



BANCA D'ITALIA  
EUROSISTEMA



# TARGET2 / T2S

## Billing

**Roma, 02/02/2015**

**Centro Congressi della Banca d'Italia**

*4° seminario Aspetti operativi, normativi e  
amministrativi e organizzazione della migrazione*

## Agenda

- Amendments to the TARGET2 pricing
- The new invoice for T2S services on the cash side

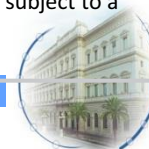


## Amendments to the TARGET2 pricing

- The current TARGET2 core pricing scheme for RTGS participants offers 2 options:
  - option A with a monthly fee of EUR 150 and a flat transaction fee of EUR 0.80 per transaction (i.e. per debit entry);
  - option B with a monthly fee of EUR 1,875 and transaction fees based on the volume ranging from EUR 0.60 to EUR 0.125 per transaction (i.e. per debit entry) according to the table below.

<b>Option A</b>			
<b>Fixed fee</b>	Monthly		€ 150
Flat rate			€ 0.80
<b>Option B</b>			
<b>Fixed fee</b>	Monthly		€ 1,875
	<b>Monthly Transactions</b>		
<b>Band</b>	<b>From</b>	<b>To</b>	<b>Price</b>
1.	1	10,000	€ 0.60
2.	10,001	25,000	€ 0.50
3.	25,001	50,000	€ 0.40
4.	50,001	100,000	€ 0.20
5.	Above 100,000		€ 0.125

\*Additional fees are envisaged for the use of liquidity pooling , for the registration in the TARGET2directory and for internet-based participants. Ancillary systems are subject to a separate pricing scheme



## Amendments to the TARGET2 pricing

With the launch of T2S, the TARGET2 pricing scheme will be modified as follows:

- 1) A new monthly fee is introduced for passing **T2 adaptation costs to T2S** which the TARGET2 system had to undergo.
- 2) A new monthly fee is introduced for RTGS participants opting for **T2 Value Added Services**
- 3) **Liquidity transfers** from T2 to T2S and liquidity transfers from T2S to T2 are priced under the TARGET2 pricing scheme (i.e. not T2S pricing scheme)



## 1- New fee for T2 adaptation costs to T2S (1/2)

- The new fee for passing T2S adaptation costs will be applied to holders of TARGET2 accounts which act as «**main RTGS account**» (i.e. RTGS account linked to the DCA for the end of day liquidity sweep) **for each link** with a DCA
- On the basis of volumetric assumption available in early 2014 – i.e. 1700 DCAs – an indicative fee of 150 euro per link and per month was shared with the market, with the understanding that the final amount would have been set before the launch of T2S, when more accurate figures would have been collected. A more recent survey carried out by CBs revealed that the number of DCAs is likely to be around 1000. Consequently **the fee will be set to 250 euro per link and per month**



## 1- New fee for T2 adaptation costs to T2S (2/2)

- This level will remain unchanged during the T2S migration phase.
- Adjustments may be considered at the end of the migration phase, based on the actual number of DCAs opened in the meantime
- A further adjustment may also be envisaged in 2020, once the investment costs have been amortised.
- Both the new fee and its level will be reflected in the amended TARGET2 Guideline



## 2 –New Fee for T2 Value Added Services (1/2)

	FIN / MTs	ICM / U2A	A2A / camt5	
Liquidity transfer T2 → T2S	★	✓	✓	✓ Standard
Liquidity transfer T2 ← T2S	★	★	★	
Definition standing order T2 → T2S	×	✓	✓	★ Value added services
Liquidity transfer by „third parties“	×	×	✓	×
Debit notification in case of transfer	✓	×	✓	
Credit notification in case of transfer	✓	×	✓	
Account balance for DCA	×	★	★	



## 2 –New Fee for T2 Value Added Services (2/2)

- For RTGS participants opting for **T2 Value Added Services**, a new monthly fee is applied as follows:
  - **50€** for RTGS participants that have chosen option A
  - **625€** for RTGS participants that have chosen option B
- In case of group of accounts, the main account holders for CAI and for VA having opted for T2S VAS pay monthly EUR 625. Other members included in the group pay EUR 50 if they opted for T2S VAS. The group of accounts manager will be invoiced for all the fees.



### 3 - LT from T2 to T2S and viceversa

- Liquidity transfers from RTGS account to DCA and liquidity transfers from DCA to RTGS account are under the TARGET2 pricing scheme
- The owner of the RTGS account debited/credited is invoiced
- These liquidity transfers are included in the total number of operations subject to billing, priced according to option A or option B



## New invoice for T2S services (1/2)

- T2S fees are invoiced separately from T2 fees, in dedicated invoices, to the RTGS account holder linked to the DCA.
- The activity on the DCAs and the business performed between T2 and T2S via T2SI are compiled into the following T2S services:

Service Item	Price	
Internal Liquidity Transfers	€ 0.09	Per transaction
Intra-Balance movements	€ 0.06	
U2A Queries during congestion period	€ 0.10	Per executed query
U2A Queries outside congestion period	€ 0.10	
U2A Queries (downloaded)	€ 0.007	Per business item
A2A Queries during congestion period	€ 0.007	
A2A Queries outside congestion period	€ 0.007	
A2A Reports during congestion period	€ 0.004	
A2A Reports outside congestion period	€ 0.004	Per transmission
Transmissions (inbound)	€ 0.012	
Transmissions (outbound)	€ 0.012	Per message in a file
Messages bundled into a file (inbound)	€ 0.004	
Messages bundled into a file (outbound)	€ 0.004	

### NOTE:

for queries on the DCA balance executed via TARGET2 Value Added Services the A2A queries fee will apply



## New invoice for T2S services (2/2)

List of message exchange between TARGET2 and T2S subject to T2S billing for the direct participants:

	Message exchange between T2 and T2S due to T2SI business cases (initiated in T2 via A2A or U2A)	Cost allocated T2 party	Transmission counter	Business Item counter
1	Push Liquidity Transfer to T2S (camt.050) + related Receipt (camt.025)	Linked RTGS account holder of the credited DCA (creditor in T2S)	Increased by 1 for each sent or received business message in connection with the business case	n/a
2	Push Liquidity Transfer to T2S (camt.050) by T2S actors in T2 (3rd party) + related Receipt (camt.025)			n/a
3	Incoming Liquidity Transfer from T2S (camt.050) + related Receipt (camt.025)	Linked RTGS account holder of the debited DCA (debtor in T2S)		n/a
4	Pull Liquidity Transfer from T2S (1 x camt.050) + related Receipts (1 x camt.025) Note: The related incoming Liquidity Transfer from T2S is an independent business case --> see business case 3	Sending RTGS account holder (linked to debited DCA in T2S)		n/a
5	Invalid Push Liquidity Transfer rejected by T2S (camt.050) + related negative Receipt (camt.025)	Sending RTGS account holder (debtor in T2)		n/a
6	DCA balance request initiated by single RTGS account holder via ICM-A2A or ICM-U2A menu 'RTGS': GetAccount (camt.003) + Return-Account (camt.004)	Requesting RTGS account holder (linked to requested DCAs in T2S)		Increased by number of DCAs contained in response message
7	DCA balance request initiated by GoA manager via ICM-A2A or ICM-U2A menu 'RTGS': GetAccount (camt.003) + Return-Account (camt.004)	Requesting GoA manager (manager of the group members linked to the requested DCAs in T2S)		



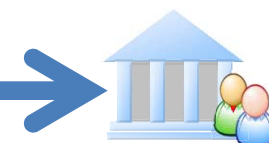
## T2 and T2S Billing - overview



Central Bank

Monthly invoices are sent no later than the 5<sup>th</sup> business day of the following month

Payment will be made on the 10<sup>th</sup> business day (direct debit by Bdl)



(Main) PM  
account holder

Invoice for **SSP related services**



Invoice for **T2S related services**

INVOICE "BANK 1"				
Date :	from 1 Jan 2013 to 31 Jan 2013			
Participant:	Bank 1			
Pricing option:	option B			
Number of transactions:	173 000			
Periodic fee option B:	Quantity	Unit price (eur)	1 87€	
Option B transaction fee band 1	10 000	0.60	6 000	
Option B transaction fee band 2	15 000	0.50	7 500	
Option B transaction fee band 3	25 000	0.40	10 000	
Option B transaction fee band 4	50 000	0.20	10 000	
Option B transaction fee band 5	73 000	0.125	9 125	
Transactions fee:	42 62€			
Registration of indirect participant	1		20	
Registration of addressable BIC	1		€	
Total price (VAT not included)	44 62€			

Invoice ref:	20150400		
CEDIC/PROXXX	GRAutomatic007		
From 15/04/01 to 15/04/08	T2S Billing		
Label	Quantity	Unit price	Total price (euros) VAT not included
Internal Liquidity Transfers	150	9	1350.00
Outbound Liquidity Transfers	20	0	0.00
Info-Exchange movements	20	0	300.00
U2A Queries during congestion period	2	10	20.00
U2A Queries outside congestion period	3	10	30.00
A2A Queries (inbound)	0	0.7	0.00
A2A Queries during congestion period	0	0.7	0.00
A2A Queries outside congestion period	0	0.7	0.00
A2A Reports during congestion period	0	0.4	0.00
A2A Reports outside congestion period	0	0.4	0.00
Transmissions (inbound)	70	1.2	80.00
Transmissions (outbound)	10	1.2	10.00
Messages (bundled into a file) (inbound)	5	0.4	2.00
Messages (bundled into a file) (outbound)	6	0.4	2.40
Pre-paid account	2	0	0.00
Total VAT not included			

- Includes fees currently in place plus the fee for TARGET2 Value added services for T2S (if subscribed) and fee for each linked DCA. Transactions include LT from/to T2S

- Invoice for T2S related services is sent to the main PM account holder (and not to the DCA holder);
- Includes T2S services fees (internal liquidity transfers; A2A reports; U2A/A2A queries; messages bundled into files; transmissions).





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# **I contratti per l'apertura dei Dedicated Cash Accounts e l'accesso all'autocollateral**

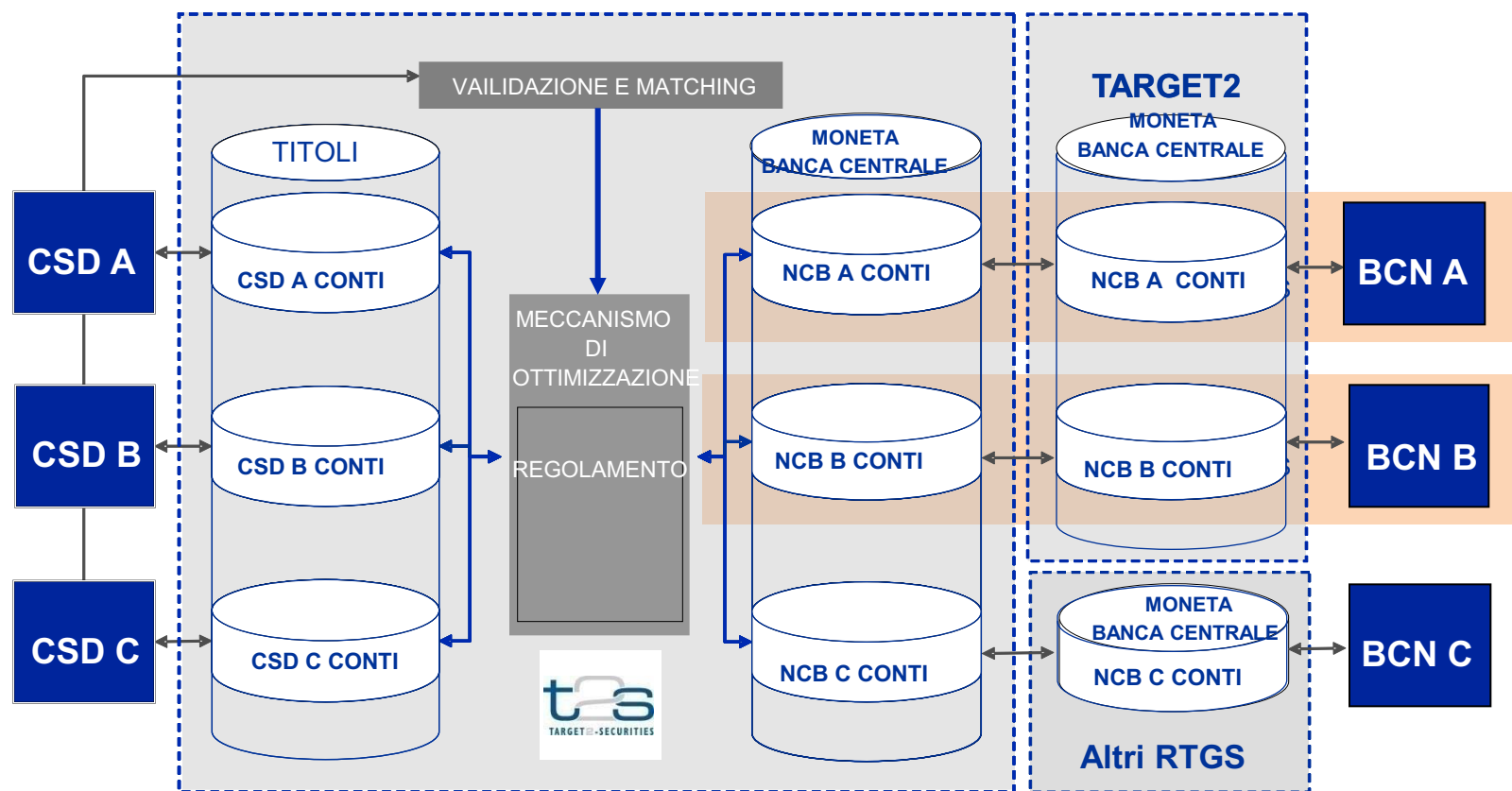
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## I DCA all'interno del perimetro legale di TARGET2

- T2S non si configura come un nuovo “sistema di regolamento” ma come una piattaforma cui viene data in outsourcing la gestione operativa dei conti: in titoli, per conto dei CSDs; in contanti «dedicati» a T2S (cd. *Dedicated Cash Account*, DCA) per conto delle Banche Centrali Nazionali
- Legalmente i DCA sono inseriti all'interno del perimetro di TARGET2 anche se tecnicamente i servizi collegati ai DCA sono forniti dalla infrastruttura T2S e non dalla SSP di TARGET2
- I DCA saranno aperti presso i sistemi componenti delle BCN connesse a TARGET2 e utilizzati per i pagamenti in contanti derivanti dal regolamento di titoli in T2S
- Le BCN manterranno le relazioni con le proprie banche titolari di DCA in T2S (cd. payment banks=titolari di DCA), come già avviene adesso in TARGET2
- I CSD continueranno ad essere responsabili delle relazioni commerciali e contrattuali con i propri clienti (intermediari, investitori, emittenti) e delle attività di amministrazione dei titoli)



# I DCA all'interno del perimetro legale di TARGET2



 Perimetro legale delle componenti di TARGET2



## Modifiche alla Guideline su TARGET2

- Le condizioni che disciplineranno i DCA saranno incluse nella Guideline su TARGET2 che presumibilmente sarà approvata e pubblicata entro il primo trimestre del 2015
- La Guideline su TARGET2 sarà emendata e sarà applicabile dal primo giorno di avvio di T2S a prescindere dalla data di migrazione dei singoli CSD
- la Guideline su TARGET2 sarà modificata con l'inserimento di due nuovi allegati relativi a:
  - l'apertura dei conti DCA in T2S (allegato IIa )
  - l'uso dell'autocollateral (allegato IIIa)
- Tali allegati saranno basati su quelli che ora disciplinano rispettivamente le *Harmonised Conditions* per l'apertura e l'operatività di un conto PM (allegato II) e l'offerta di credito infragiornaliero in TARGET2 (allegato III)

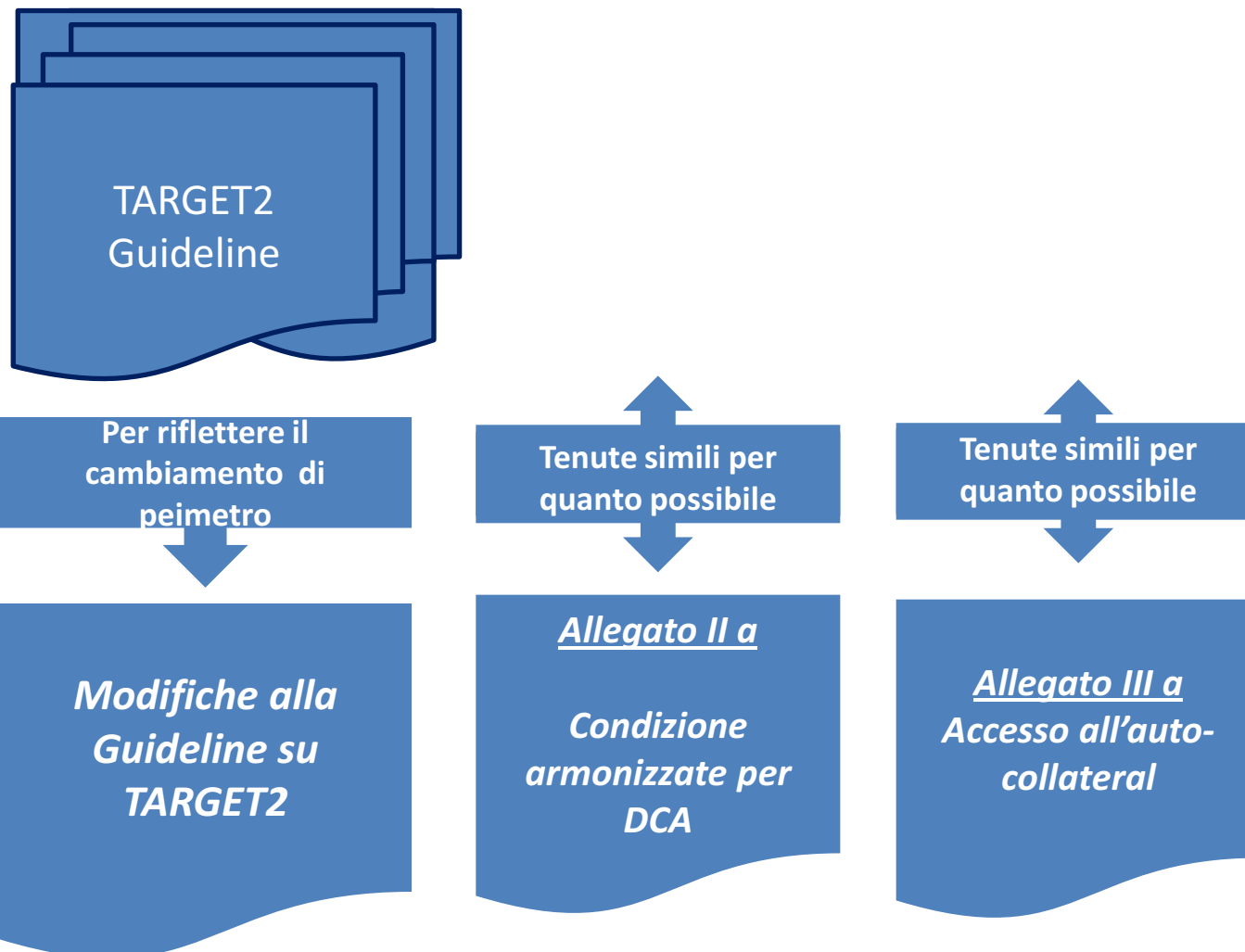


## Modifiche alla Guideline su TARGET2

- Non è necessario designare T2S come nuovo sistema ai sensi della Direttiva sulla settlement finality per coprire le transazioni regolate sui DCA
- Le norme contenute nella Guideline su TARGET2 confluiranno nella Guida per gli aderenti che sarà disponibile sul sito web della Banca d'Italia presumibilmente dalla fine del mese di maggio
- Le appendici alle Harmonised Conditions (compensation scheme, business continuity e procedure di contingency) sono state adattate per prevedere il caso di malfunzionamento della piattaforma T2S
- E' stata integrata l'appendice VI sullo schema tariffario



## Modifiche alla Guideline su TARGET2



## I titolari di DCA

- La definizione di partecipante a TARGET2 è ampliata: la categoria include i titolari di conto PM e i titolari di DCA
- I partecipanti a TARGET2 possono detenere uno o più PM o DCA
- Si possono detenere più DCA senza detenere un conto PM
- I requisiti di partecipazione per l'apertura di DCA in T2S sono uguali a quelli previsti per la partecipazione diretta a TARGET2



## Diritti dei DCA

### I titolari di DCA possono

- usare un DCA per il proprio business o per conto della propria clientela
- detenere tanti DCA quanti desiderano per es. per scopi di segregazione dei fondi
- ricevere trasferimenti di liquidità da ciascun conto RTGS in TARGET2
- trasferire liquidità a ciascun conto in TARGET2
- beneficiare dell'auto-collateralizzazione sui conti DCA
- Tutte le istruzioni di trasferimento fondi da un conto PM a un conto DCA sono classificate come highly urgent al pari delle istruzioni trasmesse via ASI da un sistema ancillare per addebitare o accreditare i conti dei partecipanti



## Obblighi/restrizioni dei DCA

- Sui DCA non si possono detenere fondi overnight
- Ogni DCA deve essere collegato a un conto RTGS (denominato “conto RTGS principale”, *cfr. art. 7 Condizioni armonizzate su T2*).
- Il conto RTGS principale può essere sui conti di un'altra BCN o di un'altra entità legale, sono esclusi i conti PM *Internet based*
- Il titolare del “conto RTGS principale” è tenuto a pagare le tariffe per i DCA collegati
- I trasferimenti di liquidità tra DCA sono limitati a quelli collegati allo stesso “conto RTGS principale”
- I titolari di DCA o del conto RTGS principale collegato devono mantenere un accesso tecnico al loro conto per gestire la liquidità come direct participant in T2S oppure utilizzando i servizi a valore aggiunto di T2 (art.19 allegato IIa)

