

# GUIDELINES

## GUIDELINE (EU) 2016/579 OF THE EUROPEAN CENTRAL BANK

of 16 March 2016

### amending Guideline ECB/2012/27 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (ECB/2016/6)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 3.1 and Articles 17, 18 and 22 thereof,

Whereas:

- (1) On 2 April 2015, the Governing Council adopted Guideline (EU) 2015/930 of the European Central Bank (ECB/2015/15) <sup>(1)</sup>, which amended Guideline ECB/2012/27 <sup>(2)</sup> to reflect the fact that euro area national central banks (NCBs) provide auto-collateralisation services and settlement in central bank money in TARGET2-Securities (T2S).
- (2) Experience with the application of the Guideline ECB/2012/27 has brought to light a number of issues where clarification would be desirable, in particular with regard to the NCBs' provision of auto-collateralisation services and settlement in central bank money.
- (3) The Governing Council is the owner of TARGET2, via its Level 1 powers, and may establish advisory bodies to support the Governing Council in the exercise of its tasks in connection with the management and operation of TARGET2.
- (4) Moreover, technical and operational management tasks related to TARGET2 should be entrusted to a body established by the Governing Council.
- (5) Therefore, Guideline ECB/2012/27 should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

#### *Article 1*

#### **Amendments**

Guideline ECB/2012/27 is amended as follows:

1. the following Article 1a is inserted:

*'Article 1a*

#### **TARGET2 transactions**

The national central banks (NCBs) shall always use TARGET2 accounts for the following transactions:

- (a) open market monetary policy operations within the meaning of Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60) (\*);

<sup>(1)</sup> Guideline (EU) 2015/930 of the European Central Bank of 2 April 2015 amending Guideline ECB/2012/27 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (ECB/2015/15) (OJ L 155, 19.6.2015, p. 38).

<sup>(2)</sup> Guideline ECB/2012/27 of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (OJ L 30, 30.1.2013, p. 1).

(b) settlement of transactions with ancillary systems;

(c) payments between credit institutions.

(\*) Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3) (General Documentation Guideline).;

2. in Article 2, point (25) is replaced by the following:

‘(25) “available liquidity” means a credit balance on a participant’s account and, if applicable, any intraday credit line granted on the PM account by the relevant euro area NCB in relation to such account but not yet drawn upon, or if applicable, decreased by the amount of any processed reservations of liquidity on the PM account or blocking of funds on the DCA;’;

3. Article 7 is replaced by the following:

*Article 7*

### **Governance levels**

1. Without prejudice to Article 8 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the “Statute of the ESCB”), the management of TARGET2 shall be based on a three-level governance scheme. The tasks assigned to the Governing Council (Level 1), a Level 2 technical and operational management body and the SSP-providing NCBs (Level 3) are laid down in Annex I.

2. The Governing Council shall be responsible for the direction, management and control of TARGET2. The tasks assigned to Level 1 fall within the exclusive competence of the Governing Council. The ESCB’s Payment and Settlement Systems Committee (PSSC) shall assist Level 1 in matters relating to TARGET2.

3. In accordance with the third paragraph of Article 12.1 of the Statute of the ESCB, the Eurosystem CBs shall be responsible for the tasks assigned to Level 2, within the general framework defined by the Governing Council. A Level 2 body shall be established by the Governing Council which the Eurosystem CBs shall entrust with certain technical and operational management tasks related to TARGET2.

4. The Eurosystem CBs shall organise themselves through the conclusion of appropriate agreements.

5. In accordance with the third paragraph of Article 12.1 of the Statute of the ESCB, the SSP-providing NCBs shall be responsible for the tasks assigned to Level 3, within the general framework defined by the Governing Council.

6. The SSP-providing NCBs shall conclude an agreement with the Eurosystem CBs governing the services to be provided by the former to the latter. Such agreement shall also include, where appropriate, the connected NCBs.

