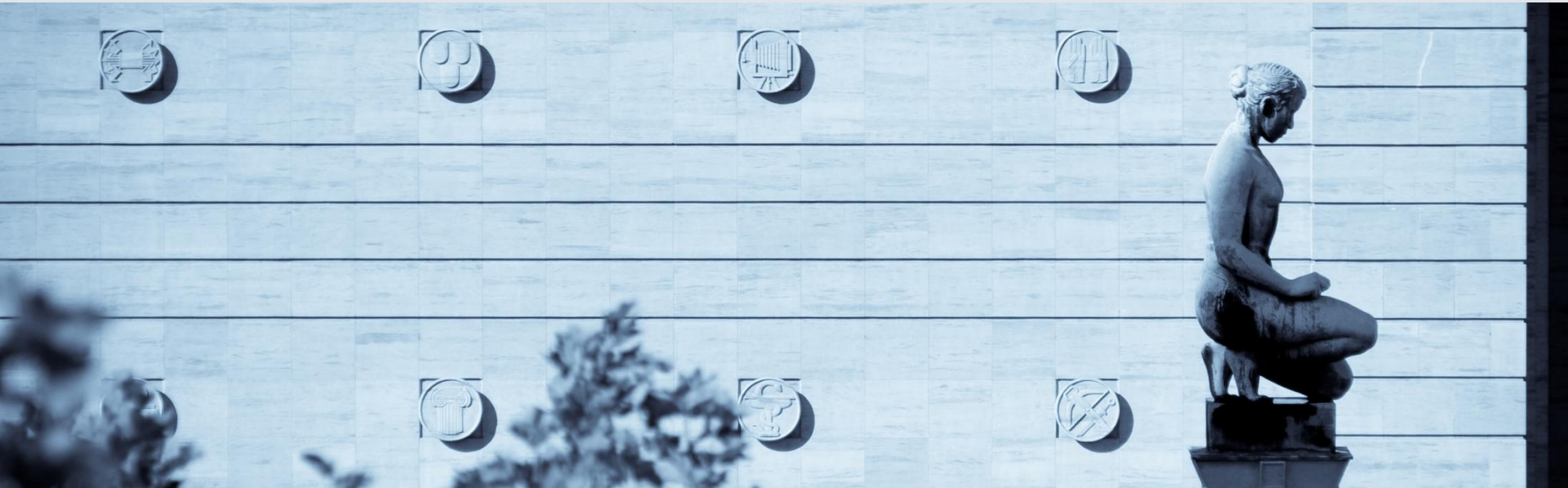


Access to DCA

07 May 2015

Patrick Heyvaert



Binding declaration DCA

- The institutions intending to become directly connected DCA holders/DCPs should inform the Eurosystem (in a binding manner) at the latest:
 - for A2A mode, 1 year before the start of the Community testing stage of the respective migration wave with which they first time migrate to T2S
 - for U2A mode, 3 months before the start of the Community testing stage of the respective migration wave with which they first time migrate to T2S

	A2A mode	U2A mode
Wave 1	3 March 2014	3 December 2014
Wave 2	19 September 2014	19 June 2015
Wave 3	16 February 2015	16 November 2015
Wave 4	09 October 2015	11 July 2016

