

24 June 2019

OUTCOME OF THE 11TH MEETING OF TARGET CONSOLIDATION CONTACT GROUP (TCCG)

4 June 2019 - 10:00 to 15:00

*held at the premises of the European Central Bank, Sonnemannstraße 20,
meeting room MB C2.04, on 2nd floor*

1. Introductory Remarks

The Chairperson of the Contact Group will welcome the participants and open the meeting introducing the Agenda.

Outcome:

The Chairperson welcomed the participants and briefly introduced the agenda.

2. Status Update on Project Deliverables

The Contact Group members will be provided with a status update on the project deliverables as well as on the status of change requests on T2-T2S Consolidation URDs.

Documents:

- *Status Update on T2-T2S Consolidation project (Presentation ECB)*

Outcome:

The ECB presented the status update on the T2-T2S Consolidation project covering also the UDFS, GUI, ESMIG connectivity, development, testing and migration, client readiness and operational and legal framework.

3. User Detailed Functional Specifications (UDFS)

The Contact Group members will be provided with a status update on the UDFS following the feedback received during the consultation on v1.1 that ended on 5 April.

Documents:

- *T2-T2S Consolidation UDFS - Status update (Presentation 4CB)*

Outcome:

The 4CB presented a classification of the number of comments received during the UDFS v1.1 consultation. The relevant comments will be addressed by the 4CB in the UDFS v2.0, which will be published on 1 July 2019. Feedback on market comments will be provided at the beginning of July 2019 following the UDFS delivery.

4. Planning

The Contact Group members will receive an update on the outcome of the written procedure (that ended on 02 May 2019) on the “Enhanced Key milestones for banks” document to ensure a successful big-bang migration of the T2-T2S Consolidation project in November 2021.

Documents:

- *Enhanced Key milestones for banks and the outcome of the written procedure on the matter (Presentation ECB)*

Outcome:

The ECB explained that the final list of overall key milestones for banks for 2019 and 2020 was endorsed by the AMI-PAY on 14 May 2019. This list of overall key milestones benefitted from the TSWG and TCCG feedback in previous written procedures. The next step is the MIB approval of the milestones document before its publication on the ECB website.

The ECB introduced some comments that were received during these TSWG/TCCG written procedures and were related to the testing and migration activities. The ECB will take them into consideration and present the analysis to the TSWG/TCCG when finalised.

It was explained that the exit criteria of the different testing stages and migration phases will clarify the criteria to move to the next phase and it is not expected that all participants have to complete their activities. The ECB will monitor critical participants (e.g. CBs, AS, large banks) more closely though. In any case, it is up to the AS and CBs, and not to the ECB, to organise their own testing strategy/campaigns to check their own processes outside T2.

5. Functional topics

5.1. Roles and privileges in the future T2 Service and common components

The Contact Group members will be presented with the co-management now and in the future as well as the definition of groups.

Documents:

- Comparison between co-management and groups in TARGET2 and T2 (*Presentation 4CB*)

Outcome:

The 4CB presented a comparison of the co-management and groups between TARGET2 and T2 upon request from the TCCG in the last meeting in April 2019.

The ECB explained that the current working assumption, to be validated by the MIB, is that any CLM account holder, can set-up an Account Monitoring Group (AMG) and any RTGS, TIPS, T2S Dedicated Cash Accounts (DCAs) or CLM Main Cash Account (MCA) can be included in the group.

It was clarified that the same privileges of a user apply independently of this user is managing on its own and co-managed accounts. Basically, the co-management enlarges the data scope of the co-manager and ESMIG log-out is not needed. An alternative to co-management would be to create a different user under the co-managed party, which would allow to have different set of privileges, but requires a different log-in.

The 4CB will clarify which privileges are different for the co-managed accounts and the own accounts of the co-managers.

6. T2S/TIPS Change Requests – Consolidation Project Triggered

The participants will be provided with a status update on the T2S change requests stemming from the Consolidation project following the discussion of these CRs in the T2S Governance.

Document:

- *Status update on Change Requests on T2S due to T2-T2S Consolidation (Presentation ECB)*

Outcome:

The ECB presented the status update on the T2S Change Requests (CRs) related to the T2-T2S Consolidation project.

The ECB debriefed about the joint meeting of the TCCG, T2S Change Review Group (CRG) and T2S Operational Managers Group (OMG) on 28 May 2019 to agree on the maintenance window timing for T2 and T2S. The proposal out of this meeting was:

- A weekly maintenance window will take place in the weekends from Saturday 2:30 to Monday 2:30 (it will be longer if a TARGET closing date precedes and/or follows the weekend).
- An ad hoc maintenance window from 3:00 to 5:00 during the week (Tuesdays to Fridays) might be scheduled for urgent deployments to fix defects that cannot wait for the weekly maintenance.
- The settlement window for interbank payments starts at 2:30 to guarantee an early settlement window even on days when the maintenance window is activated.

The Manual of Operational Procedures will provide details of when and how an ad hoc maintenance window will be launched.

The group welcomed the found compromise and confirmed that it properly reflects the needs of the payment communities.

