



# Vision 2020, including T2/T2-S Consolidation

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EUROSYSTEEM



# Agenda

## Vision 2020



- Eurosystem ECMS Project
- Eurosystem T2/T2S-consolidation project
- Eurosystem TIPS Project

# Eurosystem Collateral Management System (ECMS)

- ✓ Shared system for the mobilisation and management of collateral used in Eurosystem credit operations
  - ✓ reducing market fragmentation
  - ✓ allowing easy and efficient mobilisation of collateral to the Eurosystem both domestically and across borders
  - ✓ contributing to the European Capital Markets Union



Back-office tool for monetary policy **counterparty operations**



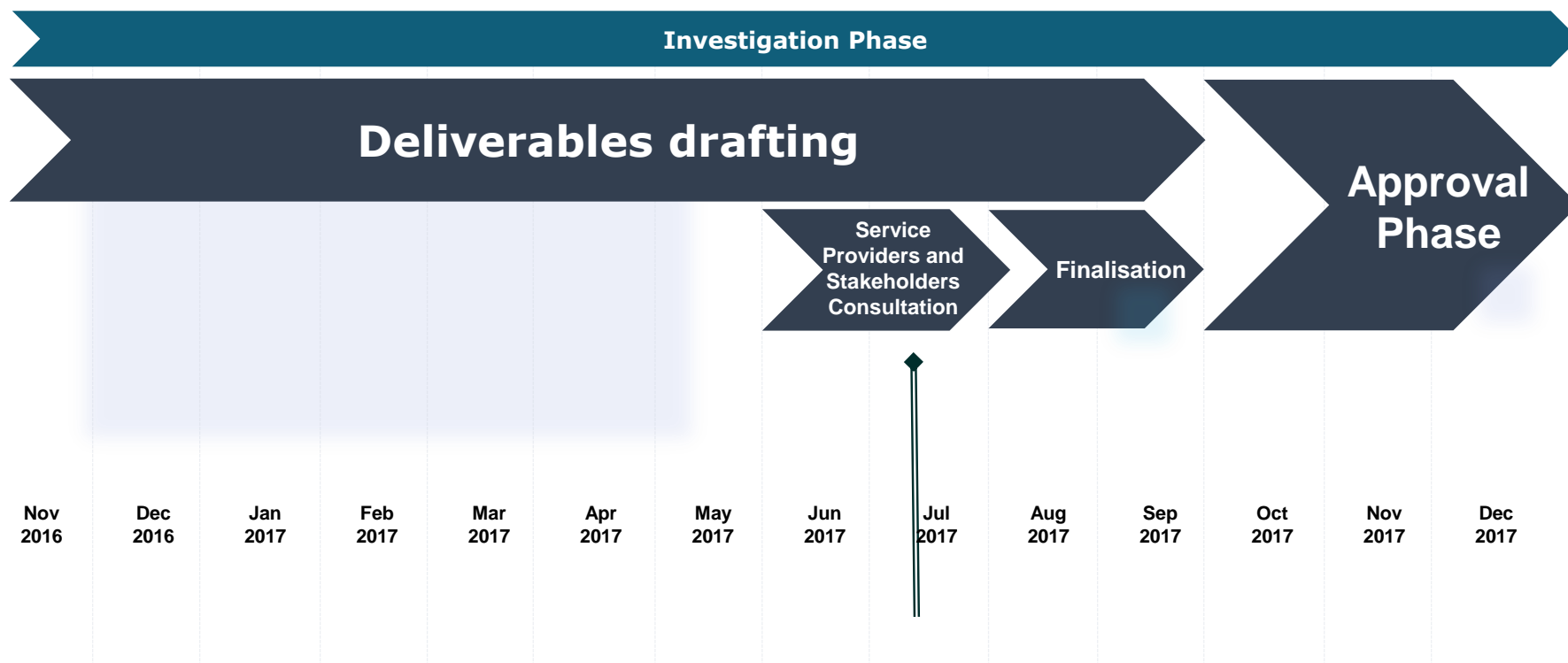
Common service for central banks to **manage** eligible **collateral**



Central platform to implement **monetary policy**

# Eurosystem Collateral Management System (ECMS)

## Time plan

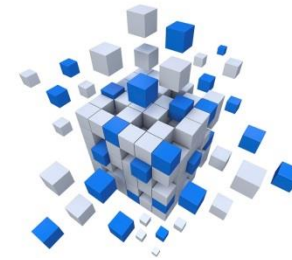


# Consolidation of TARGET2 and T2S



## Technical consolidation

- Improve **efficiency**
- Cut down **operational costs**
- Increase **cyber resilience**
- Align **messaging standards** (ISO20022)
- Integrate **newest technology**
- **Multiple Network Service Providers**

