

ISO 20022 strategy for TARGET2

Second user consultation - Outcome

The ISO20022 strategy for TARGET2, which was announced by the Eurosystem at Sibos in October 2012, foresaw two user consultations, as the involvement of the users is considered crucial for the success of the migration strategy and these consultations give them the opportunity to make their valued contribution to this fundamental development in TARGET2.

With the first consultation of June/July 2013, the TARGET2 users were presented with a list of key issues, along with the proposals put forward by the Eurosystem. All proposals included in that consultation aimed to ensure that the migration of TARGET2 is mainly technical in nature, while limiting – to the extent possible – any business impact for the participants.

The second consultation took place, as foreseen in the project plan, between 25 November and 20 December 2013. The objective of the consultation was to collect user comments on the “General Functional Specifications” (GFS), a functional document providing a high level description of the migration of TARGET2 to the new standards. At the same time, users were asked to confirm that the level of information provided was sufficient for them to plan the necessary activities in time for the migration, scheduled for November 2017.

The outcome can be considered positive. The users identified some minor technical aspects and some standardisation details that need further clarification, but confirmed that what they received was in line with expectations. Most of the other comments received do not even refer to the content of the GFS but stress the point that the next steps need to be tackled as soon as possible (e.g. testing). The fact that this consultation was used by users mostly to ask for further details – at the same time considering the content of the GFS as sufficient – is a clear sign that the project is on track and that work can continue according to the project plan. More details on the comments received are provided as an Annex to this document.

With regard to the next milestones of the strategy, the GFS have been reviewed as a consequence of the consultation and it is foreseen that an enhanced version of the document will be released in



March 2015; moreover, the release of the “User Detailed Functional Specifications” (UDFS) in June 2015 will complete the functional design of the migration project.

The positive result of the consultation stresses the need for work to begin promptly on meeting the next challenges on the way to migration. Now that the GFS have been delivered it is certainly possible to start planning the organisation of phases of the strategy such as registration and the testing activities. This work will be carried out, as usual, in close contact with the users and with the help of SWIFT, which has proved to be a crucial partner in the realisation of this major project of the Eurosystem.

National Central Banks stand ready to give assistance to their users and help them to undertake the necessary analysis of the possible impact of the ISO 20022 strategy for TARGET2 on their IT systems.

Annex

Aggregated view of the Outcome

Country	Summary of comments made
AT	Testing and registration should be covered as soon as possible.
BE	No particular remarks.
BG	No particular remarks.
CY	No particular remarks.
	The level of detail is considered sufficient at this stage. However, clarification is sought on a variety of topics, including:
	- the impact on AS messages;
DE	- the reason codes for rejections;
	- the procedure for generating DNs;
	- the usage of the same BIC for testing and production;
	- the possible need to review the service level.
DK	No particular remarks.
EE	No particular remarks.
ES	Final mapping tables and test cases would be welcome at the earliest point in time.
FI	No particular remarks.
FR	Clarifications are required on the conversion rules between BICs and DNs.
GR	Final mapping tables and test cases would be appreciated.
IE	Finalisation of mapping tables is necessary before mid-2015. Moreover, testing and registration processes should be shared at an early stage.
IT	Clarification is needed on the treatment of PDM and PDE SWIFT FIN messages (possible duplicates) after the migration.
LU	Details on the DN/BIC translation process are needed. Moreover, it needs to be clarified whether the MX equivalent of MT204 should or should not be part of the restart after disaster.
MT	No particular remarks.

Finalisation of mapping tables is necessary before mid-2015. Moreover, testing and registration processes should be shared at an early stage.

NL	The use of field 113 (country specific indicator) is very important for the Dutch market, even crucial for the determination of the impact of the migration on that market. Therefore, it is essential that a dialogue be held on this issue with the Eurosystem at the earliest point in time, and in any case before mid-2014.
PL	The only concern is about the use of DNs, on which any clarification is welcome.
PT	A deep analysis of the impact of the migration is only possible after the delivery of the UDFS, but the GFS are enough to make high level plans. As a matter of concern, it is stressed that some corresponding fields of the MX and MT messages have a different format and this might have an impact on the like-for-like approach decided upon for the migration. Moreover, the functionalities related to payments in A2A-mode have to be adapted.
RO	No particular remarks.
SI	No particular remarks.
SK	No particular remarks.
TWG	<p>The TARGET Working Group (TWG) suggests that users may not have fully gauged the impact of the migration, and the process of assessing the impact on IT infrastructures needs to continue. TWG offers its expertise in order to address in a timely manner any issue that may arise.</p> <p>Moreover, TWG fully supports the view of the National User Groups asking for the finalisation and sharing of the mapping tables well before mid-2015, and confirms the importance of tackling the following issues in particular as soon as possible:</p> <ul style="list-style-type: none"> - the testing and registration processes; - conversion rules between BICs and DNs; - the usage of field 113 and the other issues currently under investigation by SWIFT; - the treatment of PDM and PDE SWIFT FIN messages (possible duplicates) after the migration.