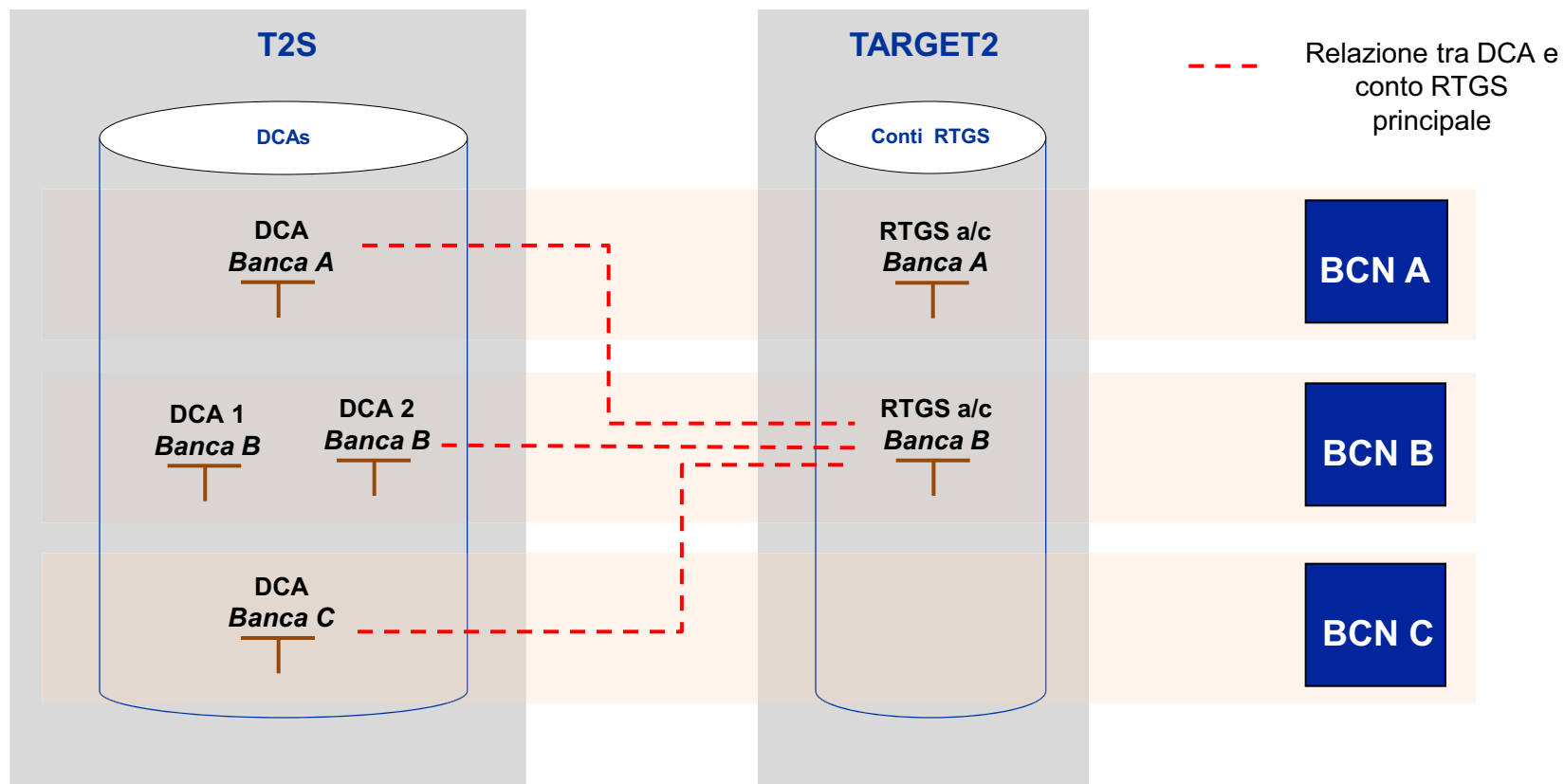


## L'auto-collateralizzazione

- I requisiti di partecipazione per l'accesso all'auto-collateral in T2S coincidono con quelli previsti per l'offerta di credito infragiornaliero a TARGET2
- L'auto-collateral è concesso a fronte di versamento di garanzie idonee (anche derivante dal regolamento stesso) e deve essere restituito entro le 16:30 di ciascuna giornata operativa
- Per beneficiare dell'auto-collateral il titolare di DCA deve avere un conto RTGS presso la BCN "home" con accesso alla liquidità infragiornaliera in TARGET2 per gestire l'eventuale mancato rimborso dell'auto-collateral in T2S



## Relazione tra DCA e conto RTGS principale



## SETTLEMENT FINALITY

- Ancora in discussione l'applicazione delle regole di settlement finality (art. 16 annex IIa) in quanto l'individuazione dei diversi stati di *finality* è ancora oggetto di confronto
- I CSD hanno la responsabilità per la definizione dei momenti di immissione e di irrevocabilità degli ordini di trasferimento dei titoli
- In T2S occorre condividere tra CSD e BCN i momenti di immissione e irrevocabilità per la gamba titoli e cash di una medesima transazione



## SETTLEMENT FINALITY SFIII

- Momento in cui i trasferimenti di titoli e contanti (addebiti/accrediti sui conti) sono divenuti finali cioè vincolanti e opponibili ai terzi
- Per i CSD ciò significa adeguare le proprie regole interne a quanto previsto nell'art. 21 par. 4 del T2S Framework Agreement
- Per le banche centrali ciò è previsto sui conti DCA di T2S



## SETTLEMENT FINALITY SFII

- Momento in cui gli ordini in T2S divengono irrevocabili
- I CSD devono essere conformi con la regola dell'irrevocabilità così come disciplinata dalle URD di T2S (non ci può essere cancellazione unilaterale dopo avere effettuato il matching)
- Le BCN definiscono il momento di irrevocabilità SFII per i trasferimenti cash al momento dell'avvenuto matching in T2S che è conosciuto dai CSD



## SETTLEMENT FINALITY SFI

- Momento in cui gli ordini di trasferimento sono immessi nel sistema «moment of entry» con l'effetto che una successiva insolvenza non invalida l'ordine di trasferimento dell'entità insolvente
- T2S non è un sistema ma è una piattaforma basata su più sistemi legali con una procedura di regolamento standardizzata e consente di garantire certezza legale consentendo SFI per tutti gli ordini di trasferimento allo stesso momento
- In caso di utilizzo di T2S, che è infrastruttura comune, il coordinamento è necessario in quanto in una transazione cross-CSD il moment of entry non può essere definito in modo diverso dai due CSD (la CSDR richiede che nel caso di CSD interoperabili, che abbiano cioè una infrastruttura di settlement comune, i momenti di definitività e di irrevocabilità devono essere identici)



## CONTRATTI

In T2S parteciperanno secondo i risultati dell'ultimo monitoraggio effettuato dalla Banca d'Italia:

☐ 36 soggetti apriranno i DCA accounts sia cash che titoli e dovranno sottoscrivere i contratti e inviare i relativi formulari. Di questi:

- 11 connessi direttamente a T2S
- 25 si collegheranno indirettamente tramite i servizi di TARGET2

☐ 9 operatori apriranno in T2S esclusivamente uno o più conti titoli (avvalendosi dunque di un soggetto terzo per il regolamento della “gamba contante” delle operazioni)

☐ le restanti banche regoleranno le proprie transazioni in titoli senza avere in T2S né conti cash né conti titoli (usufruendo, cioè, dei servizi di un altro intermediario)



## CONTRATTI

I contenuti degli allegati alla Guideline su TARGET2 saranno traslati nei contratti nazionali che saranno resi disponibili per gli utenti entro il 15 maggio 2015

- I contratti in formato digitale dovranno essere sottoscritti con firma digitale del legale rappresentante e trasmessi via PEC alla filiale competente entro il mese di maggio

### **Contratti da sottoscrivere *ex novo***

- Il contratto di apertura del conto PM
- Il contratto di apertura di DCA
- Il contratto per accedere al credito infragiornaliero
- Il contratto per accedere all'autocollateral



## FORMULARI

Fasi del processo di accettazione dei formulari:

1. Per l'ambiente di collaudo dovranno essere trasmessi direttamente all'indirizzo [T2S\\_BDI@bancaditalia.it](mailto:T2S_BDI@bancaditalia.it) senza firma
2. Per l'ambiente di produzione (completi delle informazioni relative al technical address di produzione e all'identificativo del SAC providing collateral fornito dal CSD) dovranno essere trasmessi in bozza all'indirizzo [T2S\\_BDI@bancaditalia.it](mailto:T2S_BDI@bancaditalia.it)
3. Una volta ricevuto il visto di approvazione da parte del NSD del Servizio Sistema dei Pagamenti dovranno essere inviati come documento digitale e sottoscritti con firma digitale del nominativo delegato dal legale rappresentante e trasmessi via PEC alla Filiale della Banca d'Italia di competenza **dal 30 marzo al 15 aprile**
4. Contemporaneamente alle attività di cui al punto precedente dovrà essere inviata una email all'indirizzo [T2S\\_BDI@bancaditalia.it](mailto:T2S_BDI@bancaditalia.it) in cui si dà notizia dell'avvenuta trasmissione ufficiale alla Filiale di competenza



**Grazie per l'attenzione!**



## Contatti

Roberta Giuliani

e-mail.: roberta.giuliani@[bancaditalia.it](mailto:roberta.giuliani@bancaditalia.it)

Tel.: 06 47925988





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# T2S procedures in normal operations and abnormal situations

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## Agenda

- T2S Manual Of Procedures
  - Relationship to other documentation: the TARGET2 Infoguide
  - T2S MOP Parts that are relevant to the users (DCPs only): Incident Management, Crisis Management, Procedures in normal and abnormal situations
- **Changes to the TARGET2 Infoguide in view of T2S**
  - **Introduction**
  - **Fundamentals**
  - **Normal Situations**
  - **Abnormal Situations**
  - **Way forward**



## T2S Manual Of Procedures

- The T2S Manual of Operational Procedures (MOP) describes the processes and procedures of the T2S Services which are of relevance for T2S Actors (CSDs, CBs, DCPs) involved in T2S day-to-day operations
- The T2S MOP covers:
  - activities aimed to ensure the smooth and reliable processing of T2S during normal operations, and
  - activities aimed to restore the proper functioning of the T2S Services by mitigating the effects of incidents



## T2S Manual Of Procedures (2)

- The T2S MOP is based upon:
  - The T2S Guideline with which the T2S MOP must be fully compliant.
  - The Framework Agreement (FA) setting out the contractual rights and obligations of the Eurosystem and each CSD, whereas the Currency Participation Agreement (CPA) is between the Eurosystem and non-euro area Central Banks that wish to make their currency available in T2S.
  - The T2S Scope Defining Set of Documents (FA/CPA Schedule 1): the User Requirements Document (URD), General Functional Specification (GFS) and User Detailed Functional Specification (UDFS).



## Relationship to other documentation

Operational procedures related to the Euro cash side are available in the  
**“Information guide for TARGET2 users”**

- TARGET2 users comprise both PM participants (RTGS account holders) and DCA holders.
- The Central Banks specific operational procedures for the Euro cash side are covered in the TARGET2 Manual of Operational Procedures

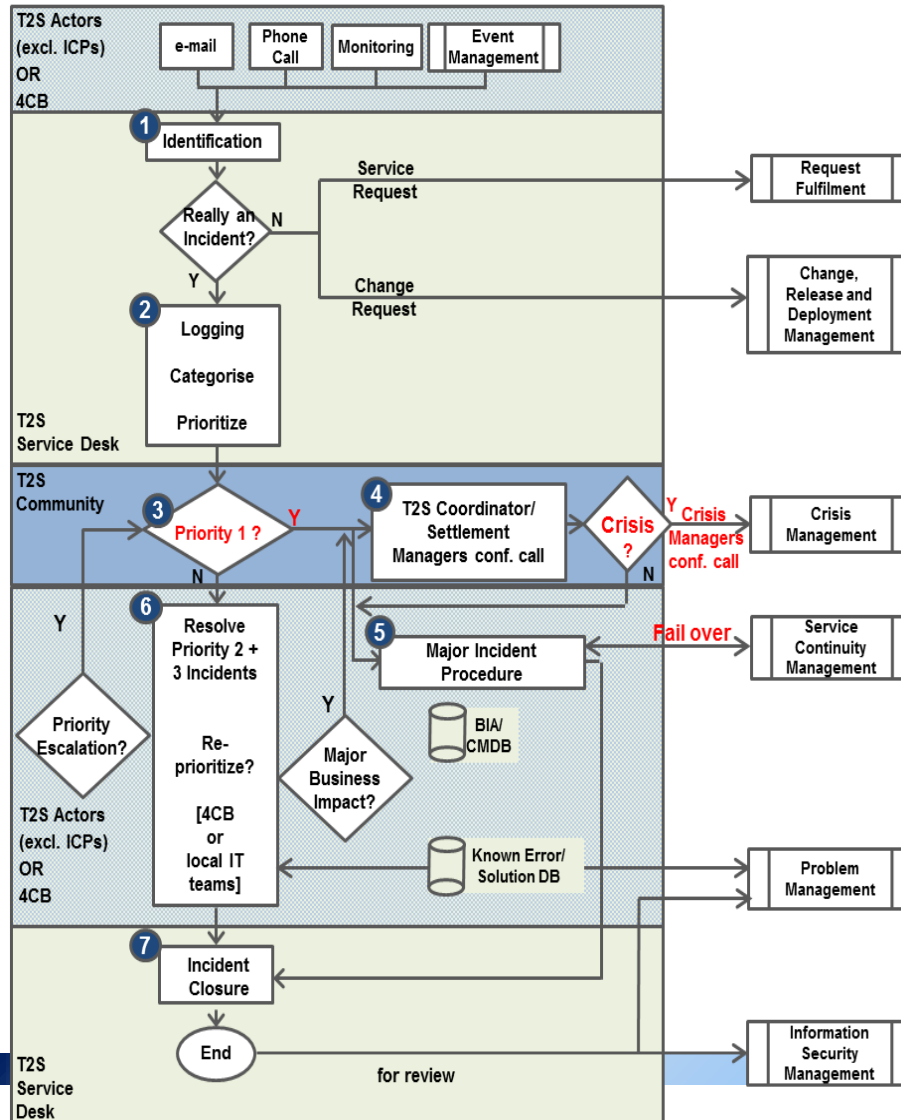


## MOP parts that are relevant to the users (DCPs only)

- The T2S MOP will be shared with the participating CSDs and CBs, who will inform their DCPs about the relevant operational procedures.
- As a “T2S Information Guide” is not foreseen, to ensure that a similar level of information is provided to the whole group of T2S Actors by various CSDs/NCBs, a set of information which will be shared with DCPs has been agreed. Mainly:
  - Fundamentals / communications tools
  - Incident / crisis management
  - Operational Procedures involving the DCPs
  - Service Continuity Management



## Incident Management: general flow



- 5 Predefined scenarios were identified

1: Incident at the level of the T2S

2: Incident at the level of TARGET2/ RTGS

3: Incident at the level of one or more CSDs

4: Incident at the level of DCPs or ICPs

5: Incident at the level of NSP

- The flow of activities / information / decisions differs depending on the scenario.

- Specific operational issues and related solutions are described in detail in the MOP section

*“Operational procedures during normal operations and in abnormal situations”*



## Crisis Management

- Purpose of the Crisis Management is to assess and manage the crisis and to decide on the appropriate way to overcome the situation at hand
- **Decision making:** the ECB Crisis Manager will seek for consensus among members of the Crisis Managers' conference call; in case no consensus can be reached, the ECB Crisis Manager takes a decision. The process is guided by commonly shared “overarching principles”
- The Crisis Managers' **conference call** is composed of
  - Members: representatives of the Eurosystem, the contracting CSDs and the CBs that signed the FA/CPA
  - Observers: the T2S Coordinator and depending on the cause of the crisis there can be Relevant Competent Authorities, Overseers, ESMA, **DCPs** and/or NSPs. Observers don't take part to decision making.
- **Role of the DCPs:** they are involved in the Crisis Management **when they are related to the cause of the crisis**




## Procedures in normal / abnormal situations

The operational procedures are categorised according to three aspects:

- **T2S settlement day** describes the different phases and the key interactions with T2S
- **Operational Issues and Applicable Operational Procedures:** includes the description of operational issues and detailed procedures that are applicable during various phases of a T2S settlement day
- **Generic Procedures:** Includes procedures which are independent to time/event of the T2S settlement day as: service request, handling of information security events (e.g. cyber-attack), maintaining specific static data, etc.



## Procedures in normal / abnormal situations (2)

Phase	Key Activities	Relevant Operational Issues	Applicable Operational Procedures
 <b>SOD</b> 18:45 CET – 19:30 CET	Change of settlement date in T2S	RTGS not able to start new settlement day	<b>Delay start of D + 1 settlement day in case of RTGS</b>
	Preparation for Night Time Settlement	CMS data feed unavailable in T2S by 19:00	<b>Processing of the CMS data feed</b>
		T2S Platform failure does not allow SOD	<b>T2S delay</b>
		CMS unable to update auto-collateralisation limit	<b>Acting on behalf</b>



# Changes to the T2 Infoguide in view of T2S



## Information Guide for TARGET2 Users    Changes in view of TARGET2-Securities

### 1. Information Guide for TARGET2 users

### 2. Envisaged changes

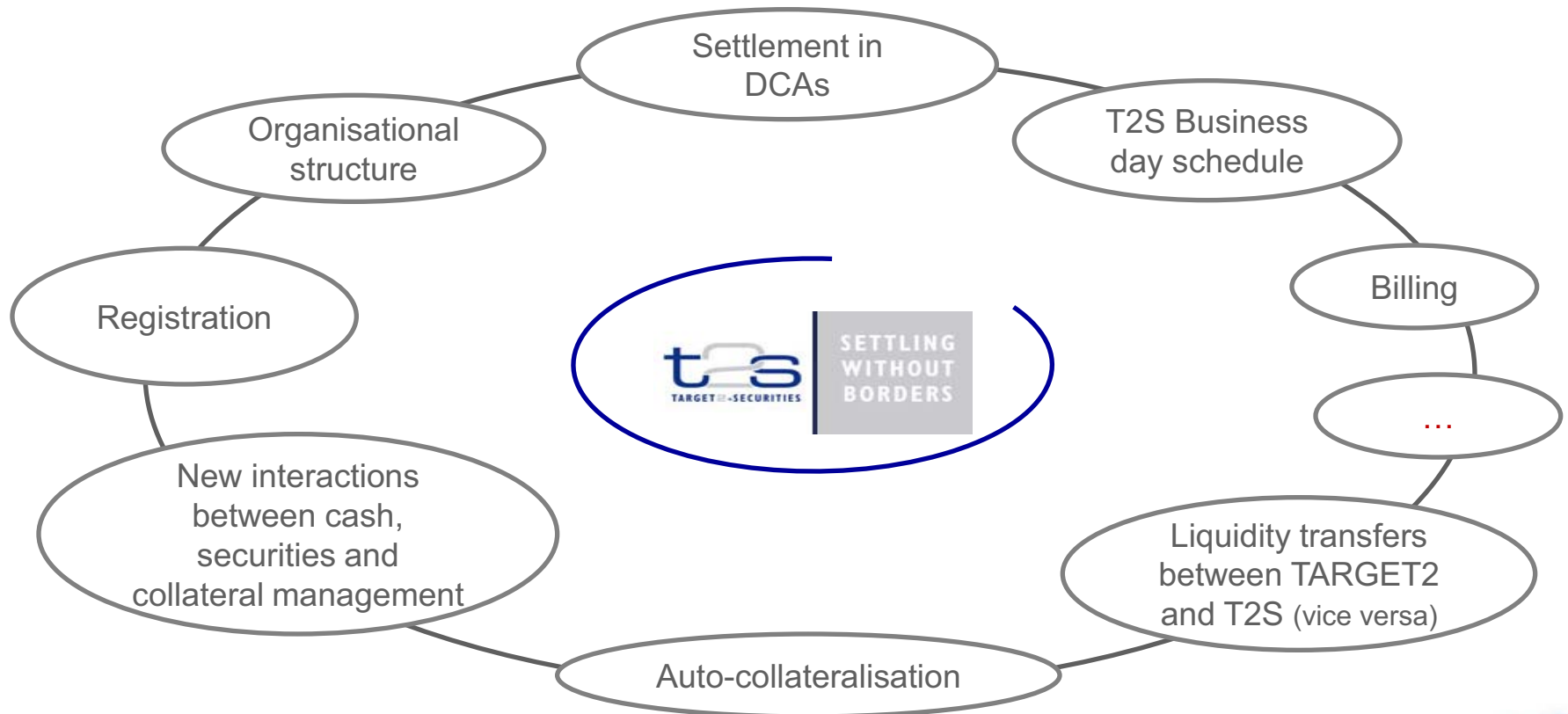
- Introduction
- Fundamentals
- Normal situations
- Abnormal situations

### 3. Way forward



## Overview: Information Guide for TARGET2 users

### Main changes arising from T2S



## 1. Information Guide for TARGET2 users

### 2. Envisaged changes

- Introduction
- Fundamentals
- Normal situations
- Abnormal situations

## 3. Way forward



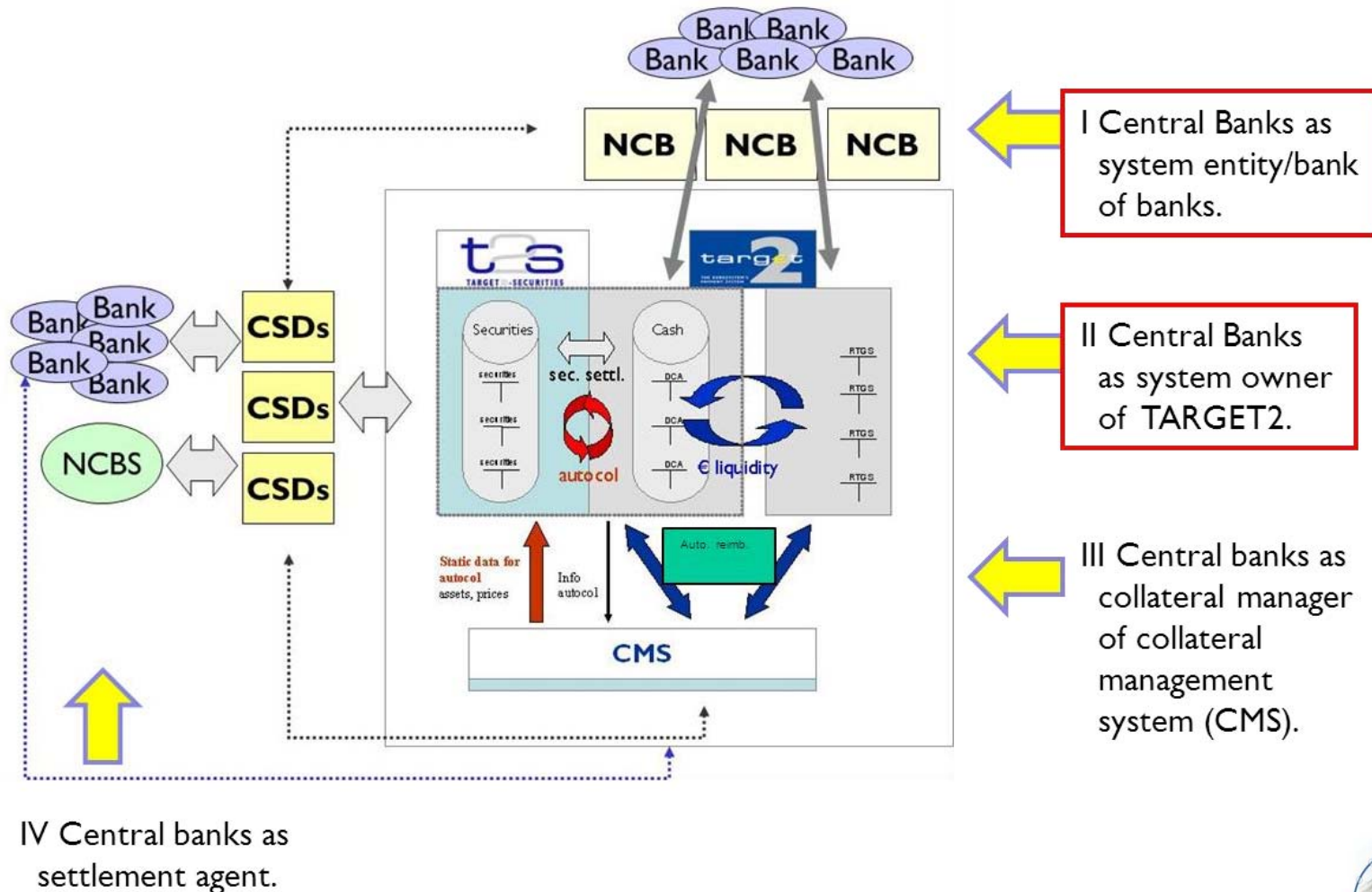
## 2. Envisaged changes - Introduction -

### TARGET2 and T2S – conceptual differences

- T2S technically hosts the **euro denominated DCAs**, legally these fall under the perimeter of TARGET2. T2S is a multi-currency system.
- **T2S system entities** are CSDs and NCBs. Unlike TARGET2, in T2S CSDs and NCBs jointly form the settlement managers' and crisis managers' bodies of T2S.
- The technical provider of T2S is the **4CB**, while it is the **3CB** for TARGET2. However, the SSP service desk (which is called T2S Service Desk for T2S) is served by a single team on the provider side.
- T2S is **not an ancillary system** and does not have a system status (no Settlement Finality Directive consideration). Therefore, but also in view of the close inter-linkages to TARGET2, in the Information Guide for TARGET2 Users, T2S relevant provisions are differentiated from ancillary system relevant provisions.
- There is a **T2S coordination function** and a **TARGET2 Coordination function** and **both** are under the responsibility of the ECB.



