

# Glossary of the T2 UDFS

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# 1 Glossary

Term	Definition
<b>4CB</b>	The Deutsche Bundesbank (BBk), the Banco de España (BdE), the Banque de France (BdF) and the Banca d'Italia (Bdl), collectively, in their capacity as the <u>national</u> CBs responsible for building, maintaining and running the TARGET Services in accordance with the relevant contractual arrangements and with decisions of the ECB's Governing Council.
<b>4CB Network</b>	Common internal technical communication network used by the providers of the TARGET Services.
<u><b>Account BIC</b></u>	<u>BIC11 of the account, configured as authorised account user in CRDM</u>
<b>Account holder</b>	Entity which holds <u>at least one or several</u> cash accounts with a <u>central bank CB</u> .
<b>Account Monitoring Group</b>	An optional function <u>in the TARGET Service</u> that enables an account holder to group cash accounts <u>from one or several TARGET Services</u> for purpose of monitoring the overall liquidity across the set of grouped accounts.
<u><b>Account owner BIC</b></u>	<u>BIC11 of the responsible account owner and same as party BIC</u>
<b>Act on behalf</b>	To undertake an action in the name of an <u>account holder actor</u> , subject to its authorisation.
<b>Actor</b>	Uses <u>UA2A</u> and/or <u>AU2A</u> facilities in order to communicate with the TARGET Services.
<b>Addressable BIC</b>	Are BICs that are reachable as correspondent in the role of: <ul style="list-style-type: none"> <li>correspondent;</li> <li>branch of Direct Participant;</li> <li>branch of Indirect Participant;</li> <li>branch of correspondent.</li> </ul> (Participation types 05 – 08 according to the RTGS Directory).
<u><b>Addressee BIC</b></u>	<u>BIC11 for sending/receiving business payloads. BIC configured as authorised account user in CRDM. This BIC shall be used in the BAH to address business messages.</u>
<b>Adjustment balance</b>	It is the overall balance that is needed at the end of each business day in order to fulfil the minimum reserve requirement in the current minimum reserve maintenance period.

Term	Definition
<b>Ancillary system</b>	<p>A system in which payments or securities are exchanged and/or cleared, while the ensuing monetary obligations are settled in another system, typically an RTGS system. Ancillary systems are, e.g.:</p> <ul style="list-style-type: none"> <li>retail payment systems (RS);</li> <li>large value payment systems (LVPS);</li> <li>foreign exchange (FX) systems;</li> <li>money market systems;</li> <li>clearing houses;</li> <li>securities settlement systems (SSS).</li> </ul>
<b>Application-to-application</b>	A connectivity mode that enables the exchange of information between the application of the TARGET Service and the software application(s) of the connected actors.
<b>AS batch message</b>	An ASTransferInitiation (pain.998) that an ancillary system sends or a <del>central bank</del> <u>CB</u> sends on behalf of an ancillary system, and that contains several AS transfer orders or liquidity transfer orders.
<b>AS settlement bank</b>	An RTGS Account Holder that participates in the settlement of an ancillary system. The RTGS Account Holder manages the AS settlement process (e.g. the determination of settlement positions, monitoring of the exchange of payments, etc.) not only for itself but possibly also for other ancillary system customers that settle on its RTGS DCA, <u>RTGS CB Account</u> or sub-account.
<b>AS settlement procedure</b>	A specific set of processes and functions in the T2 Service that an ancillary system can use for the settlement of AS transfer orders.
<b>AS technical account</b>	A technical account that an ancillary system uses and that the ancillary system holds or a <del>central bank</del> <u>CB</u> holds on behalf the <del>ancillary system</del> <u>AS</u> used either as intermediary account for the settlement of AS transfer orders or to collect funds.
<b>AS transfer</b>	A settled AS transfer order.
<b>AS transfer order</b>	A transfer order that an ancillary system instructs in order to settle monetary obligations.
<b>Authentication</b>	A security mechanism for verifying the identity of an individual or process.
<b>Automatic liquidity transfer order</b>	An inter-service liquidity transfer order that the T2 Service automatically creates and attempts to settle when there is insufficient liquidity on the MCA of the CLM Account Holder to settle a payment linked to a <del>central bank operation</del> <u>CBO</u> .