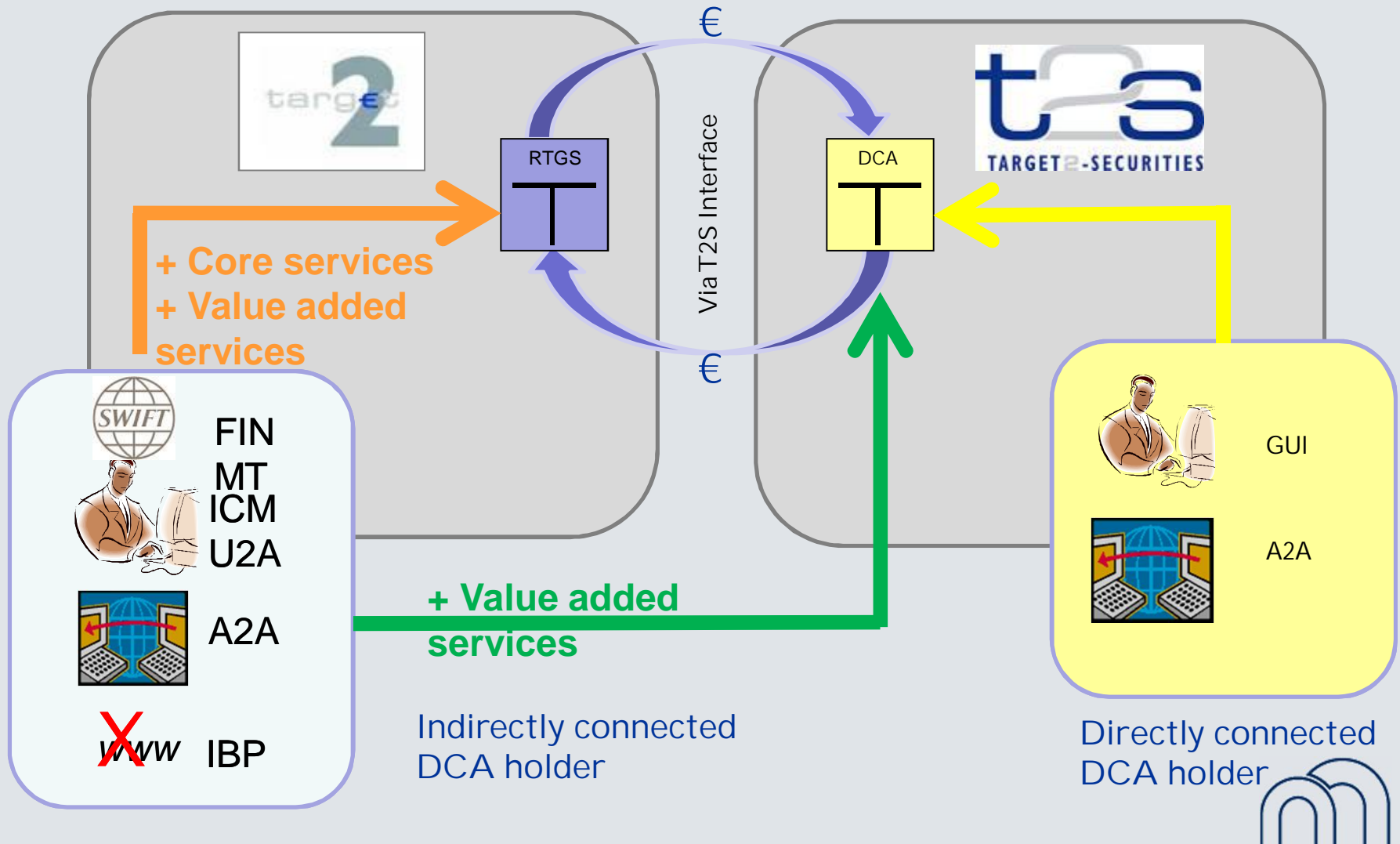


Binding declaration DCA

- ▶ Letter from NBB for U2A DCA wave2
 - triggered a lot of questions on who must subscribe binding declaration
 - difference between A2A, U2A and Value Added Services is unclear



TARGET2 participant's interaction with T2S

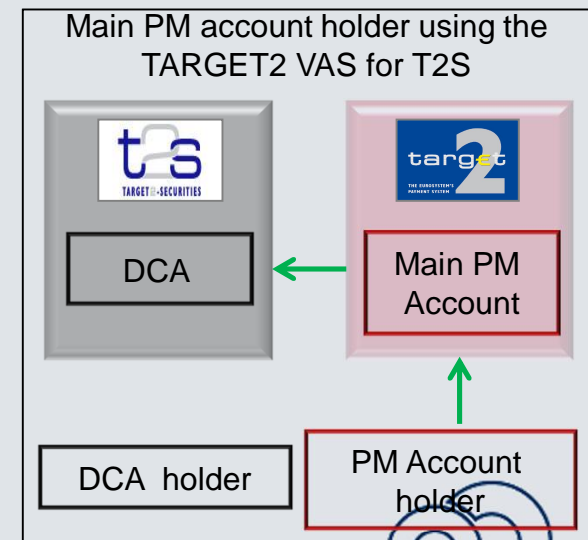
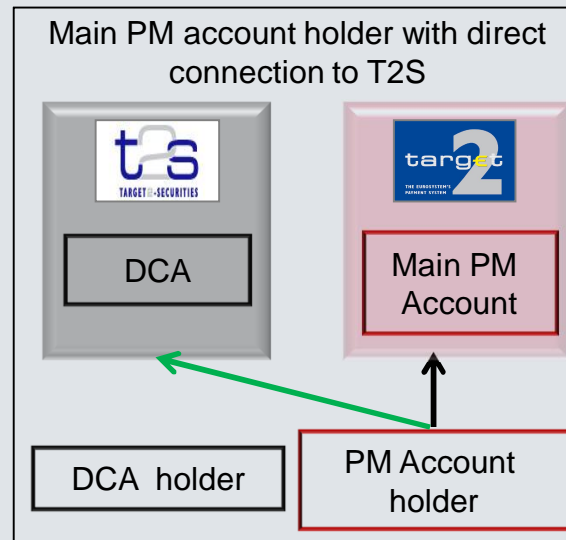
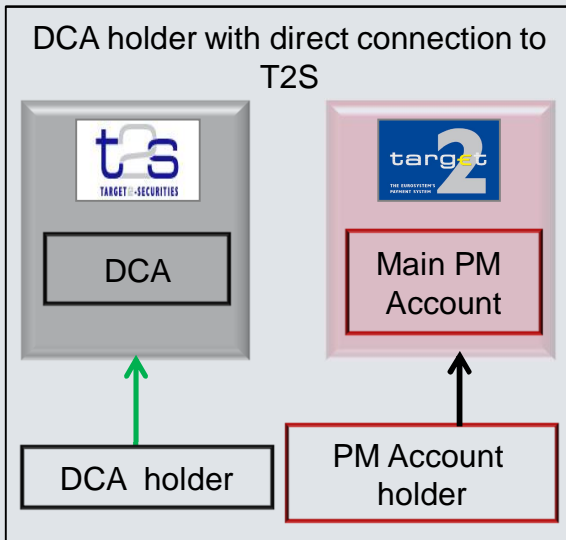


