ECB
DG-MIP
T2-T2S Consolidation

Questions & answers

TARGET Consolidation Contact Group

15th Meeting on 31 March 2020

Introduction

- Central banks are channelling questions from their communities to 4CB/ECB through a process based on JIRA

- A few such questions and their answers will be presented to the TCCG at each meeting

- More explainers/how-to/FAQ documents will also be published in 2020

Questions and Answers (1/4)

1. Question: **Shall automated liquidity transfers from RTGS DCA to CLM MCAs to cover for pending Central Bank operations also benefit from Change Request 35 to park ILT? (CBOs can start settlement from 19.00 hour).**

The process for automated Liquidity Transfers is already foreseen and therefore not in the scope of CR35.

Answer to the question is provided in table 16 in the CLM UDFS and table 16 in the RTGS UDFS: the automated LT can be generated by CLM already from 19h, but will not settle in RTGS until 19.30

Questions and Answers (2/4)

tarGet services

2. Question: Will it be also possible for the co-manager, in case of subscription, to receive a camt.054 when performing a liquidity transfer (camt.050), for instance debiting the co-managed accounts ? Or the co-manager will only receive camt.054 messages related to debits/credits that are not initiated by the co-manager?

Context: When a co-manager instructs in CLM a liquidity transfer (camt.050), intra or inter service, for instance debiting the account holder, the co-manager will receive as an answer a camt.025.

The co-manager will not receive a camt.054 debit notification when:
- it sends a camt.050 in A2A debiting the co-managed account
- the co-managee sends a camt.050 in A2A debiting the co-managed account
The co-manager will receive a camt.054 debit notification if the co-managee instructs a LT in U2A debiting the co-managed account (provided the co-managee is not set up as a U2A party, in which case no camt.054 would be generated)

Questions and Answers (3/4)

3. <u>Question</u>: During the first few years of the operational phase of T2, can an institution willing to recall a MT payment (i.e. that was settled in TARGET2) use in the pacs.004 in the field "Original Message Identification", the instruction identification of the original MT payment?

Context: In MyStandard, in the pacs.004 message the field "Original Message Identification" should be filled with the BizMsgIdr used in the BAH of the original payment. However, this reference does not exist for these types of MT payments.

The answer is YES. The instruction identification of the original MT payment can be used in the pacs.004 in the field "Original Message Identification" instead of BizMsgIdr from the BAH of the original payment.
The reasoning is that even though the field "Original Message Identification" is mandatory in RTGS, but the system will not verify the validity of the value populated on this field.

Questions and Answers (4/4)

4. Question: **What will be the costs for banks to hold MCAs only? (including any type of costs e.g. T2 cost and costs from the respective Central Bank)**
The rationale behind the question is that banks need visibility on costs in their foreign branches that will have MCAs only.

The work on the pricing policy is still ongoing at the ECB level.

A holistic view is needed across the different TARGET services.

We should have more clarity on this by June 2020.

Thank you for your attention!

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