7. The Eurosystem, as provider of T2S services, and the Eurosystem CBs as operators of their respective national TARGET2 component systems shall conclude an agreement governing the services to be provided by the former to the latter in respect of the operation of the Dedicated Cash Accounts. Such agreement shall also be entered into, where appropriate, by the connected NCBs;’;

4. Article 8 is amended as follows:

(a) the heading is replaced by the following:

**‘Harmonised Conditions for the Opening and Operation of a PM account or a DCA in TARGET2’;**

(b) the first sentence of paragraph 1 is replaced by the following:

‘Each euro area NCB shall adopt arrangements implementing the Harmonised Conditions for the Opening and Operation of a PM account in TARGET2 as laid down in Annex II.’;

5. in Article 9(1), points (b) and (c) are deleted;
6. Annexes I, II, IIa, III, IIIa, IV and V are amended in accordance with the Annex to this Guideline.

*Article 2*

**Taking effect and implementation**

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 15 April 2016. They shall notify the European Central Bank (ECB) of the texts and means relating to those measures by 1 April 2016 at the latest.

*Article 3*

**Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 16 March 2016.

*For the Governing Council of the ECB*  
*The President of the ECB*  
Mario DRAGHI

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## ANNEX

Annexes I, II, IIa, III, IIIa, IV and V to Guideline ECB/2012/27 are amended as follows:

1. Annex I is replaced by the following:

## 'ANNEX I

**TARGET2 GOVERNANCE ARRANGEMENTS**

Level 1 — Governing Council	Level 2 — Technical and operational management body	Level 3 — SSP-providing NCBS
<b>0. General provisions</b>		
Level 1 has final competence in relation to domestic and cross-border TARGET2 issues and is responsible for safeguarding the public function of TARGET2	Level 2 conducts technical and operational management tasks in relation to TARGET2.	Level 3 takes decisions on the daily running of the Single Shared Platform (SSP) on the basis of the service levels defined in the agreement referred to in Article 7(6) of this Guideline
<b>1. Cost and pricing policy</b>		
<ul style="list-style-type: none"> <li>— Deciding on common cost methodology</li> <li>— Deciding on single price structure</li> </ul>	<ul style="list-style-type: none"> <li>— Deciding on pricing of additional services and/or modules</li> </ul>	(Not applicable)
<b>2. Service level</b>		
<ul style="list-style-type: none"> <li>— Deciding on core services</li> </ul>	<ul style="list-style-type: none"> <li>— Deciding on additional services and/or modules</li> </ul>	<ul style="list-style-type: none"> <li>— Delivering input according to Level 1/Level 2 needs</li> </ul>
<b>3. Risk management</b>		
<ul style="list-style-type: none"> <li>— Deciding on the general framework for risk management and acceptance of remaining risks</li> </ul>	<ul style="list-style-type: none"> <li>— Conducting the actual risk management</li> <li>— Conducting risk analysis and follow-up</li> </ul>	<ul style="list-style-type: none"> <li>— Providing the necessary information for risk analysis according to Level 1/Level 2 requests</li> </ul>
<b>4. Governance and financing</b>		
<ul style="list-style-type: none"> <li>— Defining rules for decision-making and financing of the SSP</li> <li>— Establishing and ensuring adequate implementation of the European System of Central Bank's legal framework for TARGET2</li> </ul>	<ul style="list-style-type: none"> <li>— Drawing up the rules on governance and financing decided at Level 1</li> <li>— Drawing up the budget, its approval and implementation</li> <li>— Having control of the application</li> <li>— Collecting funds and remuneration of services</li> </ul>	<ul style="list-style-type: none"> <li>— Providing cost figures to Level 2 for the service provision</li> </ul>