Term	Definition
<b>Automated marginal lending</b>	The automated transformation of intraday credit in overnight credit at the end of the day when the overall calculated position of a monetary policy counterparty is negative.
<b>Availability</b>	Ability of a configuration item or service/component to perform its agreed function when required.
<b>Available liquidity</b>	<del>In CLM available liquidity means the</del> The amount of funds <del>that is</del> available for the settlement of cash transfer orders on a cash account <del>consisting. It consists</del> of the cash balance and any credit line minus any seized amount.
<b>Backup payment</b>	An RTGS <del>GUI function</del> U2A functionality to input payment orders on an exceptional basis when an RTGS Account Holder through an incident on its side loses its ability to send A2A payment orders to RTGS.
<b>Banking Group</b>	<del>Allows a group</del> Set of <del>parties</del> cash accounts, under the responsibility of one or multiple CBs, <del>to be</del> viewed collectively for certain business purposes, such as oversight and regulation <del>by a CB</del> .
<b>Beneficiary</b>	<del>A recipient of funds (payee). Depending on the context, a beneficiary can be an account holder in CLM or RTGS and/or a final recipient.</del>
<b>BIC directory</b>	<del>Directory published by SWIFT.</del> A listing of <del>business identifier codes</del> Business Identifier Codes (BIC) that SWIFT has registered according to the ISO 9362 standard with the names and addresses of the entities <del>published by SWIFT.</del>
<b><u>BIC8</u></b>	<u>Business Identifier Code with eight mandatory characters representing financial institution code, country code, location code.</u>
<b>BIC11</b>	<del>In addition to the first eight characters</del> An eleven digit code consisting of the BIC, <del>an optional</del> BIC8 followed by a branch code of three characters <del>which</del> is used to identify any branch or reference of an institution. <del>Each cash account is identified with a unique BIC11 per component and currency.</del>
<b><u>Bilateral limit</u></b>	<u>The maximum daily outflow of liquidity for payments with normal priority defined by an RTGS Account Holder for one of its RTGS DCAs towards another RTGS DCA.</u>
<b>Blocking</b>	An exclusion of parties (party blocking) or accounts (account blocking) from settlement processing within one or more TARGET Services.
<b>Broadcast</b>	Information simultaneously available to all or a selected group of users in <del>CLM and RTGS in</del> A2A and U2A, if the user has opted for A2A broadcasts.
<b>Business Application Header</b>	An ISO20022 message definition (head.001) providing in a consistent manner in a single place data <del>about the message, such as which organization has sent of the business message, which organization should be receiving it and sender (FROM), business receiver (TO), the message identifier, the identity of the message itself,</del>

Term	Definition
	<del>which is combinable with any other ISO20022 message definition to form a business message</del> of the following document and some more information.
<b><u>Business File Header</u></b>	See term "file"
<b><u>Business Identifier Code</u></b>	An international standard for identification of institutions within the financial services industry. It consists of eight or eleven contiguous characters, comprising a financial institution code (four characters), a country code (two characters), a location code (two characters) and, optionally, a branch code (three characters).
<b><u>Business message</u></b>	A exchange consisting of a BAH and a document.
<b><u>Business payload</u></b>	Part of a business message which contains the real business transaction (e.g. payment order). Synonym with document.
<b><u>Business receiver</u></b>	The business receiver is identified by an Addressee BIC (BIC11) as TO in the BAH.
<b>Business day</b>	A date on which the relevant TARGET Service is open for settlement.
<b>Bypass FIFO</b>	See FIFO by-passing.
<b>Cash account(s)</b>	A formal currency-specific record of the debit postings and credit postings for which a balance is maintained.
<b>Cash transfer</b>	<u>Settled cash transfer order.</u> Encompasses payments, liquidity transfers and AS transfers.
<b>Cash transfer order</b>	<u>A cash transfer order is an instruction to move liquidity.</u> Encompasses payment orders, liquidity transfer orders and AS transfer orders.
<b>Ceiling</b>	Upper threshold of a cash account balance, the breach of which triggers a specific action.
<b>Central bank ECB account</b>	An account for recording the asset/liability position of a <del>central bank</del> CB towards the ECB.
<b>Central bank (CB)</b>	An institution which – by the way of legal act – has been given responsibility for conducting the monetary policy for a specific area.
<b>CB <del>a</del>Account</b>	A cash account for which the <del>central bank</del> CB is the account holder.
<b>CB operation</b>	A business transaction that a <del>central bank</del> CB initiates in its capacity as CB of issue, e.g. tender policy operations, changes of the credit line.
<b><u>CB on behalf</u></b>	<u>A CB is operating on behalf of a payment bank. BIC of the CB is FROM in BAH.</u>
<b>Central counterparty</b>	An entity that interposes itself between the counterparties to the contracts traded in one or more financial markets, becoming buyer to every seller and the seller to every buyer.