T2S aspects related to euro denominated DCAs

Technical connection to T2S

- DCA holder or the main PM account holder (acting on its behalf) shall access the DCA via:
 - (i) direct connection to the T2S platform, through a licensed value-added network service provider (VA-NSP); *or/and*
 - (ii) an indirect connection, through the TARGET2 value-added services (VAS) for T2S.

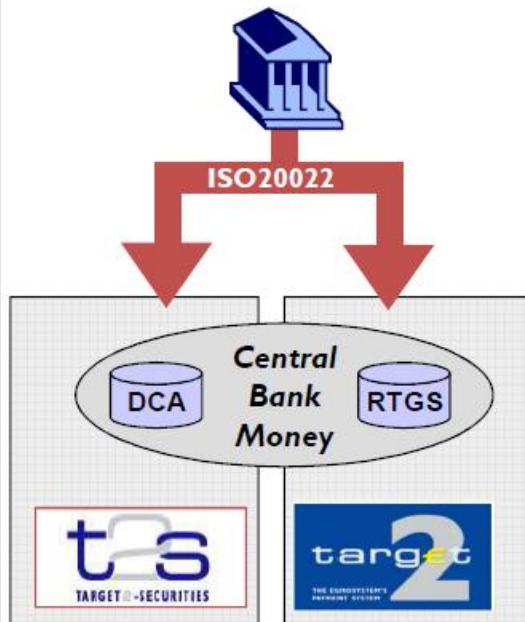
Examples:



TARGET2- Adaptations in view of T2S

TARGET2 – Adaptations in view of T2S

Standard offer

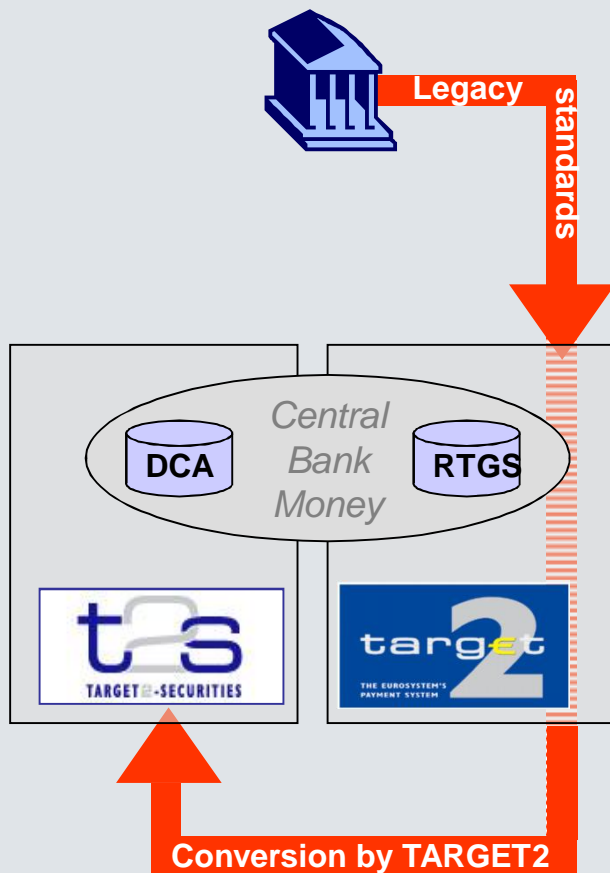


- **ISO20022 compliant interface for participants, allowing them to manage their liquidity on their RTGS accounts, i.e. liquidity transfers from T2 to T2S can be initiated via ISO20022 (XML)-messages (camt5).**
- **Access to DCAs related features via T2S but using the same ISO20022 standards as T2.**
- **Liquidity transfers from T2 to T2S can also be initiated via ICM**
- **Optional notification of debit/credit stemming from liquidity shifts in either ISO20022 or MT900/MT202 formats;**



