

4 September 2018

OUTCOME OF THE 5TH MEETING OF TARGET CONSOLIDATION CONTACT GROUP (TCCG)

18 July 2018 – 10:00 to 17:00

held at the premises of the European Central Bank, Sonnemannstraße 20

1. Introductory Remarks

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

Outcome:

The Chairperson welcomed the participants and briefly introduced the agenda of the meeting which was approved by the participants. It was clarified that Agenda Item 7 of the initially distributed agenda was dropped due to duplication with Item 4b.

It was clarified that the ECB project team will try to provide the meeting background documentation at least 5 days in advance of the workshops, or if this is not possible give sufficient time after the meeting to allow a discussion with the relevant experts within each organisation.

2. User Detailed Functional Specifications (UDFS)

The Contact Group members will be informed about the third iteration of UDFS. Furthermore the Contact Group members will be informed of the planned adjustments to the scope of the Business Description Document (BDD).

Documents:

- *Overview of the Market feedback received during the previous two iterations*

- *T2-T2S Consolidation UDFS Iteration 3 (Presentation from 4CB)*
- *T2-T2S Consolidation UDFS for CLM v0.3*
- *T2-T2S Consolidation UDFS for RTGS v0.3*

Outcome:

4CB presented the *T2-T2S Consolidation UDFS Iteration 3*. The UDFS was delivered on 16 July to all members for comments and uploaded to the ECB website, as well as the feedback from UDFS iterations 1 and 2. A written procedure was launched to receive feedback from participants on Iteration 3 of the UDFS by 31 July.

In the discussion it was clarified, that the foreseen functionality for Liquidity Transfer Groups might also be used to enable liquidity transfers between current HAM users to the extent that this is in line with the policy. The ECB and 4CB project teams will further analyse the approach.

Participants asked, whether MyStandards allows to see the changes that have been introduced to a message during a UDFS iteration. The 4CB project team will discuss with internal experts on how to provide this information.

The point was raised if on CLM we should have indirect participation. Currently we have indirect participation on all TARGET2 services that are going to be replaced by CLM and RTGS. It was clarified that indirect participation does not make sense for CLM. This point was not clarified thus far in the BDD.

The ECB project team highlighted, that due to the new structure of the UDFS the BDD will be shortened in length from its current 60 pages for the next iteration, as certain topics will be covered in the UDFS and the two documents should complement each other and not overlap. Participants will be able to see the new iteration by the end of the month, which aims to be more of a high-level description.

3. User Requirements Document (URD)

The Contact Group members will be informed about the content and the timing of the envisaged change requests on the URD.

Documents:

- *Overview of envisaged changes on URD (Presentation from ECB)*
- *T2-T2S Consolidation Alignment of URD and UDFS – Way forward (Presentation from 4CB)*

Outcome:

The *Overview of envisaged changes on URD* was presented to the participants. The ECB project team highlighted the current aim is to have the URD v.1.2 ready for the MIB in November 2018, together with UDFS v1.0.

Regarding the seizure of funds and whether the seized funds count towards the minimum reserves, it was proposed that the ECB liaise with the WGME on the topic, since they have recently had a written procedure on it. TCCG members were encouraged to contact their MOC representative to get further information on this topic as well. Furthermore, this point will be clarified in the URD.

Finally, the timeline for the dissemination of the URD was presented, stating that there will be an internal round with CBs before the URD is shared with the whole group.

4. Functional topics

a. Inter-Service Liquidity Transfers

The 4CB will present how liquidity transfers across different settlement services would be booked. Two scenarios will be distinguished, i.e. booking via MCA(s) versus booking via transit accounts in CLM.

Documents:

- *Inter-Service Liquidity Transfers (Presentation from 4CB)*

Outcome:

The presentation on *Inter-Service Liquidity Transfers* was given by the 4CB project team. This is following the inconclusiveness on the way forward of the previous written procedure on whether inter-service LTOs shall be booked only via the transit accounts in CLM or also via the MCA(s).

