

FAQs on TARGET2/T2S consolidation

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	National Service Desk TARGET Services	
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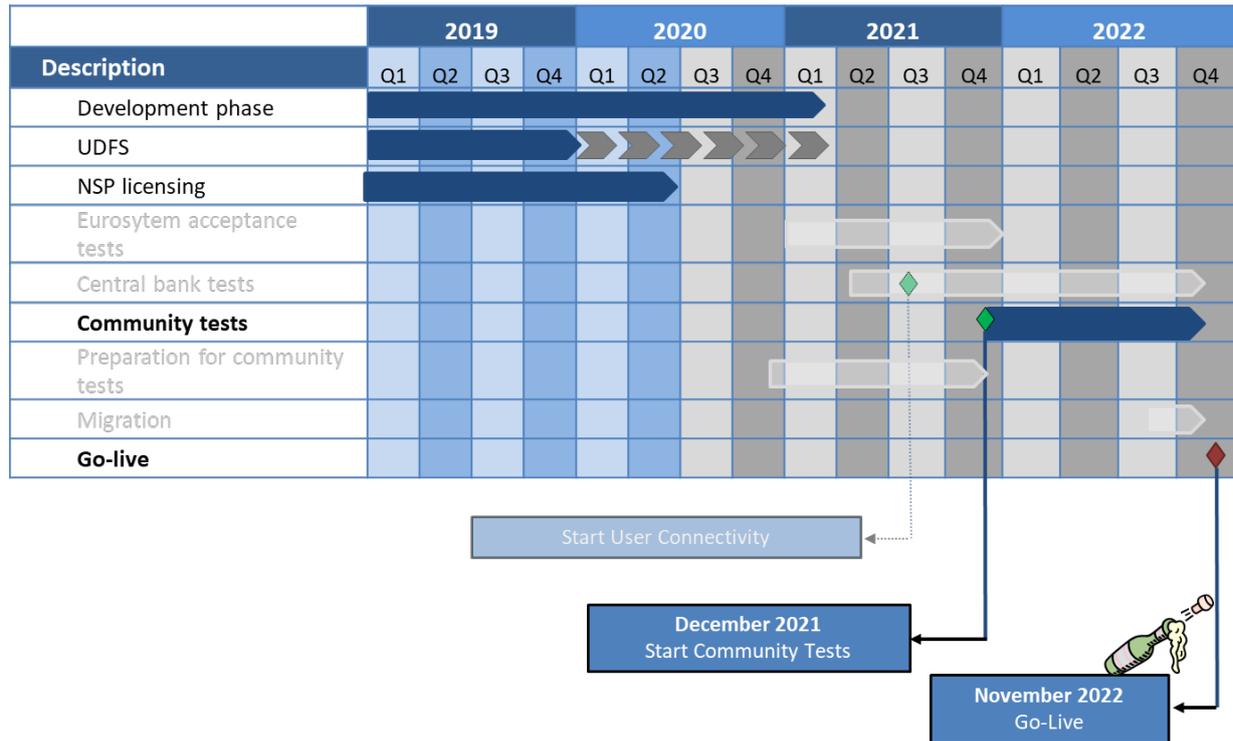
1. Organisational matters

1.1. Who will be affected by TARGET2/T2S consolidation?

TARGET2/T2S consolidation means that TARGET2 will be discontinued, so all PM and HAM account holders will be affected. TARGET2/T2S consolidation also affects any institutions intending to hold an account for central bank operations, liquidity management in central bank money and/or settlement of high-value payments and ancillary system settlement in central bank money. In the future T2 service, PM and HAM accounts will be replaced by main cash accounts (MCAs) and RTGS dedicated cash accounts (DCAs). The services for real-time payments (TIPS) and securities settlement (T2S) will be incorporated into the new TARGET Services as standalone services. Existing holders of T2S and TIPS DCAs will be able to keep their accounts, but for their liquidity management operations they will need to be connected to MCAs because PM accounts will no longer be available. Settlement will remain largely unchanged within the two services. Any changes that become necessary, for example due to the use of common components (e.g. launch of ESMIG for communicating with the future TARGET Services) or connectivity with the new MCAs will be released as part of the respective change management process. Liquidity will continue to be supplied via cash handling accounts as part of a modified range of services (see the separate Circular No 39/2020 of 27 May 2020 for further details on this topic). Holders of cash handling accounts with the Bundesbank which do not hold a TARGET2 account of their own or will not hold a T2 account in future will need to check with their liquidity provider as to how liquidity can continue to be supplied.

1.2. When will the test phase begin?

The test environment for connectivity tests is currently scheduled to be available as from the beginning of September 2021 (milestone NCO1). The user test phase itself will commence at the beginning of December 2021 (milestone UTA1). As part of community readiness monitoring, the Bundesbank will ask participants at the end of August 2021 (milestone IAD8) for confirmation that internal testing has been concluded before user testing begins.



1.3. When will consolidation be complete?

The current plan is for TARGET2/T2S consolidation to be complete in November 2022.

1.4. How will the transition period between T2S migration to the common components and the launch of consolidation be handled from the launch of consolidation to full T2S integration?

Starting in June 2022, T2S will use the common components (e.g. ESMIG and CRDM) – i.e. six months ahead of T2. The ESMIG connection used for T2S (which is mandatory for directly connected participants) can then also be used for T2.

From November 2022, the indirect connection to T2S (T2S ICP) via TARGET2 (TARGET2 value added services) will no longer be available. The account balance of the T2S DCA will then instead be shown via the CLM GUI. Liquidity can be transferred from the main cash account (MCA) in CLM to the T2S DCA via U2A or A2A (“push”). The “pull” function currently available in TARGET2 to instruct the collection of liquidity from the T2S DCA to a PM account in TARGET2 will only be possible in future via the CLM GUI in U2A mode. The “pull” A2A function will no longer be available from November 2022.

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1.5. Is participation in the new contingency solution (ECONS II) mandatory for all institutions?