TARGET2- Adaptations in view of T2S

Value Added Services in T2SInterface: optional service



VAS T2SInterface

- Possibility for participants to initiate pushed liquidity transfers (T2→T2S) and pulled liquidity transfers (T2S→T2) via MT202-messages;
- Possibility for participants to initiate pulled liquidity transfers (T2S→T2) via the ICM (U2A) or via LiquidityCreditTransfer messages (A2A);
- Translation services ISO15022 <=> ISO20022
- Provision of intraday balances on DCAs via ICM



T2S aspects related to euro denominated DCAs

T2S Interface (T2SI)

- T2S platform and the SSP are linked via the T2SI, which provides core and value added services.

Service	Via ICM	Via FIN message	Via XML message
Current liquidity transfer order from PM account to DCA ("push")	Core service	Value added service	Core service
Current liquidity transfer order from DCA to PM account ("pull")	Value added service	Value added service	Value added service
Standing liquidity transfer order from PM account to DCA ("push")	Core service	n.a.	Core service
Current order liquidity transfer from PM account to DCA ("push") by T2S Actor in TARGET2	n.a.	n.a.	Core service
Debit notification for liquidity transfers from PM account to DCA	Core service	Core service	Core service
Information on incoming liquidity transfer from T2S (credit notifications)	Core service	Core service	Core service
DCA intraday balance	Value added service	n.a.	Value added service



Liquidity monitoring VAS TARGET2

RTGS : Liquidity : Current Liquidity : **Display Current Liquidity RTGS Account** User: John Doe Last Update 10:30:18

RTGS Account ZYBLDEF0LD1 (EUR)		Aggregated View (EUR)	
Start balance	222,000,000.00	Liquidity RTGS account	320,000,000.00
▶ Liquidity transfers final	28,000,000.00	Liquidity RTGS sub account (s)	50,000,000.00
▶ Debits final	-27,300,000.00	Total RTGS Liquidity	370,000,000.00
▶ Credits final	77,300,000.00	Liquidity HAM Account	70,000,000.00
Current Balance	300,000,000.00	Total TARGET2 Liquidity	440,000,000.00
Credit line	20,000,000.00	- Display Liquidity T2S Dedicated Cash Account(s)	
Available Liquidity	320,000,000.00	▶ Liquidity T2S Dedicated Cash Account(s)	30,000,000.00
▶ Liquidity transfers pending	10,000,000.00	Overall Liquidity	470,000,000.00
▶ Debits pending	-40,000,000.00		
▶ Credits pending	22,000,000.00		
Changes of Credit Line pending	-2,000,000.00		
Projected Liquidity	310,000,000.00		
▶ Timed Payments			
▶ Debits	10,000,000.00		
▶ Credits	15,500,000.00		
Reservations			
Highly urgent	10,000,000.00		
Urgent	15,500,000.00		
Pending Reservations			
Highly urgent	1,000,000.00		
Urgent	0.00		

Buttons: Liquidity Transfer | Credit Line | Proprietary Home Account | Interbank Transfer other HAM accounts | Liquidity Transfer Dedicated Cash Account

- **Core Service:**

- Opening function Liquidity Transfer Dedicated Cash Account enabled via button.

- **Additional Value Added Service:**

- Participants will be provided with information about T2S DCA liquidity.
 - Fees for Display Liquidity T2S DCAs will only be charged if this part of screen is opened.
 - With help of marked arrow right screen links to function *DISPLAY CURRENT LIQUIDITY DCA T2S*.