## 2. Envisaged changes - Introduction - Operational/legal perspective and roles of central banks



## 2. Envisaged changes - Introduction -

### Scope and addresses of the information guide

- **Scope change**

Add all euro cash relevant **operational issues related to T2S** with the aim to ensure smooth operations by addressing the **interdependencies between TARGET2 and T2S** (in a wider sense) in both normal and abnormal situations

- **Addressees**

- TARGET2 participants

- ✓ Holders of a PM account

- ✓ **Holders of a Dedicated Cash Account (DCA)** denominated in euro

Incl.  
CSDs

- Other TARGET2 stakeholders

- Public



## 1. Information Guide for TARGET2 users

### 2. Envisaged changes

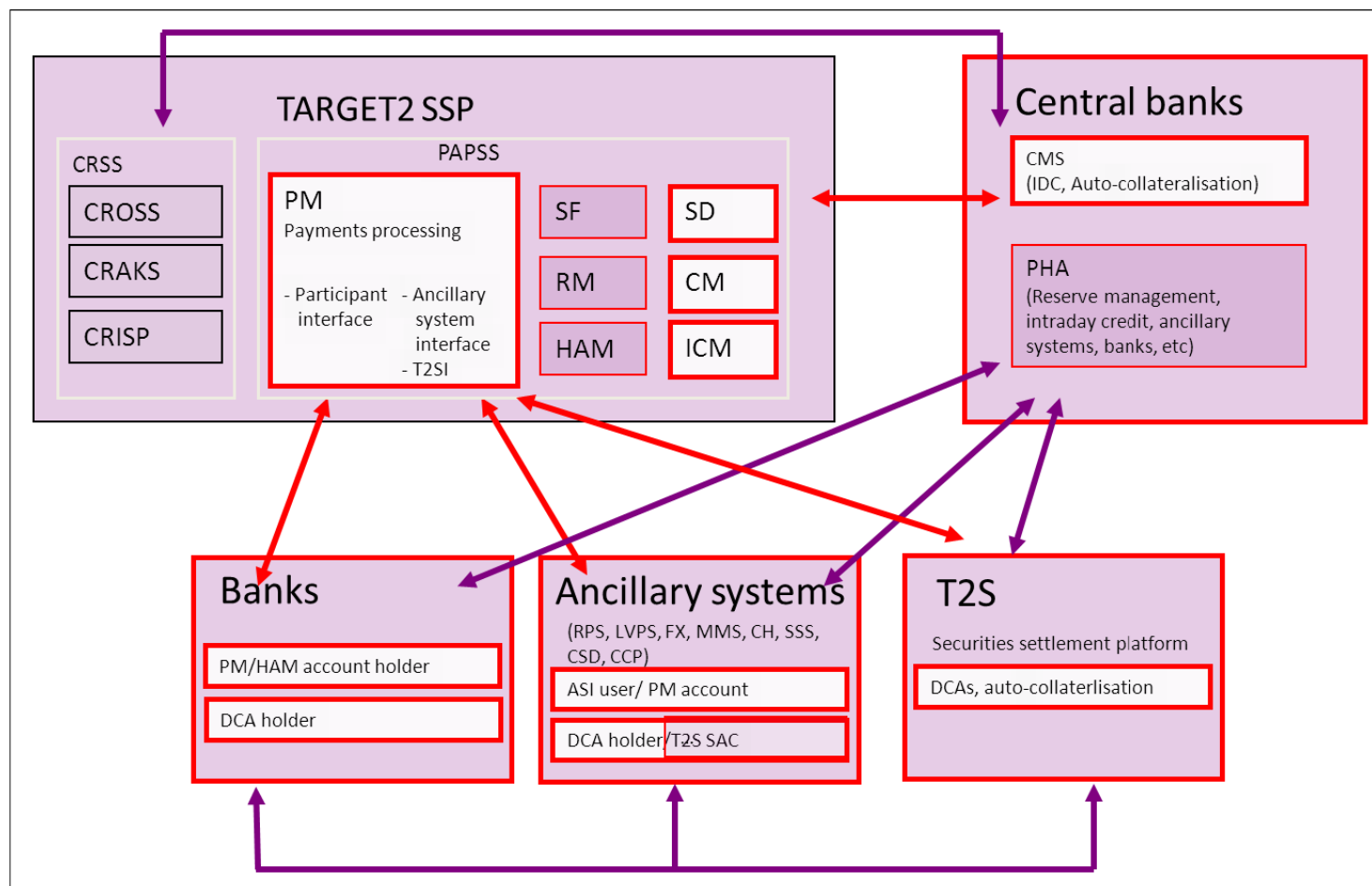
- Introduction
- Fundamentals
- Normal situations
- Abnormal situations

## 3. Way forward



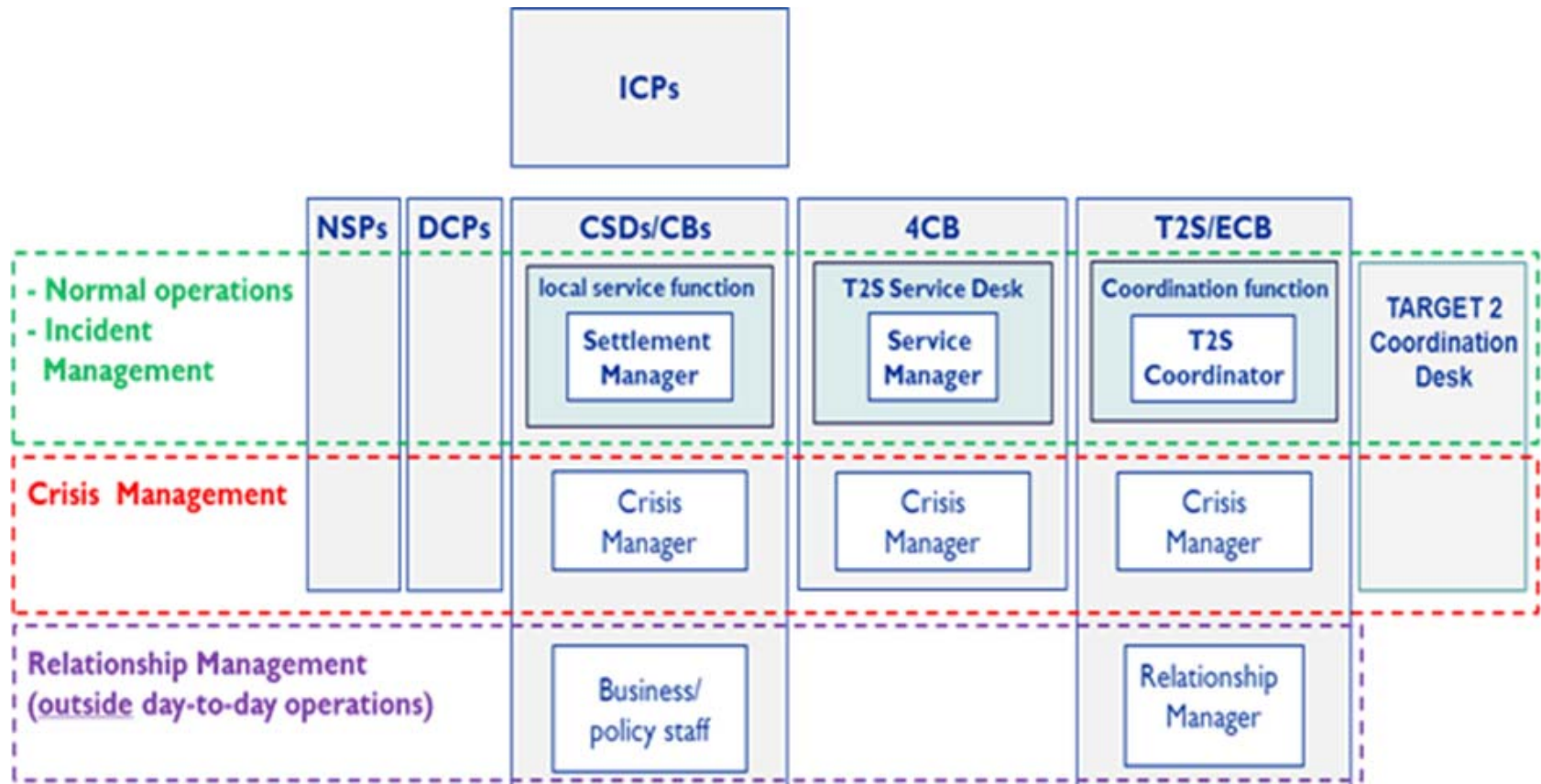
## 2. Envisaged changes - Fundamentals -

### SSP, T2S platform and interactions



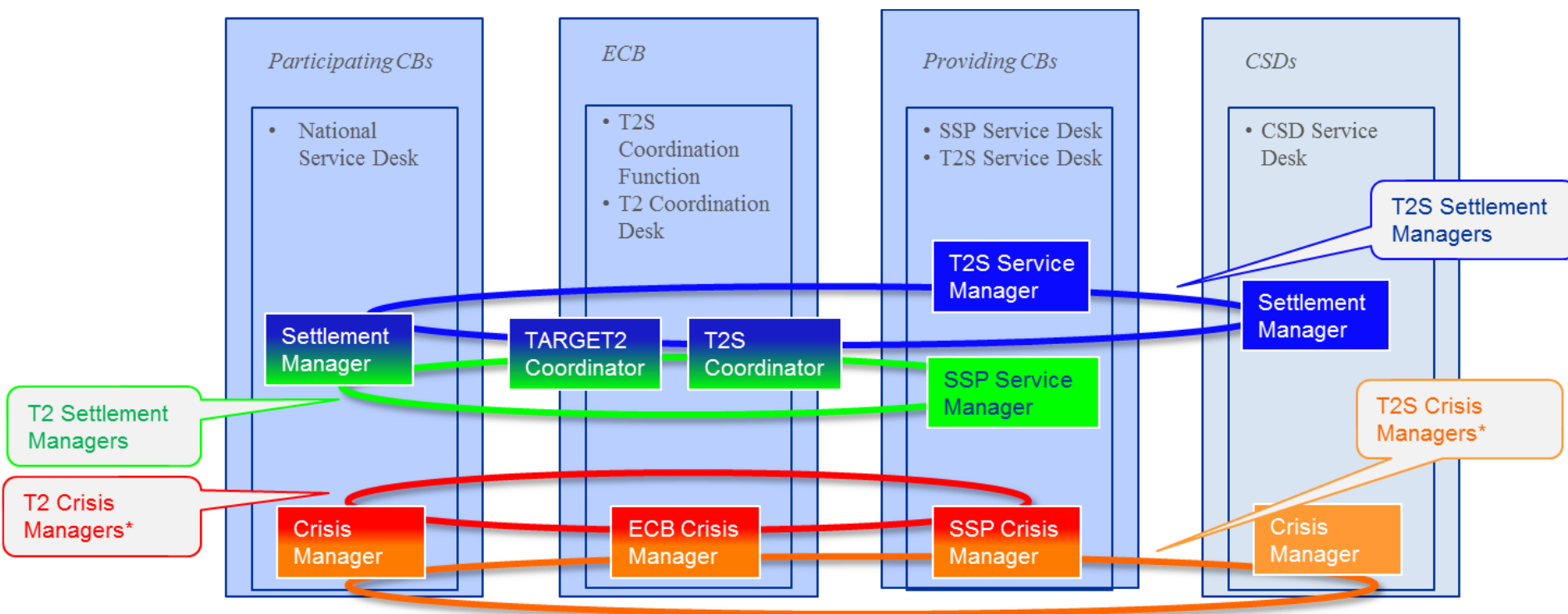
## 2. Envisaged changes - Fundamentals -

### Organisational structure (1)



## 2. Envisaged changes - Fundamentals -

### Organisational structure (2)

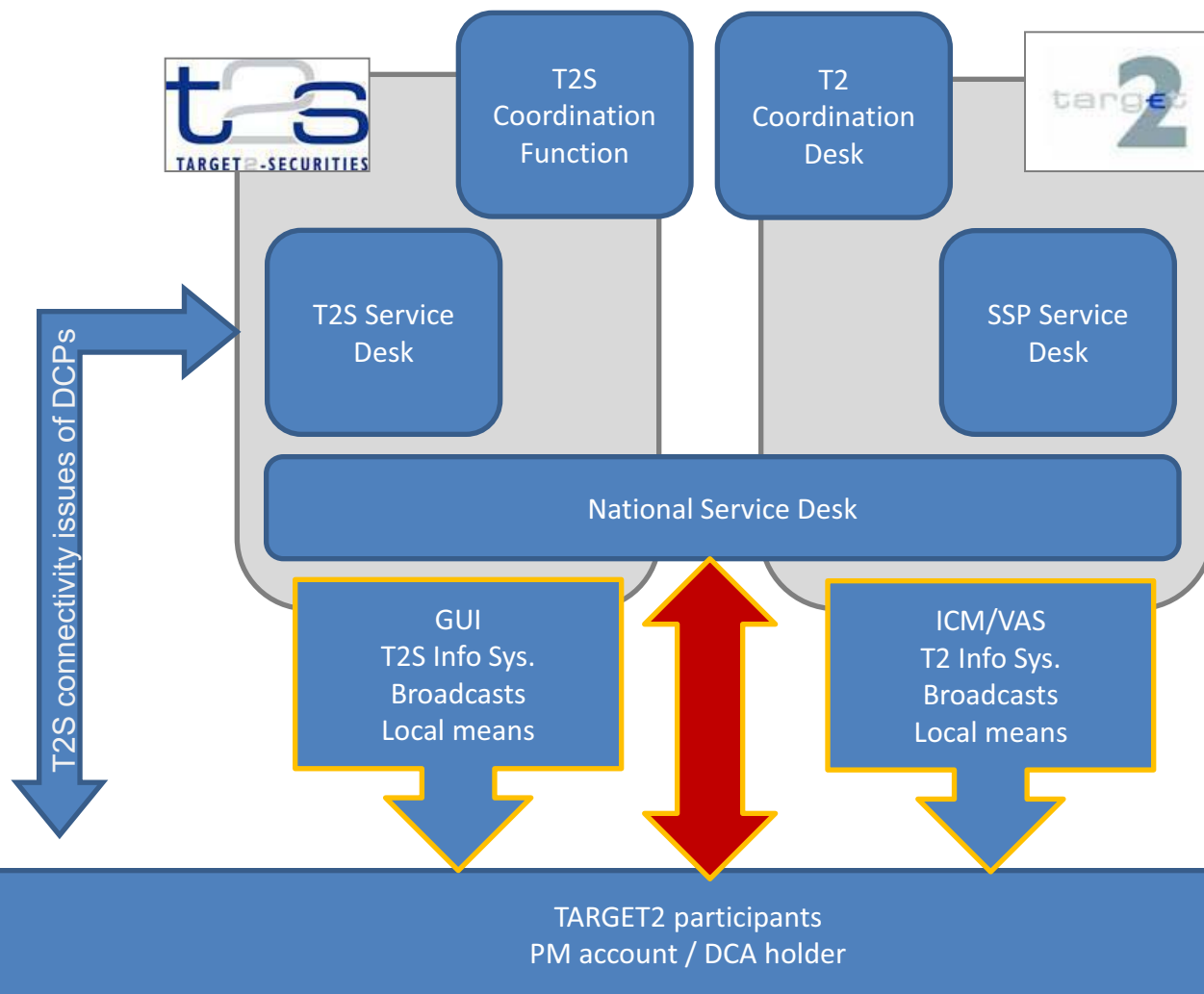


\* T2 Coordinator and T2S Coordination function participate in Crisis Managers calls.



## 2. Envisaged changes - Fundamentals -

### TARGET2 information and communication flows on the **cash side**



## 2. Envisaged changes - Fundamentals -

### Settlement

### day

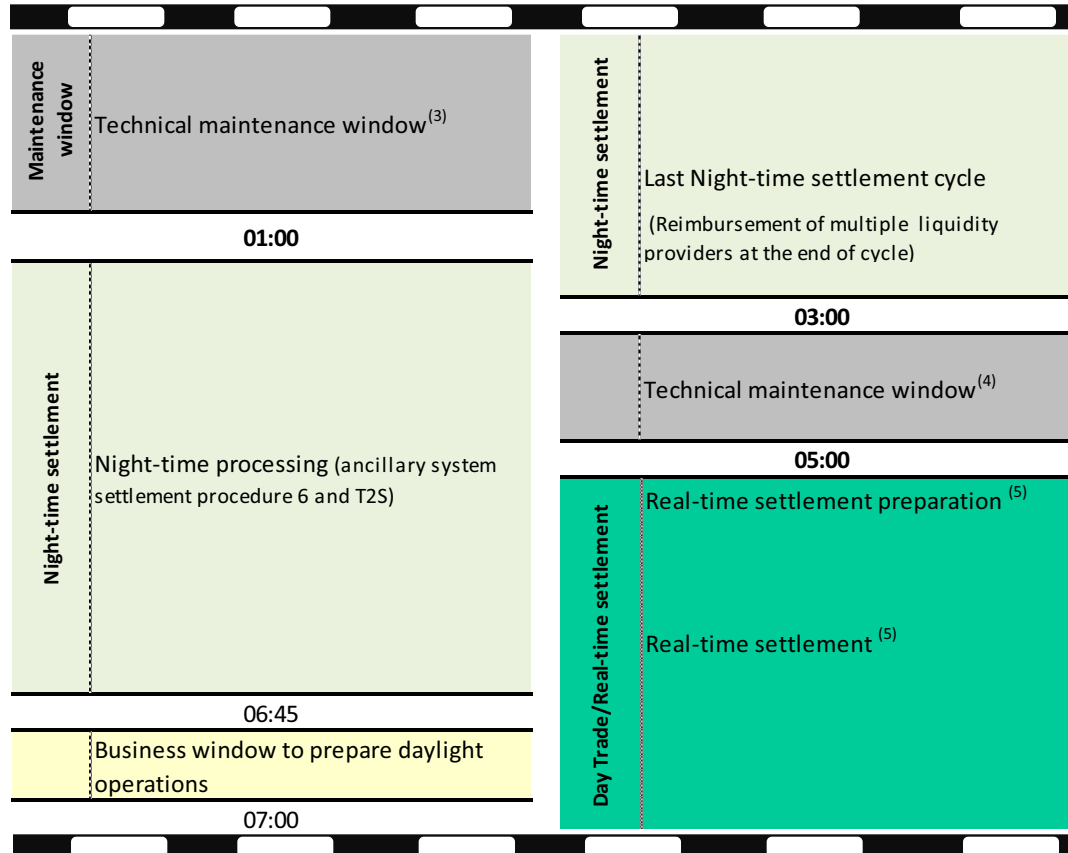
(T2S NTS

starting at 20:00)

SSP Schedule		T2S Platform Schedule	
18:45 <sup>(1)</sup>		18:45	
Start of day <sup>(2)</sup>	Start-of-day processing (sending of GL files shortly after 18:45)	Start of day	Change of business date
19:00 <sup>(1)</sup>		19:00: Deadline for acceptance of CMS	
Night-time settlement	Provision of liquidity: - SF to HAM and PM; - HAM and PHA to PM.	Start of day	Preparation of the night time settlement
19:30 <sup>(1)</sup>		20:00	
Night-time settlement	Start-of-procedure message; Setting aside of liquidity on the basis of standing orders for the night-time processing (ancillary system settlement procedure 6 and T2S)	Night-time settlement	First Night-time settlement cycle
22:00			