When TARGET2/T2S consolidation is launched, it will be mandatory for the following institutions to participate in ECONS II (as is already the case in ECONS I): Eurosystem central banks, participants and ancillary systems classified as critical by the Eurosystem, and participants involved in the settlement of very critical payments.

Connectivity to ECONS II is optional for all other participants.

There are no plans to make connectivity mandatory for other participants before the end of 2024.

1.6. Is there a deadline for changing master data in TARGET2?

In light of the impact on TARGET2/T2S consolidation, future T2 participants are requested to submit their final changes (legacy systems/TARGET2) prior to migration by July 2022. Only changes that are absolutely necessary can be made after that date.

1.7. When is the cut-off point for switching between indirect and direct connectivity?

Preparations are time-consuming for participants and central banks alike, so users are requested to definitively opt for either direct connectivity, or indirect connectivity via service providers or co-managers, by the end of June 2021 (= signing of the contract with the network service provider, milestone NSP4). Switching from planned direct participation to indirect connectivity (for example, co-management) will still be possible after July 2021.

2. FAQs about TARGET and T2/T2S consolidation

2.1. General questions

2.1.1. What do the TARGET Services comprise?

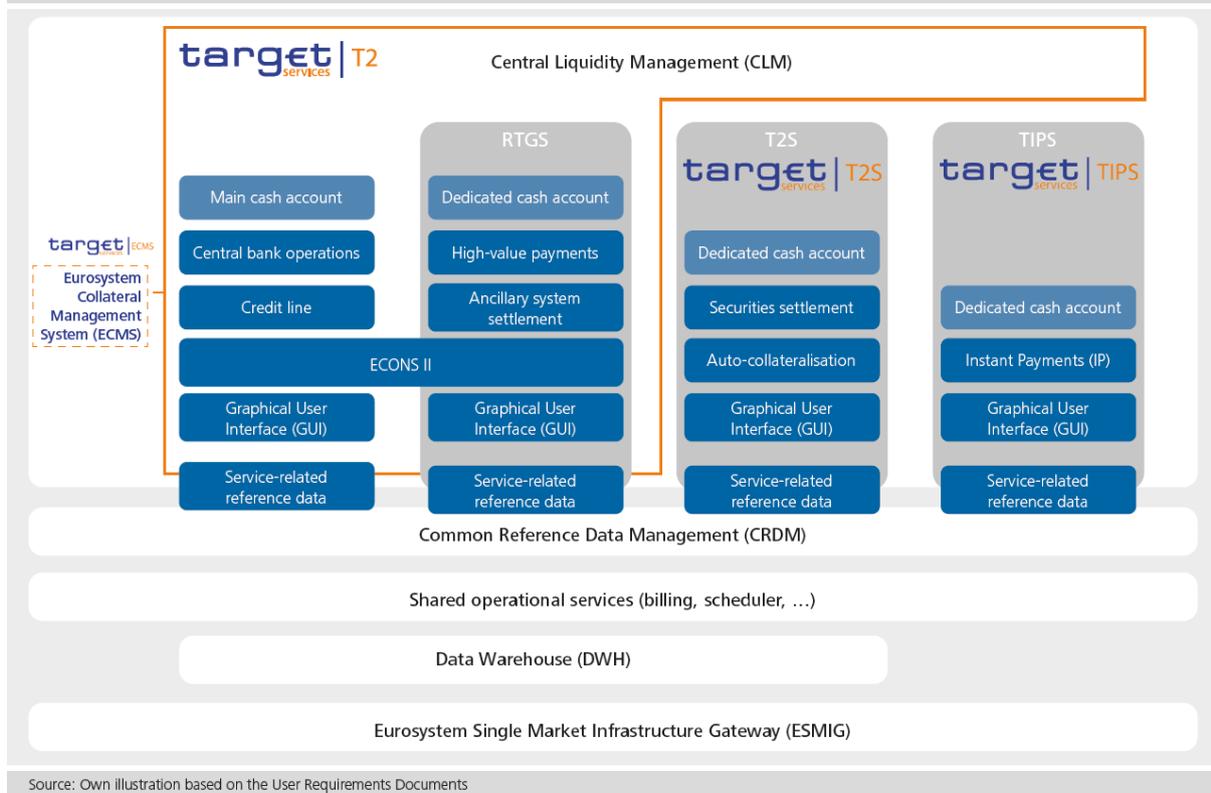
The suite of TARGET Services comprises:

- T2 (a service made up of the central liquidity management (CLM) and real-time gross settlement (RTGS) modules);
- TARGET2-Securities (T2S);
- TIPS (TARGET instant payment settlement);
- ECMS (Eurosystem collateral management system).

There are also common components used across the suite of TARGET Services. These include:

- the Eurosystem single market infrastructure gateway (ESMIG);
- common reference data management (CRDM);
- shared operational services (billing (BILL), business day management (BDM));
- a data warehouse (DWH) for T2 and T2S;
- legal archiving (LEA);
- enhanced contingency solution II (ECONS II).

The modular set-up of future TARGET services



2.1.2. What happens if an institution doesn't make the necessary changes in time?

If an institution fails to make its changes in time, after the TARGET2/T2S consolidation launch date (November 2022) it will no longer be able to

- carry out central bank operations and/or directly hold minimum reserves;
 - It is not possible to take part in open market operations.
 - It is not possible to use standing facilities (deposit facility, overnight credit).
- directly receive/send payments in central bank money;
- participate directly in ancillary system settlement (e.g. in retail payments settled via T2 (such as the SEPA-Clearer) or central counterparties that use T2 for settlement (e.g. Eurex Clearing)).

2.2. Account management and liquidity management

2.2.1. Will there still be PM and HAM accounts?

No, the PM account will cease to exist under that name. However, the features that today's PM accounts offer will be absorbed into the main cash account (MCA) located in the central liquidity management (CLM) module and the RTGS dedicated cash account (DCA). The MCA will be operated in the CLM module, the RTGS DCA in the RTGS module. Together, these two components – CLM and RTGS – make up the T2 system.