Level 1 — Governing Council	Level 2 — Technical and operational management body	Level 3 — SSP-providing NCBs
<b>5. Development</b>		
<ul style="list-style-type: none"> <li>— Being consulted by Level 2 on the location of the SSP</li> <li>— Approving the overall project plan</li> </ul>	<ul style="list-style-type: none"> <li>— Deciding on the initial design and development of the SSP</li> <li>— Deciding on establishing from scratch against establishing on the basis of an existing platform</li> <li>— Deciding on the choice of the SSP operator</li> <li>— Establishing, in agreement with Level 3, the service levels of the SSP</li> <li>— Deciding on the location of the SSP after consultation of Level 1</li> <li>— Approving the specification process methodology and the “deliverables” of Level 3 deemed appropriate in order to specify and, later on, test and accept the product (in particular general and detailed user specifications)</li> <li>— Establishing a milestone project plan</li> <li>— Evaluating and accepting the deliverables</li> <li>— Establishing test scenarios</li> <li>— Central banks’ and users’ test coordination, in close cooperation with Level 3</li> </ul>	<ul style="list-style-type: none"> <li>— Proposing the initial design of the SSP</li> <li>— Proposing whether to establish from scratch or establish on the basis of an existing platform</li> <li>— Proposing the location of the SSP</li> <li>— Drafting the general and the detailed functional specifications (internal detailed functional specifications and user detailed functional specifications)</li> <li>— Drafting the detailed technical specifications</li> <li>— Providing initial and ongoing input for milestone project planning and control</li> <li>— Technical and operational support for tests (performing tests on the SSP, input on SSP-related test scenarios, supporting Eurosystem CBs in their SSP test activities)</li> </ul>
<b>6. Implementation and migration</b>		
<ul style="list-style-type: none"> <li>— Deciding on the migration strategy</li> </ul>	<ul style="list-style-type: none"> <li>— Preparing and coordinating migration to the SSP, in close cooperation with Level 3</li> </ul>	<ul style="list-style-type: none"> <li>— Providing input on migration issues in accordance with Level 2 requests</li> <li>— Performing SSP-related migration work; additional support for joining NCBs</li> </ul>
<b>7. Operation</b>		
<ul style="list-style-type: none"> <li>— Managing severe crisis situations</li> <li>— Authorising establishment and operation of TARGET2 Simulator</li> <li>— Appointing certification authorities for internet-based access</li> </ul>	<ul style="list-style-type: none"> <li>— Maintaining contacts with users at European level (subject to the sole responsibility of Eurosystem CBs for the business relationship with their customers) and monitoring daily user activity from a business perspective (Eurosystem CB task)</li> </ul>	<ul style="list-style-type: none"> <li>— Managing the system on the basis of the agreement referred to in Article 7(6) of this Guideline’</li> </ul>

Level 1 — Governing Council	Level 2 — Technical and operational management body	Level 3 — SSP-providing NCBs
<ul style="list-style-type: none"> <li>— Specifying security policies, requirements and controls for the SSP</li> <li>— Specifying principles applicable to security of certificates used for internet-based access</li> </ul>	<ul style="list-style-type: none"> <li>— Monitoring business developments</li> <li>— Budgeting, financing, invoicing (Eurosystem CB task) and other administrative tasks</li> </ul>	

2. Annex II is amended as follows:

(a) in Article 1, the definition of ‘direct debit authorisation’ is replaced by the following:

‘— “direct debit authorisation” means a general instruction by a payer to its CB entitling and obliging that CB to debit the payer’s account upon receipt of a valid direct debit instruction from a payee.’;

(b) Article 7 is amended as follows:

(i) paragraph 3 is replaced by the following:

‘3. A PM account holder accepting its PM account to be designated as the Main PM account defined in Annex IIa shall be bound by any invoices related to the opening and operation of each Dedicated Cash Account linked to that PM account, as set out in Appendix VI to this Annex, regardless of the content of, or any non-compliance with, the contractual or other arrangements between that PM account holder and the DCA holder.’;

(ii) the following paragraph 5 is inserted:

‘5. A PM account holder that also holds a DCA used for auto-collateralisation shall be liable for any penalties levied in accordance with paragraph 9(d) of Annex IIIa.’;

(c) Article 34 is amended as follows:

(i) the following sentence is added at the end of paragraph 1:

‘For the purposes of this paragraph, the taking of resolution action within the meaning of Directive 2014/59/EU of the European Parliament and of the Council (\*) against a PM account holder shall not automatically qualify as the opening of insolvency proceedings.

