Consolidating TARGET2 and T2S

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Agenda

WHAT is changing with the T2-T2S Consolidation project?

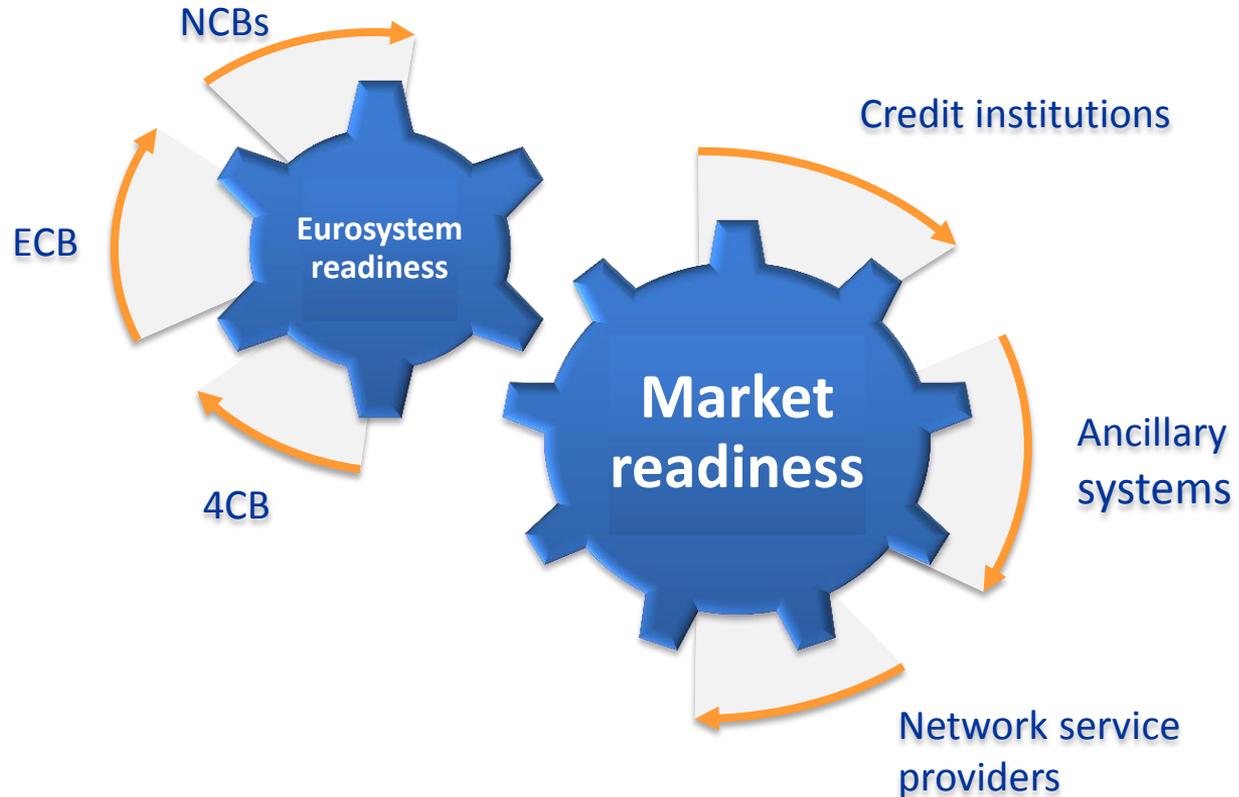|	
target | T2 services	**New** RTGS services
target | T2S services	**Limited** impact on T2S

# WHAT is changing with the T2-T2S Consolidation project?

Business
- Single sign-in
- Enhanced liquidity management services
- Segregation of interaction with central banks from RTGS participation
- Multi-currency
- Common reference data management across services

Technical
- Full migration to ISO 20022
- Network-provider agnostic

Financial
- Reduced operational cost

WHO needs to be ready?

WHY big-bang migration?