Term	Definition
Central European Time	Standard time which is one hour ahead of Coordinated Universal Time (UTC).
Central Liquidity Management (CLM)	A <del>business</del> component of the <del>TARGET Services</del> T2 Service which provides information on <del>central bank</del> CB liquidity, management of credit lines and <del>central bank operations</del> (CBO) as well as funds for facilitating settlement in the TARGET Services <del>which include the T2 Service, TARGET2 Securities (T2S) and TARGET Instant Payment Settlement (TIPS).</del>
Clearing	The process of transmitting, reconciling and, in some cases, confirming payment or securities transfer orders prior to settlement, possibly including the netting of orders and the establishment of final positions for settlement.
Clearing house	Central entity (or central processing mechanism) through which financial institutions agree to exchange transfer instructions for funds or securities. In some cases, the clearing house may act as central counterparty (CCP) for the financial institutions and therefore assume significant financial risks.
CLM Account Holder	A legal entity that holds one or more main cash accounts (MCAs) in CLM.
Collateral	An asset or third-party commitment that is used by <del>thea</del> collateral provider to secure an obligation vis-à-vis <del>thea</del> collateral taker.
Collateral management system	System used for the management of collateral activities with regards to a set of collateralised credit operations (e.g. monetary policy operations <del>and</del> intraday credit, <u>repurchase agreements, loans</u> ).
Co-management	Functionality in CLM for banks to fulfil their reserve requirement directly, but delegate cash flow management to other banks.
<u>Common component</u>	<u>A set of hardware, software and other technical infrastructure elements available for use by more than one TARGET Service for the purposes of one or more functionality. Common components include Common Reference Data Management, Billing, Data Warehouse, Eurosystem Single Market Infrastructure Gateway, Legal Archiving, BDM, Enhanced Contingency Solution.</u>
Common reference data	<del>Reference data that all</del> Data maintained in the CRDM used by one or several services or components <del>use</del> .
Common Reference Data Management	The component that centrally manages common reference data.
Component	<del>Business components of the TARGET Services comprising CLM, RTGS, CRDM, and Contingency Services".</del> <u>A set of hardware, software and other technical infrastructure elements available for the purposes of one or more functionalities. Components include CLM, RTGS and common components.</u>

Term	Definition
<b>Connected payment</b>	A payment by a <del>central bank</del> CB to a CLM Account Holder that triggers both a change in the credit line on the MCA of the CLM Account Holder and an immediate debit/credit of its account to compensate the change in the credit line.
<b>Contingency Services</b>	The component to process cash transfer orders when the T2 Service is not available as the result of a major incident.
<b>Credit line</b>	Commitment to grant intraday credit on demand based on collateral provided to a CB.
<b>Credit transfer</b>	Payment instrument allowing a payer to instruct the institution with which its account is held to transfer funds to a beneficiary.
<b>Credit transfer order</b>	An instruction from the payer to credit a specific amount of funds on the payee's cash account.
<b>Cut-off time</b>	Deadline defining up to when specific interactions with a TARGET Service are possible.
<b>Data propagation</b>	The automated distribution of data from one data source to one or more target data repositories.
<b>Data Warehouse</b>	<del>The centralised collection of data from</del> Common component collect data from TARGET Services and other common components operational business applications in which data are aggregated and optimised for reporting and analysis.
<b><u>Data Warehouse report (DWH report)</u></b>	Describes all types of results (including scheduled for A2A delivery and ad hoc in U2A mode) which a DWH user (depending on its given profile) can retrieve within the DWH common component.  The following types of DWH reports exist: predefined DWH reports, adaptable DWH reports and user defined DWH reports.
<b>Dedicated cash account</b>	A cash account that is reserved for use by <u>one</u> specific TARGET Service, <del>i.e. TIPS, or component among</del> T2S and RTGS.
<b>Dedicated transit account</b>	A technical account, owned by a <del>central bank</del> CB, reserved for transfer of funds between the individual TARGET <del>Settlement</del> Services.
<b>Deposit facility</b>	The standing facility of the Eurosystem which counterparties may use to make overnight deposits at a <del>central bank</del> CB, which are remunerated at a deposit facility interest rate defined by the Governing Council of the ECB.
<b>Direct debit</b>	A settled direct debit order.
<b>Direct debit mandate</b>	An authorisation that a payer provides to a payee that allows the payee to debit the payer's account.