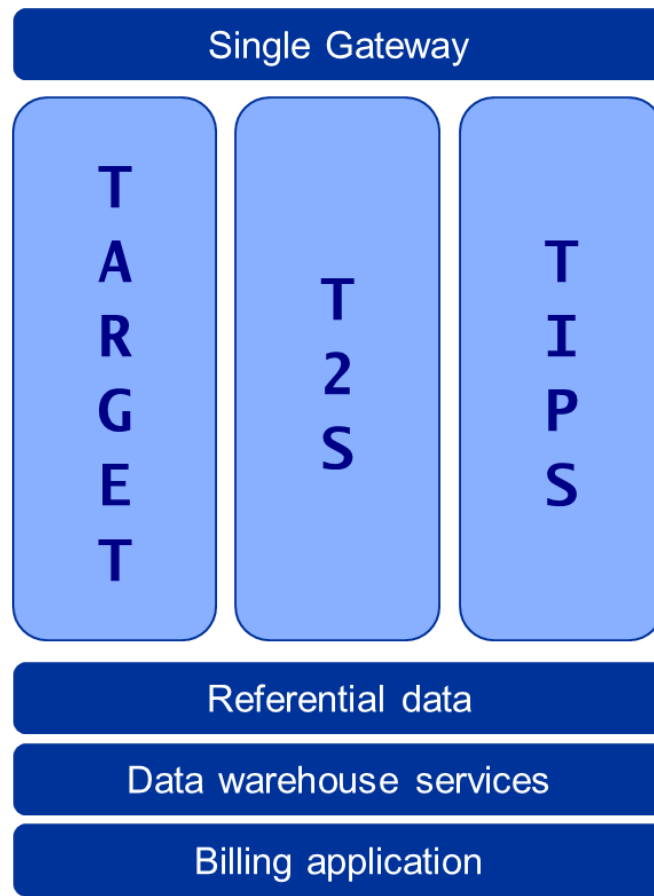


## Enhanced RTGS services

- **Multi-currency** services
- **Liquidity management** services
- **Data analysis** and **business intelligence** services
- Services related to supporting **regulatory compliance**