## 2. Envisaged changes - Fundamentals -

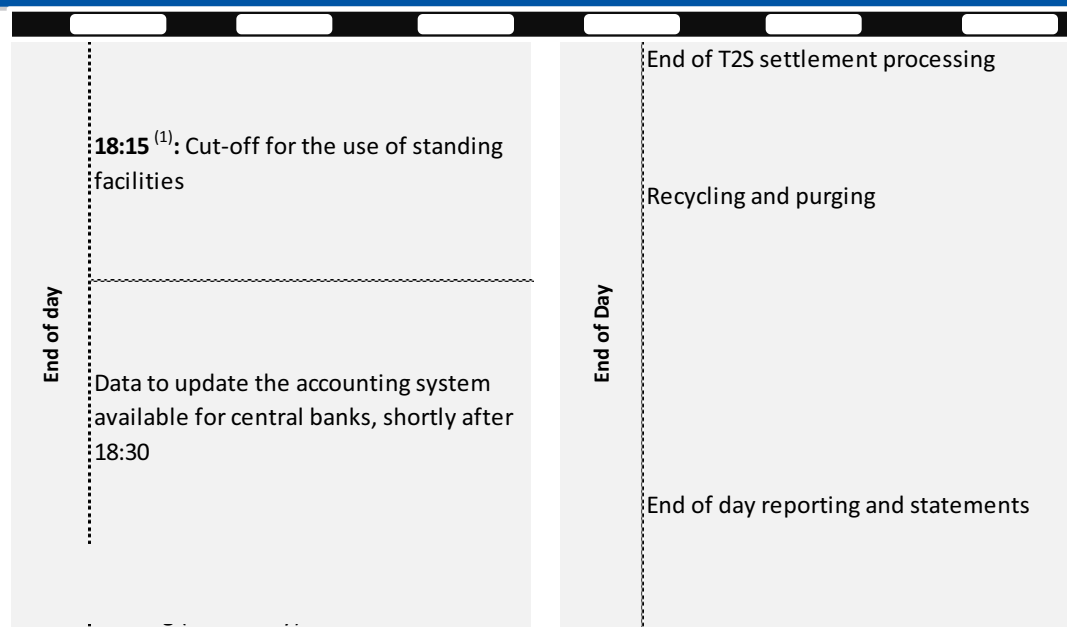


## 2. Envisaged changes - Fundamentals -

	Day Trade/Real-time settlement
	Partial settlement windows (first at 14:00 and second at 15:45)
	<b>16:00:</b> DvP cut-off /Cut-off for auto-collateralisation reimbursement by Payment banks
	<b>16:30:</b> Automatic auto-collateralisation reimbursement, followed by the optional cash sweep
<b>17:00:</b> Cut-off for customer payments	<b>17:40:</b> Bilaterally agreed treasury management operations (BATM) and central bank operations (CBO) cut-off
	<b>17:45:</b> Automatic cash sweep
<b>18:00:</b> Cut-off for interbank payments	<b>18:00:</b> FOP cut-off



## 2. Envisaged changes - Fundamentals -



Be aware

### Weekends



Fri 22:00 – Mon 01:00

Xmas 25/26 Dec    New Year    Easter Good Friday Easter Monday    1. May



### Weekends



Sat 03:00 – Mon 05:00

Xmas 25/26 Dec    New Year    Easter Good Friday Easter Monday    1. May



Standing orders!



## 2. Envisaged changes - Fundamentals -

### New accounts (DCAs) & new transfers (1)

- DCA's holder is identified by a BIC11 plus BIC of the respective CB
- Specific DCA is identified by the following numbering convention:

<u>Name</u>	<u>Format</u>	<u>Content</u>	<u>Purpose</u>
Account type	1 char. exactly	'C' for cash account	Helps differentiating between cash and securities accounts.
Country code of the Central Bank	2 char. exactly	ISO country code	Helps identifying the Central Bank in the books of which the account is held.
Currency code	3 char. exactly	ISO currency code	Helps differentiating between accounts in different currencies.
Account holder	11 char. exactly	BIC	Identifies the holder of the account.
Sub-classification of the account	Up to 17 char.	Free text	Description provided by the account holder for the sub classification of the account.

e.g. C DE EUR BICBICBICBI FOROWNOPERATIONS

1 1 2 1 2 3 1 2 3 4 5 6 7 8 9 10 11 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17



## 2. Envisaged changes - Fundamentals -

### New accounts (DCAs) & new transfers (2)

$C \geq D$   
(only zero/  
pos.balance)

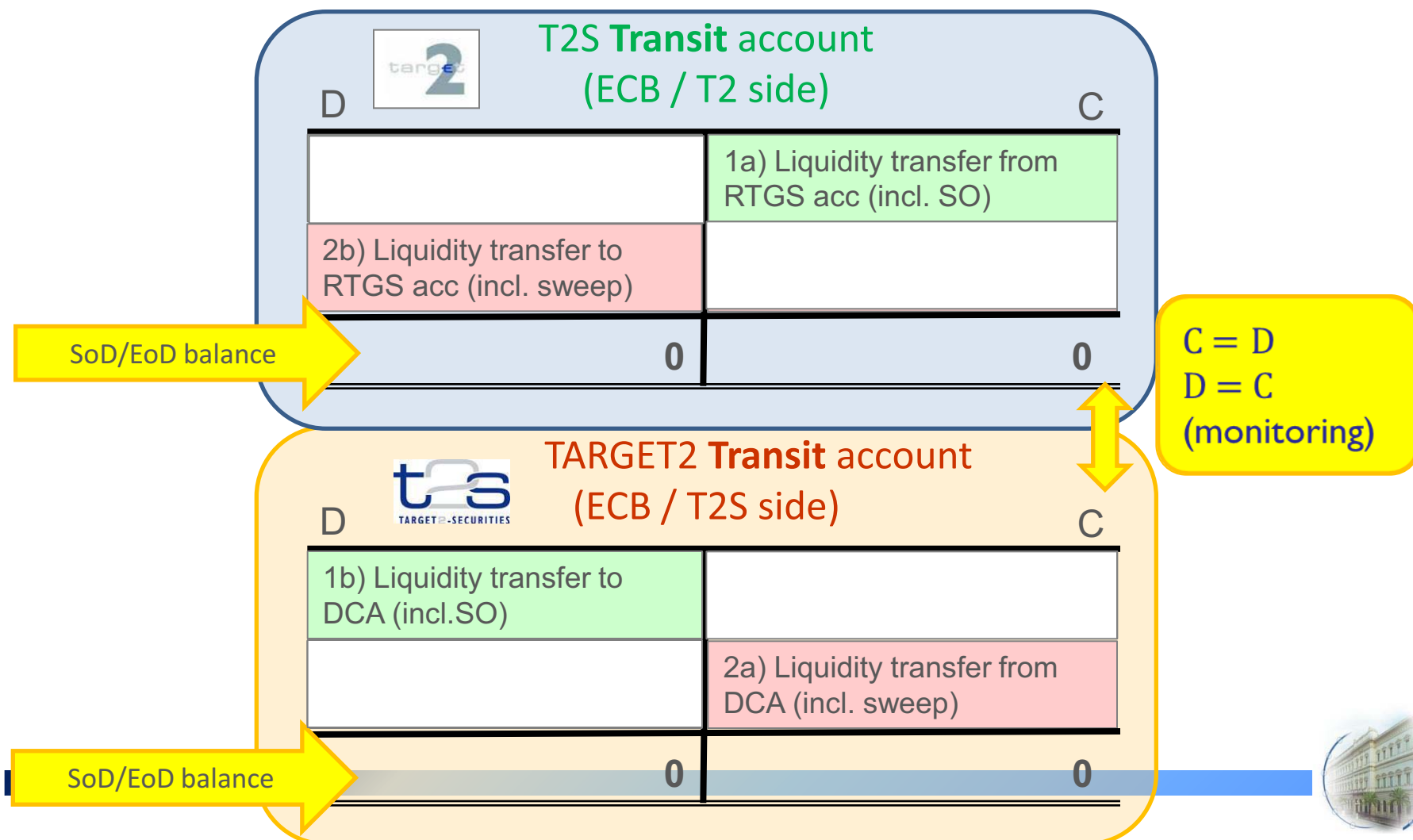
No negative  
balance!  
Overall credit  
and debit  
must be equal  
at EoD.

Dedicated Cash Account	
D	C
Cash provision for securities settlement	Liquidity transfer from T2 (incl. SO)
Liquidity transfers to certain other DCAs	Cash proceedings of securities settlement
Repaying auto-collateralisation	Liquidity transfers of certain other DCAs
Liquidity transfer to T2 (incl. sweep)	Cash proceedings of auto-collateralisation
SoD/EoD balance	
0	0



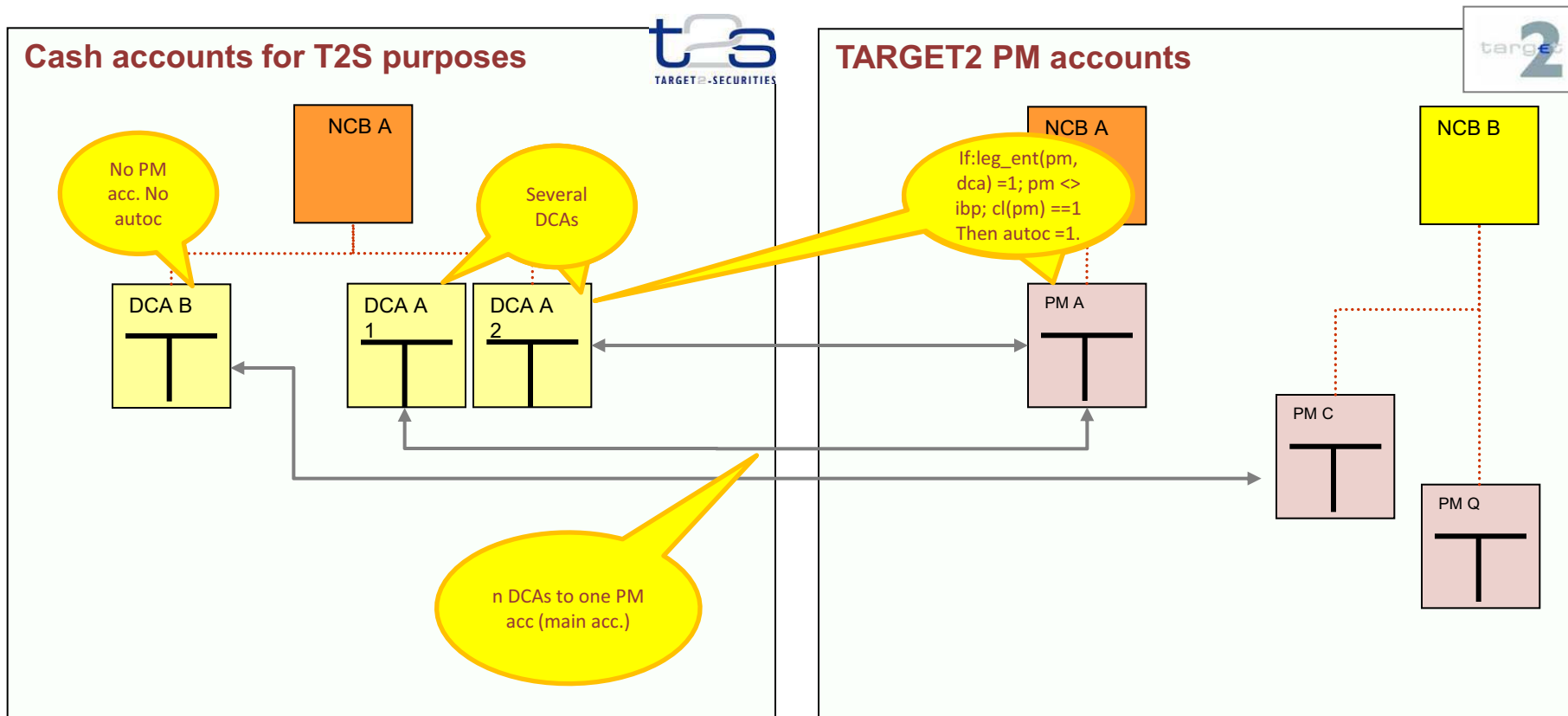
## 2. Envisaged changes - Fundamentals -

### New accounts (DCAs) & new transfers (3)



## 2. Envisaged changes - Fundamentals -

### New accounts (DCAs) & new transfers (4)

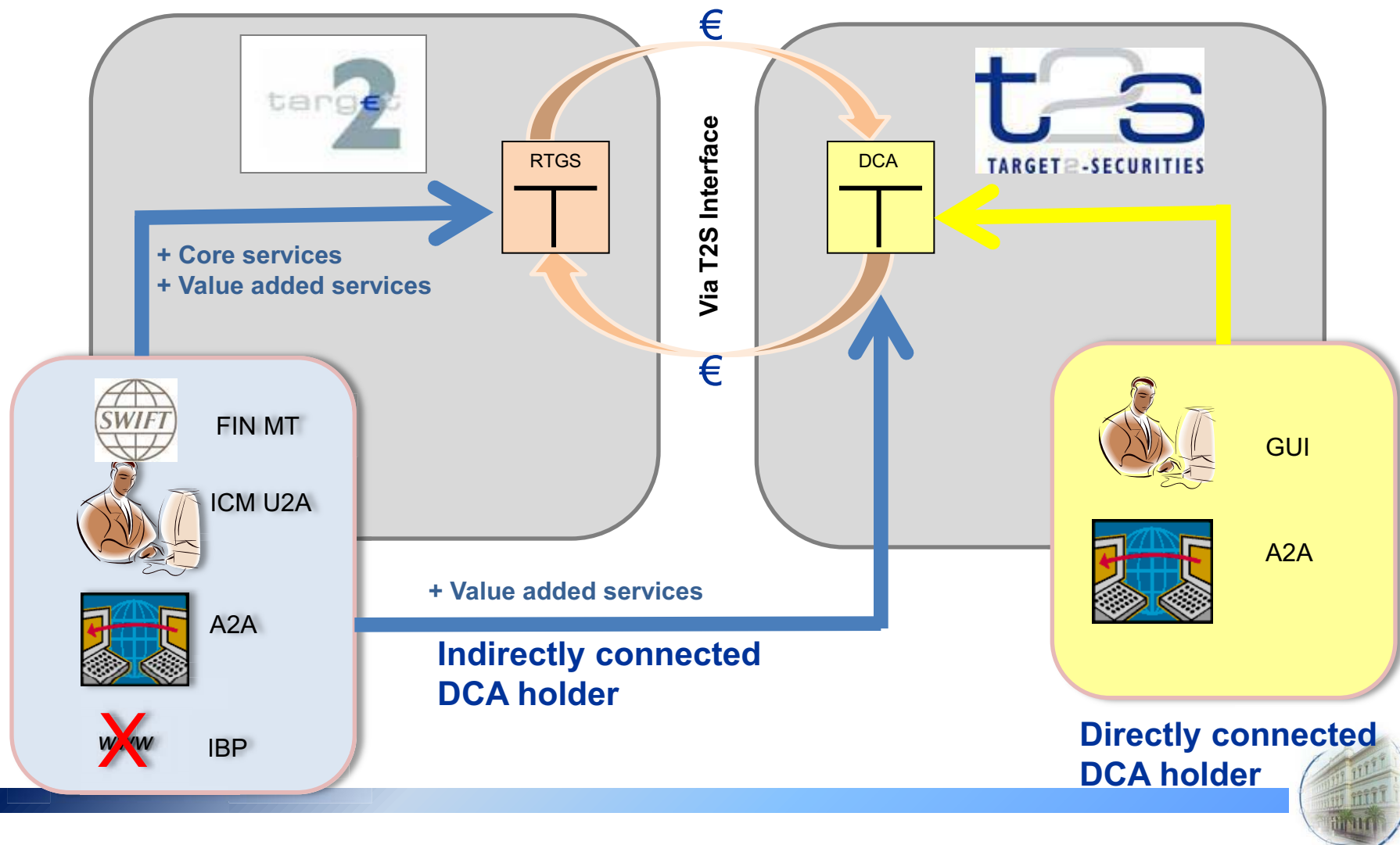


## New accounts (DCAs) & new transfers (5)



## 2. Envisaged changes - Fundamentals -

### TARGET2 participant's interaction with T2S



## 2. Envisaged changes - Fundamentals -

### T2S Interface for TARGET2 (T2SI)

Service	FIN MT	ICM/U2A	A2A (T2S XML standard)
Current order liquidity transfer “push” to T2S	O	M	M
Current order liquidity transfer “pull” from T2S	O	O	O
Standing order liquidity transfer “push” to T2S (setup in SD)	-	M	M
Current order liquidity transfer “push” to T2S by T2S Actor in TARGET2	-	-	M
Debit notification for liquidity transfer “push” on RTGS	M	M*	M
Information on incoming liquidity transfer from T2S	M	M*	M
DCA intraday balance	-	O	O
* via standard payments monitoring			
M: Service available as part of the TARGET2 <b>core</b> services			
O: Service available as <b>value added service</b> in TARGET2			
-: Service not available in TARGET2			



## 2. Envisaged changes - Fundamentals -

### Client auto-collateralisation

If a Payment bank provides client auto-collateralisation, it has to:

Update the list of eligible securities for client auto-collateralisation **until 19:00** (valid for the next business day) .

Daily upload of eligible securities valuation, **until 19:00** (otherwise, valuations from the previous day will be used).

#### Client auto-collateralisation

Set the limits for each client (external guarantee limit, client auto-collateralisation limit, unsecured credit limit).

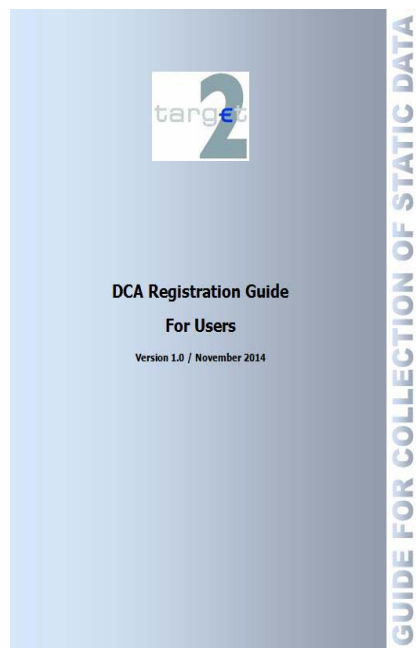
Close links information does not need to be updated, as this functionality will not be used by the Eurosystem for the time being.





## 2. Envisaged changes - Fundamentals -

### DCA registration guide and forms



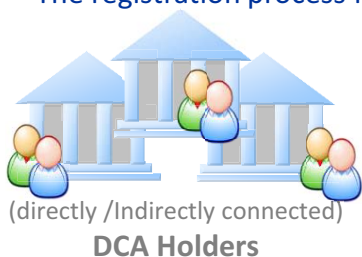
#### Forms for **Directly** connected DCA holders

TARGET2 form for collection of Static Data - Main Form for Payment Banks (DCP) -									
page: 1 of 4									
A,B	BIC:	PARENT BIC:							
C,D,E	New	Modify	Close						
F,G,H,I	Production	Pre-Production	Community	Date:					
J,K	Ref:	rel. Ref:							
L,M	Activation date:	Responsible CB:							
1. Party									
Relevant GUI Screen									
11	Party Long Name:								
12	Party Short Name:								
TARGET2 form for collection of Static Data - Form for DCA Administrator User -									
page: 1 of 2									
13	Actual Address								
13a	Street:								
13b	House Number:								
13c	Postal Code:								
13d	City:								
13e	State or Province:								
13f	Country Code:								
2. Technical Addresses									
1. Administrator User									
Relevant GUI Screen									
21	Technical Address								
11	Login name (unique in T2S):								
12	Name:								
13	System User Reference (unique in T2S):								
2. User's Distinguished Name									
21	Certificate Distinguished Name:								
22	Default:								

#### Forms for **Indirectly** connected DCA holders

TARGET2 form for collection of Static Data - Main Form for Payment Banks (ICP) -									
page: 1 of 2									
A,B	BIC:	PARENT BIC:							
C,D,E	New	Modify	Close						
F,G,H,I	Production	Pre-Production	Community	Date:					
J,K	Ref:	rel. Ref:							
L,M	Activation date:	Responsible CB:							
1. Party									
Relevant GUI Screen									
11	Party Long Name:								
12	Party Short Name:								
13	Actual Address								
13a	Street:								
13b	House Number:								
13c	Postal Code:								
13d	City:								
13e	State or Province:								
13f	Country Code:								
1. DCA									
Relevant GUI Screen									
11	DCA number:								
12	Cash account type:								
15	External RTGS account number:								
2. Credit Memorandum Balance									
Relevant GUI Screen									
21	Primary CMB:								
22	Authorized BIC Rules								
23	BICs:								

The registration process for DCA holders follows the process currently in place for PM account holders:



## 1. Information Guide for TARGET2 users

### 2. Envisaged changes

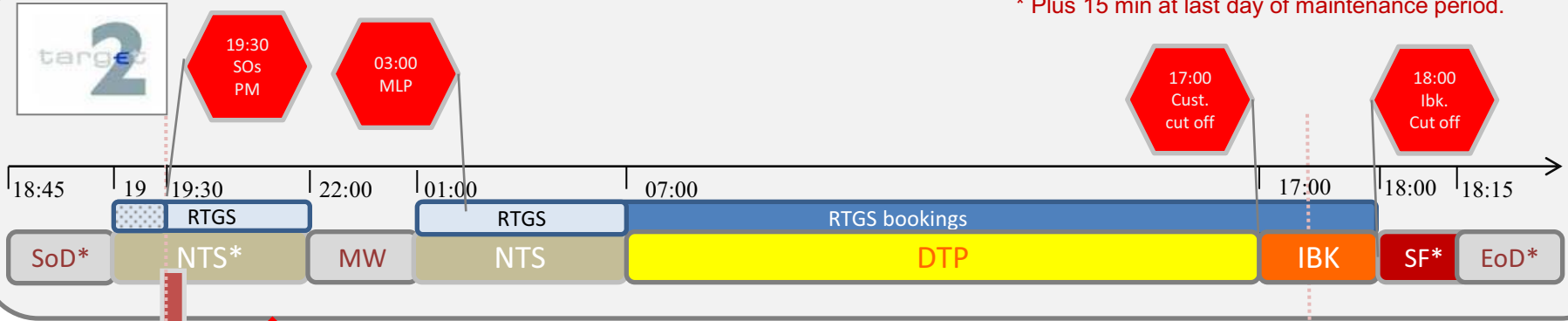
- Introduction
- Fundamentals
- Normal situations
- Abnormal situations

