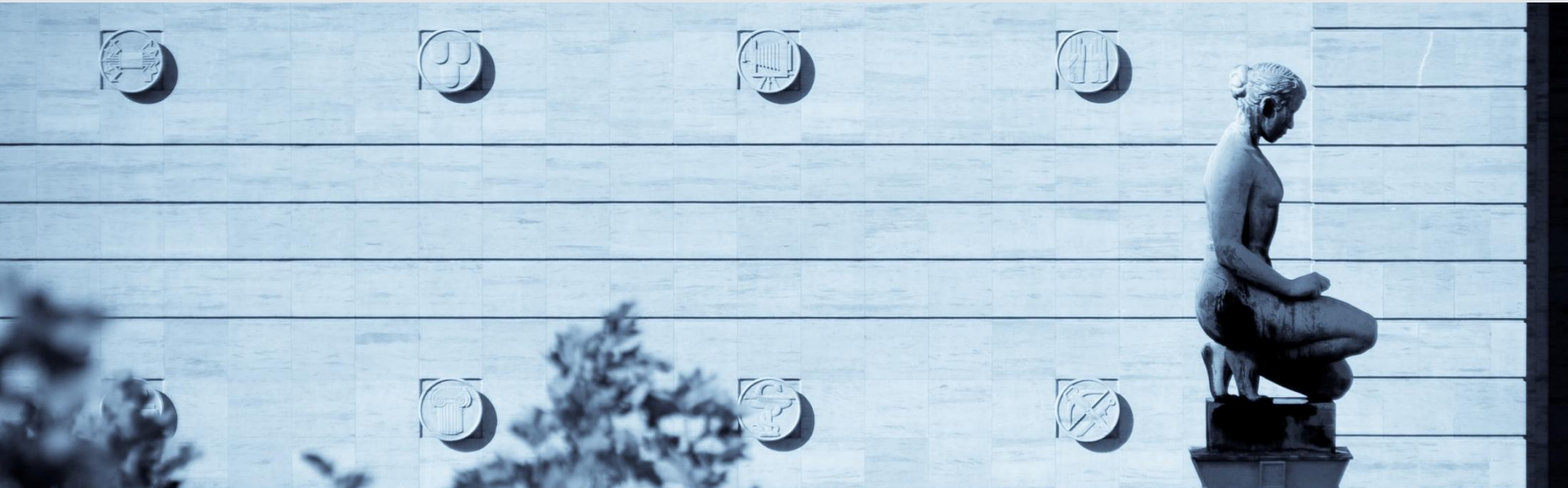


# T2S High Level Principles

07 May 2015

Patrick Van den Eynde  
NBB T2S Coordinator



# Cash side of T2S

- ▶ National Central Banks as System Entity
  - Create Parties for Payment Banks opening Dedicated Cash Accounts
  - Create Primary Credit Memorandum Balances
    - to store Authorised BICs allowed for settlement
    - accounts for Central Bank Auto-Collateralisation
    - NBB will open collateral receiving accounts in 2 CSDs
  - Based on requested set-up via Registration Forms
  - Pass on privileges/roles to Payment Bank Users
  - Monitor cash transfers T2 ↔ T2S
  - Declare certain assets eligible for Central Bank Auto-Collateralisation + daily valuation



## 2 auto-collateralisation receiving accounts for NBB

- ▶ NBB will open 2 receiving accounts
  - One in NBB-SSS
  - One in Euroclear France
- ▶ Reasoning:
  - NBB receiving account in NBB-SSS can receive collateral from securities accounts in NBB-SSS (as NBB-SSS has no investor CSD links)
  - NBB receiving account in EF can receive collateral through eligible links held by EF as investor CSD
- ▶ Choice by Payment Bank will be defined in the primary CMB of the DCA