Term	Definition
<b>Direct debit order</b>	A pre-authorised instruction from the payee to debit a specific amount of funds on the payer's cash account.
<del>Distinguished Name</del> <b>Direct Participant (RTGS)</b>	<del>RTGS Account Holders Name that uniquely identifies an entry in a directory or network. Usually it is a sequence of attribute value assertions (e.g. "cn=smith") separated by commas, e.g.: &lt;cn=smith,ou=t2s-ops,o=bnkacctt,o=nsf-1&gt;.</del>
<del>DWH query</del> <b>Distinguished name</b>	<del>Name that uniquely identifies an entry in a directory or network. Usually it is a sequence of attribute-value assertions (e.g. "cn=smith") separated by commas, e.g.: &lt;cn=smith,ou=t2s-ops,o=bnkacctt,o=nsf-1&gt;. A real-time function to retrieve information from the Data Warehouse using selection criteria to fulfil ad-hoc information demands.</del>
<del>DWH report</del> <b>Document</b>	<del>A schedules retrieval of information from the Data Warehouse which is provided to specific recipients. Part of a business message which contains the real business transaction (e.g. payment order).</del>
<b>Earmarked</b>	Status of a cash transfer order which is ready for settlement but not taken into account for various reasons.
<b>ECB mirror account</b>	Account in CLM held by the ECB to mirror the asset/liability position of a <del>central bank</del> <b>CB</b> on the CB ECB accounts.
<b>Eligible monetary policy counterparty</b>	Credit institutions established in the euro area which are required to hold minimum reserves with a Eurosystem CB and have access to the Eurosystem monetary policy operations (open market operations and standing facilities).
<b>Entry disposition</b>	Broad set of liquidity management features achieving a flexible and need-based control of the payment order flows, thereby limiting possible liquidity risks.
<b>Eurosystem Collateral Management System</b>	<del>Harmonised collateral management activities with regards to a set of collateralised Eurosystem credit operations (monetary policy operations and intraday credit in T2). The ECMS is a Eurosystem infrastructure allowing all Eurosystem national central banks (NCBs), their counterparties and other relevant actors (e.g. CSDs, triparty agents), to operate on one single system with a single interface. ECMS is a single Eurosystem application for managing eligible assets as collateral in Eurosystem credit/liquidity absorbing operations.</del>
<b>Eurosystem Single Market Infrastructure Gateway</b>	Common entry point for all interactions with Eurosystem Market Infrastructure. Based on common technical specifications, ESMIG is <del>network service provider</del> <b>NSP</b> agnostic. It allows entities to connect through one or multiple <del>network service providers</del> <b>NSPs</b> for both A2A and U2A interfaces.
<b>Excess reserve</b>	Holdings exceeding the required minimum reserves.

Term	Definition
<b>Exchange</b>	<del>Instructions, queries, reports or notifications, which are communicated as files or messages.</del>
<b>FIFO</b>	<del>First in, first out principle.</del> A sequence in which payment orders are processed in the same order as they arrived.
<b>FIFO by-passing</b>	When the settlement algorithm attempts to settle the subsequent cash transfer order in the queue after a cash transfer order in the queue fails owing to lack of funds; also called Bypass FIFO.
<b>File</b>	<del>A communication hat</del> An exchange has a <del>business file header</del> Business File Header (head.002) with <del>zero</del> , one or many single technical wrappers (head.003) that each contain an individual message.
<b>File-based network channel</b>	Channel through which data is exchanged and which <del>Data Exchange Protocol</del> (DEP) data structure is defined with minimum size 0 and maximum size 32 MB. The channel can be used for exchange of messages and files.
<b>Final</b>	Irrevocable, unconditional, or not annulable.
<b>Final settlement</b>	Settlement which is irrevocable, unconditional, or not annulable.
<b>Floor</b>	The lower threshold of a cash account balance, the breach of which triggers a specific action.
<b>Graphical User Interface</b>	Interface that allows a user to interact with a software application through the use of graphical elements (e.g. windows, menus, buttons and icons) on a computer screen.
<b>Gridlock</b>	A situation that can arise in a funds or securities transfer system in which the <del>outstanding settlement failure</del> of some transfer orders (because the <del>available liquidity on an account is currently insufficient</del> necessary funds are unavailable) prevents the settlement of <del>a substantial number of</del> further orders for other account holders.
<b>Gross settlement system</b>	A transfer system in which transfer orders are settled one by one.
<b>Guarantee fund mechanism</b>	The function to provide the required additional funds for the settlement of AS transfer orders according to contractually defined rules when the AS transfer orders of an ancillary system fail to settle with the liquidity that the settlement banks provided.
<b>Guarantee funds account</b>	The cash account that holds the additional funds for the settlement of AS transfer orders when an ancillary system uses the guarantee fund mechanism.
<b>Guarantor</b>	The legal entity that owns of the guarantee fund account.