## 3. Way forward

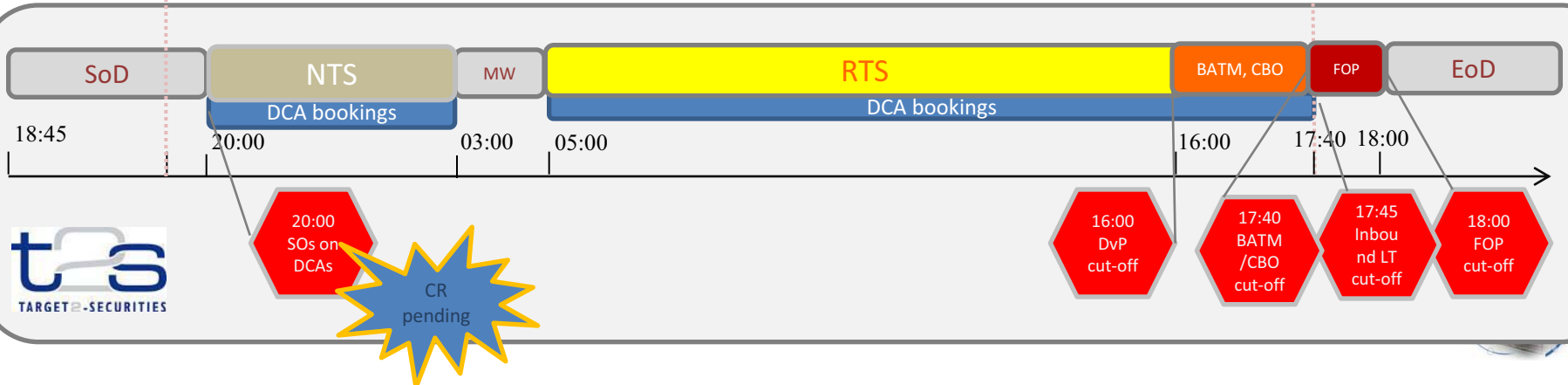
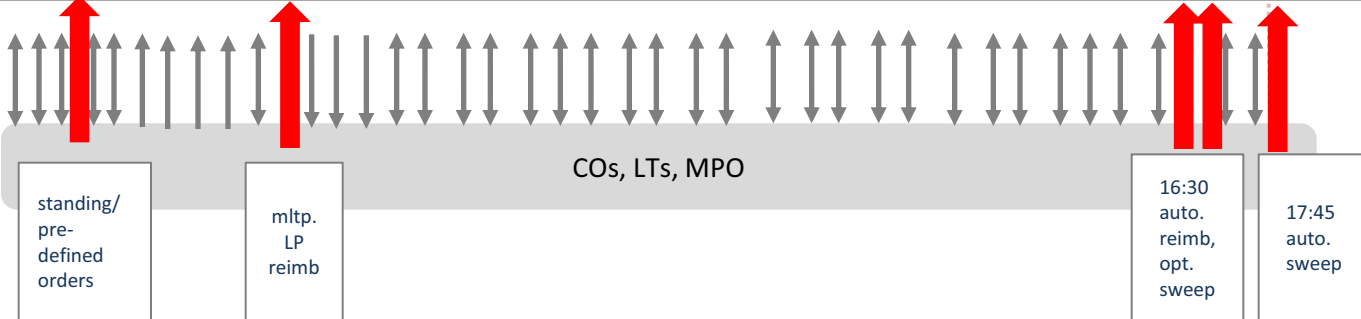


## 2. Envisaged changes - Normal situations -

\* Plus 15 min at last day of maintenance period.



SOs



## 2. Envisaged changes - Normal situations -

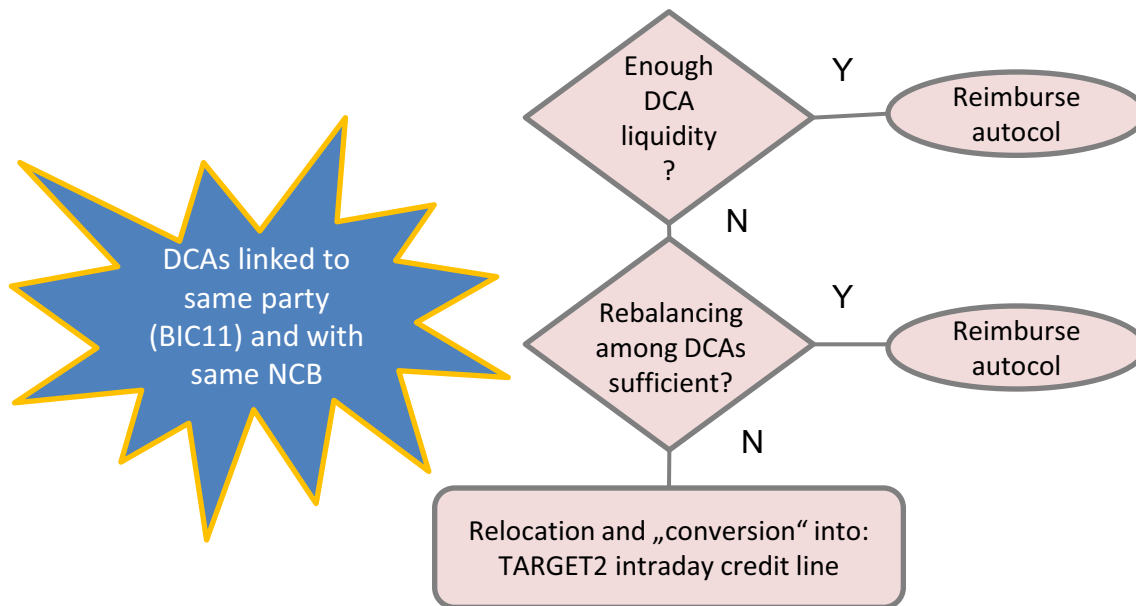
Time (CET)	T2S Settlement day events/processes	TARGET2 aspects
16:00	DVP cut-off	DCA holders are recommended to pay back auto-collateralisation earlier or to provide sufficient liquidity on DCA for 16:30 reimbursement; collateral relocation as last measure and penalised!
16:00	Cash restriction cut-off	
	Release of unused cash restriction	
16:30	Automatic reimbursement	TARGET2 intraday credit available until 18:00
	Optional cash sweep (standing liquidity transfers)	To facilitate liquidity management and bring liquidity on PM accounts
17:40	BATM cut-off	TARGET2 unsecured MM transactions possible until 18:00
17:40	CBO cut-off	
17:45	Inbound liquidity transfer cut-off	Cut-off for LTs from PM accounts to DCAs
	Automated cash sweep	All liquidity sent to main PM accounts
18:00	FOP cut-off	



## 2. Envisaged changes - Normal situations -

### End of Day Cash Management

- 1) Reimburse pending auto-collateralisation any time during the day (DCA holder releases held reverse settlement instructions)
- 2) If not done so by 16:30 pm the “Automatic Reimbursement” process starts



## 2. Envisaged changes - Normal situations -

### New triggers: termination or suspension of a participant

#### New triggers

NCBs **Must** immediately terminate or suspend without prior notice if:

a) the participant no longer meets the [access criteria \(including T2S\)](#) for participation in that component system.

NCBs **May** terminate or suspend without prior notice if:

b) the participant is in material breach of the Harmonised Conditions for the Opening and Operation of a PM account or [DCA](#);

d) the participant is excluded from, or otherwise ceases to be a member of, a TARGET2 CUG or the [T2S CGU](#) (in the case of directly connected DCA holders);

f) an NCB suspends or terminates the participant's access to intraday credit and/or [auto-collateralization facilities](#).



## 2. Envisaged changes - Normal situations -

### New effects of termination or suspension of a participant

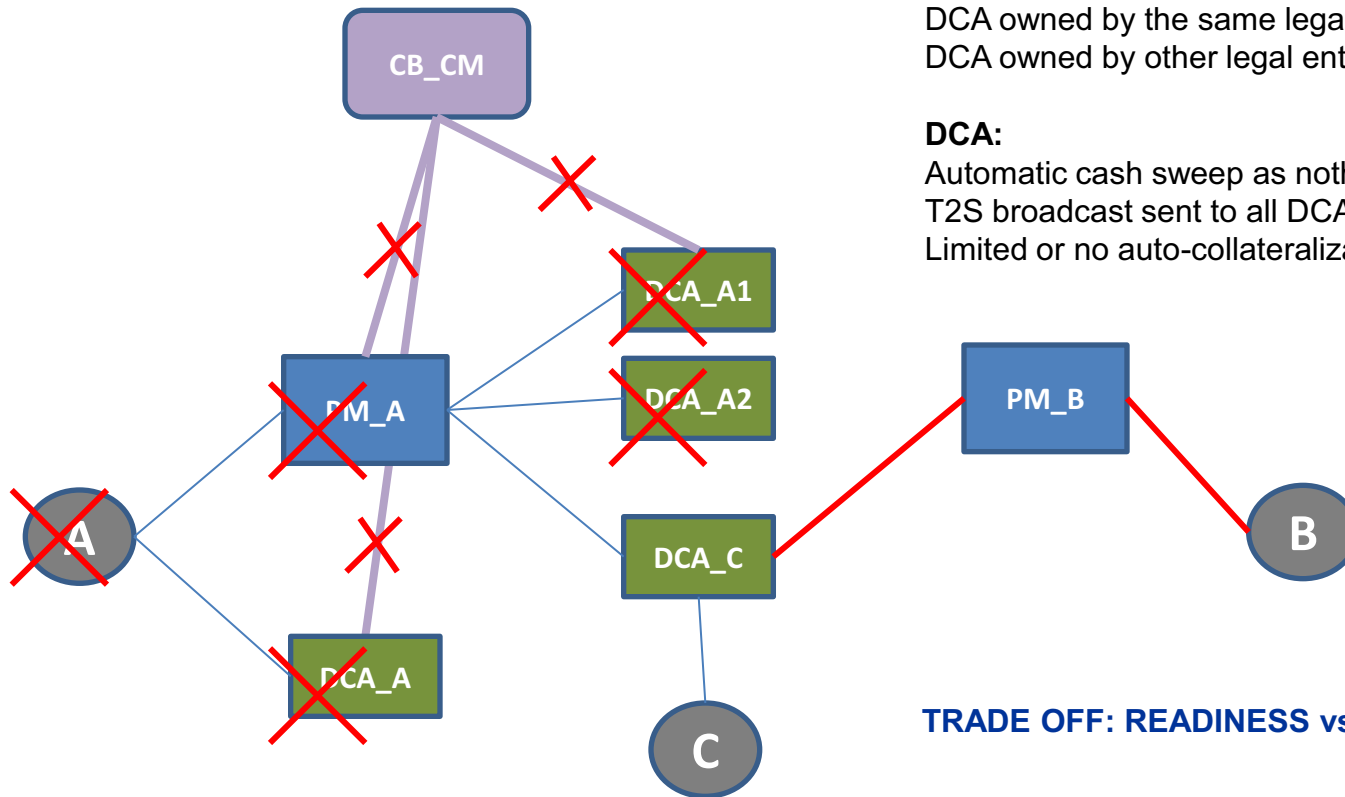
#### New effects

##### **PM:**

DCA owned by the same legal entity are suspended too,  
DCA owned by other legal entity has to find a new PM to link to.

##### **DCA:**

Automatic cash sweep as nothing was happened,  
T2S broadcast sent to all DCA holders and CSDs,  
Limited or no auto-collateralization facilities.



**TRADE OFF: READINESS vs NCBs COORDINATION**



## 2. Envisaged changes - Abnormal situations -

### 1. Overview: Information Guide for TARGET2 users

#### 2. Envisaged changes

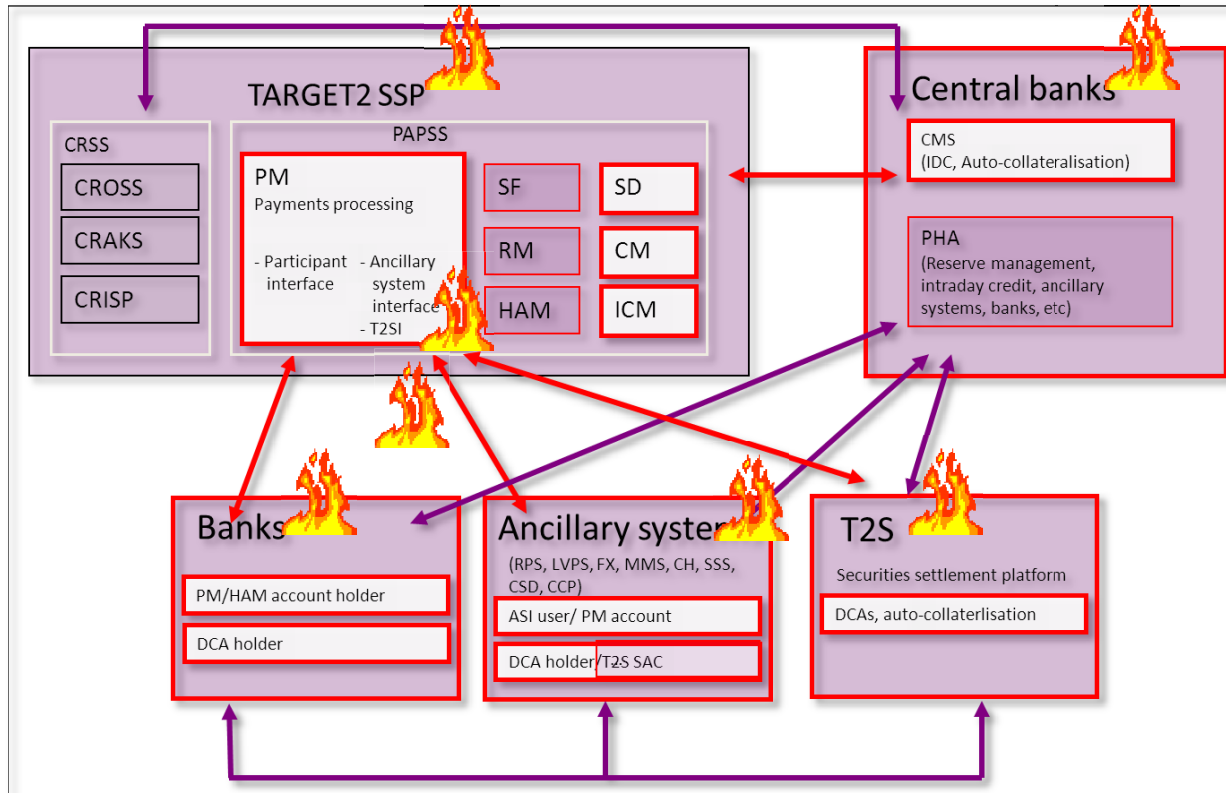
- Introduction
- Fundamentals
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- Abnormal situations

### 3. Way forward



## 2. Envisaged changes - Abnormal situations -

### Possible failures



### Impacted parties

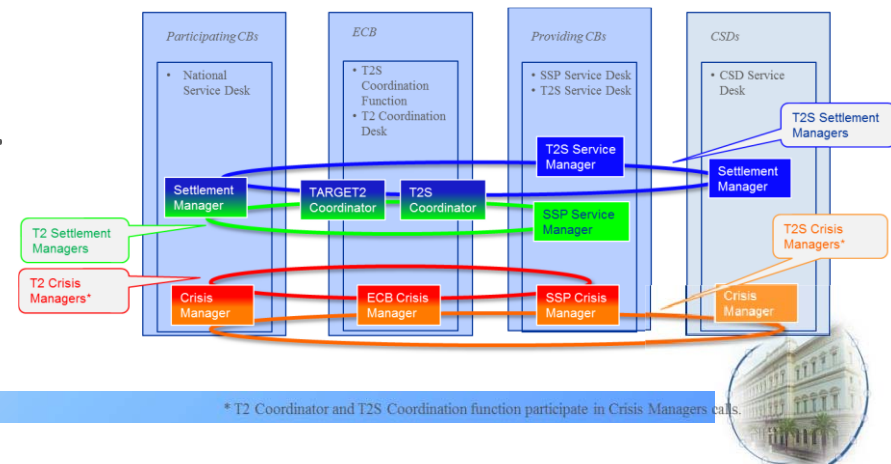
- TARGET2 (SSP, T2SI)
- T2S (incl. VANs, CSDs, Sec. DCPs, non-euro RTGS)
- Central Banks
- Ancillary systems
- Banks (PM, DCA)
- T2 network (SWIFT)



## 2. Envisaged changes - Abnormal situations -

### Fundamentals

- **TARGET2 SM/CM** discuss incident/crisis impacting TARGET2/ settlement of euro central bank money.
- TARGET2 actions are outlined in the operational framework of TARGET2. Not described actions fall under the responsibility of the **TARGET2 CM**.
- Main contact point for TARGET2 participants is the **National Service Desk** (T2S SD for DCPs' connectivity problems).
- Close cooperation and information exchange between **TARGET2 and T2S**.



## 2. Envisaged changes - Abnormal situations -

### TARGET2/SSP failure (1)

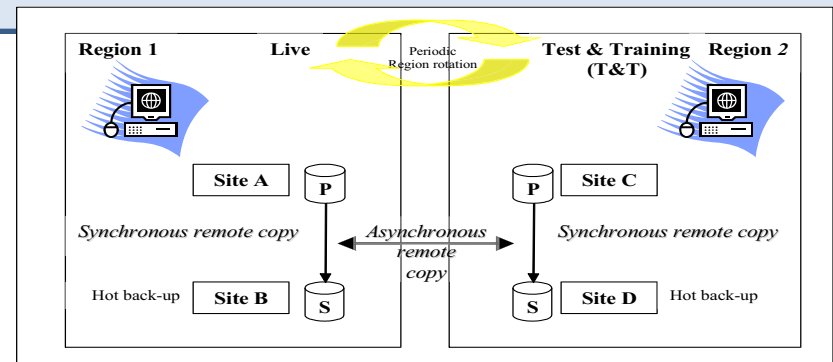


#### Business continuity

= Resume normal business through intra- or inter-region failover

#### Changes due to T2S

- Inter-region failover with loss of data (tail event)
- Need to have the two transit accounts synchronised
- Missing transactions identifiable through transit accounts reconciliation