Liquidity monitoring VAS TARGET2

RTGS
Home Account
Services
Static Data

Payments & Messages Liquidity
Limits & Reservations Ancillary Systems

RTGS : Liquidity : Current Liquidity : Dedicated Cash Accounts : **Display Current Liquidity On Linked Dedicated Cash Accounts**
User: John Doe Last Update 10:30:18

Overview Liquidity on linked Dedicated Cash Account(s) in T2S (EUR)
Current Liquidity on RTGS Account in TARGET2 (EUR) ▶ 20,763,125.12

Dedicated Cash Account	Current DCA Balance (EUR)	Defined Standing	Settled Standing	Pending RTGS Debits	Settled RTGS Debits	Settled RTGS Credits
		Orders to DCA (EUR)	Orders to DCA (EUR)	to DCA (EUR)	to DCA (EUR)	from DCA (EUR)
○ CZT2SDCAZYBMDEF0MD4000000000000001	13,515,000.00	- 2,000,000.00	- 1,600,000.00	▶ 0.00	▶ - 13,000,000.00	▶ 0.00
○ CZT2SDCAZYBMDEF0MD4000000000000002	1,211,188.09	- 1,000,000.00	- 800,000.00	▶ 0.00	▶ - 1,211,188.09	▶ 0.00
○ CZT2SDCAZYBMDEF0MD4000000000000003	17,000.00	- 2,000,000.00	- 1,600,000.00	▶ 0.00	▶ - 1,600,000.00	▶ 1,000,000.00
○ CZT2SDCAZYBMDEF0MD4000000000000004	0.00	- 1,000,000.00	- 800,000.00	▶ - 1,000,000.00	▶ - 800,000.00	▶ 0.00
● CZT2SDCAZYBMDEF0MD4000000000000005	0.00	- 1,000,000.00	- 800,000.00	▶ - 4,000,000.00	▶ - 800,000.00	▶ 0.00
Sum	14,743,188.09	- 10,000,000.00	- 5,600,000.00	▶ - 5,000,000.00	▶ - 17,411,188.09	▶ 0.00

Page 1 of 1
Entries 1 to 5 of 5

Liquidity Transfer T2S Dedicated Cash Account

2

target

▶ Log Out

▶ Home

Profile Selection

Work as BIC:

ZYBMDEF0MD4

Last Update: 10:02:07

▶ Broadcast

•Only Value Added Service:

- Function available for single participants and group of accounts (GoA) manager.
- Provisioning of information about
 - aggregated RTGS liquidity,
 - the liquidity on the DCA linked to the participant's RTGS account,
 - the ordered and executed amount of standing order transfers from RTGS to DCA,
 - pending RTGS transfers to DCA, i.e. RTGS debits to DCA and
 - settled RTGS transfers to DCA, i.e. RTGS credits from DCA and RTGS debits to DCA will be displayed.
- Opening function Liquidity Transfer T2S DCA.



Liquidity transfer DCA VAS TARGET2

RTGS Home Account Services Static Data

Payments & Messages Liquidity Limits & Reservations Ancillary Systems

RTGS : Liquidity : Liquidity Transfer T2S Dedicated Cash Account User: John Doe Last Update 10:30:18

RTGS Account	Transfer (EUR)	Dedicated Cash Account
BIC ZYBMDEF0MD6	➔ Amount (EUR) <input type="text"/> Payment Reference End to End ID (opt.) Liqui to DCA1	Account No. CZT2SDCAZYBMDEF0MD6000000000000001
- Display Information		- Display Information
Name Name_MD6 Account No. CZPCINZYBMDEF0MD600000000000003023 Available Liquidity (EUR) 5,111,418.68		BIC ZYBMDEF0MD6 Name Name_MD6 Available Liquidity (EUR) 2.000.000,00

Submit

Log Out
Home
Profile Selection
Work as BIC: ZYBMDEF0MD6
Last Update: 10:02:07
Broadcast

- Function is used for liquidity transfers between RTGS account and DCAs in T2S.
- Selection of linked DCAs or entering of other DCAs is enabled.
- **Core Service:**
 - Liquidity transfers from RTGS to Dedicated Cash Accounts.
 - BIC of RTGS account is default value and not editable.
- **Additional Value Added Service:**
 - Function only available for single participants and group of accounts (GoA) manager.
 - Additionally Liquidity transfers from RTGS to Dedicated Cash Accounts possible, i.e. the arrows direction can be turned from DCA to RTGS.
 - Fees for Display Liquidity T2S DCAs will only be charged if in section Dedicated Cash Account a linked DCA is selected and part Display Information is opened.