The HAM account will cease to exist, too. Its features will be absorbed into the main cash account (MCA).

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2.2.2. What's a main cash account (MCA)?

The introduction of MCAs in the central liquidity management (CLM) module means that liquidity management and central bank operations will be separated from high-value payments and ancillary system settlement in future.

Institutions will need a main cash account (MCA) if they wish to

- settle open market operations;
- hold minimum reserves directly;
- make use of standing facilities (deposit facility, overnight credit);
- link in a credit line;
- (self) supply liquidity to any other accounts such as dedicated cash accounts (DCAs) in the RTGS (= RTGS DCAs) or in other TARGET Services (TIPS DCAs, T2S DCAs).

2.2.3. What effect will consolidation have on account management?

TARGET2/T2S consolidation will see traditional (commercial) payment transactions and ancillary system settlement on the one hand being separated from central bank operations and liquidity management on the other. In the current set-up, TARGET2 PM accounts are used for liquidity management, high-value payments, ancillary system settlement and central bank operations. In future, however, there will be main cash accounts (MCAs) in the central liquidity management (CLM) module for central bank operations and liquidity management purposes, and dedicated cash accounts (DCAs) in RTGS for high-value payments and ancillary system settlement. In addition, institutions wishing to participate in RTGS, TIPS or T2S will always be required to open an MCA as well at the same central bank with which the RTGS, TIPS or T2S DCA is held. The HAM account will cease to exist, too. Its functions will be absorbed into the main cash account (MCA).

2.2.4. Does a separate BIC-11 need to be used for each account (MCA and DCA)?

A separate BIC-11 needs to be used for each account within a given component (CLM or RTGS). Specifically, this means that if you wish to open more than one RTGS DCA, for example, you are going to need more than one BIC-11.

It is, however, possible to use the same BIC-11 across components. This means that the same BIC-11 can be selected for an MCA as for an RTGS DCA. The same applies to accounts used across services, e.g. in TIPS or T2S. BIC-11s currently used in TARGET2 for PM/HAM accounts can continue to be used subject to the same conditions.

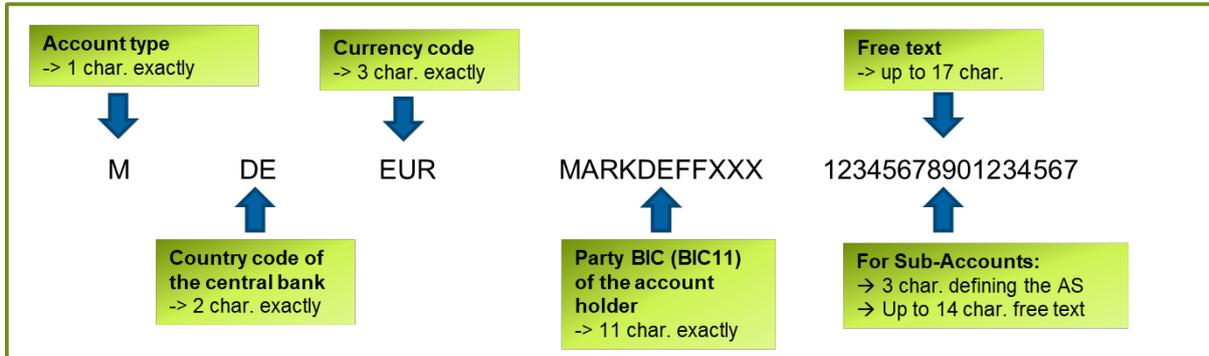
2.2.5. Will the existing account numbers remain unchanged?

TIPS and T2S accounts, including their account numbers, will remain unchanged. On the other hand, any existing PM and HAM accounts (including their account numbers) will be deleted for migration purposes. Institutions will need to open at least one new account to participate in the T2 service.

Accounts in T2 are defined by an account BIC and a separate account number. Each account (in CLM and RTGS) will have an account number, but not every account will have an account BIC (e.g. a sub-account in RTGS will not have an account BIC).

T2 account numbers are structured according to an agreed Eurosystem-wide procedure, which is as follows:

- The structure of the **account number** is oriented on the conventions already used for **T2S and TIPS**:



Account	Account type
MCA	M
RTGS DCA	R
T2S DCA	C
TIPS DCA	I

Account	Account type
Overnight Deposit Account	D
Marginal Lending Account (bis Nov 2022)	L
ECONS II	X

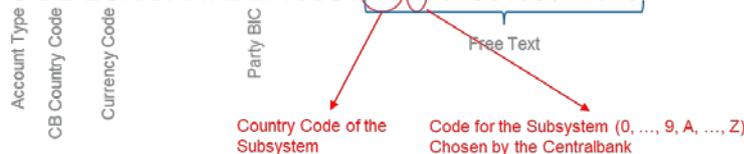
Account	Account type
Sub Account	U
Technical Account	T
Guarantee Account	G
CB-ECB Account	E
Transit Account	N

- For the overnight deposit and marginal lending account the party BIC of the institution for which the account was opened will be used (account holder is the Central Bank)

Under classification of the Account (up to 17 characters)

- For Subaccounts of RTGS DCAs (Account type „U“) the first three positions of the free text for show the Subsystem, for which the Subaccount in connection with Procedure C was created. The other 14 characters are free text.

Example: **U DE EUR BANKDEFFXXX DE 123456789012345**



- Under certain circumstances Subsystems can set more characters of the free txt.
- With all other Account types 17 characters are available for free text.
- The choosing of the free text (for example to show the Account BIC) is the responsibility of the Accountholder.

If an institution wishes for the account BIC of an account to also be reflected in the account number, they can use the remaining free text at the end of the account number for this purpose.

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2.2.6. Will there still be cash handling accounts for cash supply purposes in future?