(\*) Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).;

(ii) paragraph 4(a) is replaced by the following:

‘(a) In the event that the [insert name of CB] suspends or terminates a PM account holder’s participation in TARGET2-[insert CB/country reference] under paragraph 1 or 2, the [insert name of CB] shall immediately inform, by means of an ICM broadcast message or a T2S broadcast message, that PM account holder, other CBs and PM account holders and DCA holders in all of the TARGET2 component systems of such suspension or termination. Such message shall be deemed to have been issued by the home CB of the PM account holder and DCA holder that receives the message’;

(iii) paragraph 4(b) is deleted;

(d) in Article 38, paragraph 1 is replaced by the following:

'1. The [insert name of CB] shall keep confidential all sensitive or secret information, including when such information relates to payment, technical or organisational information belonging to the participant, participants from the same group or the participant's customers, unless the participant or its customer has given its written consent to disclose [insert the following phrase if applicable under national law: or such disclosure is permitted or required under [insert adjective relating to country name] law].';

(e) in Appendix II, paragraph 3(a)(ii) is replaced by the following:

'(ii) interest compensation shall be determined by applying a reference rate to be fixed from day to day. This reference rate shall be the lower of the euro overnight index average (EONIA) rate and the marginal lending rate. The reference rate shall be applied to the amount of the payment order not settled as a result of the technical malfunction of TARGET2 for each day in the period from the date of the actual or, in relation to payment orders referred to in paragraph 2(b)(ii), intended submission of the payment order until the date on which the payment order was or could have been successfully settled. Any interest or charges resulting from the placing of any non-settled payment orders on deposit with the Eurosystem shall be deducted from, or charged to, the amount of any compensation, as the case may be; and';

(f) in Appendix IV, paragraph 4 is amended as follows:

(i) point (b) is replaced by the following:

'(b) In the event that the operation of the SSP or the T2S Platform is relocated from one region (Region 1) to another region (Region 2), the participants shall endeavour to reconcile their positions up to the point of the failure or the occurrence of the abnormal external events and provide to the [insert name of CB] all relevant information in this respect.';

(ii) the following point (c) is inserted:

'(c) Where a PM to DCA liquidity transfer order is debited on the participant's PM account on the SSP in Region 1, but, after reconciliation, is not shown as debited on the SSP in Region 2, the CB responsible for the participant shall debit the participant's PM account in Region 2 to return the participant's PM account balance to the level it had prior to the relocation.';

(g) in Appendix IV, paragraph 6(d)(iii) is replaced by the following:

'(iii) DCA to PM liquidity transfer orders.';

(h) in Appendix IV, paragraph 8(c) is replaced by the following:

'(c) The [insert name of CB] may require that the participants participate in regular or ad hoc testing of business continuity and contingency processing measures, training or any other preventative arrangements, as deemed necessary by the [insert name of CB]. Any costs incurred by the participants as a result of such testing or other arrangements shall be borne solely by the participants.';

3. Annex IIa is amended as follows:

(a) in Article 1, the definition of 'auto collateralisation' is replaced by the following:

'— "auto-collateralisation" means intraday credit granted by the euro area national central bank (NCB) in central bank money triggered when a DCA holder has insufficient funds to settle securities transactions, whereby such intraday credit is collateralised either with the securities being purchased (collateral on flow), or with securities already held by the DCA holder (collateral on stock). An auto collateralisation transaction consists of two distinct transactions, one for the granting of auto-collateralisation and one for its reimbursement. It may also include a third transaction for any eventual relocation of collateral. For the purposes of Article 16, all three transactions are deemed to have been entered into the system and deemed to be irrevocable at the same time as the transaction for the granting of the auto-collateralisation.';

