

T2-T2S Consolidation Project: Preparation of testing activities - Part 2

Management Summary

Dear Participants,

ECC would like to inform Clearing Members and auctioneers about the next steps to prepare for the testing activities related to the T2-T2S consolidation project and the necessary cooperation obligations.

Based on the timeline and milestones set by the European Central Bank, ECC is planning a **member simulation campaign for Clearing Members and auctioneers**, which will start on **13 June 2022**.

In order to participate in the planned test activities and also to continue to participate in cash settlement activities with ECC after Target2 consolidation in November 2022, it is necessary that Clearing Members and auctioneers or their respective settlement banks that are Target2 participants are registered in **ECC's Settlement Bank Account Group**.

Further information on the member testing campaign and the process of the Settlement Bank Account Group registration is provided in this circular.

Contact

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Start of member simulation campaign

Based on the timeline and milestones defined by European Central Bank, ECC is planning a **member simulation campaign for Clearing Members and acutioneers** that will start on 13 June.

As part of this campaign, ECC will conduct penny tests with each Target2 member account held by Clearing Members, auctioneers or the respective EUR settlement banks of Clearing Members and auctioneers. These penny tests shall include at least one debit and one credit payment between ECC's Target2 account and the respective customer's Target2 account within the European Central Bank's test environment (the so-called UTEST system). Prior to the start of the penny tests, ECC will inform the contact persons indicated by the participants in the ECC T2-T2S Consolidation survey (see Clearing Circular 8/2022) about the planned test activities.

Furthermore, ECC recommends Clearing Members to conduct their own simulation scenarios. For this purpose, Clearing Members can find the "**T2-T2S Consolidation Member Simulation Guide**" on the ECC website, which contains information and advice on the test schedule, preparation tasks and simulation scenarios.

A prerequisite for participation in the tests for both Clearing Members and auctioneers is that the respective Target2 participant is registered in ECC's Settlement Bank Account Group (see below).

Settlement Bank Account Group information

The “**Settlement Bank Account Group**” is essential for ECC as an Ancillary System to ensure smooth cash settlement between ECC and its Clearing Members and auctioneers or their respective settlement banks after T2-T2S consolidation. The assignment to a particular Settlement Bank Account Group replaces the current direct debit mandate procedure.

It is required that all Clearing Members, auctioneers or settlement banks of auctioneers that are Target2 participants are registered in the Settlement Bank Account Group of ECC for the test and production environment.

The registration process depends on which National Central Bank holds the Target2 account(s) of the respective participant (see process [A] or process [B] below).

If you are an auctioneer or Clearing Member using a settlement bank for EUR cash settlement with ECC, please provide the information contained in this Clearing Circular to your respective bank to ensure that your bank completes the necessary steps to be included in the ECC Settlement Bank Account Group.

[A] Target2 participants with Target2 accounts at the Deutsche Bundesbank

Clearing Members, auctioneers or corresponding settlement banks holding a Target2 account with German National Central Bank (Deutsche Bundesbank) need to officially request to be included in the ECC Settlement Bank Account Group.

This needs to be done via the relevant **Registration Form for the TARGET services** (production environment) issued by Deutsche Bundesbank. In addition to the cash account structure and definition, i.e. the RTGS Dedicated Cash Accounts (DCAs), the TARGET Registration Form also contains information on the Settlement Bank Account Group. ECC customers making use of TARGET2 cash payments in EUR must complete the part of the Registration Form labelled “SB Group 1”. Under “SB Group Name”, enter the name of the ECC Settlement Bank Account Group:

ECC Settlement Bank Account Group name: **DESEEXCDE8LASI-ECC-AG**

Furthermore, the participant's account numbers of RTGS DCA(s) to join the Ancillary System Group must be filled in field "SB Cash Account Number".

Please submit the Registration Form for the production environment to Deutsche Bundesbank, both electronically and by mail. It is **not** necessary to submit the form to ECC. ECC will check all requests for inclusion in the ECC Settlement Bank Account Group in cooperation with Deutsche Bundesbank.

[B] Target2 participants with Target2 accounts NOT at the Deutsche Bundesbank

Clearing Members, auctioneers or corresponding settlement banks holding Target2 accounts with a National Central Bank other than the German National Central Bank must officially request to be included in the ECC Settlement Bank Account Group.

This has to be done via the relevant **Registration Form for the TARGET services** (production environment) issued by the European Central Bank and/or your National Central Bank. In addition to the cash account structure and definition, i.e. the RTGS Dedicated Cash Accounts (DCAs), the TARGET Registration Form also contains information on the Settlement Bank Account Group. ECC customers making use of TARGET2 cash payments in EUR must complete the part of the Registration Form labelled "SB Group 1". Under "SB Group Name", enter the name of the ECC Settlement Bank Account Group:

ECC Settlement Bank Account Group name: **DESEEXCDE8LASI-ECC-AG**

Furthermore, the participant's account numbers of RTGS DCA(s) to join the Ancillary System Group must be filled in field "SB Cash Account Number".

In addition, please print the PDF version and submit it to ECC as

- electronic copy to memberreadiness@ecc.de, and as
- physical copy to

European Commodity Clearing AG
Member Readiness
Augustusplatz 9
04109 Leipzig
Germany.

The deadline for the submission of the electronic and physical form to ECC is
01 July 2022.

As ECC needs to confirm the participant's allocation to its Settlement Bank Account Group, ECC will sign and return the physical copy of the form to the participant. Finally, please forward the physical copy to your National Central Bank.

If you have any questions regarding the Settlement Bank Account Group registration process, member simulation or any other questions regarding the T2-T2S consolidation project at ECC, please contact the dedicated ECC project team at target2.consolidation@ecc.de.