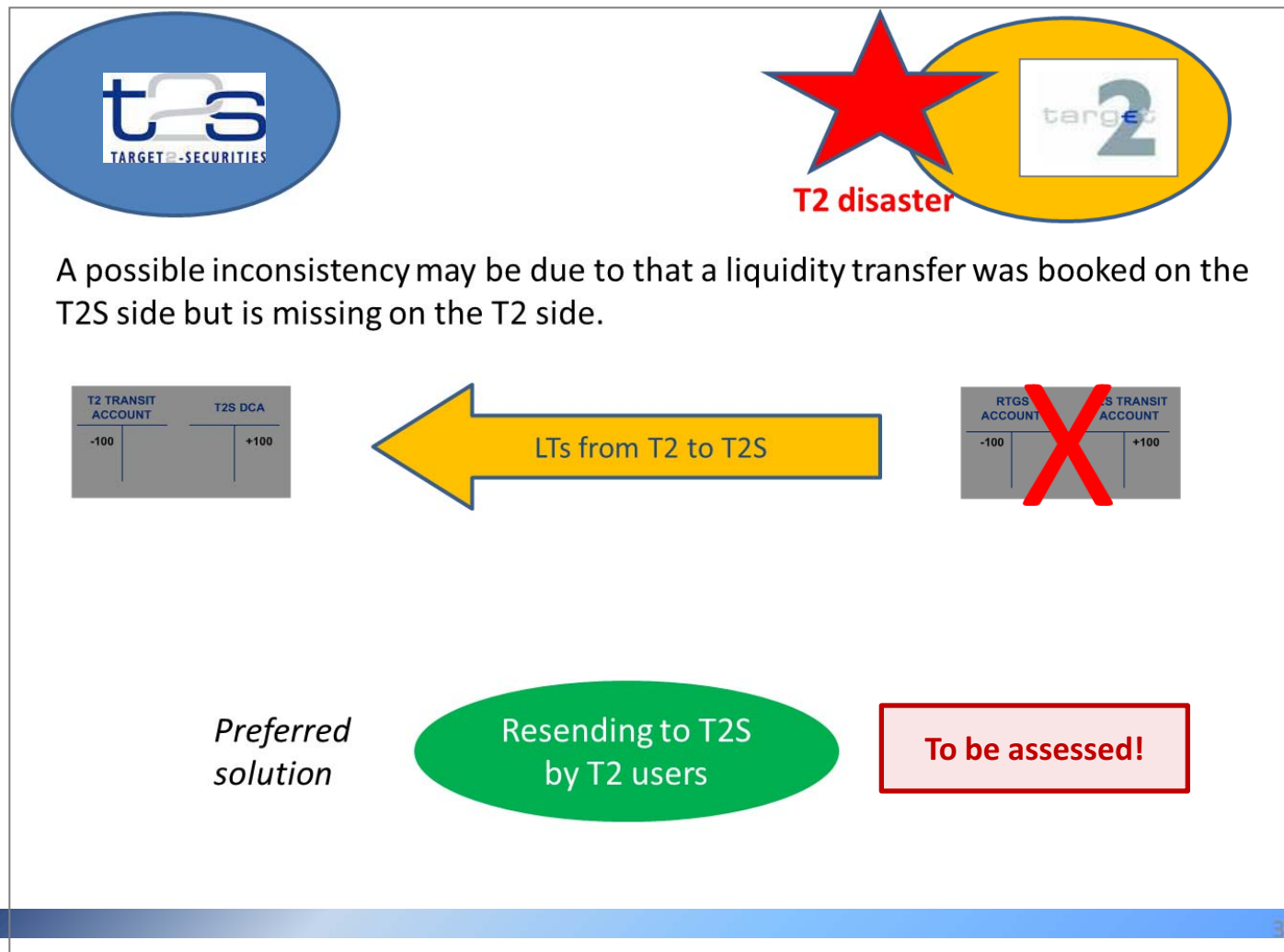


**Aim: Rebuilding!**



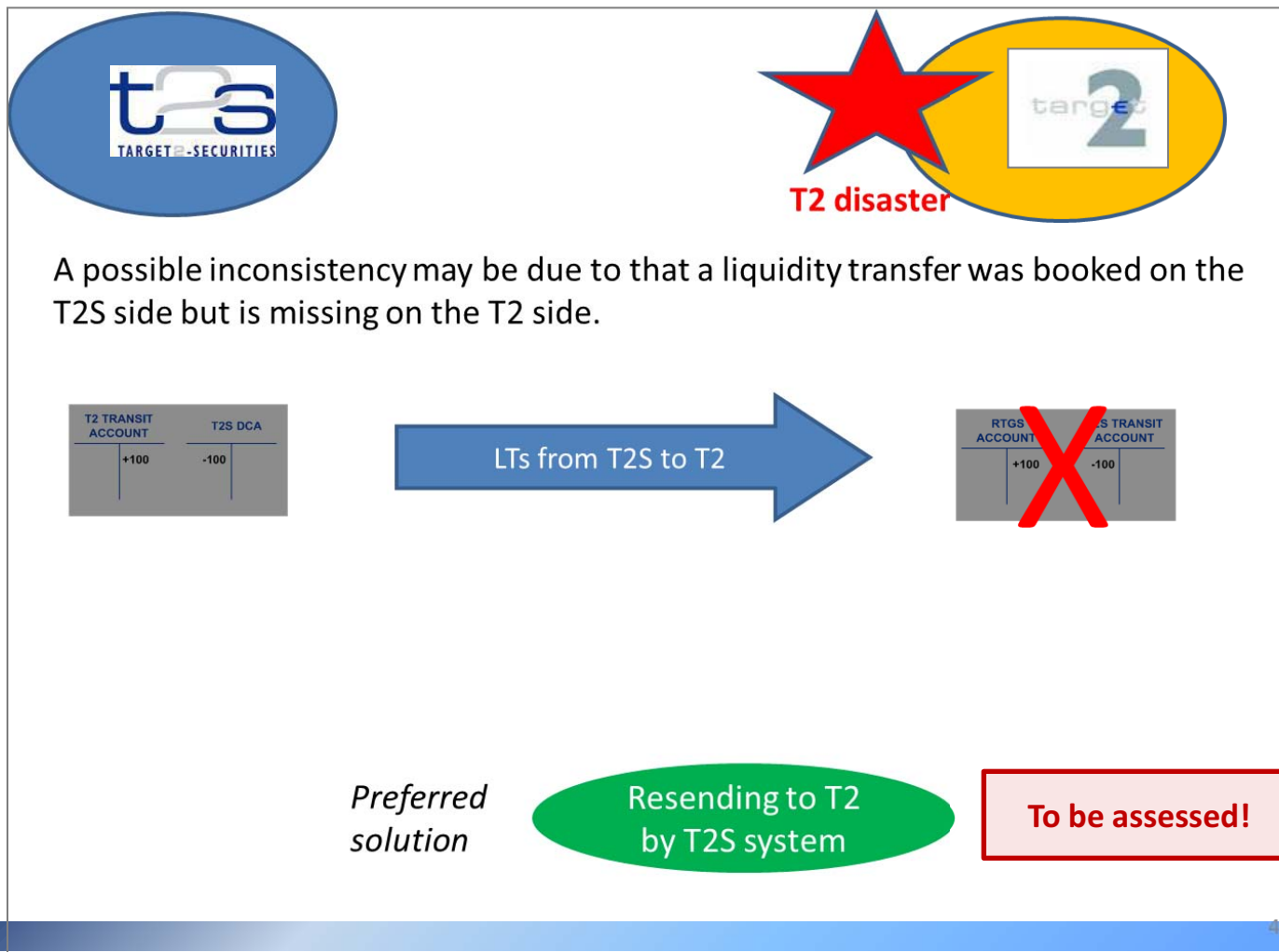
## 2. Envisaged changes - Abnormal situations -

### TARGET2/SSP failure (2)



## 2. Envisaged changes - Abnormal situations -

### TARGET2/SSP failure (3)




## 2. Envisaged changes - Abnormal situations -

### TARGET2/SSP failure (4)



#### Contingency processing

= Ensure settlement of systemically important business (limited business) in case of TARGET2 outage.

- Contingency Module and concept of (very)critical payments
- TARGET2 outgoing payments to CSDs viewed as **critical** and eligible
- **Liquidity transfers to T2S** 
  - T2S allows use of auto-collateralisation
  - DCAs may have liquidity
  - Possible high number of transfers (resources, cherry picking)
  - CM processing of a payment requires processing in T2S but no possibility to credit a DCA and debit a central bank DCA (!)



## 2. Envisaged changes - Abnormal situations -

### TARGET2/SSP failure (5)



#### Delayed closing

= Provide additional operational time to bridge outage/failure or to make up time of outage of TARGET2.

- **In view of T2S:** T2S is informed of delay asap. T2S may delay itself too:
  - if **auto-collateralisation** has not been reimbursed yet;
  - if DCAs are not having a **zero balance** yet (sweep required);
  - possibly, if **transit accounts** have not been synchronised after RAD (a resending may be needed).
- T2S may proceed with EoD and SoD+1 if the above conditions were **not** met.
- **T2S preference:** T2S should not open for EUR settlement on D+1 as long as TARGET2 is open for EUR settlement on day D.



## 2. Envisaged changes - Abnormal situations -

### TARGET2/SSP failure (6)



### Specific TARGET2 delay consideration

- Problem with **automated cash sweep** at 17:45 would **not** allow for **regular delay** request and decision procedure
- Eurosystem is considering a very close monitoring in the first year with a daily TARGET2 Settlement Managers teleconference at 17:45
- Eurosystem considering a “fast track” procedure for a quick and short action (possible delay)
- Experience is needed to assess importance and magnitude of the automated cash sweep



## 2. Envisaged changes - Abnormal situations -

### T2S failure: impact on TARGET2

T2S Settlement Day phase	TARGET2 Impact
Start of Day (18:45 CET to 20:00 CET)	T2S standing liquidity transfer orders scheduled at 20:00 might need to be resent.
Night Time Settlement (20:00 CET to 3:00 CET)	DCA's liquidity would remain on the T2S Platform. Since no contingency processing is foreseen to sweep liquidity back to TARGET2, this could have an impact on (very) critical payments to be settled in TARGET2 (early) in the day trade phase (CLS, EURO1 bridge, CCPs).
Maintenance Window (3:00 CET to 5:00 CET)	No impact on TARGET2.
Real Time Settlement (5:00 CET to 18:00 CET)	<p>Delay in the automatic reimbursement of auto-collateralisation (16:30) due to a failure in T2S, could lead to a delay in TARGET2 until the intraday credit can be reimbursed in T2S. The deadline for the reimbursement of intraday credit by connected, non-Eurosystem NCBs may need to be postponed.</p> <p>Liquidity may not be sent/swept to TARGET2 as foreseen/ or monetary policy operations may not be sent onward to TARGET2 and cause liquidity impacts and require a delay in TARGET2.</p> <p>Impact on BATM with repercussions on the money market possible.</p>
End of Day (18:00 CET – 18:45 CET)	No impact on TARGET2.



## 2. Envisaged changes - Abnormal situations -

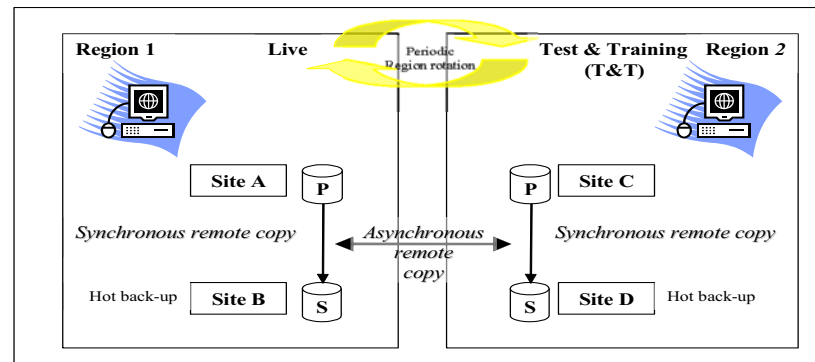
### T2S failure (1)



#### Business continuity

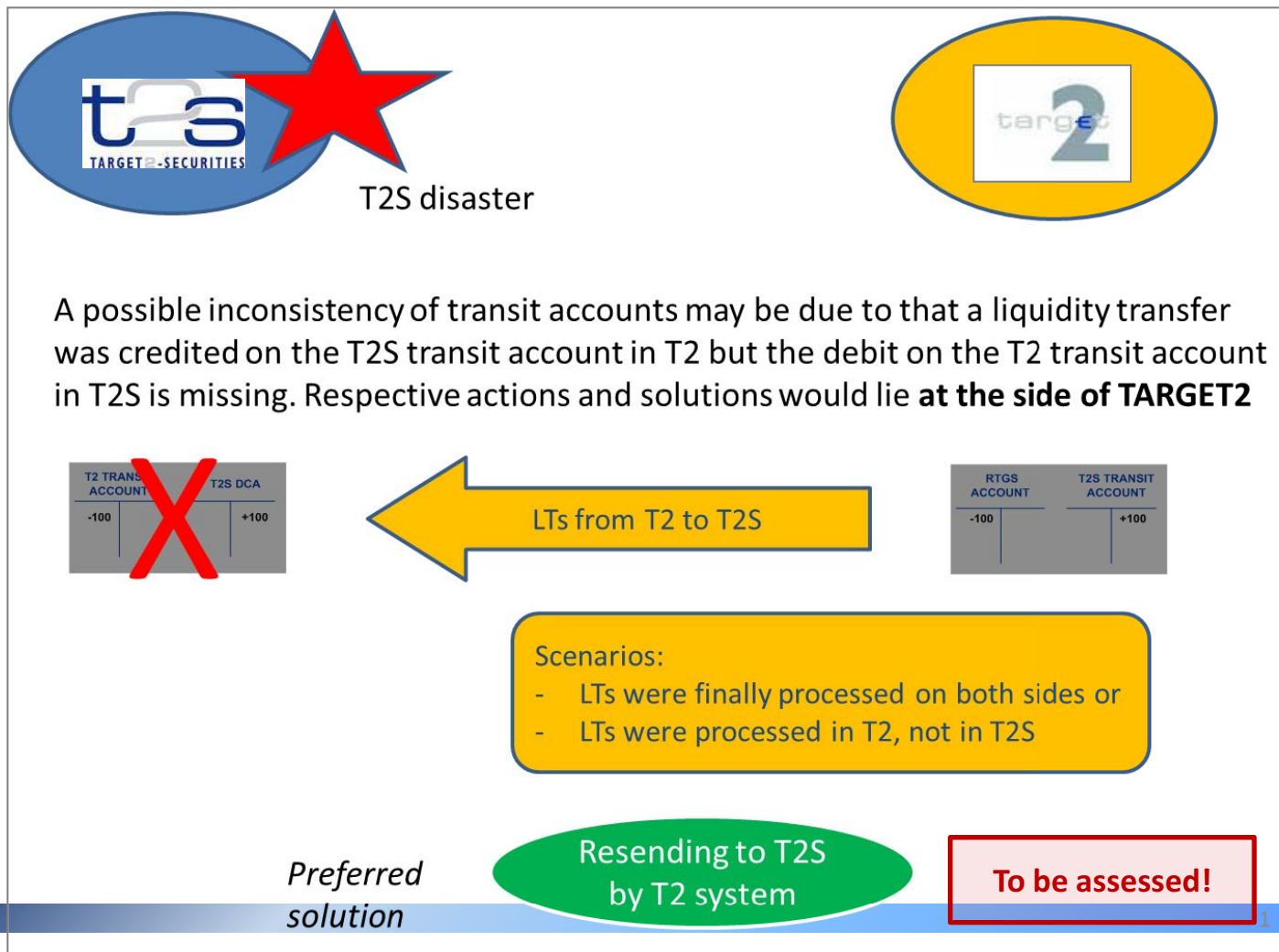
- Impact of T2S inter-region failover with loss of data (tail event)
- Need to have both transit accounts synchronised
- Missing transactions identifiable through transit accounts reconciliation
- No retrieval function

**Aim: Rebuilding!**



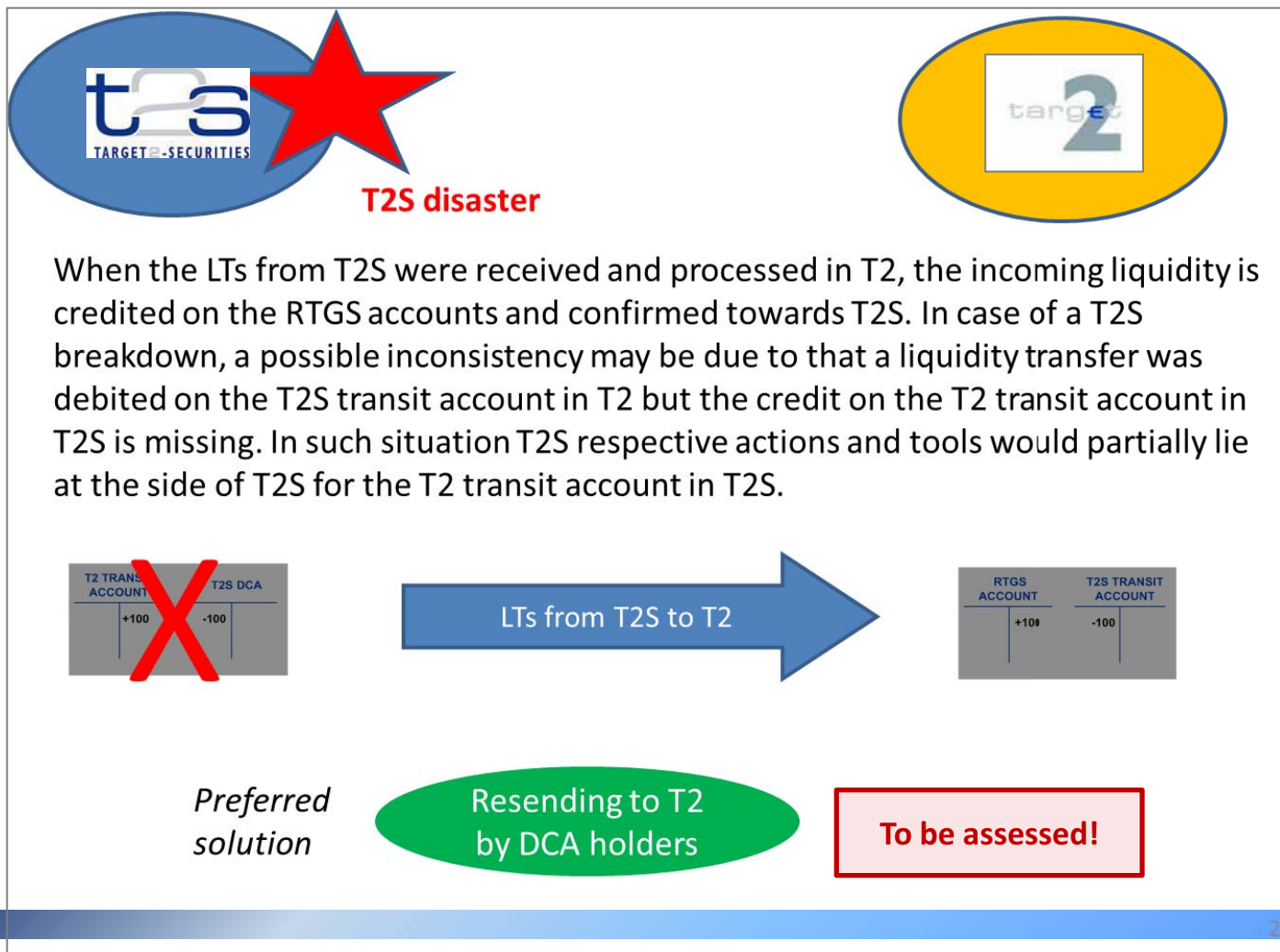
## 2. Envisaged changes - Abnormal situations -

### T2S failure (2)



## 2. Envisaged changes - Abnormal situations -

### T2S failure (3)



## 2. Envisaged changes - Abnormal situations -

### T2S failure (4)



#### Rebuilding process (ref. T2S MOP)

- Conducted by the T2S Actors (excluding ICPs) that have submitted instructions via every channel in the last 10 minutes before the consistency point with the support of the T2S Service Desk.
- Initially, the system will open for the purpose of reconciliation only
  - it will not be possible to send new instructions in A2A (technically enforced)
  - Users have to avoid to send new instructions in U2A (not technically enforced). To avoid receiving new instructions via U2A, the CSDs/CBs will communicate and instruct their T2S GUI users accordingly
  - They can start the verification process using the standard query tools (both in U2A and in A2A);
- The next cut-offs are put forward of 12 hours to prevent their unwished triggering.
- The ICPs will be informed after the conference call by the relevant CSD/ Central Bank.



## 2. Envisaged changes - Abnormal situations -

### T2S failure (4)



#### T2S delay

- T2S delay with impact on TARGET2 and may lead to a TARGET2 delay:
  - if auto-collateralisation has not been reimbursed yet;
  - if DCAs are not having a zero balance yet (sweep required);
  - if transit accounts have not been synchronised after RAD yet.
- TARGET2 delay may be necessary in most cases of a T2S delay.
- T2 informed about T2S delay through participation in T2S SM/CM calls.
- T2S CM can request a TARGET2 delay, TARGET2 CM to decide about it.

In principle, TARGET2 and T2S should always operate on the same value date for euro settlement which means that, as long as TARGET2 is still open for euro cash settlement on day D, T2S should preferably not open euro settlement on day D+1, and vice-versa.



## 2. Envisaged changes - Abnormal situations -

### T2S failure (5)



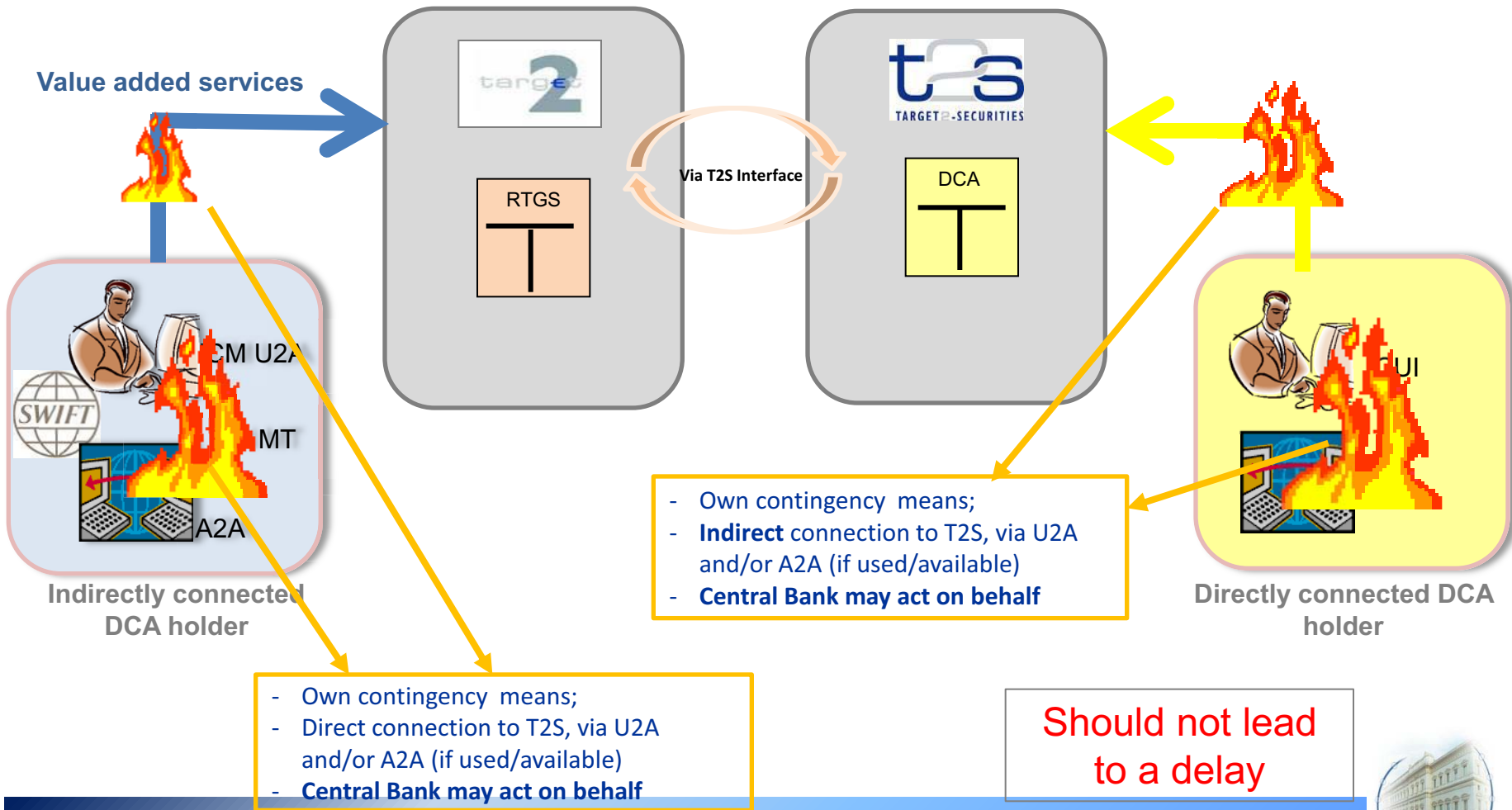
### T2S delay

- TARGET2 may proceed with EoD, SoD+1 and NTS (SOs to T2S to be kept at T2SI level) if the prior 3 conditions were **not** met, i.e. no euro cash transactions can take place in T2S on day D any longer.