Cash will continue to be supplied via cash handling accounts. Credit institutions were informed in Circular No 39/2020 that the scope of services regarding cash handling accounts will change as of November 2022. Unlike at present, balances on cash handling accounts will only be allowed to be used to supply cash and will not be permitted to be held on the accounts overnight.

2.2.7. Which accounts need to be held for which transactions?

Institutions that hold their minimum reserve directly with the Bundesbank will need to open a main cash account (MCA). The same applies to institutions that participate in Eurosystem monetary policy operations or intend to use the standing facilities. Besides an MCA, institutions can/must open additional accounts depending on the transactions they carry out.

The table below provides a non-exhaustive list of examples. Institutions may, of course, undertake several types of transactions.

Transaction type	Required accounts
Holding of minimum reserves	Main cash account
Settlement of open market operations	Main cash account
High-value payments settlement	Main cash account + RTGS DCA
Participation in ancillary system settlement	Main cash account + RTGS DCA + sub-account in some cases
Participation in T2S securities settlement	Main cash account + T2S DCA
Instant payments settlement via TIPS	Main cash account + TIPS DCA

Participants that do not intend to hold a main cash account (MCA) in future should, as far as possible, not conclude any open market transactions with maturities that extend beyond the migration date (November 2022).

2.2.8. For whom is U2A-only access relevant?

- U2A-only access is relevant to smaller institutions, branches of institutions with low business volumes that require their own T2 access, and institutions with relatively low business volumes.
- At present, these institutions likely use internet-based access or U2A access via SWIFT for TARGET2.
- The current option of internet-based access will be discontinued as part of TARGET2/T2S consolidation in November 2022. Alternatively, participants have the option of using what is known as U2A-only access, which is offered by both network service providers (SWIFT and SIA-Colt).

2.2.9. What should be taken into consideration when using a U2A-only connection?

- Participants that wish to use U2A-only access must obtain access to ESMIG via a network service provider (NSP), i.e. SIA-Colt or SWIFT. This means that they must sign a contract with the NSP.

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- In order to use the functionalities of TARGET Services, the respective graphical user interface (GUI) of each TARGET Service must be used (CLM GUI, RTGS GUI, CRDM GUI, etc.). Nevertheless, U2A-only participants must establish a technical connection to ESMIG, which may require adjustments to their IT systems (e.g. firewall exceptions, etc.).
- Participants using U2A-only access will not be able to send or receive any ISO 20022 messages. All information (e.g. status of payments, account statements, account balances, etc.) can be queried, displayed and, if necessary, downloaded using the GUIs.
 - As a result, the message subscription and routing configuration functions will no longer be required for these purposes.
 - NOTE: The report configuration function will still be relevant and necessary (e.g. for account statements). Here, participants must specify that the corresponding reports (e.g. account statements) are to be called up in pull mode via U2A.

2.2.10. How will co-management function?

- In future, co-management will be possible in CLM for the administration of main cash accounts (MCAs).
- Participants that connect via a co-manager will not need to have their own ESMIG access, but will instead use their co-manager's technical connection, through which they will be able to manage their own MCA.
- Access will be automatically transferred to the co-manager (all authorisations that the co-manager receives for its own account can be applied to the co-managed accounts).
- The following functions can be used (U2A and A2A):
 - issuing liquidity transfer instructions;
 - submitting reservations;
 - receiving status reports on sent messages and transfers;
 - setting up message subscriptions and report configurations;
 - requesting use standing facilities;
 - querying information regarding accounts, available liquidity, transactions and minimum reserves.
- Co-management can be organised on a cross-border basis, meaning that a co-manager under a different central bank can be assigned.
- For co-managed accounts, it is also possible to grant additional access by entering an additional technical address (DN).

2.2.11. Which account does a participant need if it currently holds a PM account with internet-based access that is not registered in the TARGET2 directory ("PM light")?

Following TARGET2/T2S consolidation, it will no longer be necessary to hold an account for high-value payments (PM light) to settle open market transactions. Holding a main cash account (MCA) in the CLM module will be sufficient in the future. An RTGS DCA is only necessary for participation in high-value payments.

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2.2.12. How will the holding of minimum reserves work in future? Will it be still be possible to hold them indirectly?

The holding of minimum reserves will be incorporated into the central liquidity management (CLM) module, with the balances of all accounts from all TARGET Services, i.e. the main cash account (MCA) and all the associated DCAs, being taken into account. From November 2022, balances on cash handling accounts will only be recognised in exceptional cases (see Section 2.2.6).

It will still be possible to hold minimum reserves indirectly.

2.2.13. Can liquidity be transferred between two main cash accounts or two RTGS DCAs?

Yes, this is possible. These intra-service liquidity transfers, as they are known, are transfers of liquidity within one and the same settlement service (from MCA to MCA or from RTGS DCA to RTGS DCA¹). These transfers can only be made if a liquidity transfer group has been set up beforehand by the responsible central bank. This group must include the account to be debited and the account to which the liquidity is to be transferred. The group may include other accounts held with other central banks within the same settlement service.

Intra-service liquidity transfers (between two MCAs or two RTGS DCAs) are also possible (without a liquidity transfer group) if one of the two accounts (either the account to be debited or the account to be credited) is a central bank account.

2.2.14. Will it still be possible to define a fixed credit line?

Yes, choosing between a fixed and a variable credit line will still be possible in future. However, this will be defined outside of CLM in the central bank's collateral management system.

2.2.15. To which account will the credit line be linked?

The credit line will be linked to the main cash account (MCA). The liquidity generated from it can then be transferred to the individual DCAs. If an institution opens multiple MCAs, the credit line will be linked to only one MCA, specifically to the account to be designated as the default MCA.

2.2.16. Where will the credit line be linked if an institution has more than one MCA?

The institution must specify one MCA (default MCA) to which the credit line will be linked. This MCA then also needs to be used for settling open market operations and standing facilities. Linking to multiple accounts is not possible.