# DCA numbering

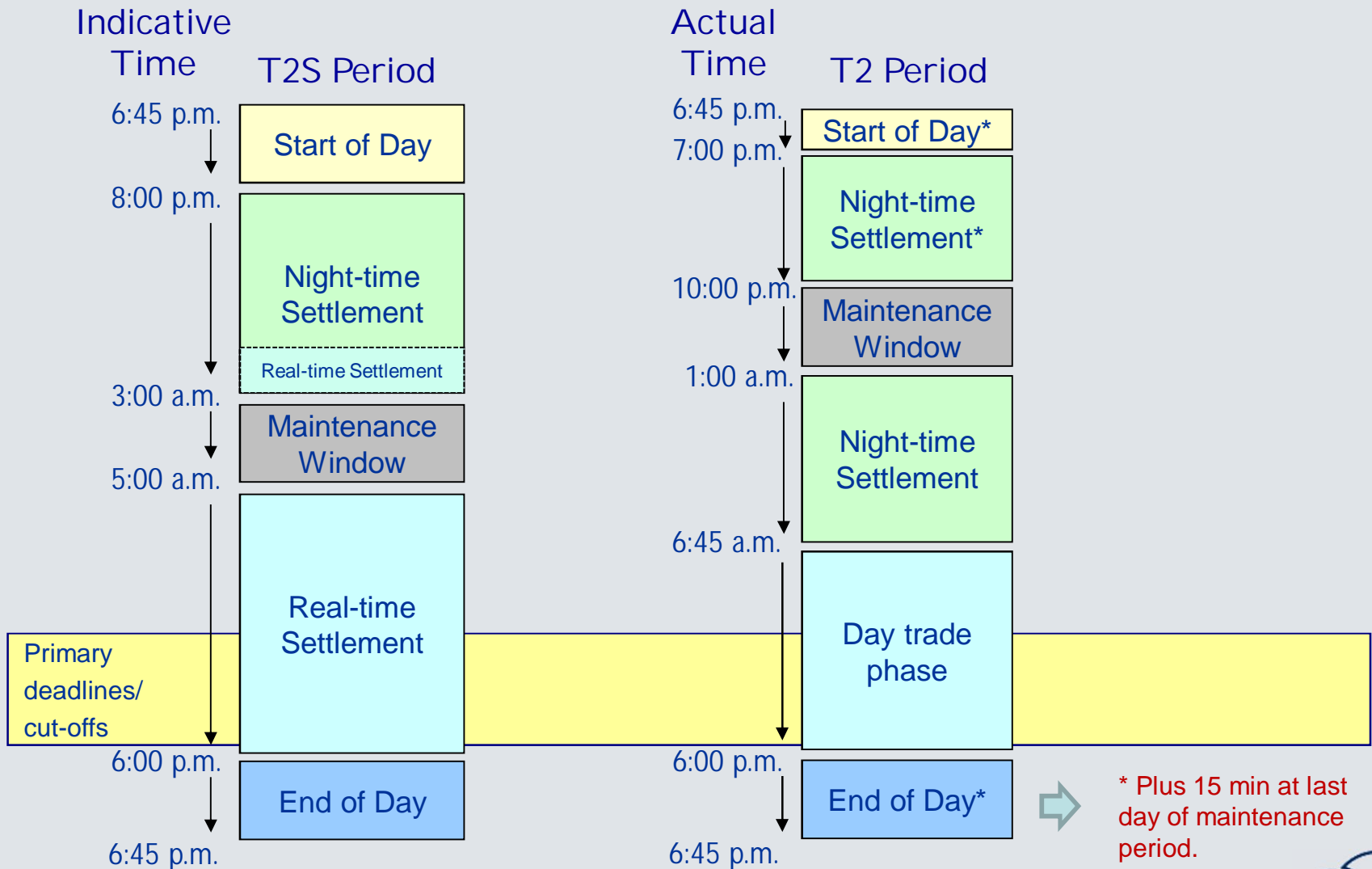
- ▶ The following numbering convention for DCA accounts has been developed by the Eurosystem and TARGET2 user groups:

<u>Name</u>	<u>Format</u>	<u>Content</u>	<u>Purpose</u>
Account type	1 char. exactly	'C' for cash account	Helps differentiating between cash and securities accounts.
Country code of the Central Bank	2 char. exactly	ISO country code	Helps identifying the Central Bank in the books of which the account is held.
Currency code	3 char. exactly	ISO currency code	Helps differentiating between accounts in different currencies.
Account holder	11 char. exactly	BIC	Identifies the holder of the account.
Sub-classification of the account	Up to 17 char.	Free text	Description provided by the account holder for the sub classification of the account.

e.g. C BE EUR BICBICBICBI FOROWNOPERATIONS\_  
1 1 2 1 2 3 1 2 3 4 5 6 7 8 9 10 11 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17



# Settlement day



# Settlement day

Time (CET)	T2S Settlement day events/processes	TARGET2 aspects
16:00	DVP cut-off	DCA holders are recommended to pay back auto-collateralisation earlier or to provide sufficient liquidity on DCA for 16:30 reimbursement; collateral relocation as last measure and penalised!
16:00	Cash restriction cut-off	
	Release of unused cash restriction	
16:30	Automatic reimbursement	TARGET2 intraday credit available until 18:00
	Optional cash sweep (standing liquidity transfers)	To facilitate liquidity management and bring liquidity on PM accounts
17:40	BATM cut-off	TARGET2 unsecured MM transactions possible until 18:00
17:40	CBO cut-off	
17:45	Inbound liquidity transfer cut-off	Cut-off for LTs from PM accounts to DCAs
	Automated cash sweep	All liquidity sent to main PM accounts
18:00	FOP cut-off	



# Status of the T2S project



SETTLING  
WITHOUT  
BORDERS

## Programme plan