## 2. Envisaged changes - Abnormal situations -

### DCA holder failure



## 2. Envisaged changes - Abnormal situations -

### Central Bank Failure

#### Minor changes

- For all the incidents which could occur during the different business day phases, the relevant Central Bank will have appropriate local backup measures (e.g. CMS failure – contingency for auto-coll data feed – securities eligibility/valuation).
- After 19:30 where liquidity has been provided (towards AS sub-accounts/DCAs) problems at the level of a central bank would not have an impact on the processing of the SSP/T2S
- SSP/T2S operator still able to act on behalf of the failing central bank



## 2. Envisaged changes - Abnormal situations -

### Handling a SWIFT failure

- In case of a regional/global SWIFT outage, an alternative “Contingency Network” (CN) is activated. With the CN, Central Banks can operate “on behalf” of their customers by sending
  - (very) critical backup payments and ancillary system files
  - liquidity transfers between **PM accounts and DCAs**
- The central banks are also able to monitor the accounts of their participants (**including the DCAs linked to the main PM account holders that have opted for the T2 VAS for T2S**).
- The connection between the users and their national central bank is not covered and relies on the national means agreed.



## **1. Information Guide for TARGET2 users**

## **2. Envisaged changes**

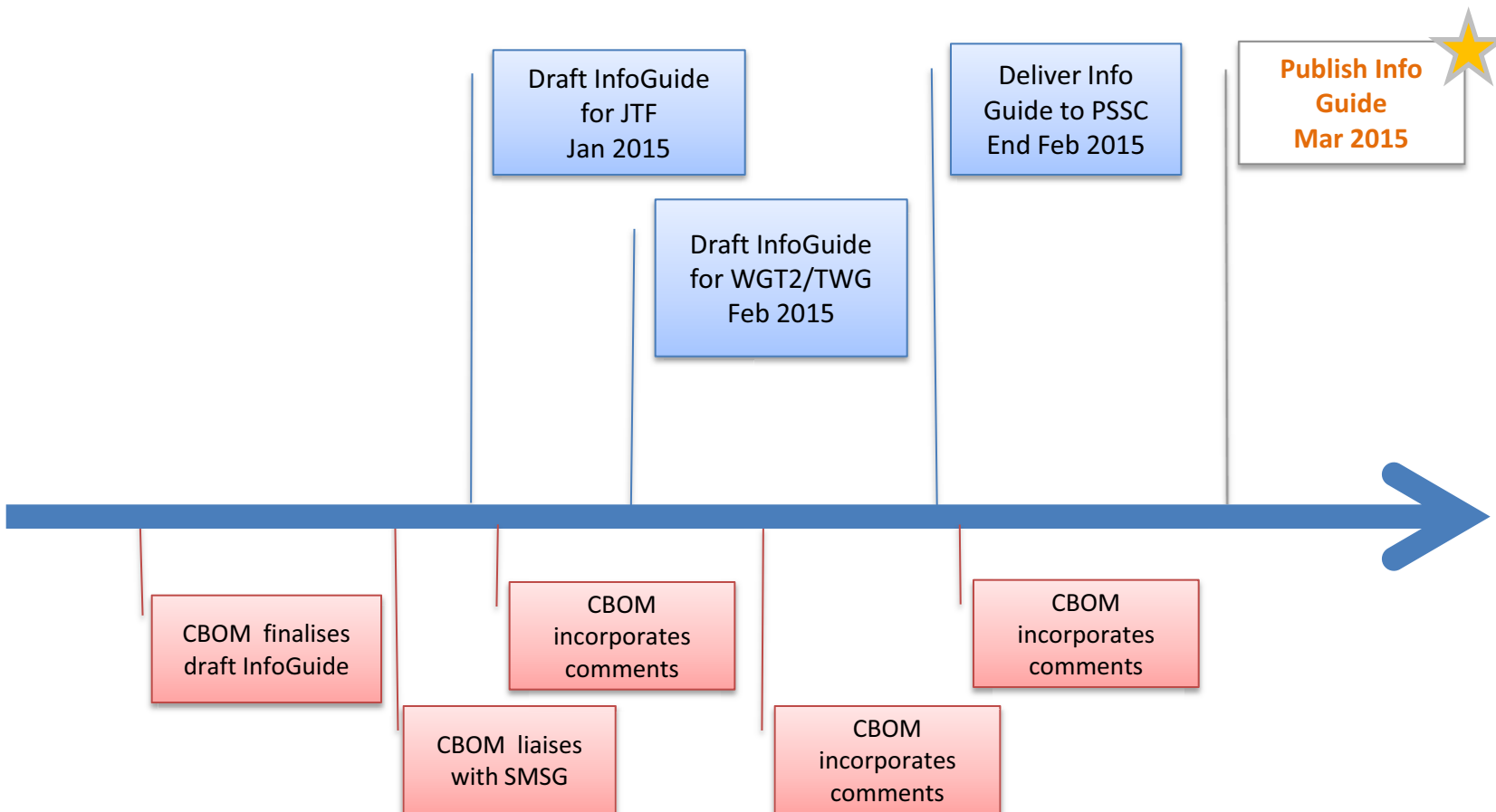
- **Introduction**
- **Fundamentals**
- **Normal situations**
- **Abnormal situations**

## **3. Way forward**



### 3. Way forward

DCP will have to provide the responsible CB with the contacts related to Settlement Manager and Crisis Manager within February the 4th.



**Thanks a lot for your attention!**



## Contacts

Giuseppe Santangeli

e-mail.: [giuseppe.santangeli@bancaditalia.it](mailto:giuseppe.santangeli@bancaditalia.it)

Tel.: 06 47924781

Edoardo Rainone

e-mail.: [edoardo.rainone@bancaditalia.it](mailto:edoardo.rainone@bancaditalia.it)

Tel.: 06 47922534





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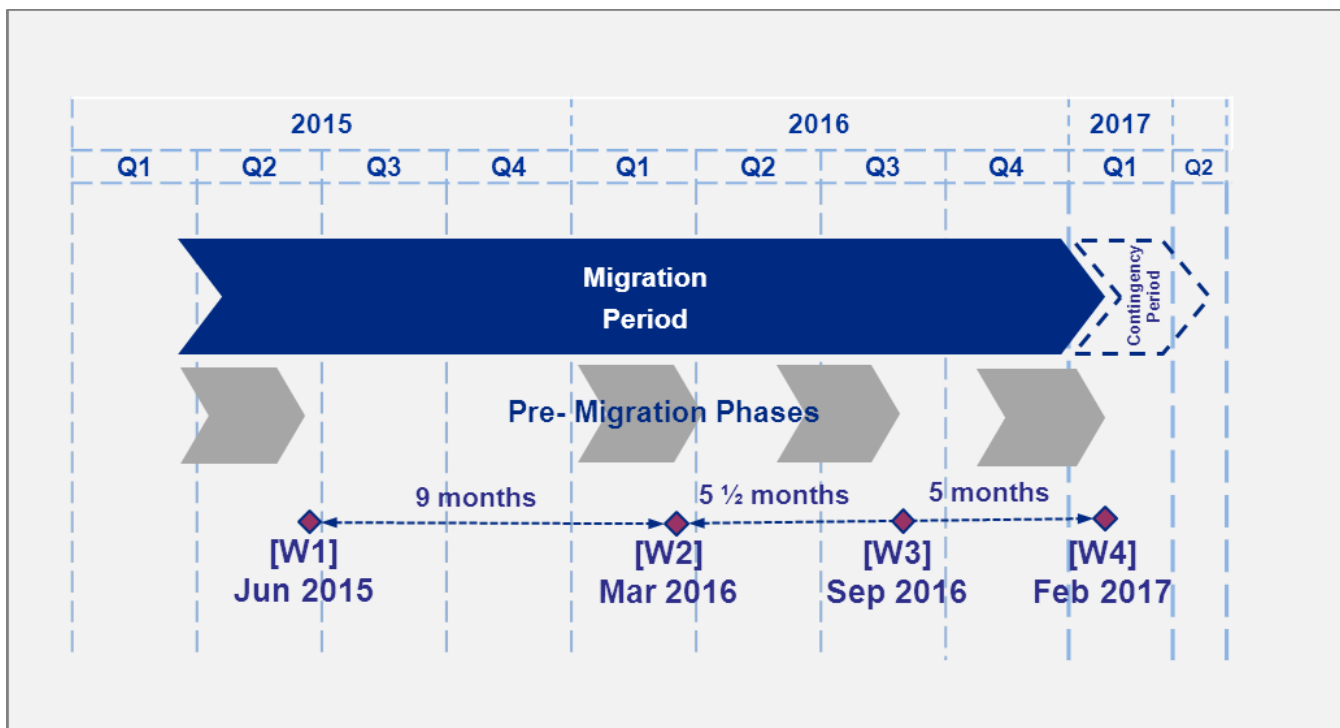
# Attività previste nelle fasi di pre-migrazione e nel migration week end

**Roma, 02/02/2015**

**Centro Congressi della Banca d'Italia**

*4° seminario Aspetti operativi, normativi e  
amministrativi e organizzazione della migrazione*

# Migration period



Wave	Pre-Migration	Migration Weekend	Stabilisation
1	24 March 2015 – 19 June 2015	19 June 2015 – 22 June 2015	22 June 2015 – 27 July 2015
2	04 January 2016 – 24 March 2016	24 March 2016 – 29 March 2016	29 March 2016 – 25 April 2016
3	14 June 2016 – 09 September 2016	09 September 2016 – 12 September 2016	12 September 2016 – 17 October 2016
4	03 November 2016 – 03 February 2017	03 February 2017 – 06 February 2017	06 February 2017 – 13 March 2017



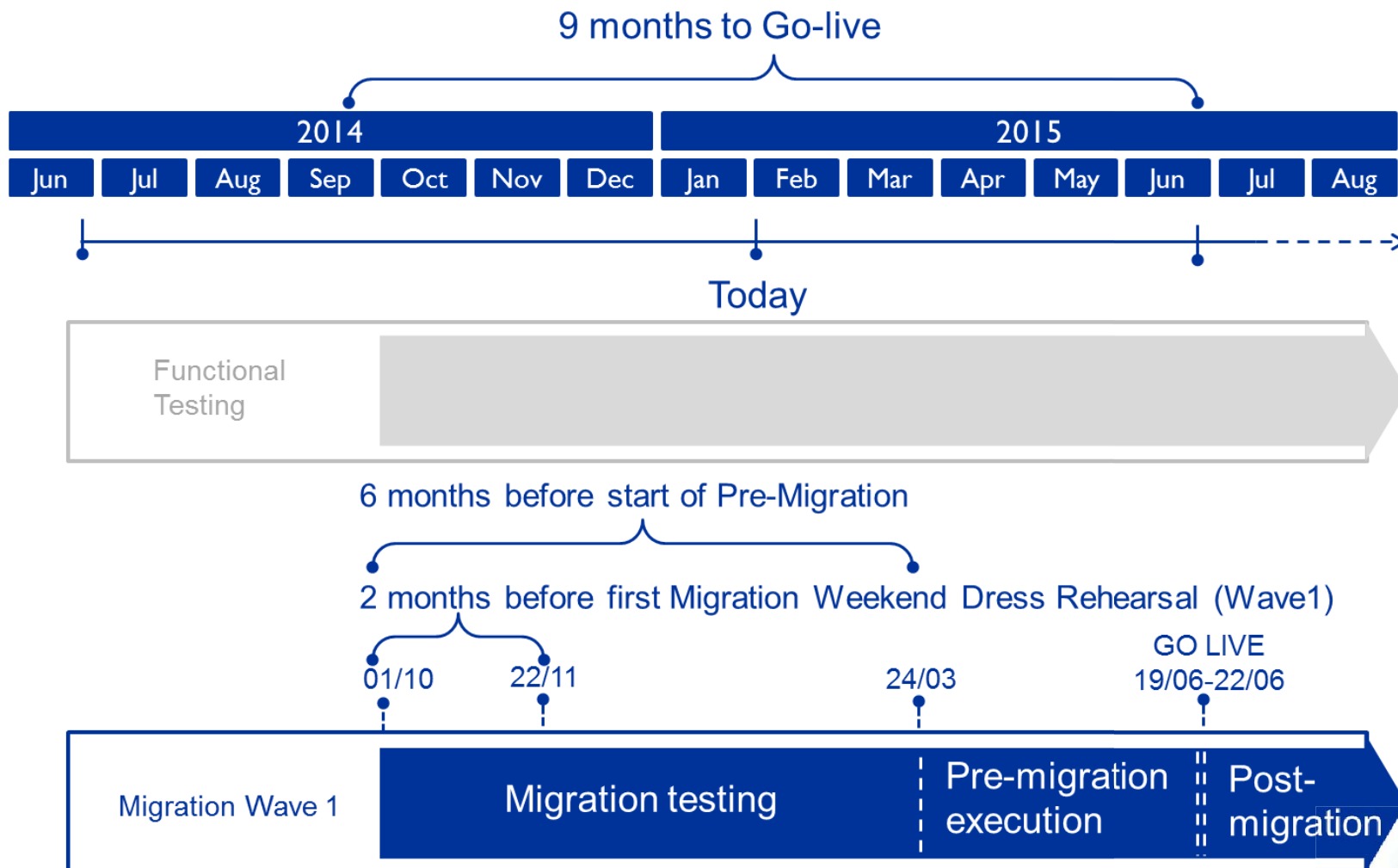
## Migration activities

Migration activities are composed of 3 phases:

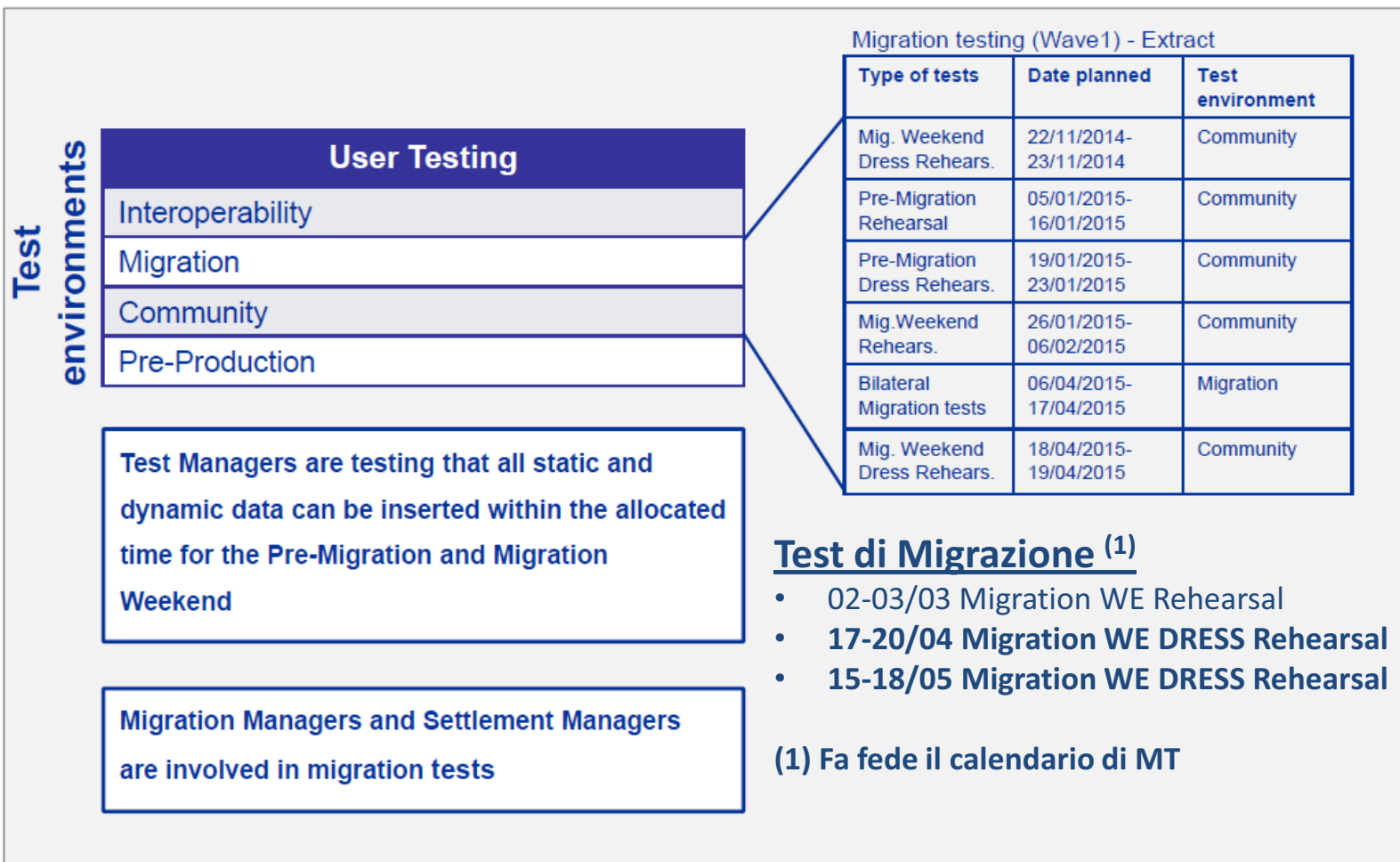
1. Pre-migration (typically a 3 months period to upload all static data)
  2. Migration Weekend (load of all dynamic data)
  3. Post-migration (stabilisation phase)
- Pre-migration and migration weekend activities need to be tested before being executed on the production environment
  - CSDs and Central Banks have been specifying the test environments and the period when those tests are planned (please also refer to the “User Testing High Level Calendar” prepared by the User Testing Subgroup)



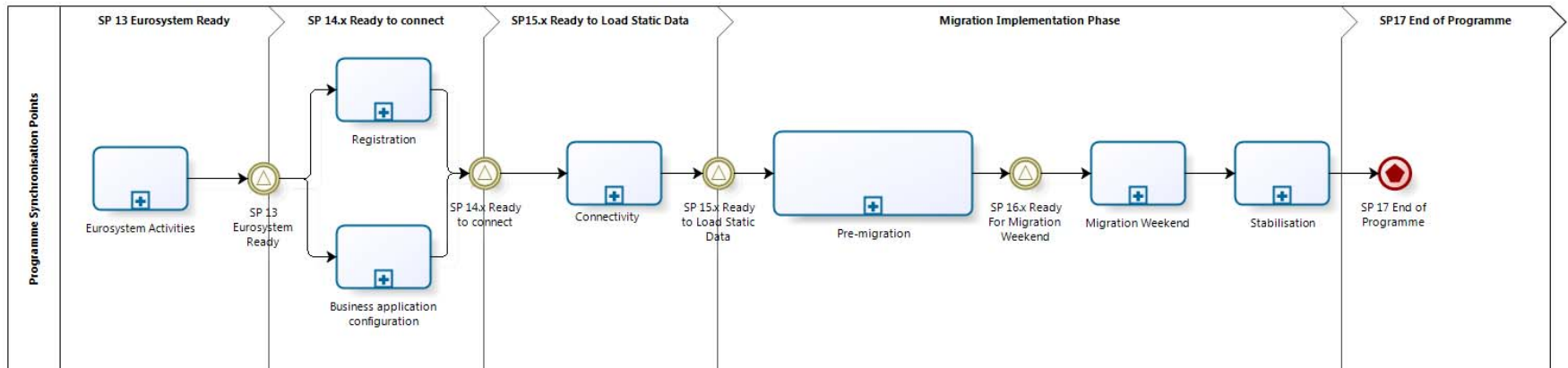
## Migration timeline



# Environment for migration testing



## Overview on migration



Similar to the programme level synchronisation points, monitoring and coordination during the migration is done via the migration synchronisation points (MSPs)

The purpose of an MSP is to

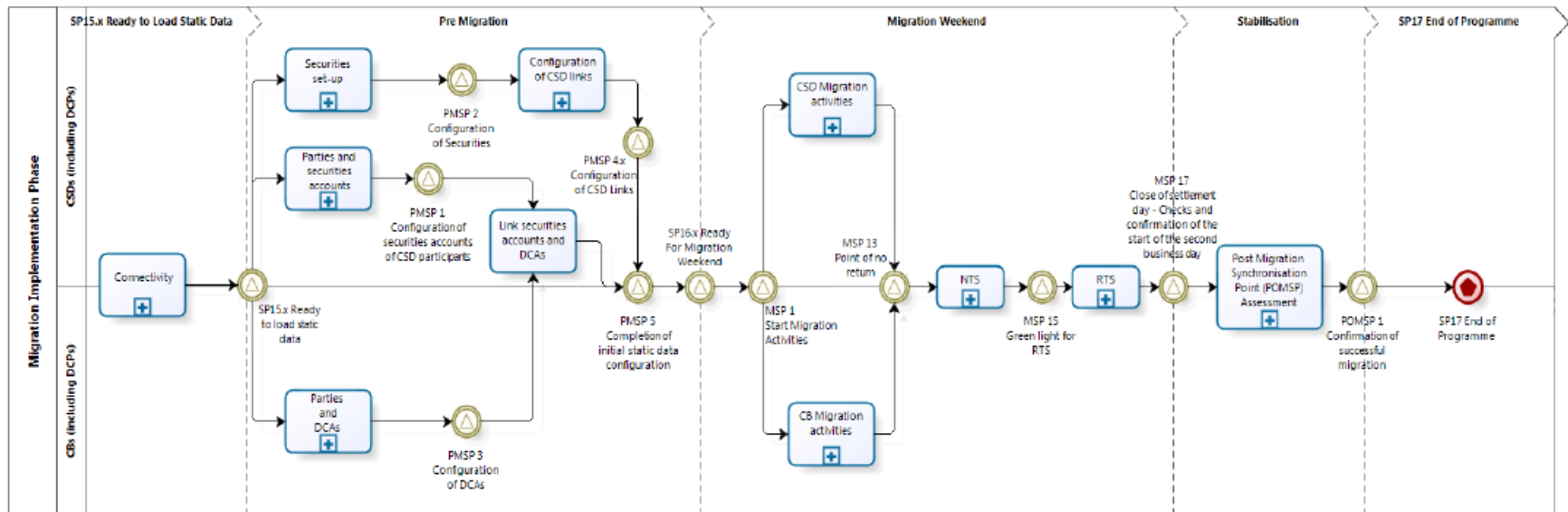
- monitor the progress of all parties participating in the migration
- make sure that known dependencies are properly monitored and considered at pre-defined check point
- ensure all participants have executed their activities