(b) in Article 1, the definition of 'Main PM account' is replaced by the following:

'— "Main PM account" means the PM Account to which a DCA is linked and to which any remaining balance will be automatically repatriated at the end of the day.';

(c) in Article 16(3), the introductory paragraph is replaced by the following:

'An agreement is to be signed between the Eurosystem CBs and the connected NCBs, on the one hand, and all CSDs participating in T2S, on the other hand, on the exchange of information in the event of the insolvency of a participant, and the liability of each of the signatories to the agreement. Two weeks after the ECB has confirmed to all of the agreement's signatories that procedures for the exchange of the abovementioned information have been established and approved by all parties thereto, the rules provided for in paragraph 2 shall be replaced by the following:';

(d) in Article 24(1), the following sentence is added at the end:

'For the purposes of this paragraph, the taking of resolution action within the meaning of Directive 2014/59/EU against a DCA holder shall not automatically qualify as the opening of insolvency proceedings.';

(e) Article 24(4) is amended as follows:

(i) point (a) is replaced by the following:

'(a) In the event that the [insert name of CB] suspends or terminates a DCA holder's participation in TARGET2-[insert CB/country reference] under paragraph 1 or 2, the [insert name of CB] shall immediately inform, by means of an ICM broadcast message or a T2S broadcast message, that DCA holder, other CBs and DCA holders and PM account holders in all of the TARGET2 component systems of such suspension or termination. Such message shall be deemed to have been issued by the home CB of the DCA holder and PM account holder that receives the message.';

(ii) point (b) is deleted;

(f) in Appendix II, paragraph 3(a)(ii) is replaced by the following:

'(ii) interest compensation shall be determined by applying a reference rate to be fixed from day to day. This reference rate shall be the lower of the euro overnight index average (EONIA) rate and the marginal lending rate. The reference rate shall be applied to the amount of the payment order not settled as a result of the technical malfunction of TARGET2 for each day in the period from the date of the actual or, in relation to payment orders referred to in paragraph 2(b)(ii), intended submission of the payment order until the date on which the payment order was or could have been successfully settled. Any interest or charges resulting from the placing of any non-settled payment orders on deposit with the Eurosystem shall be deducted from, or charged to, the amount of any compensation, as the case may be; and';

(g) in Appendix IV, paragraph 7(b) is replaced by the following:

'(b) The [insert name of CB] may require that the DCA holders participate in regular or ad hoc testing of business continuity and contingency processing measures, training or any other preventative arrangements, as deemed necessary by the [insert name of CB]. Any costs incurred by the DCA holders as a result of such testing or other arrangements shall be borne solely by the DCA holders.';

(h) Appendix VI is replaced by the following:

*Appendix VI*

#### **FEE SCHEDULE**

##### **Fees for T2S services**

The following fees for T2S services connected with DCAs shall be charged to the Main PM account holders:

Tariff items	Price	Explanation
<b>Settlement services</b>		
DCA to DCA liquidity transfer orders	9 euro cent	per transfer
Intra-balance movement (i.e. blocking, un-blocking, reservation of liquidity etc.)	6 euro cent	per transaction



Tariff items	Price	Explanation
<b>Information services</b>		
A2A reports	0,4 euro cent	Per business item in any A2A report generated
A2A queries	0,7 euro cent	Per queried business item in any A2A query generated
U2A queries	10 euro cent	Per executed search function
U2A queries downloaded	0,7 euro cent	Per queried business item in any U2A query generated and downloaded
Messages bundled into a file	0,4 euro cent	Per message in a file
Transmissions	1,2 euro cent	Per transmission'

4. Annex III is amended as follows:

- (a) point (7) in the 'Definitions' section is replaced by the following:

'(7) "close links" means close links within the meaning of Article 138 of Guideline (EU) 2015/510 (ECB/2014/60);'

- (b) paragraph 1 is replaced by the following:

'1. Each euro area NCB shall provide intraday credit to credit institutions established in the EEA that are eligible counterparties for Eurosystem monetary policy operations, have access to the marginal lending facility and have an account with the relevant euro area NCB, including when those credit institutions act through a branch established in the EEA and including branches established in the EEA of credit institutions that are established outside the EEA, provided that such branches are established in the same country as the relevant euro area NCB. No intraday credit may be provided to entities that are subject to restrictive measures adopted by the Council of the European Union or Member States pursuant to Article 65(1)(b), Article 75 or Article 215 of the Treaty, the implementation of which, in the view of [CB/country reference] after informing the ECB, is incompatible with the smooth functioning of TARGET2.'

- (c) paragraph 2 is replaced by the following:

'2. Intraday credit may also be granted to the following entities:

- (a) deleted;
- (b) credit institutions established in the EEA that are not eligible counterparties for Eurosystem monetary policy operations and/or do not have access to the marginal lending facility, including when they act through a branch established in the EEA and including branches established in the EEA of credit institutions that are established outside the EEA;
- (c) treasury departments of central or regional governments of Member States active in the money markets and public sector bodies of Member States authorised to hold accounts for customers;
- (d) investment firms established in the EEA provided that they have concluded an arrangement with a Eurosystem monetary policy counterparty to ensure that any residual debit position at the end of the relevant day is covered; and
- (e) entities other than those falling within point (b) that manage ancillary systems and act in that capacity, provided that the arrangements for granting intraday credit to such entities have been submitted to the Governing Council in advance and have been approved by the Governing Council,

provided that in the cases specified in points (b) to (e) the entity receiving intraday credit is established in the same jurisdiction as the NCB providing the intraday credit.

All overnight credit granted to eligible central counterparties shall be subject to the terms of this Annex (including the provisions in relation to eligible collateral).

The sanctions provided for in paragraphs 10 and 11 shall apply when eligible central counterparties fail to reimburse the overnight credit extended to them by their NCB.;

(d) paragraph 3 is replaced by the following:

- ‘3. For the entities mentioned in paragraph 2(b) to (e), and in accordance with Article 19 of Guideline (EU) 2015/510 (ECB/2014/60), intraday credit shall be limited to the day in question and no extension to overnight credit shall be possible.

By way of derogation, the Governing Council may decide, by means of a reasoned prior decision, to provide access to the marginal lending facility to certain eligible central counterparties (CCPs), within the scope of Article 139(2)(c) of the Treaty in conjunction with Articles 18 and 42 of the Statute of the ESCB and Article 1(1) of Guideline (EU) 2015/510 (ECB/2014/60). Such eligible CCPs are those that, at all relevant times:

- (a) are eligible entities for the purposes of paragraph 2(e), provided also that those eligible entities are authorised as CCPs in accordance with the applicable Union or national legislation;
- (b) are established in the euro area;
- (c) are subject to supervision and/or oversight by competent authorities;
- (d) comply with the oversight requirements for the location of infrastructures offering services in euro, as amended from time to time and published on the ECB’s website (\*);
- (e) have accounts in the Payments Module (PM) of TARGET2;
- (f) have access to intraday credit.

(\*) The Eurosystem’s current policy for the location of infrastructure is set out in the following statements, which are all available on the ECB’s website at [www.ecb.europa.eu](http://www.ecb.europa.eu): (a) the Policy statement on euro payment and settlement systems located outside the euro area of 3 November 1998; (b) The Eurosystem’s policy line with regard to consolidation in central counterparty clearing of 27 September 2001; (c) The Eurosystem policy principles on the location and operation of infrastructures settling in euro-denominated payment transactions of 19 July 2007; (d) The Eurosystem policy principles on the location and operation of infrastructures settling euro-denominated payment transactions: specification of “legally and operationally located in the euro area” of 20 November 2008; (e) The Eurosystem oversight policy framework of July 2011, subject to the judgment of 4 March 2015, *United Kingdom v European Central Bank*, T-496/11, ECLI:EU:T:2015:496.;