Standing order DCA VAS TARGET2

RTGS
Home Account
Services
Static Data
Monitoring

Liquidity

RTGS : Liquidity : Standing Order Liquidity Transfer : Dedicated Liquidity for T2S : **Standing Orders to Dedicated Cash Accounts** User: John Doe Last Update 09:11:23

Participant

Participant BIC ZYBMDEF0MS1

Participant Name FDE-CI-ZYBMDEF0MS1 MS1-Line-2 MS1-Line-3

Liquidity Injection to Dedicated Cash Accounts (EUR)

Dedicated Cash Account Owner BIC	Dedicated Cash Account Number	Standing Order Amount (EUR)		Information
		Defined	New	
<input type="text" value="ZYBMDEF0MD4"/>	<input type="text" value="CZT2SDCAZYBMDEF0MD4000000000000001"/>	1,000,000.00	<input type="text"/>	
ZYBMDEF0MS1	CZT2SDCAZYBMDEF0MS1000000000000001	2,000,000.00	<input type="text"/>	Link DCAs-RTGS has been deleted
ZYBMDEF0MS1	CZT2SDCAZYBMDEF0MS1000000000000002	1,000,000.00	<input type="text"/>	
ZYBMDEF0MS1	CZT2SDCAZYBMDEF0MS1000000000000003	0.00	<input type="text"/>	
New			<input type="text"/>	

target2

Log Out

Home

Profile Selection

Work as BIC:

Act on Behalf BIC:

as SWIFT-based Participant

as Internet-based Participant

as Group of Accounts Manager

as Co-Manager

as Ancillary System

as CCBM2

as Central Bank

as SSP Operator

- **Core Service:**

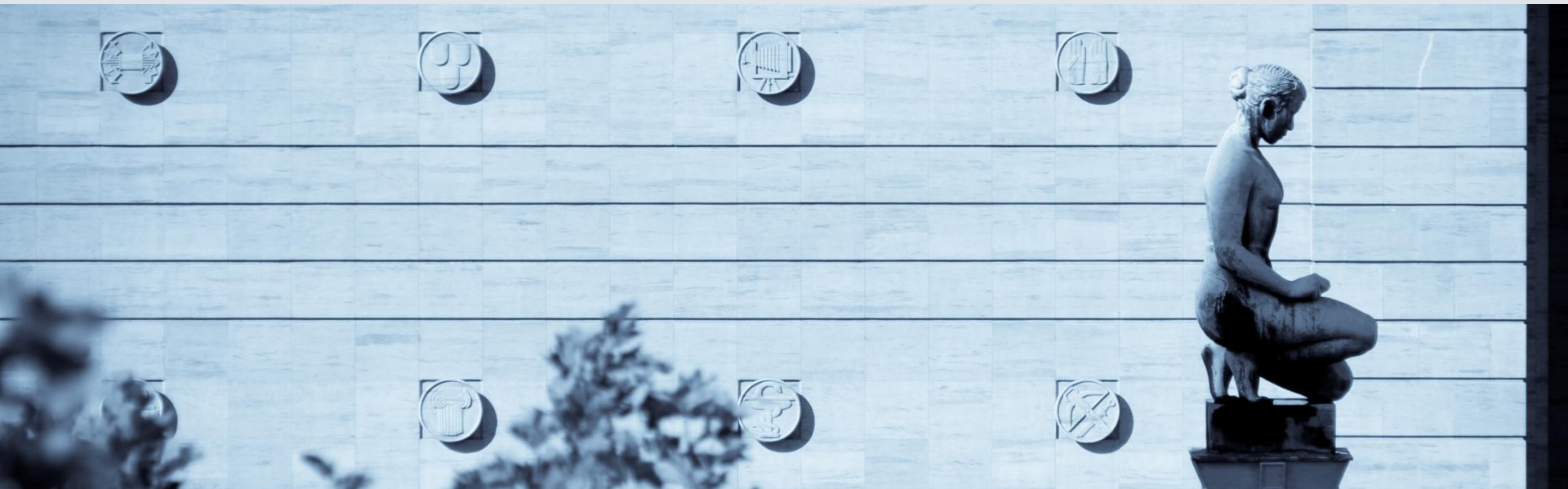
- Possibility to define and modify Standing Order Liquidity Transfers to Dedicated Cash Accounts
- Changes will be valid from the next TARGET2 business day on