The TCCG members were asked to provide their preferred option (current solution vs alternative solution) regarding liquidity transfers between DCAs in two different settlement services. The consensus was the preference for the current solution, which is based on transferring the liquidity directly between the transit accounts.

It was further clarified that liquidity transfers are not equal to interbank payments, and that there is a need to identify the accounts involved in the Liquidity Transfer to determine the involved settlement services and derive the beneficiary bank.

b. AS settlement procedures

The 4CB will present the future functionality for AS transaction settlement in RTGS.

Documents:

- *AS settlement procedures (Presentation from 4CB)*

Outcome:

The presentation on the replacement of ASI 2 and ASI 3 by standard payment functionality was given by the 4CB project team. It was clarified that the revocation process will also be possible via U2A and A2A.

The project teams confirmed that for those ASI procedures that will be maintained in the future RTGS (i.e. former ASI procedures 4, 5, 6 Interfaced and 6 Real-Time) the technical accounts will be kept.

Finally, the question was raised what information is provided in AS pacs.009 and what checks will be put in place for these payments in order to prevent fraud. 4CB will provide further information to answer this question and will get back to the members.

Participants highlighted that on their side AS transactions are processed in a different way than normal payments. Therefore they need an easy identification of those transactions (e.g. by using a different message type, like camt.054) in order to allow a routing without the need of processing the whole message.

5. ISO 20022 messaging in the context of the T2-T2S Consolidation project

The Contact Group members will be further informed about the work of customising the ISO20022 messages for the future RTGS.

Documents:

- *Overview of ISO20022 messages for the future RTGS (updated Excel-file from 4CB)*
- *Proposal on revision of A2A support (Presentation from 4CB)*

Outcome:

The presentation “Proposal on revision of A2A support” was given by the 4CB project team.

It was agreed on the working assumption that information about the used amount in the context of direct debit mandates should be available via U2A only. In order to validate this decision, a written procedure will be launched on whether providing this information via U2A is required.

For Get/Return Calendar a new A2A ISO message will be created.

Based on a proposal of the 4CB project team the group agreed that there is no need for the Get/ReturnErrorCode message. Regarding the directory, a similar approach as for the TIPS directory was proposed and agreed, i.e. the directory can be pushed via A2A and downloaded via U2A.

Finally, it was clarified that it is not foreseen to have a directory for CLM, as CBs already identify their participants and other participants do not send payments in CLM.

6. RTGS and CLM GUI Workshops

The Contact Group members will be de-briefed about the first RTGS and CLM GUI workshop held on 10 July 2018 in Frankfurt. Furthermore, an outlook on the scope of the second RTGS and CLM GUI workshop will be provided.

Documents:

- *Oral debriefing*

Outcome:

The Contact Group members were de-briefed on the outcome of the first RTGS and CLM GUI workshop in July. The diverse representatives from the market side (as well as CBs) had an open and constructive communication on the topic.

The TOC of GUI style guide was shared with the TCCG previously and was discussed during the workshop, having users raise expectations around the items exposed. It was clarified that the aim is to produce a GUI style guide by end of September 2018.

Furthermore, it was explained that the 4CB project team is currently taking the feedback into consideration that was exchanged during the first session and are drafting an initial draft for the style guide. This document will be the outcome/result of the first workshop. It was clarified that the style guide also includes themes such as navigation and usability, extending its scope beyond pure stylistic topics.

The second RTGS and CLM GUI workshop is scheduled for 27 August.

7. Any Other Business

The next Contact Group meeting will be held at the ECB premises in Frankfurt am Main, on 4 September 2018.

Outcome:

The project teams highlighted to the TCCG members that the next important milestone in the T2-T2S Consolidation Project Plan is the UDFS v1.0 (to be approved by November 2018). The

ECB project team plans to share in the coming weeks the high level project plan indicating the upcoming phases of the project.

TCCG members were reminded that the BDD will be streamlined and shortened (as discussed before), as we have more details in the UDFS. The new version will be distributed before the end of the month to TCCG members for a written procedure. The members are invited to comment on this version and provide their feedback not only on parts missing, but also on parts that should be taken out.

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