

Information on Target2 – Target2 Securities Consolidation

Summary

In November 2021, the Eurosystem will technically consolidate Target2 (T2) and Target2 Securities (T2S) settlement and will replace its current T2 system with a new, real time gross settlement (RTGS) system. The objectives are to increase overall efficiency through the use of joint infrastructure, automate processes, improve resilience to cyber attacks and optimize IT security. Furthermore, messages complying with ISO20022 have to be used as standard. The launch is mandatory for all market participants in Europe.

Last year, ECC started an internal project to assess and identify the impact on its payment infrastructure and processes.

This circular aims to inform you about the changes identified. ECC will provide further updates e.g. on test phases, required setup and documentation during the implementation phase of the project*.

* The timeline is subject to adjustments according to ECB milestone planning.

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Overview of functional changes

Processing Times

ECC will re-design the cash payment process used for overnight debit payments in Euros in line with the opening hours of the new TARGET services. Consequently, ECC will bring forward the overnight debit cash instructions in EUR from 7:00am CET/CEST to 02:00am CET/CEST. Please note that this will have no impact on the the general fulfilment of payment obligations, which remain 08:00am CET/CEST.

Account Structure

The process for migrating participants to the new T2 RTGS system will be defined by the respective Central Bank at a later date, afterwhich ECC will renew the existing customer T2 account setups in its clearing system. Further information on the process shall be provided in the second half of 2020.

Currently, ECC does not foresee any changes to technical connectivity or reporting for participants.

In case of any questions related to this project, please contact our dedicated team at target2.consolidation@ecc.de.