The ECB will raise a CR (CSLD-0012-URD) to update the Consolidation URD accordingly. This update will be reflected in the UDFS after the CR approval (i.e. it will not be part of the UDFS v2.0). Nevertheless, the topic will be mentioned in the UDFS v2.0 cover note to inform the T2 community about the change in the maintenance window and the start of interbank and customer payments compared to what is provided in the UDFS v2.0 itself.

7. CLM and RTGS GUI Workshops

The Contact Group members will be de-briefed on the third CLM and RTGS GUI workshop held on 12 April 2019 in Frankfurt.

Documents:

- *CLM and RTGS GUI workshop debrief (Presentation ECB)*

Outcome:

The ECB debriefed from the third CLM and RTGS GUI workshop which was held on 12 April and elaborated on the way forward. The fourth CLM and RTGS GUI workshop will take place on 17 July 2019. This workshop will follow by a central bank specific workshop on 3 September and Ancillary System specific workshop on 4 September 2019.

8. ISO20022 messages

The participants will be informed on the changes of CLM and RTGS UDFS “Part III - Catalogue of messages” as well as related message usage guidelines in view of the baseline UDFS v2.0.

Furthermore, the participants will be de-briefed on the first joint RTGS operator workshop on ISO 20022.

Documents:

- *Changes to CLM and RTGS UDFS Part III and related message usage guidelines (Presentation 4CB)*
- *RTGS operator workshop on ISO 20022 (Presentation ECB)*

Outcome:

Removal of “Data Type/Code” for message fields from the UDFS document: The 4CB explained the proposal of removing the “Data Type/Code” for message fields from the UDFS document as the information is already part of MyStandards. It brings additional workload when updating the UDFS and provides incomplete “Data Type/Code” information (i.e. the pattern is missing in the UDFS document). Moreover, the inclusion in the UDFS document might potentially create inconsistencies with MyStandards.

The TCCG agreed with the 4CB proposal to remove the “Data Type/Code” for message fields from the UDFS v2.0 document.

RTGS operator workshop on ISO 20022: The ECB debriefed about a meeting of the RTGS operators that are working on the ISO20022 implementation that took place in April 2019. The aim is to address potential synergies between the projects and explore possibilities for harmonisation and standardisation across the various platforms.

The ECB will continue to inform the TCCG about such discussions. The next meeting is scheduled in June 2019.

9. Any Other Business

The next Contact Group meeting will be held at the Deutsche Bundesbank premises in Munich, on 16 October 2019.

- *Days to recall a settled payment order*
- *Amount field harmonisation in Consolidation messages*
- *Settlement window for Ancillary System’s transfer orders*

Documents:

- *Amount field harmonisation in Consolidation messages (Table document 4CB)*

Outcome:

Amount field harmonisation in Consolidation messages: The 4CB presented the proposal to harmonise all amount fields for all CLM and RTGS messages to 18 digits and 2 decimal places with some exceptions (e.g. in the ancillary system transfer initiation message).

The discrepancies stem from different amount field definitions in T2S, the ISO15022 cash messages and High Value Payments Plus (HVPS+) market practice task force's recommendation.

The 4CB will update the presentation following the TCCG discussion and indicate which messages deviate from the HVPS+ recommendation. The TCCG members were invited to provide their feedback on the 4CB proposal by 14 June 2019. This proposal will be implemented in the UDFS v2.0 provided a positive TCCG feedback.

Settlement window for Ancillary System's transfer orders: A TCCG member expressed that the settlement of Ancillary System (AS) transfer orders should not start before 7 am with the exception of AS settlement procedures C and D as they settle on dedicated liquidity accounts. The reasoning is that:

- There is not a current demand for AS settlement during the night.
- Errors which trigger night-time AS transfer orders may take liquidity away for early planned payments with no capacity to react.
- It increases the banks costs due to additional monitoring needs.
- The level of 4CB/NCB support is reduced in case of incidents during the night (e.g. revocation of files in the information period).

The ECB explained that it should be distinguished when RTGS allows settlement technically and when AS are going to submit their transfer orders. It seems that the AS do not plan to make use of the night settlement window and if they did, the banks will be part of that decision as they are represented in the AS. The likelihood of AS transfer orders sent by mistake, file errors or operational errors seem to be low, perhaps only limited after new releases potentially. In addition, each bank should have monitoring or configurations tools in place as interbank and customer payments are possible in any case.

The TCCG did not reach any final conclusion on the topic. The ECB project team will summarise the discussion and analyse it further.

Days to recall a settled payment order: The ECB recalled that RTGS actors can send a 'Financial Institution to Financial Institution Payment Cancellation Request' (camt.056) to recall a 'Customer Credit Transfer' (pacs.008) or a 'Financial Institution Credit Transfer' (pacs.009).

The TCCG agreed with the current UDFS description for which there is no time limitation to send such a request. It is up to the counterparty to reject the recall request (Resolution Of Investigation – camt.029) or return the payment by using the payment return message (pacs.004).

After the Contact Group meetings, all meeting documents will be published on the ECB homepage (link: <https://www.ecb.europa.eu/paym/initiatives/html/documents.en.html?skey=T2/T2S>).