Term	Definition
<b>Immediate liquidity transfer order</b>	A liquidity transfer order that is immediately submitted for settlement.
<b>Incident</b>	An event which is not part of the standard operation of a service and which causes, or may cause, an interruption or a reduction of the quality of that service.
<b>Indirect Participant</b>	A credit institution, which has entered into an agreement with an RTGS Account Holder to submit payment orders and receive payments indirectly via an RTGS DCA of the respective RTGS Account Holder.
<b>Information period</b>	An optional connected mechanism which can be used in the AS settlement of procedures A, B and E that if used by an ancillary system informs the settlement banks of the settlement time and the required liquidity and provides the settlement bank with the possibility to disagree.
<b>Instructions</b>	Orders for a service/component e.g. payment orders, liquidity transfer orders, <del>tasks</del> reference data maintenance.
<b>Inter-service liquidity transfer</b>	A transfer of funds between cash accounts of different settlement services <del>or components</del> .
<b>Intra-service liquidity transfer</b>	A transfer of funds between cash accounts within a settlement service <del>/component</del> .
<b><u>Intraday credit</u></b>	<u>In case the balance of an MCA turns negative at least once within a business day, an intraday credit is respectively granted. This intraday credit is limited to the amount of credit line on the respective MCA. Till the end of each business day, intraday credit use has to be fully reimbursed.</u>
<b>Intraday liquidity</b>	Funds which can be accessed during the business day, usually to enable financial institutions to make payments <del>on an intraday basis / settlements</del> .
<b>ISO 20022</b>	International standard for financial services messaging, maintained by the International Organization for Standardization (ISO).
<b>Legal entity identifier</b>	Legal entity identifier is a 20-digit, alpha-numeric code based on the ISO 17442 standard that enables clear and unique identification of legal entities participating in financial transactions.
<b><del>Limit</del></b>	<del>The maximum daily outflow of liquidity for payments with normal priority defined by an RTGS Account Holder for one of its RTGS DCAs towards another RTGS DCA (bilateral limit) or towards all other RTGS DCAs (multilateral limit).</del>
<b>Liquidity transfer</b>	A settled liquidity transfer order
<b>Liquidity Transfer Group</b>	An optional grouping of cash accounts for the purpose of allowing intra-service liquidity transfers between the cash accounts which are included in this grouping.

Term	Definition
<b>Liquidity transfer order</b>	<del>An instruction to transfer a specific amount of funds between two accounts within CLM or within RTGS (intra-service). Intra-service liquidity transfer orders may take place intra-service between accounts belonging to different payment banks, but to the same Liquidity Transfer Group. There is no limitation on account holders involved for inter-service liquidity transfers (between the different settlement services).</del> <u>An instruction to transfer a specified amount of funds from one cash account to another cash account.</u>
<b>Local reference data</b>	The specific reference data that a TARGET Service or component uses for processing.
<b>Main cash account</b>	A cash account in CLM for provision of credit line, settling <del>central bank operations</del> CBOs and liquidity management.
<b>Maintenance period</b>	The period over which compliance with minimum reserve requirements is calculated and for which such minimum reserves must be held on reserve accounts.
<b>Mandated payment</b>	A payment order initiated by a CB on behalf of an RTGS Account Holder.
<b>Marginal lending account</b>	A cash account that the relevant CB holds and is opened in the name of the monetary policy counterparty. There is one marginal lending account for each monetary policy counterparty that holds an MCA.
<b>Marginal lending facility</b>	The standing facility of the Eurosystem that includes marginal lending on request and automatic marginal lending which counterparties may use to receive overnight credit from a <del>central bank</del> CB against eligible collateral, which are remunerated at a marginal facility interest rate defined by the Governing Council of the ECB.
<b>Marginal lending on request</b>	The initiation of the marginal lending facility by a monetary policy counterparty that has a main cash account.
<b>Message subscription</b>	A function that allows an actor to subscribe to <del>receipt of different type of certain messages</del> , based on a set of predefined parameters, <del>to optional messages</del> that the TARGET Service <u>or component</u> sends.
<b>Message-based network channel</b>	Channel through which data is exchanged and which DEP data structure is defined with minimum size 0 and maximum size 32 KB. The channel can be used for exchange of messages and files.
<b>Message</b>	A communication consisting of a <del>business application header</del> BAH and a business payload.
<b>Monetary financial institution</b>	Financial institutions which together form the money-issuing sector of the euro area. These include the Eurosystem, resident credit institutions (as defined in EU law) and all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own

Term	Definition
	account (at least in economic terms), to grant credit and/or invest in securities. The latter group consists predominantly of money market funds.
<b>Multi-addressee</b>	An RTGS Actor which can submit/receive cash transfers directly to/from the system. These cash transfers are settled on the RTGS DCA of an RTGS Account Holder that has authorised the respective RTGS Actor to channel cash transfers through its RTGS DCA without its involvement.
<b><u>Multilateral limit</u></b>	<u>The maximum daily outflow of liquidity for payments with normal priority defined by an RTGS Account Holder for one of its RTGS DCAs towards all other RTGS DCAs (multilateral limit).</u>
<b>Network service type</b>	Modus for connection, four possible options: <ul style="list-style-type: none"> <li>store-n-forward message-based;</li> <li>store-n-forward file-based;</li> <li>real-time message-based;</li> <li>real-time file-based.</li> </ul>
<b>Network Service Provider</b>	Business entity, licensed – in this case - by the Eurosystem, which provides the technical infrastructure, including hardware and software, to establish a secure and encrypted network connection permitting the exchange of information between actors.
<b>Non-repudiation of origin</b>	In the context of technical communication, a method used to protect the recipient of a message from a denial by the originator of having originated the message.
<b>Notification</b>	<del>Message that informs</del> Information provided by TARGET Services in A2A or U2A on a change in the business status of a cash transfer order, <u>account floor or ceiling</u> or other business -related actions.
<b>Offsetting</b>	A mechanism that considers cash transfer orders in the queues of RTGS dedicated cash accounts and tries to settle them simultaneously on a gross basis within one legal and logical second.
<b>Opening day</b>	A day on which settlement takes place according to the daily processing schedule in a TARGET Service.
<b>Operator</b>	Legal and/or organisational entity/entities that operates/operate the TARGET Services.
<b>Overnight credit</b>	See “marginal lending facility”.
<b>Overnight deposit</b>	See “deposit facility”.