Liquidity flows

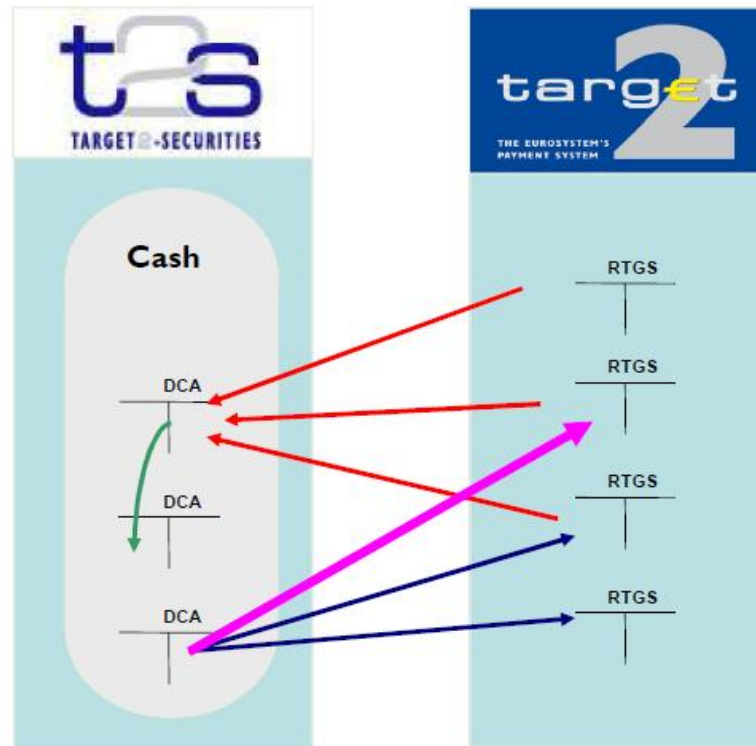
07 May 2015

Patrick Heyvaert



Liquidity flows

T2S Liquidity Management – Liquidity Transfers between T2 and T2S



- Liquidity transfers are possible from any TARGET2 account to any DCA (incl. standing orders)
- Liquidity transfers are possible from any DCA to any TARGET2 account.
- Internal liquidity transfer between DCAs are only possible between DCAs belonging to the same entity or linked to the same TARGET2 account. Rebalancing is possible between the DCAs under the same BIC I I
- Each DCA needs to be linked to one TARGET account. The liquidity sweeps transfer liquidity from the DCAs to the linked TARGET2 account.



Liquidity flows | From PM accounts to DCAs

	Standing Order (SO)	Current order initiated by a PM account holder	Current order initiated by a third party (T2S actor in TARGET2)
How to trigger?	Can be defined until 18:00 at the latest (effective from the forthcoming night-time settlement)	Via: - TARGET2 core services via ICM or via XML; - TARGET2 VAS, via FIN message	Via TARGET2 core services, via XML
When is it executed...			
...on the PM account?	At the beginning of the "Settlement of AS night-time processing" (19:30 ^a)	Between the start of the "Settlement of AS night-time processing" (19:30 ^a) and the cut-off for liquidity transfers to T2S (17:45).	
...on the DCA?	During cycle 1 - sequence 0 of the night-time settlement	Immediately ^(b) , if received during the T2S real-time settlement phase; during the night time settlement, if received during one sequence, are stored for settlement during the next sequence.	
What happens in case of lack of liquidity?	Pro-rata execution of all standing orders executed at this time (i.e., including the AS standing orders at the start-of-procedure for settlement procedure 6).	During the SSP day trade phrase: queued During the SSP night time settlement: rejected.	During the SSP day trade phrase: queued During the SSP night time settlement: partially settled (the remaining part will not be settled).

(^a) plus fifteen minutes in the last day of the reserve maintenance period; (^b) except during the maintenance window.



Liquidity flows | From DCAs to PM accounts

	Standing liquidity transfer order	Predefined liquidity transfer order	Immediate liquidity transfer
How to trigger?	<ul style="list-style-type: none"> - Upon definition in the static data, via GUI or XML (ISO20022); - It is executed on a repetitive basis until it is deleted; - Can be defined for a special amount or for all cash of the DCA. 	<ul style="list-style-type: none"> - Upon definition in the static data, via GUI or XML (ISO20022); - It happens once at a given event or time. - Can be defined for a specific amount or for all cash of the DCA. 	<ul style="list-style-type: none"> - Via T2S, via GUI or XML (ISO20022); - Via TARGET2 VAS, via ICM, FIN MT or XML.
When is it executed...			
...on the DCA?	At the time or event defined, every day until it is deleted.	At the time or event defined.	Immediately, from cycle 1 - sequence 1 of the night time settlement onwards ^(a) .
...on the PM account?	Immediately, upon reception, except during the SSP maintenance window.		
What happens in case of lack of liquidity?	Executed partially (there is no further settlement attempt for the remaining part)	Executed partially (there is no further settlement attempt for the remaining part)	If submitted by a third party authorised by the DCA Holder: partial settlement; Otherwise: rejected.

^(a) If received during a sequence, are stored for settlement during the next sequence.



Liquidity flows | **Between DCAs**

	Immediate liquidity transfer
How to trigger?	- Via T2S, via GUI or XML (ISO20022);
When is it executed...	
...on the PM account?	n.a.
...on the DCAs?	Immediately ^(a) , if received during the T2S real-time settlement phase; during the night time settlement, if received during one sequence, are stored for settlement during the next sequence.
What happens in case of lack of liquidity?	If submitted by a third party authorised by the DCA Holder: partial settlement Otherwise: rejected.