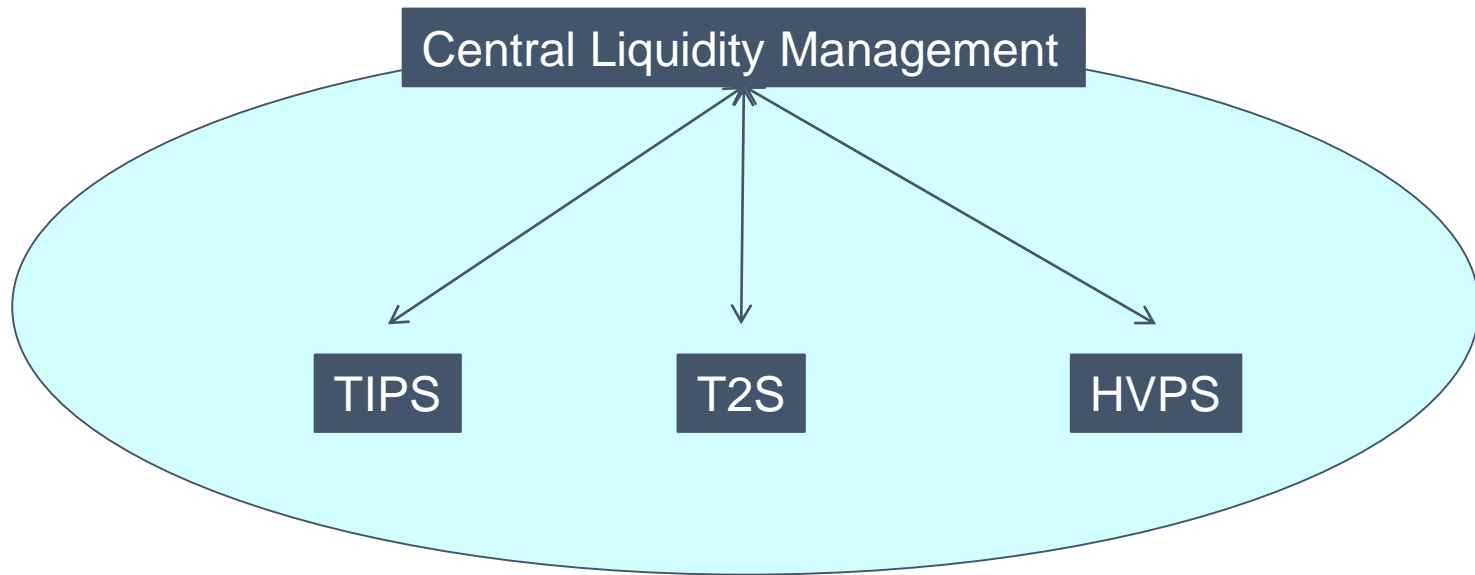
# Consolidation of TARGET2 and T2S

## *General approach*



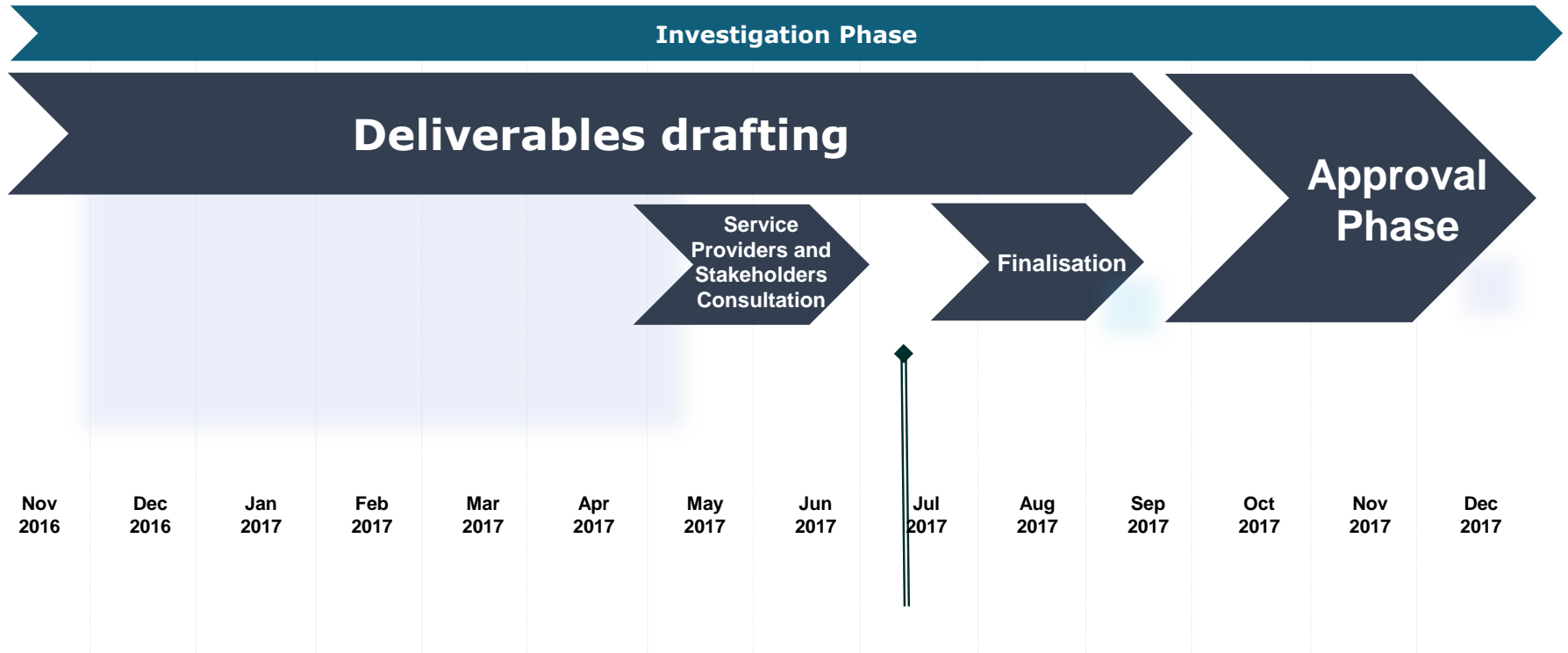
# Consolidation of TARGET2 and T2S

*Liquidity management*



# Consolidation of TARGET2 and T2S

## Time plan





# TARGET Instant Payment Settlement

**SCT Inst - scheme compliant settlement services for participants to allow the transfer of funds instantly from an originator to the beneficiary**