(e) paragraph 4 is replaced by the following:

- ‘4. Intraday credit shall be based on eligible collateral and granted by means of collateralised intraday overdrafts and/or intraday repurchase transactions in compliance with the additional minimum common features (including the events of default therein listed, as well as their respective consequences) that the Governing Council specifies with respect to Eurosystem monetary policy operations. Eligible collateral shall consist of the same assets as eligible for use in Eurosystem monetary policy operations, and shall be subject to the same valuation and risk control rules as those laid down in Part Four of Guideline (EU) 2015/510 (ECB/2014/60).

Intraday credit shall only be granted once the eligible assets provided as collateral have been finally transferred or pledged. For this purpose, counterparties shall pre-deposit or shall pledge the eligible assets with the relevant NCB or shall settle the eligible assets with the relevant NCB on a delivery-versus-payment basis.;

(f) paragraph 5 is replaced by the following:

- ‘5. Debt instruments issued or guaranteed by the entity, or by any other third party with which the entity has close links, may only be accepted as eligible collateral in the situations laid down in Part Four of Guideline (EU) 2015/510 (ECB/2014/60).’;

(g) in paragraph 12, point (c) is replaced by the following:

‘(c) If the Eurosystem decides to suspend, limit or exclude counterparties’ access to monetary policy instruments on the grounds of prudence or otherwise in accordance with Article 158 of Guideline (EU) 2015/510 (ECB/2014/60), euro area NCBs shall implement that decision in respect of access to intraday credit pursuant to provisions in the contractual or regulatory arrangements applied by the respective NCBs.’;

5. Annex IIIa is amended as follows:

(a) point (1) in the ‘Definitions’ section is replaced by the following:

‘(1) “auto-collateralisation” means intraday credit granted by the euro area NCB in central bank money triggered when a DCA holder has insufficient funds to settle securities transactions, whereby such intraday credit is collateralised either with the securities being purchased (collateral on flow), or with securities already held by the DCA holder (collateral on stock). An auto collateralisation transaction consists of two distinct transactions, one for the granting of auto-collateralisation and one for its reimbursement. It may also include a third transaction for any eventual relocation of collateral. For the purposes of Article 16 of Annex IIa, all three transactions are deemed to have been entered into the system and deemed to be irrevocable at the same time as the transaction for the granting of the auto-collateralisation.’;

(b) point (6) in the ‘Definitions’ section is replaced by the following:

‘(6) “close links” means close links within the meaning of Article 138 of Guideline (EU) 2015/510 (ECB/2014/60).’;

(c) the first subparagraph of paragraph 3 is replaced by the following:

‘3. Auto-collateralisation shall be based on eligible collateral. Eligible collateral shall consist of the same assets as eligible for use in Eurosystem monetary policy operations, and shall be subject to the same valuation and risk control rules as those laid down in Part Four of Guideline (EU) 2015/510 (ECB/2014/60).’;

(d) paragraph 4 is replaced by the following:

‘4. Debt instruments issued or guaranteed by the entity, or by any other third party with which the entity has close links, may only be accepted as eligible collateral in the situations laid down in Part Four of Guideline (EU) 2015/510 (ECB/2014/60).’;

(e) in paragraph 9, point (d) is replaced by the following:

‘(d) The [insert name of CB] shall apply a penalty fee of EUR 1 000 for each business day where one or more recourses to collateral relocation under point (c) occur. The penalty fee shall be debited from the relevant PM account of the DCA holder referred to in point (c).’;

(f) in point 10(c) the first sentence is replaced by the following:

‘The Eurosystem may decide to suspend, limit or exclude counterparties’ access to monetary policy instruments on the grounds of prudence or otherwise in accordance with Article 158 of Guideline (EU) 2015/510 (ECB/2014/60).’;

(g) in paragraphs 1 and 13, the words ‘6 February’ are replaced by the words ‘18 September’;

6. paragraph 18(1) of Annex IV is replaced by the following:

#### **‘18. Fee schedule and invoicing**

(1) An ancillary system using the ASI or the Participant Interface, irrespective of the number of any accounts it may hold with the ASCB and/or the SCB, shall be subject to a fee schedule consisting of the following elements.