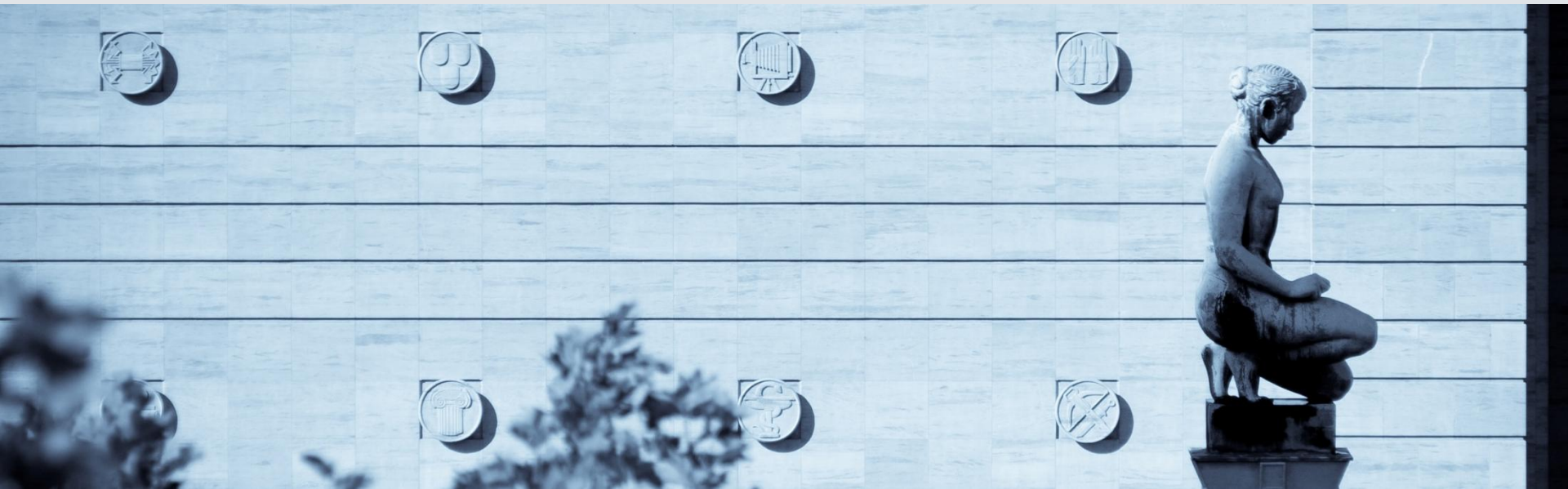
^(a) except during the maintenance window.



Billing

07 May 2015

Patrick Heyvaert



Invoicing Main PM account holders

Invoice for TARGET2 related services

TARGET2 Core Pricing Scheme for PM account holders

Option A			
Fixed fee			€ 150
Flat rate (per transaction)			€ 0.80
Option B			
Fixed fee			€ 1,875
Monthly Transactions			
Band	From	To	Price
1.	1	10,000	€ 0.60
2.	10,001	25,000	€ 0.50
3.	25,001	50,000	€ 0.40
4.	50,001	100,000	€ 0.20
5.	Above 100,000		€ 0.125

+ New fees:

- Monthly fee for the TARGET2 value-added services for T2S:
 - option A: € 50
 - option B: € 625
 - Link PM account - DCA: € 250
-
- Liquidity transfers from DCAs to PM accounts are charged to the credited PM account.



Invoicing Main PM account holders

Invoice for T2S related services

Tariff items	Price	Explanation	Allocated to
Settlement services			
Liquidity transfer orders between DCAs	9 eurocent	per transfer	Debit DCA
Intra-balance movements	6 eurocent	per transaction	DCA
Information services			
A2A reports	0,4 eurocent	Per business item in any A2A report generated	Receiving party
A2A queries	0,7 eurocent	Per queried business item in any A2A query generated	Receiving party
U2A queries	10 eurocent	Per executed search function	Party responsible for the user
Download of U2A query	0,7 eurocent	Per business item	Party responsible for the user
Inbound messages bundled into a file	0,4 eurocent	Per message in a file	Business sending party
Outbound messages bundled into a file	0,4 eurocent	Per message in a file	Receiving party
Inbound Transmissions	1,2 eurocent	Per transmission	Business sending party
Outbound Transmissions	1,2 eurocent	Per transmission	Receiving party