## PMSP - MSP - POMSP

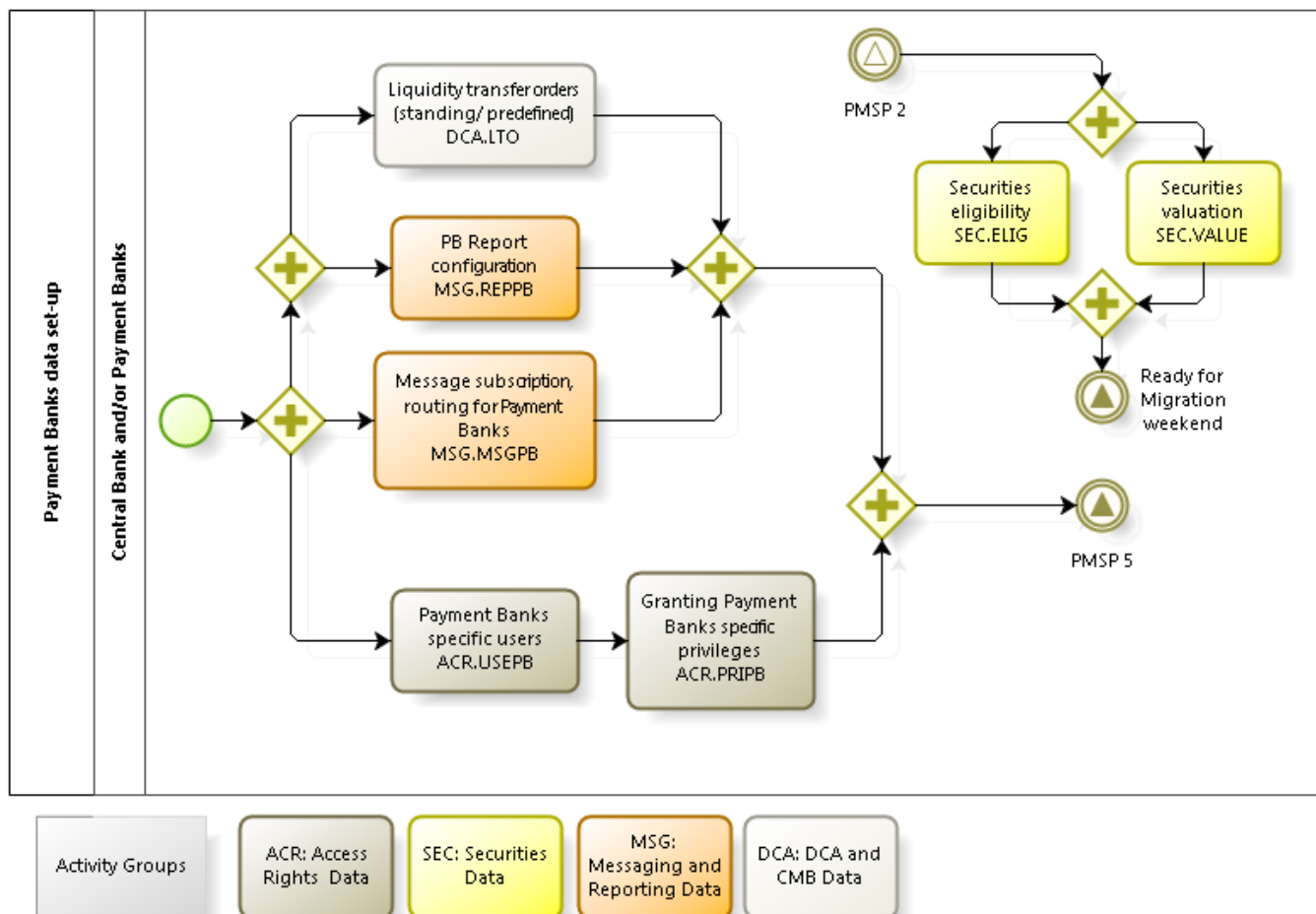
There are 3 different types of migration specific synchronisation points:

- PMSP: Pre-Migration Synchronisation Point
- MSP: Migration (Weekend) Synchronisation Point
- POMSP: Post-Migration Synchronisation Point

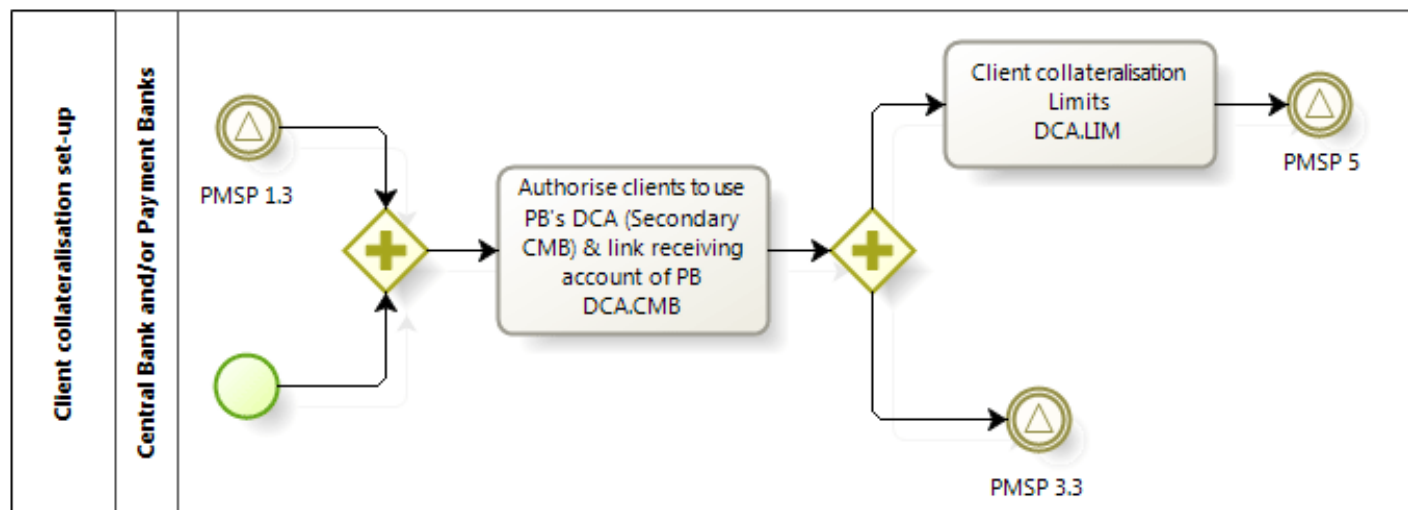




## PRE-MIG Activities of Migrating Payment Banks



## PRE-MIG Activities of Migrating Payment Banks (2)



Activity Groups

DCA: DCA and  
CMB Data



## PRE – MIG schedule

<b>Registrazione presso NSP</b>		--	15/04/2015	X	
<b>Invio forms firmati per censimento in T2S (70XX) e modifiche anagrafiche in T2 (10XX)</b>		30/03/2015	15/04/2015	X	X
PMSP 1.1	PMSP 1.1: Configuration of securities accounts and DCAs links (for Central Banks)	21/04/15 16:50	21/04/15 16:50		
PMSP 1.2	PMSP 1.2: Configuration of securities accounts (for all other CSD participants incl. payment banks)	29/04/15 13:53	29/04/15 13:53		
PMSP 2	PMSP 2: Configuration of securities	30/04/15 17:00	30/04/15 17:00		
<b>Comunicazione da Bdl a DCP di via libera a set-up static data</b>		30/04/2015	04/05/2015	X	
PB.SEC.ELIG	Securities eligibility	04/05/15 08:00	01/06/15 17:00	X	
PB.SEC.VALUE	Securities valuation	04/05/15 08:00	01/06/15 17:00	X	
PB.ACR.USEPB	Payment Banks specific users	06/05/15 08:00	01/06/15 17:00	X	
PB.ACR.PRIPB	Granting Payment Banks specific privileges	06/05/15 08:00	01/06/15 17:00	X	
PB.MSG.MSGPB	Message subscription, routing for Payment Banks	06/05/15 08:00	01/06/15 17:00	X	
PB.MSG.REPPB	PB Report configuration	06/05/15 08:00	01/06/15 17:00	X	
PB.DCA.LTO	Liquidity transfer orders (standing/ predefined) (1)	06/05/15 08:00	01/06/15 17:00	X	
<b>Comunicazione da DCP a Bdl set-up static data completato</b>		04/05/2015	01/06/2015	X	
PMSP 3.2	PMSP 3.2: Configuration of CMB (Payment Banks)	07/05/15 17:00	07/05/15 17:00		
PMSP 1.3	PMSP 1.3: Configuration of securities accounts and DCAs links (for secondary CMB)	12/05/15 16:50	12/05/15 16:50		
<b>Comunicazione da Bdl a DCP per set-up CMB secondario</b>		12/05/15 16:50	08/06/15 16:50	X	
PB.DCA.CMB	Authorise clients to use PB's DCA (Secondary CMB) & link receiving account of PB	12/05/15 16:50	08/06/15 16:50	X	
PB.DCA.LIM	Client collateralisation Limits	12/05/15 16:50	08/06/15 16:50	X	
<b>Comunicazione da DCP a Bdl set-up static CMB secondario</b>		12/05/15 16:50	08/06/15 16:50	X	
PMSP 4.2	PMSP 4.2: Configuration of securities CSD links (Direct investor links)	15/05/15 16:50	15/05/15 16:50		
PMSP 4.3	PMSP 4.3: Configuration of securities CSD links (Relayed investor links)	15/05/15 16:50	15/05/15 16:50		
PMSP 3.3	PMSP 3.3: Configuration of CMB (Payment Banks clients)	08/06/15 16:50	08/06/15 16:50		

Le comunicazioni da/per Bdl avverranno per mail all'indirizzo [T2S\\_BDI@bancaditalia.it](mailto:T2S_BDI@bancaditalia.it)



## Registration forms

### DCP

- 7000 Main Form for Payment Banks - DCP
- 7100 Form for Dedicated Cash Account - DCP
- 7200 Form for DCA Administrator User

Nel *form* è richiesto il **Technical Address** della party fornito dal NSP (solo per DCP A2A)

### ICP

- 7050 Main Form for Payment Banks - ICP
- 7150 Main Form for Dedicated Cash Account – ICP

Nel *form* è richiesto l'identificativo del **SAC providing collateral** fornito dal CSD

I Formulare che dovranno essere inoltrati lato **TARGET2** per chi si avvarrà dei Servizi Core e Opzionali sono:

- 1000 Main Form for Direct PM Participants <sup>(1)</sup>

Nel *form* è richiesto l'identificativo del **SAC providing collateral** fornito dal CSD

(1) L'invio del formulario non è necessario nel caso in cui si intendano mantenere le impostazioni di default che prevedono: i) La non sottoscrizione dei "Value Added Services", ii) Nessuna notifica di addebito relativa ai LT da T2 a T2S; iii) Nessuna notifica di accredito relativa ai LT da T2S a T2



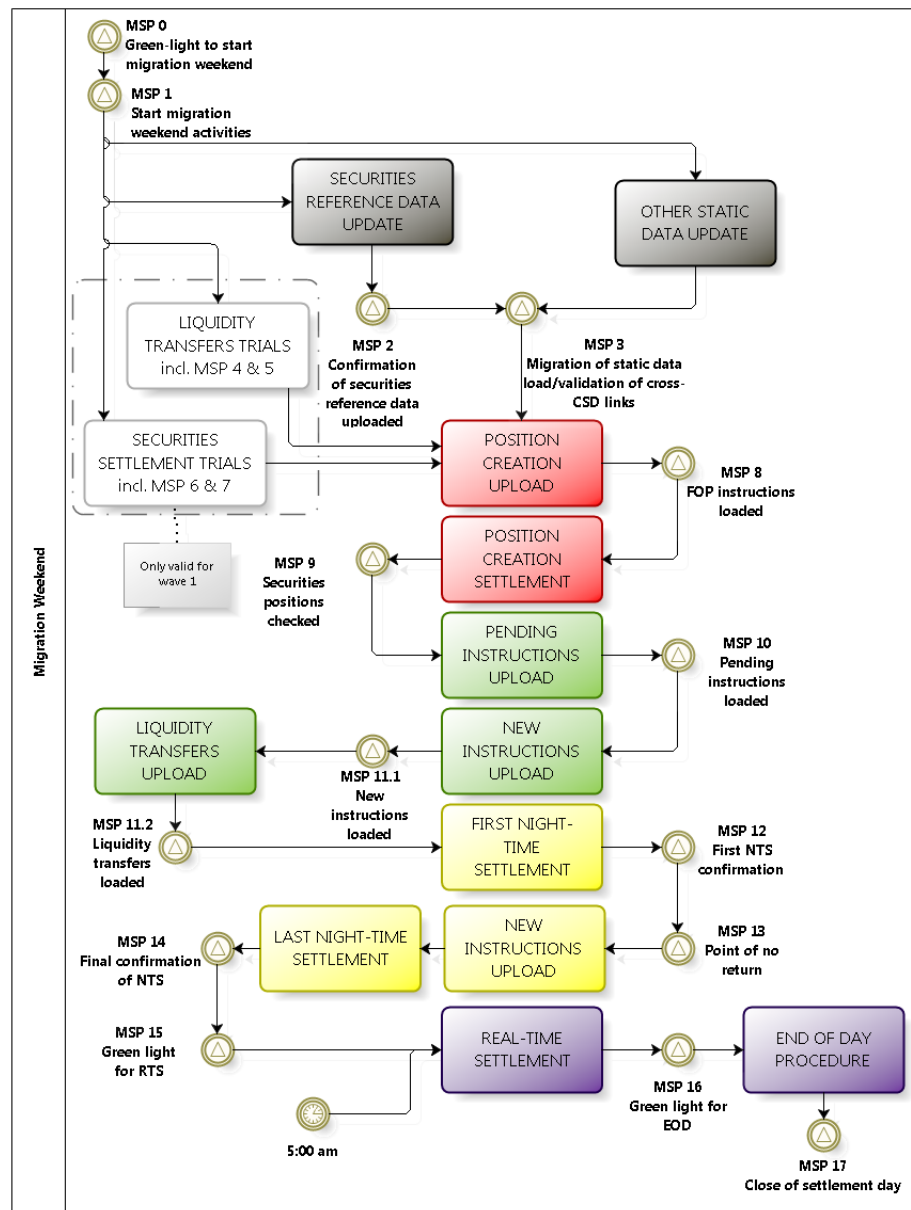
# MIG WE High-Level Migration Weekend Playbook

“During the migration weekend of wave 1, RTGS participants (e.g. T2 participants) will need to use **current orders** to create the initial cash balances in T2S.

These current orders should be sent after successful completion of liquidity transfer trials (MSP 5). The configuration of standing orders will only be feasible on the first business day of T2S.”



- 1) Non inserire SO per T2S
- 2) Inviare entro le ore **18:30 di venerdì 19/06/2015** via fax il modulo utilizzato in contingency per T2 debitamente firmato per autorizzare Bdl ad eseguire il CO per l'importo indicato nel formulario stesso



# MIG WE Migration Weekend Playbook

Activity Code	Name	Start Date	Finish Date	DCP	ICP
START	Start of Migration weekend	19/06/15 18:45	19/06/15 18:45		
SDUP.CMSUP	Upload CMS feeds	19/06/15 18:45	19/06/15 19:15	X	
MSP0	[MSP0] - Green-light to start migration weekend	19/06/15 18:55	19/06/15 18:55		
SDUP.T2CLS	Close LT orders Queue from T2 to T2S	19/06/15 18:55	19/06/15 19:10		
SDUP.DCULK	Lock DCP users	19/06/15 19:30	19/06/15 20:00		
SDUP.DSAVE1	Saving data-1	19/06/15 20:00	19/06/15 21:00		
MSP1	[MSP1] - Green light for the start of migration weekend activities	19/06/15 21:10	19/06/15 21:10		
MSP2	[MSP2] - Completion of securities reference data upload	19/06/15 22:35	19/06/15 22:35		
SDUP.SDQRY1	Query response from T2S (Securities)	19/06/15 22:35	19/06/15 22:36		
MSP6	[MSP6] - Confirmation - Completion of settlement instructions upload for trial	19/06/15 22:35	19/06/15 22:35		
MSP4	[MSP4] - Confirmation - Completion of Liquidity transfers' upload for trials	19/06/15 23:20	19/06/15 23:20		
MSP3	[MSP3] - Confirmation of the Static Data upload by CSDs and CBs	19/06/15 23:37	19/06/15 23:37		
SDUP.CMSRC	Reconciliation of CMS feeds and Position evaluation	19/06/15 23:40	20/06/15 00:10		
MSP5	[MSP5] - Confirmation of the correctness of liquidity transfers trials by CBs	20/06/15 00:51	20/06/15 00:51		
LTRL.T2CLS	Close LT orders Queue from T2 to T2S	20/06/15 00:51	20/06/15 01:06		
SDUP.DSAVE2	Saving data-2	20/06/15 02:02	20/06/15 03:22		
MSP7	[MSP7] - Confirmation of the correctness of trials by CSDs	20/06/15 02:02	20/06/15 02:02		
MSP8	[MSP8] - Confirmation of the DD – FoPs/ Settlement restrictions upload by CSD	20/06/15 06:51	20/06/15 06:51		
POSC.DSAVE3	Saving data-3	20/06/15 06:51	20/06/15 08:11		
MSP9	[MSP9] Final Confirmation of the creation of securities positions by CSDs	20/06/15 15:01	20/06/15 15:01		
POSC.DSAVE4	Saving data-4	20/06/15 15:01	20/06/15 16:21		
MSP10	[MSP10] Final Confirmation of the Dynamic Data upload by CSDs	20/06/15 20:46	20/06/15 20:46		
DNUP.DSAVE5	Saving data-5	20/06/15 20:46	20/06/15 22:06		
MSP11.1	[MSP11.1] Confirmation of the DD – New Instructions upload by CSDs	20/06/15 23:52	20/06/15 23:52		
DNUP.T2OPN	Open LT orders Queue from T2 to T2S	20/06/15 23:52	21/06/15 00:07		
DNUP.LTFUP	Liquidity transfers input	21/06/15 00:07	21/06/15 00:37		
DNUP.LTFPR	Liquidity transfers - Processing	21/06/15 00:37	21/06/15 00:38		
DNUP.LTFRC	Liquidity transfers reconciliation	21/06/15 00:39	21/06/15 00:59		
MSP11.2	[MSP11.2] Confirmation of the DD – Liquidity transfers upload by CBs	21/06/15 01:50	21/06/15 01:50		
MSP12	[MSP12] Confirmation of the first night-time settlement cycle by CSDs /CBs	21/06/15 10:02	21/06/15 10:02		
MSP13	[MSP13] Point-of-No-Return for Go-Live Migration Wave 1	21/06/15 10:12	21/06/15 10:12		
STLM.DCOPN	Unblock DCPs' outgoing messages	21/06/15 10:12	21/06/15 10:42		
STLM.DCUUL	Unlock DCP users	21/06/15 10:12	21/06/15 10:42		
STLM.DCPINF	Inform DCPs to send settlement instructions	21/06/15 10:42	21/06/15 10:52	X	
MSP14	[MSP14] Final Confirmation of the Night-time settlement by CSDs/CBs	21/06/15 16:42	21/06/15 16:42		
MSP15	[MSP15] Green light for real-time settlement	21/06/15 16:52	21/06/15 16:52		
MSP16	[MSP16] Green-light for End of Day	22/06/15 18:10	22/06/15 18:10		
MSP17	[MSP17] Close of settlement day	22/06/15 19:20	22/06/15 19:20		



# Migration communication framework towards the market participants

**Audience:** Payment banks (DCPs and ICPs)

## Type of communicated information

### Pre-migration phase:

- Pre-migration phase has started
- Initial static data configuration is completed

### Migration weekend

- Migration weekend has started
- CB has performed liquidity transfers in RTGS system


































### In both :

- any delay foreseen in these migration activities
- any contingency scenarios encountered

## Communication channel

- Dedicated page on the T2S website
- Email

**MIGRATION TO T2S WAVE 2 - MONITORING OVERVIEW**  
Status on Friday at 21:00

Status	Planned	Estimated	Actual	Migration synchronisation point	Comment	Links
	Fri 18:00	Fri 18:00	Fri 18:00	<b>MSP 1</b> Start migration weekend activities		 
	Fri 19:00	Fri 19:00	Fri 19:00	<b>MSP 2</b> Confirmation of securities reference data upload		 
	Fri 19:30	Fri 19:30	Fri 19:35	<b>MSP 3</b> Migration of Static Data Load / Validation of cross CSD Links	5 minutes delay	 
	Fri 23:00	Fri 23:05		<b>MSP 8</b> FOP instructions loaded		 
	Sat 02:30	Sat 02:35		<b>MSP 9</b> Securities Positions checked		 
	Sat 07:00	Sat 07:05		<b>MSP 10</b> Pending Instructions Loaded		 
	Sat 10:00	Sat 10:05		<b>MSP 11</b> New Instructions loaded		 
	Sat 18:00	Sat 18:05		<b>MSP 12</b> First Night Time Settlement confirmation		 
	Sat 19:00	Sat 19:05		<b>MSP 13</b> Point of No Return		 
	Sun 02:00	Sun 02:05		<b>MSP 14</b> Final Confirmation of Night-Time Settlement		 
	Sun 03:00	Sun 03:05		<b>MSP 15</b> Green Light for Real-Time Settlement		 



## In sintesi ...

	DCP	ICP
<b>Registration</b> presso il NSP prima in <u>test</u> e poi in <u>produzione</u>	X	
Invio dei <b>forms</b> T2S e T2 prima in <u>test</u> e poi in <u>produzione</u>	X	X
Invio mail a Banca d'Italia a seguito configurazione degli <i>static data</i> di pertinenza e del CMB secondario	X	
Invio dei <b>fax</b> per esecuzione <i>current order</i> nei <u>test</u> di migrazione e entro le 18:00 del venerdì del <u>migration WE</u>	X	X
<b>Verifica</b> via <b>ICM/GUI</b> della correttezza degli SD inseriti da Bdl prima in <u>test</u> e poi in <u>produzione</u>	X	X
<b>Configurazione degli Static Data</b> di pertinenza (1) in <u>test</u> (per l'esecuzione dei pre-migration tests) e in <u>produzione</u> nella pre-migration	X	
Invio dei file di valutazione degli <i>assets</i> per la Client Coll in <u>test</u> (per l'esecuzione dei <i>migration we tests</i> ) e in <u>produzione</u> nel migration WE	X	

(1) Securities eligibility, Securities valuation. Payment Banks specific users, privileges, message subscription, routing, report configuration. Secondary CMB & link & client collateralisation Limits