2.2.17. Will there be any changes to collateral management?

In November 2022, the relevant national collateral management systems will initially be linked to the central liquidity management (CLM) module. November 2023 will see the introduction of the Eurosystem collateral management system (ECMS), which will replace numerous functions performed by the national collateral

¹ The term "settlement service" covers all the services and components in which accounts are held – i.e. CLM, RTGS, T2S and TIPS.

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management systems and pool them on a single Eurosystem platform. As from this date, monetary policy collateral will be managed in the ECMS, while services unique to the national systems (e.g. administration of credit claims) will remain in the national collateral management systems. The value of this collateral will be made available to the ECMS, which means it can also be used for the credit line. Until the ECMS is launched, there will be no changes to communication with the collateral management system.

2.2.18. How is the RTGS DCA supplied with liquidity?

The RTGS DCA is supplied with liquidity from the main cash account (MCA). This can be done on an individual basis or by using standing orders or rule-based transfers. Rule-based liquidity transfers include:

- automatically returning excess liquidity from an RTGS DCA to the MCA if a predefined ceiling is breached;
- automatically replenishing an RTGS DCA if a predefined floor is breached;
- liquidity transfers from the MCA to the RTGS DCA in order to execute “high” or “urgent” priority payments awaiting settlement or ancillary system transactions.

2.2.19. How will fees be debited in future?

All fees will be debited from one main cash account (MCA), which must be explicitly specified but must not necessarily be the default MCA. It is also possible for an MCA belonging to a third party to be debited.

However, this requires a direct debit mandate to be obtained.

Separate invoices are issued for the following services: T2, T2S and TIPS.

There will be an invoice for T2 that contains the aspects from RTGS. No separate invoices will be issued for CLM, as this service will be free of charge.

Invoices will be issued solely as XML messages (camt.077). In addition, each participant can themselves download their invoice(s) in PDF format from the billing component (BILL). Following TARGET2/T2S consolidation, invoices will no longer be sent via post or email.

2.3. Settlement of high-value payments and ancillary system settlement

2.3.1. How will consolidation affect the settlement of high-value payments?

High-value payments will be settled on the RTGS DCAs. At the close of the day, the balances on the RTGS DCAs can remain where they are and will be counted towards the minimum reserve.

Unlike the procedure used at present, messages will no longer be exchanged using the SWIFT FIN service (MT 103, MT 202, etc.), but using ISO 20022-compliant XML messages (pacs.008, pacs.009, etc.). This message format (camt.053) will also be used for account statements across the entire suite of TARGET Services.

Migration from SWIFT MT messaging to the new format will take place as a “big bang” on the TARGET2/T2S consolidation launch date – in other words, there will be no transition period during which both messaging formats will be supported.

The Eurosystem will not be providing a mapping table of SWIFT FIN to ISO 20022 message formats.

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2.3.2. Will payments in foreign currencies be possible?

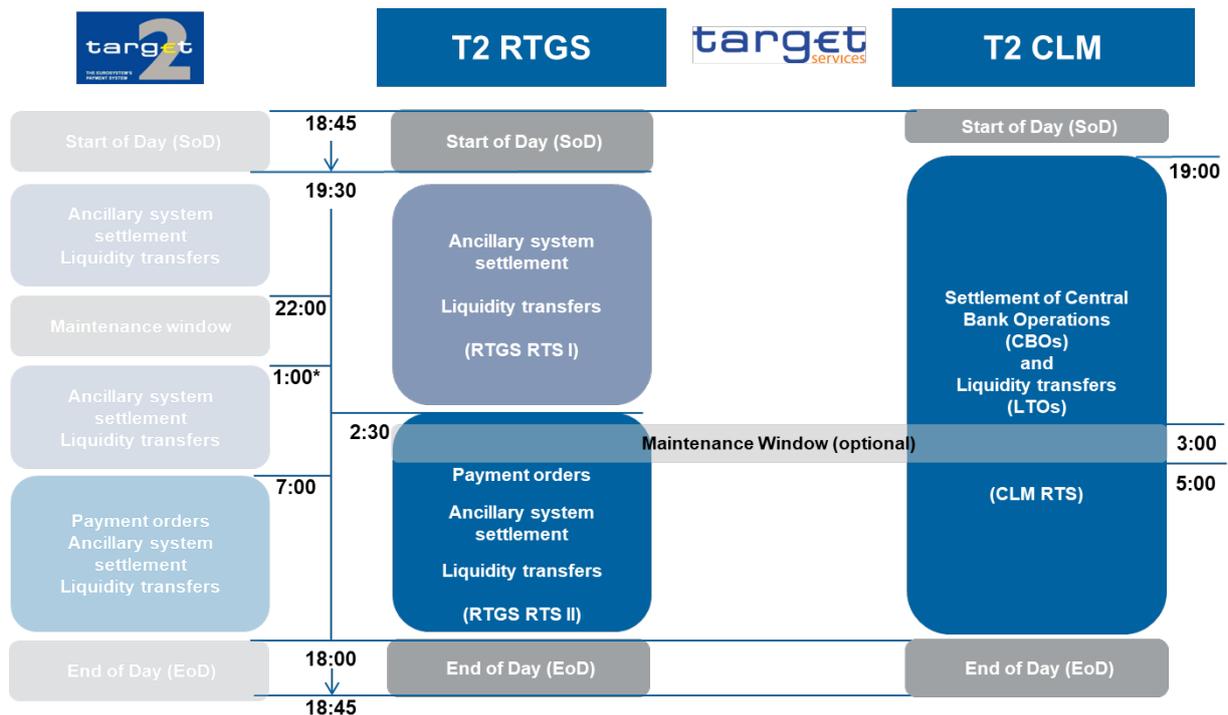
The consolidation work for TARGET2/T2S will involve building in multi-currency capability. This means that, in principle, transactions denominated in other currencies will be able to be processed in the TARGET Services between accounts in the same currency. For this to be possible, the respective non-euro central bank must make its national currency available. Payments will need to be denominated in the same currency. TARGET Services will not encompass a conversion feature: a payment cannot be debited from a EUR account in USD, for example.