(a) A fixed monthly fee of EUR 1 000 to be charged to each ancillary system (Fixed Fee I).

- (b) A second monthly fixed fee of between EUR 417 and EUR 8 334, in proportion to the underlying gross value of the ancillary system's euro cash settlement transactions (Fixed Fee II):

Band	From (EUR million/day)	To (EUR million/day)	Annual fee	Monthly fee
1	0	below 1 000	EUR 5 000	EUR 417
2	1 000	below 2 500	EUR 10 000	EUR 833
3	2 500	below 5 000	EUR 20 000	EUR 1 667
4	5 000	below 10 000	EUR 30 000	EUR 2 500
5	10 000	below 50 000	EUR 40 000	EUR 3 333
6	50 000	below 500 000	EUR 50 000	EUR 4 167
7	Above 500 000	—	EUR 100 000	EUR 8 334

The gross value of the ancillary system's euro cash settlement transactions shall be calculated by the ASCB once a year on the basis of such gross value during the previous year and the calculated gross value shall be applied for calculating the fee from 1 January of each calendar year. The gross value shall exclude transactions settled on DCAs.

- (c) A transaction fee calculated on the same basis as the schedule established for PM account holders in Appendix VI to Annex II. The ancillary system may choose one of the two options: either to pay a flat EUR 0,80 fee per payment instruction (Option A) or to pay a fee calculated on a degressive basis (Option B), subject to the following modifications:
- (i) for Option B, the limits of the bands relating to volume of payment instructions are divided by two; and
  - (ii) a monthly fixed fee of EUR 150 (under Option A) or EUR 1 875 (under Option B) shall be charged in addition to Fixed Fee I and Fixed Fee II.
- (d) In addition to the fees set out in (a) to (c), an ancillary system using the ASI or the Participant Interface shall also be subject to the following fees:
- (i) if the ancillary system makes use of the TARGET2 value-added services for T2S, the monthly fee for the use of the value added services shall be EUR 50 for those systems that have chosen option A and EUR 625 for those systems that have chosen option B. This fee shall be charged for each account held by the ancillary system that uses the services;
  - (ii) if the ancillary system holds a Main PM account linked to one or more DCAs, the monthly fee shall be EUR 250 for each linked DCA; and
  - (iii) the ancillary system as Main PM account holder shall be charged the following fees for T2S services connected with the linked DCA(s). These items shall be billed separately:

Tariff items	Price	Explanation
<b>Settlement services</b>		
DCA to DCA liquidity transfer orders	9 euro cent	per transfer
Intra-balance movement (i.e. blocking, unblocking, reservation of liquidity etc.)	6 euro cent	per transaction

Tariff items	Price	Explanation
<b>Information services</b>		
A2A reports	0,4 euro cent	Per business item in any A2A report generated
A2A queries	0,7 euro cent	Per queried business item in any A2A query generated
U2A queries	10 euro cent	Per executed search function
U2A queries downloaded	0,7 euro cent	Per queried business item in any U2A query generated and downloaded
Messages bundled into a file	0,4 euro cent	Per message in a file
Transmissions	1,2 euro cent	Per transmission'

7. in Annex V, paragraph 3 of Appendix IIA is replaced by the following:

3. The [insert name of CB] shall issue and maintain up to five active certificates per participant for each PM account free of charge. The [insert name of CB] shall charge a fee of EUR 120 for the issuance of a sixth and for each subsequent active certificate. The [insert name of CB] shall charge an annual maintenance fee of EUR 30 for the sixth and for each subsequent active certificate. Active certificates shall be valid for five years.'

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