th>Account in PM</th>
<th>Way to submit / receive payments</th>
<th>Settlement of payments</th>
<th>Subject to the system rules</th>
<th>Listed in TARGET2 directory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct participation</td>
<td>Yes</td>
<td>Directly</td>
<td>Own account in the PM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Multi-addressee access</td>
<td>No</td>
<td>Directly</td>
<td>Account of the direct participant</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Indirect participation</td>
<td>No</td>
<td>Via direct participant</td>
<td>Account of the direct participant</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Addressable BICs</td>
<td>No</td>
<td>Via direct participant</td>
<td>Account of the direct participant</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Questions & Answers