2.3.3. Are there plans to extend the operating times for high-value payments and ancillary system settlement (RTGS)?

The settlement of high-value payments will be possible from as early as 2:30 (from 7:00 in TARGET2 at present). The cut-off time for customer payments will remain 17:00, and 18:00 for interbank payments. The maintenance window during the week is optional and is aligned with T2S timing when activated. This means that if system operators individually decide that a maintenance window is required in T2 between Tuesday and Friday, this will fall between 3:00 and 5:00. We will inform you of this measure via a customer information notice (email). The maintenance window on weekends remains mandatory and starts at 2:30 on Saturday morning and ends at 2:30 on Monday morning. Payments received in the system during a maintenance window via A2A will be parked until the maintenance window is concluded and only then will they be transferred for processing.

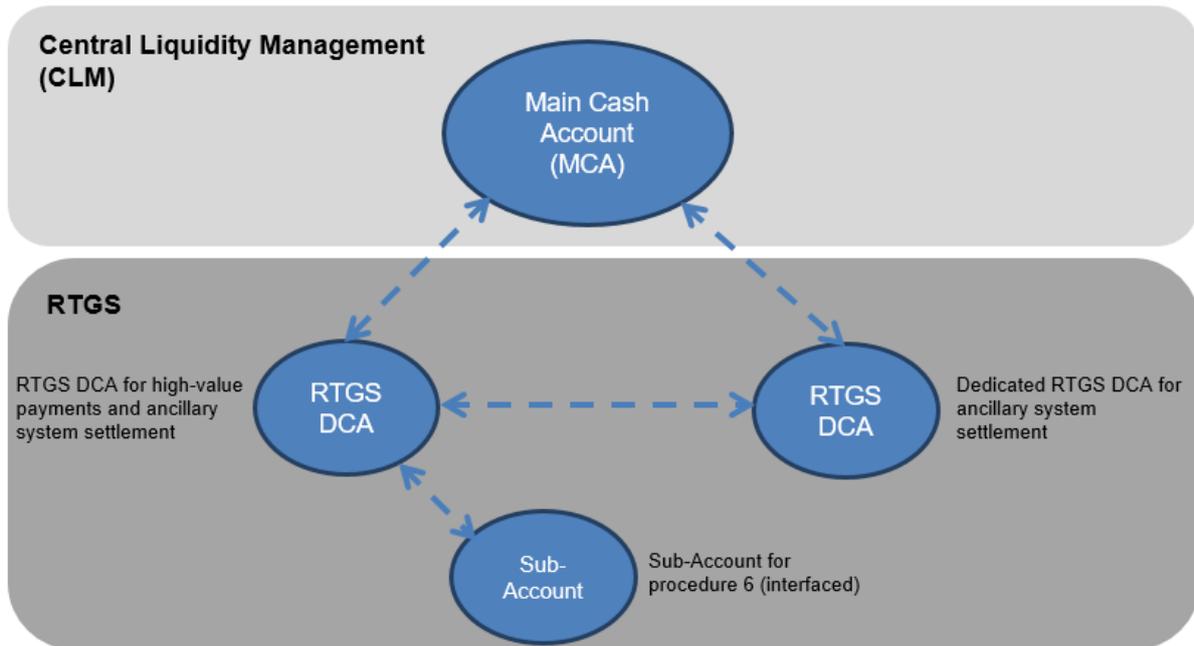
Unlike high-value payment transactions, central bank operations are possible from as early as 19:00 on the previous business day and ancillary system settlement from 19:30 on the previous business day.

Here is an overview of the business day in CLM and RTGS (compared with the current business day in TARGET2):



2.3.4. How will consolidation affect ancillary system settlement?

Ancillary system settlement will be routed through RTGS. Depending on the procedure used by the ancillary system, settlement can either be effected on the RTGS DCA (which is also used for high-value payments), on a dedicated RTGS DCA specifically set up for ancillary system settlement or on a sub-account (only relevant for procedure C) of an RTGS DCA dedicated to a specific ancillary system. It is possible to maintain several DCAs and sub-accounts simultaneously.



The RTGS DCA is fed with liquidity from the main cash account via liquidity transfers (immediate, as a standing order or as a rule-based liquidity transfer), while the sub-account is fed with liquidity by means of liquidity transfers from the RTGS DCA. In the case of the latter, it is envisaged that immediate liquidity transfers from the RTGS DCA to the sub-account will either be performed by the account holder themselves or by the relevant ancillary system on the account holder's behalf. In the event of insufficient liquidity, partial execution occurs, provided the ancillary system has initiated the order.

Standing orders can only be initiated by the account holder. In the event of insufficient liquidity, partial execution occurs here, too.

In future, the following settlement procedures will be available. The procedures in red are currently used by the ancillary systems that are connected via TARGET2-Bundesbank.

Current procedure	Future AS settlement procedure	Description
2 Real-Time Settlement	E	„Bilateral Settlement“ - Ancillary systems can benefit of the bilateral settlement of simultaneously sent debits and credits that shall be processed independently from each other. One „AS Batch Message“ contains one payment.
3 Bilateral Settlement	E	„Bilateral Settlement“ - Ancillary systems can benefit of the bilateral settlement of simultaneously sent debits and credits that shall be processed independently from each other. One „AS Batch Message“ contains several payments.
4 Standard Multilateral Settlement	A	„Debits first“ - An ancillary system sends to RTGS both debit and credit AS transfer orders for settlement. RTGS must settle all debits before settling the credits.
5 Simultaneous Multilateral Settlement	B	„All or nothing“ - An ancillary system sends to RTGS both debit and credit AS transfer orders for settlement. RTGS settles all debit and credit AS transfer orders simultaneously if possible. No settlement takes place when simultaneous settlement of all debit and credit AS transfer orders is not possible.
6 Settlement on dedicated accounts - interfaced	C	This AS settlement procedure settles AS transfer orders on sub-accounts. This AS settlement procedure allows an AS settlement bank to dedicate liquidity for the settlement of AS transfer orders from a specific ancillary system.
6 Settlement on dedicated accounts – real-time	D	This AS settlement procedure settles AS transfer orders (i.e. liquidity transfers) on a technical account. This AS settlement procedure allows an AS settlement bank to dedicate liquidity for the settlement of a specific ancillary system (e.g. RT1).