Term	Definition
<b>Overnight deposit account</b>	A cash account owned by a <del>central bank</del> CB, but opened in the name of the monetary policy counterparty. There is one overnight deposit account for each monetary policy counterparty that has an MCA.
<b><u>Parent BIC</u></b>	<u>BIC11 of the system entity which is responsible for all parties (party BICs) related to this parent BIC. Any combination of parent BIC and party BIC must be unique.</u>
<b>Partial settlement</b>	The <del>case when less than the full amount instructed in the</del> settlement of only part of a liquidity transfer order <del>settles or settlement instruction full amount, when full settlement is not possible owing to lack of cash or securities, respectively.</del>
<b>Party</b>	Any legal entity or organisation interacting with one or more TARGET Service(s) that CRDM maintains in party reference data.
<b><u>Party BIC</u></b>	<u>A single BIC11 identifying a unique party that CRDM maintains in party reference data.</u>
<b>Party type</b>	The party type defines the <del>party's level</del> role of a party within the <del>hierarchy in CRDM reference data</del> TARGET Service or component.
<b>Payment</b>	A settled payment order.
<b>Payment message</b>	A communication that contains a credit transfer order or a direct debit order.
<b>Payment order</b>	<del>The payer's order to transfer a monetary claim to a party acceptable to the payee. In the TARGET Services, claims take the form of deposit balances held at a financial institution or at a central bank. In CLM and RTGS, payment orders encompass</del> <u>Encompasses</u> both a credit transfer order and a direct debit order.
<b>Pending amount</b>	Remaining amount of an order (e.g. reservation) which cannot be executed due to lack of liquidity.
<b>Priority</b>	An attribute of a cash transfer order that specifies the urgency <del>of a cash transfer order for</del> for its settlement.
<b>Privilege</b>	A right, either granted or denied, to execute certain functions within an application or to access and/or update certain data.
<b>Problem</b>	An abnormal state or condition at the component, equipment, or sub-system level, which may lead to a failure that produces incorrect or unexpected results, showing a discrepancy between the relevant specifications and the actual results.
<b>Pull mode</b>	Communication model using the request/response (and query/response) message exchange pattern. <del>A service consumer</del> An actor requests specific information from a service provider and then waits to receive the response.
<b>Push mode</b>	A communication model in which a TARGET Service sends messages to a <del>dedicated</del> an actor on a mandatory basis or based on a subscription.

Term	Definition
<b>Query</b>	A real-time function to retrieve information from a data source using selection criteria to fulfil ad hoc information demands.
<b>Real-time</b>	At the same time as event actually happens.
<b>Real-Time Gross Settlement</b>	Continuous (real-time) settlement of funds or securities transfers individually on an order-by-order basis with intraday finality.
<b>Real-Time Gross Settlement System</b>	Settlement system in which processing and settlement take place on a transaction-by-transaction basis in real-time.
<b>Real-time network channel</b>	A mode of telecommunications in which all users can exchange information instantly or with negligible latency that requires both parties to be available and reachable when a communication is sent.
<b>Recall</b>	Action to request the receiver of a payment to return the already settled amount.
<b>Receiver</b>	<del>Entity which is the recipient of a message.</del>
<b>Rejection</b>	Action by the system to stop processing a cash transfer order before it is settled, due to the non-fulfilment of technical and/or business conditions.
<b>Report</b>	A publishing of information in a defined standard format to specific recipients.
<b>Report configuration</b>	The specification for a TARGET Service that defines which recipient(s) require which report.
<b>Reservation</b>	<del>Possibility to dedicate/reserve liquidity for cash transfer with a certain priority. Liquidity can be reserved for central bank operations (CLM only), high priority cash transfer orders and urgent priority cash transfer orders (RTGS only). Liquidity which is reserved for a particular purpose is not used for other cash transfers. A function to prevent the transfer of a specified amount of funds in a specific account to any other account except for the purpose for which the funds were allocated.</del>
<b>Revocation</b>	An action to stop the execution of an order once it passed the technical and business validations conducted by the system and is released for further processing and irrespective whether unsuccessful execution attempts have taken place previously.
<b>Role</b>	A set of privileges that can be granted to the user of a software application.
<b>RTGS</b>	(1) <del>real-time gross settlement system</del> Real-Time Gross Settlement System, (2) a component of the T2 Service for the processing of high-value payments and <del>ancillary system</del> AS settlement
<b>RTGS dedicated cash account</b>	A cash account that a legal entity holds in RTGS to settle cash transfer orders.