- ✓ Routing services to forward the SCT Inst instructions from originator participant to the beneficiary participant
- ✓ Instant settlement of the SCT Inst instructions accepted by the beneficiary participant
- ✓ Immediate transmission of status messages after settlement
- ✓ Liquidity transfers between RTGS systems and TIPS using camt.050 messages

# TARGET Instant Payment Settlement

## Why?

The Eurosystem decided in September 2016 to launch an investigation phase for TIPS

- TIPS consists in extending the availability of central bank money (CeBM) settlement up to 24/7/365, to facilitate the emergence of instant payments

The investigation phase did, among others:

- Elaborate the user requirements for TIPS
- Define the business case

Objectives of the Eurosystem:

- Euro area not to lag behind in speed of payments
- Promote efficiency and ensure market integration in the settlement of instant payments

# TARGET Instant Payment Settlement

PRESS RELEASE

## ECB to develop a service for the settlement of instant payments

22 June 2017

- TARGET instant payment settlement (TIPS) scheduled to start operating in November 2018
- TIPS will allow citizens and firms to make payments via their bank anywhere in the euro area within a matter of seconds and contribute to further enhance the euro area's integration

The Governing Council of the European Central Bank (ECB) has decided to develop a new service for the settlement of instant payments. The new service, TARGET instant payment settlement (TIPS), will enable citizens and firms to transfer money between each other in real time and will be available around the clock, 365 days a year.

The ECB is responsible for the smooth and effective functioning of payment systems in the euro area. It already developed TARGET2, the Eurosystem's Real Time Gross Settlement System, used to process large-value payments in euro in real time. TIPS, as part of TARGET2, will help facilitate instant money transfers, offered via banks, so that citizens and firms can make instant retail payments across Europe. By providing TIPS, the ECB will make sure that the demand for instant payments is met at European level and further facilitate the integration of the euro area. The service will be developed in close cooperation with the banking industry in Europe and will be offered to banks at the low price of a maximum of 0.20 eurocent (€0.0020) per payment for at least the first two years of operation.

TIPS is scheduled to start operating in November 2018.

# TARGET Instant Payment Settlement

## Principles: foundation of the service



Same **participation criteria** as TARGET2



Instant payments settlement in **Central Bank Money**



**24/7/365**  
operating hours



Operated on a **full cost-recovery** basis



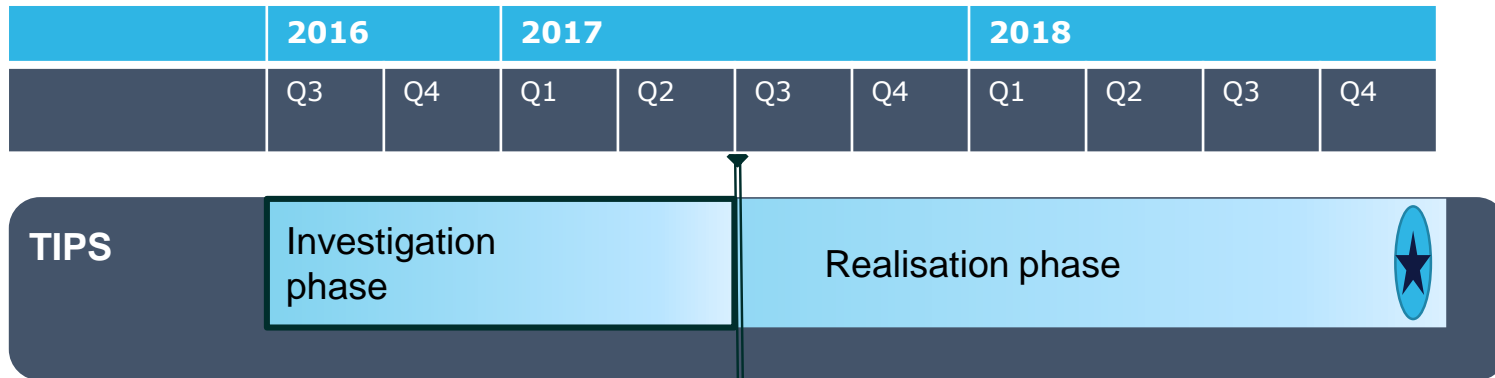
Supports participants to comply with **SCT Inst** scheme



**Multi-currency**  
technical capability

# TARGET Instant Payment Settlement

## Time plan



- **Early January '17**  
*Submission of a draft version User Requirements Document (URD) to the Market*
- **January - February '17**  
*7 weeks of Consultation with the Market on the draft URD*
- **June '17**  
Decision to develop the service based on the results of the Investigation phase
- **November '18**  
TIPS Go-live

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