2.4. Securities settlement (TARGET2-Securities)

2.4.1. Following consolidation, will it be possible for cash to stay on the T2S DCAs overnight and will it then be taken into account in the minimum reserve calculation?

With the launch of TARGET2/T2S consolidation, it will be possible to keep liquidity on the T2S DCA overnight. This means that all liquidity is no longer automatically transferred from the T2S DCA to the linked MCA. The balance is then also counted towards the minimum reserve or included in the negative remuneration.

A list of the change requests in T2S that are being implemented as part of the TARGET2/T2S consolidation project is published here:

<https://www.ecb.europa.eu/paym/target/t2s/governance/html/changerequests.en.html>

2.5. Communication

2.5.1. Will there be a single graphical user interface for all TARGET Services?

No, the settlement services (CLM, RTGS, T2S and TIPS) will each have their own graphical user interface (GUI) in future. Furthermore, there will also be additional GUIs, such as for the Common Reference Data Management (CRDM) component. However, the various GUIs will be accessed via a single portal.

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2.5.2. Which network service providers can I use in future?

The Eurosystem has selected SWIFT and SIA-Colt to be the network service providers. Access to the TARGET Services can be provided by one or, if desired, both network service providers. Direct participants must sign contracts by 30 June 2021 according to the milestone plan (NSP4).

2.5.3. How much will it cost to connect to ESMIG via a network service provider?

The costs for connecting to ESMIG depend on the specific contract concluded with the network service provider. However, the network service providers have made a commitment not to exceed certain maximum amounts. For more information, see the [contracts with the network service providers](#) published on our website.

2.5.4. Following consolidation, will it still be possible to use the support of a service provider for technical connection?

It will continue to be possible to use the support of a service office for technical connection. Service providers are also available for support in other areas such as software development or operational processes. If an institution wishes to enter into co-management in CLM, it can use the technical infrastructure of a co-manager (e.g. a central institution) which is needed in order to manage its own MCA. In addition, each institution is free to seek advice and support from service providers when implementing its own consolidation project.

2.6. Message format

2.6.1. Will there be a mapping table for converting SWIFT FIN messages into ISO 20022 messages?

As part of the consolidation process, the message types will be switched over to the ISO 20022 standard. The Eurosystem will not be providing a mapping table. The new XML-based messages are described in the user specifications (UDFS) and in the SWIFT portal “MyStandards”. Each of these also provides sample messages.

2.6.2. Will participants still be able to send and receive SWIFT MT messages once consolidation has been completed?

No, the TARGET Services are based on ISO 20022. This standard is already being used in TARGET2-Securities and in TIPS. ISO 20022-compliant messages will be introduced for T2 in November 2021, on a “big bang” basis. There will be no transition period during which both messaging standards (SWIFT MT and ISO 20022) are supported. The details on the individual messages are published in the User Detailed Functional Specifications as well as in the “MyStandards” SWIFT portal.

2.6.3. When will the version of the ISO 20022 standard used for the launch of TARGET2/T2S consolidation be published?

The rules are based on the current version of the UDFS. In addition, the current messages can be viewed in the SWIFT portal “MyStandards”. The currently available version of the UDFS is version 2.1 published in December

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2019, with an addendum published in March 2020 and again in May 2020. A further update to the UDFS (version 2.2) is planned prior to the start of the customer test phase.

2.7. Test

2.7.1. Will the tests have their own test BICs again?

As things stand currently, live BICs can be used in the planned user test environment (UTEST) (as in T2S and TIPS).

2.7.2. How will e-ordering and RMA exchange between the participant and the platform take place in future?

E-ordering and any RMA exchange that may be required are to be agreed upon between the participant and the network service provider.

2.8. Community readiness monitoring

2.8.1. Why is there a monitoring process?

In November 2022, TARGET2 will be shut down and T2 will start operating in a “big bang” migration, which means that all T2 user communities across Europe need to be able to migrate to the new platform on a certain date.

Each institution is responsible for ensuring that it is migration-ready. Central banks supervise their user communities and monitor their readiness levels. User community readiness levels are collated and evaluated at the European level.

It is in the interest of all the institutions participating in T2 to be able to count on all participants to take the project seriously, give it the priority treatment it merits, and do everything possible to be migration-ready in November 2022.

This is why the monitoring process, which is harmonised throughout the Eurosystem, was established in order to ensure that the entire market implements the necessary, extensive changes at the technical, functional and message levels in a timely manner.