Term	Definition
<b>RTGS Directory</b>	The RTGS Directory provides information on all RTGS Participants that are reachable for payments in RTGS.
<b>RTGS sub-account</b>	A specific cash account, that is linked to an RTGS DCA, <del>that uses and used by</del> AS settlement procedure C.
<b>Rule-based liquidity transfer order</b>	An order to transfer liquidity initiated by a component due to a: <ul style="list-style-type: none"> <li>floor and/or ceiling rule;</li> <li>pending urgent payment order, AS transfer order or high <u>priority</u> payment order rule (RTGS only).</li> </ul>
<b>Running average</b>	Average EoD balance during the current minimum reserve maintenance period calculated at the end of the previous business day.
<b><u>Technical Receiver</u></b>	<u>Actor who is authorised to receive messages and/or files from CLM and/or RTGS. The receiver is identified by a distinguished name which is not part of the BAH or the Business File Header.</u>
<b><u>Technical Sender</u></b>	<u>Actor who is authorised to send messages and/or files to CLM and/or RTGS. The sender is identified by a distinguished name which is not part of the BAH or the Business File Header.</u>
<b>Service party type</b>	<del>A party is also identified by a service, party type (an attribute</del> Attribute of the party <del>service link), which defines the business functions which services or components</del> a party may use. <del>In RTGS, each</del> Each party requires at least one party service party type.
<b>Settlement period</b>	Settlement period is an optional feature for AS settlement procedure A, B and E. If used by the <del>AS</del> ancillary system it indicates the pre-defined period of time for settlement. If settlement is not completed by the end of settlement period the transactions will be rejected.
<b><u>Settlement service</u></b>	<u>Services and components where an account can be opened for settlement: RTGS, CLM, TIPS and T2S.</u>
<b>Standing order liquidity transfer order</b>	Recurring <del>order to</del> transfer of a defined amount of liquidity <del>initiated by CLM/RTGS</del> every business day at certain configured business day events. <del>if</del> In case of intra-service standing order liquidity transfer orders <u>in CLM/RTGS either</u> the restriction of a Liquidity Transfer Group applies <del>or a CB Account is involved.</del>
<b>Standing order for limits</b>	An instruction to create a bilateral limit or a multilateral limit of a given amount at the start of each business day.
<b>Standing order for reservation</b>	An instruction to create a reservation (see reservation at the start of every business day).



Term	Definition
<b>Store-and-forward network channel</b>	Network channel that does not require both parties to be available and reachable when a message is sent. In case a message cannot be delivered, a retry mechanism is foreseen.
<b>Submitting actor</b>	A legal entity that sends a communication to a TARGET Service.
<b>System entity</b>	The operator of a TARGET Service, a <del>central bank</del> CB or a central securities depository for which a segregation of processing capabilities and data in a TARGET Service is required.
<b>System user</b>	An individual <del>person</del> or a technical <del>user-interacting</del> process/application that can log in to a TARGET Service with a login name and password. For example, a user may be an individual who has interactive access to a TARGET Service online functions or an application programme that requests services from a TARGET Service
<b>T2 Service</b>	<del>Consists</del> A TARGET Service that is composed of the components Central Liquidity Management (CLM) and Real-time Gross Settlement (RTGS).
<b>TARGET</b>	<del>Trans-European Automated Real-time Gross settlement Express Transfer: the Eurosystem's real-time gross settlement system for the euro. The first-generation TARGET system was replaced by TARGET2.</del>
<b>Target amount</b>	Amount to which the balance (available liquidity) of an MCA or RTGS DCA is reduced -in case of ceiling breach- or increased -in case of floor breach.
<b>TARGET Instant Payment Settlement</b>	A real-time settlement service for retail payments settled in central bank money TARGET Instant Payment Settlement is a service of the TARGET Services.
<b>TARGET Services</b>	Services that the Eurosystem developed and operates to ensure the free flow of cash, securities and collateral across Europe that include T2, TARGET2-Securities (T2S) and TARGET Instant Payment Settlement (TIPS).
<b><u>TARGET2-Securities</u>TARGET</b>	<del>The Trans-European Automated Real-time Gross settlement Express Transfer system.</del> Set of hardware, software and other technical infrastructure components through which the Eurosystem provides the services for central securities depositories and CBs that allow core, neutral and borderless settlement of securities transactions on a delivery versus payment basis in central bank money.
<b><u>TARGET2-Securities</u>TIPS account</b>	<del>Set of hardware, software and other technical infrastructure components through which the Eurosystem provides the services for central securities depositories and central banks that allow core, neutral and borderless settlement of securities transactions on a delivery versus payment basis in central bank money.</del> Cash account in TIPS reserved for the settlement of instant payments and liquidity transfers.

Term	Definition
<b>User requirement</b>	A condition or capability needed by a stakeholder to solve a problem or achieve an objective.
<b>User Requirements Document</b>	A catalogue of user requirements (see user requirement).
<b>User-to-application</b>	A connectivity mode for the exchange of information between a user and a software application through a Graphical User Interface.
<b>V-shape</b>	A message flow in which the message processing sends the full payment message that it receives from the submitting actor in RTGS to the receiving actor only after settlement in RTGS.
<b>Warehoused payment order</b>	A payment order submitted up to ten calendar days in advance of the date on which the payment order is to be executed.

## 2 List of abbreviations

Abbreviation	Meaning
<b>4CB</b>	The Deutsche Bundesbank (BBk), the Banco de España (BdE), the Banque de France (BdF) and the Banca d'Italia (BdI), collectively
<b>A2A</b>	Application-to-application
<b>API</b>	Application Programming Interface
<b>AS</b>	Ancillary system
<b>BAH</b>	Business Application Header
<b>BD<sup>1</sup></b>	Business day
<b>BDM</b>	Business Day Management
<b>BFH</b>	Business File Header
<b>BIC</b>	Business Identifier Code
<b>CA</b>	Certification Authority
<b>CB</b>	Central bank
<b>CB aAccount</b>	Central bank account
<b>CBO</b>	Central bank operation
<b>CCP</b>	Central counterparty
<b>CET</b>	Central European Time
<b>CEST</b>	Central European Summer Time
<b>CGU</b>	Closed Group of Users
<b>CLM</b>	Central Liquidity Management
<b>CLS</b>	Continuous Linked Settlement
<b>CMB</b>	Credit memorandum balance
<b>CMS</b>	Collateral management system
<b>CRDM</b>	Common Reference Data Management

<sup>1</sup> Only used in figures

Abbrevia tion	Meaning
<b>DCA</b>	Dedicated cash account
<b>DEP</b>	Data Exchange Protocol
<b>DMT</b>	Data Migration Tool
<b>DN</b>	Distinguished name
<b>DWH</b>	Data Warehouse
<b>EBA</b>	Euro Banking Association
<b>ECB</b>	European Central Bank
<b>ECMS</b>	Eurosystem Collateral Management System
<b>ECONS</b>	Enhanced Contingency Solution
<b>EEA</b>	European Economic Area
<b>EoD</b>	End-of-day
<b>ESMIG</b>	Eurosystem Single Market Infrastructure Gateway
<b>FH</b>	File Header
<b>FIFO</b>	First in first out
<b>FILERT</b>	File real-time
<b>FILESNF</b>	File store-and-forward
<b>GUI</b>	Graphical User Interface
<b>HVP</b>	High Value Payment
<b>IAM</b>	Identity and Access Management
<b>IDC</b>	<a href="#">Intraday credit</a>
<b>ISO</b>	International Organization for Standardization
<b>ITIL</b>	Information Technology Infrastructure Library
<b>LEA</b>	Legal Archiving
<b>LEI</b>	Legal entity identifier
<b>LRDM</b>	Local Reference Data Management

Abbreviation	Meaning
LT <sup>2</sup>	Liquidity transfer
LTO <sup>3</sup>	Liquidity transfer order
<u>LTSI</u>	<u>Long Term Statistical Information</u>
MCA	Main cash account
MFI	Monetary financial institution
MEPT	Message <del>Exchange Processing</del> exchange processing for TIPS
MOP	Manual of <del>Operational Procedures</del> operational procedures
MSGRT	Message real-time
MSGSNF	Message store-and-forward
NCB	National <del>Central Bank</del> central bank
NRO	Non <del>Repudiation of</del> Origin
NSP	Network Service Provider
NTS	Night-time settlement
<u>PKI</u>	<u>Public key infrastructure</u>
<u>PTA</u>	<u>Party technical address</u>
PvP	Payment versus payment
RBAC	Role-based <del>Access Control</del> access control
RTGS	Real-Time Gross Settlement
RTS	Real-time settlement
SoD	Start-of-day
SSS	Securities Settlement System
STP	Straight-through processing
T2S	TARGET2-Securities
TA	Transit Account
TARGET	Trans-European Automated Real-Time Gross Settlement Express Transfer

2 Only used in figures

3 Only used in figures

Abbrevia tion	Meaning
<b>TIPS</b>	Target Instant Payment Settlement
<b>TMS</b>	Trouble Management System
<b>U2A</b>	User-to-application
<b>UDFS</b>	User Detailed Functional Specifications
<b>UHB</b>	User Handbook
<b>UML</b>	Unified Modelling Language
<b>URD</b>	User Requirements Document
<b>URI</b>	Universal Resource Identifier
<b>XML</b>	Extensible Mark-up Language