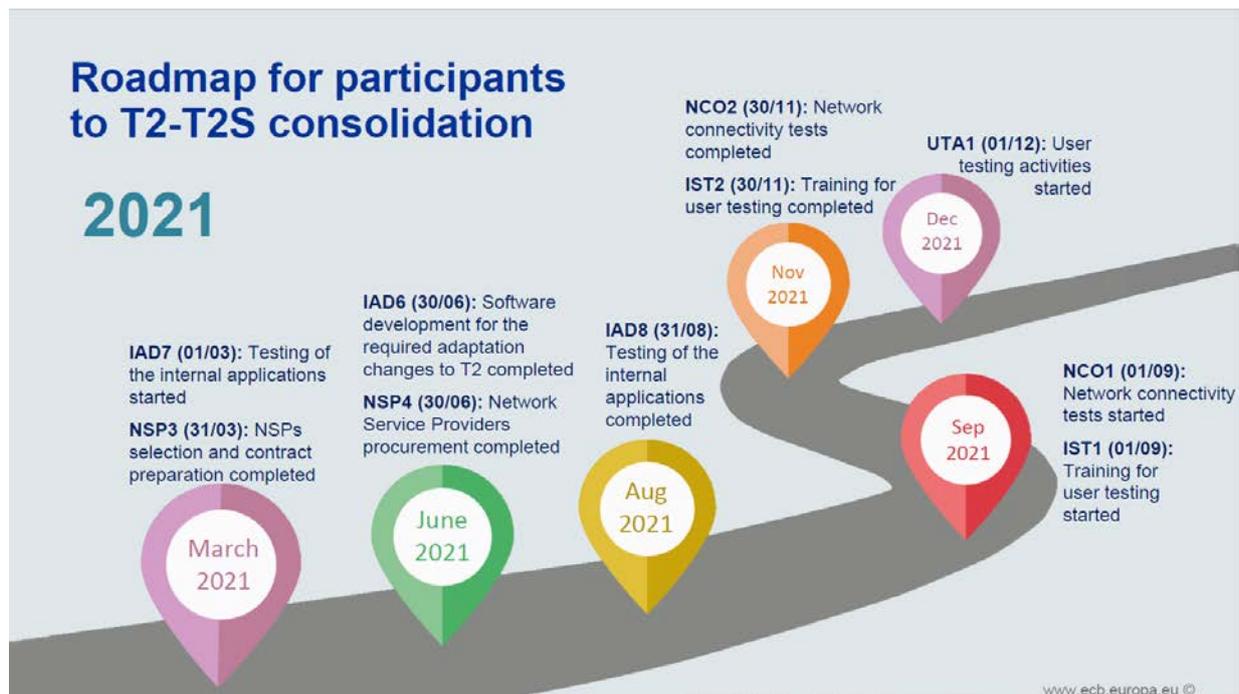
2.8.2. Who is affected by the monitoring process?

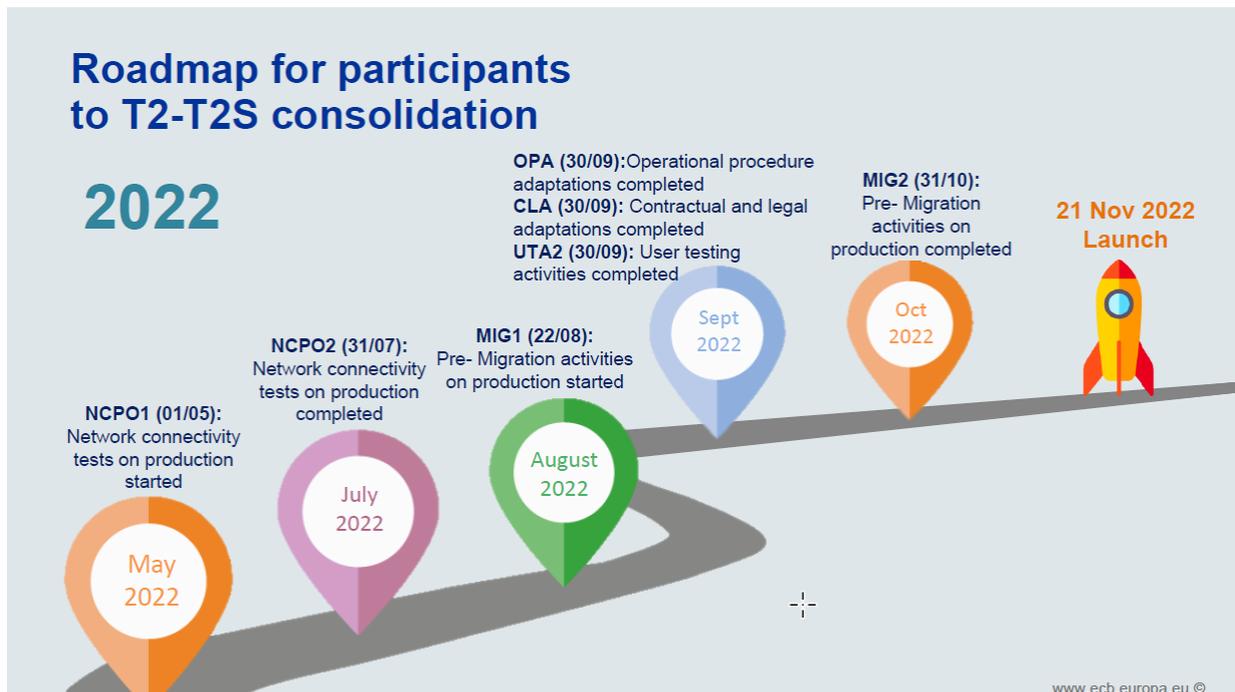
The monitoring process covers all institutions which plan in future to hold at least one main cash account (MCA) – regardless of whether or not they currently have a PM account in TARGET2 or a HAM account with the Bundesbank. If necessary, additional MCAs and/or accounts for the settlement of payments (RTGS DCAs) can be opened at the Bundesbank.

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2.8.3. What is community readiness monitoring?

In order to identify potential implementation issues as quickly as possible, the Eurosystem has drawn up a milestone-based plan designed to assist institutions in planning their activities in the run-up to migration. The monitoring process which the Bundesbank is planning for the German market will be based around these same milestones. Participants (specifically, the registered contact persons for TARGET2/T2S consolidation) will be asked to provide a status update in the form of a questionnaire at roughly quarterly intervals. They are asked about their progress regarding each milestone (reached: yes/no and any further follow-up questions) and asked to provide an estimate of their current project progress (green, yellow, red). Their responses give central banks valuable insight into their user community's readiness and enable them to provide institutions with timely, dedicated support should any difficulties arise. The answers are subsequently aggregated to ascertain the status of the German market as a whole. This market status is shared with both German market participants and the Eurosystem. Every central bank participating in TARGET2 is required to take part in this monitoring process and to report on both its own readiness and that of its participants. This provides market-wide transparency about readiness levels.





The individual milestones can be found at:

<https://www.bundesbank.de/resource/blob/764378/23d88c20471c9fc910ab9aa63395317c/mL/meilensteine-big-bang-migration-data.pdf>