- Migration to ISO20022 standards with switch **from Y-copy to V-shape**
- **No co-existence** of ISO20022 and MT messages
- Network service provider **agnosticism**
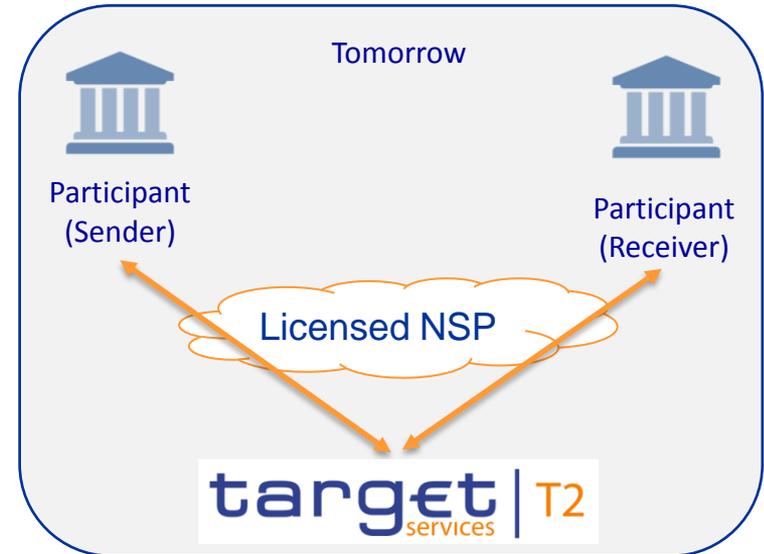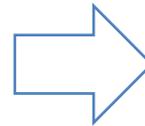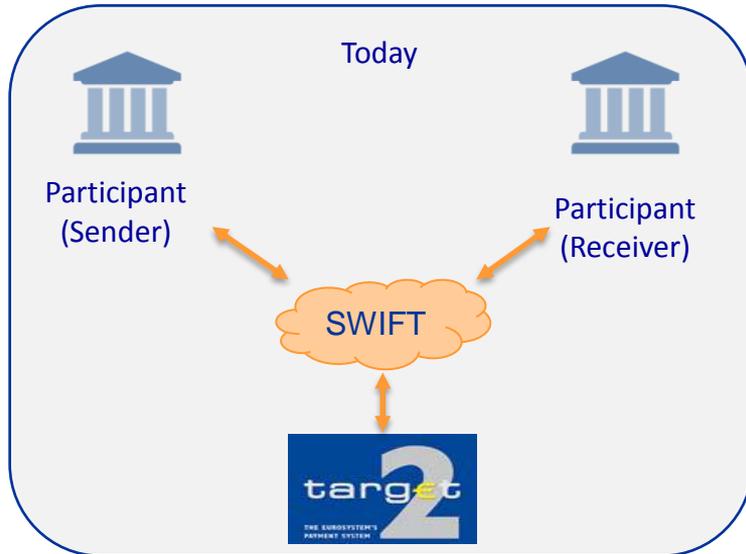
WHY is the readiness important?

Participant **not ready** to go-live is:

- Cut from CB monetary operations
- Cannot pay or be paid in central bank money
- Cut from ancillary system settlement in central bank money
- Needs to access payment services through another counterparty

WHAT will each TARGET2 participant need to ensure?

Technical readiness	▪ Assess required adaptations of IT infrastructure (software and hardware) ▪ Update interfaces ▪ Implement ISO20022 for messaging ▪ Set-up connectivity ▪ Perform internal testing
Business and operational readiness	▪ Assess business impact ▪ Align business processes ▪ Define operational procedures ▪ Prepare legal arrangements ▪ Procure Network Service Provider ▪ Train staff for testing, migration and operations ▪ Perform connectivity and user testing ▪ Prepare for and participate to migration rehearsals

WHAT are the success factors?

Technical readiness

Business and operational readiness

Coordination: internal and with community

Commitment

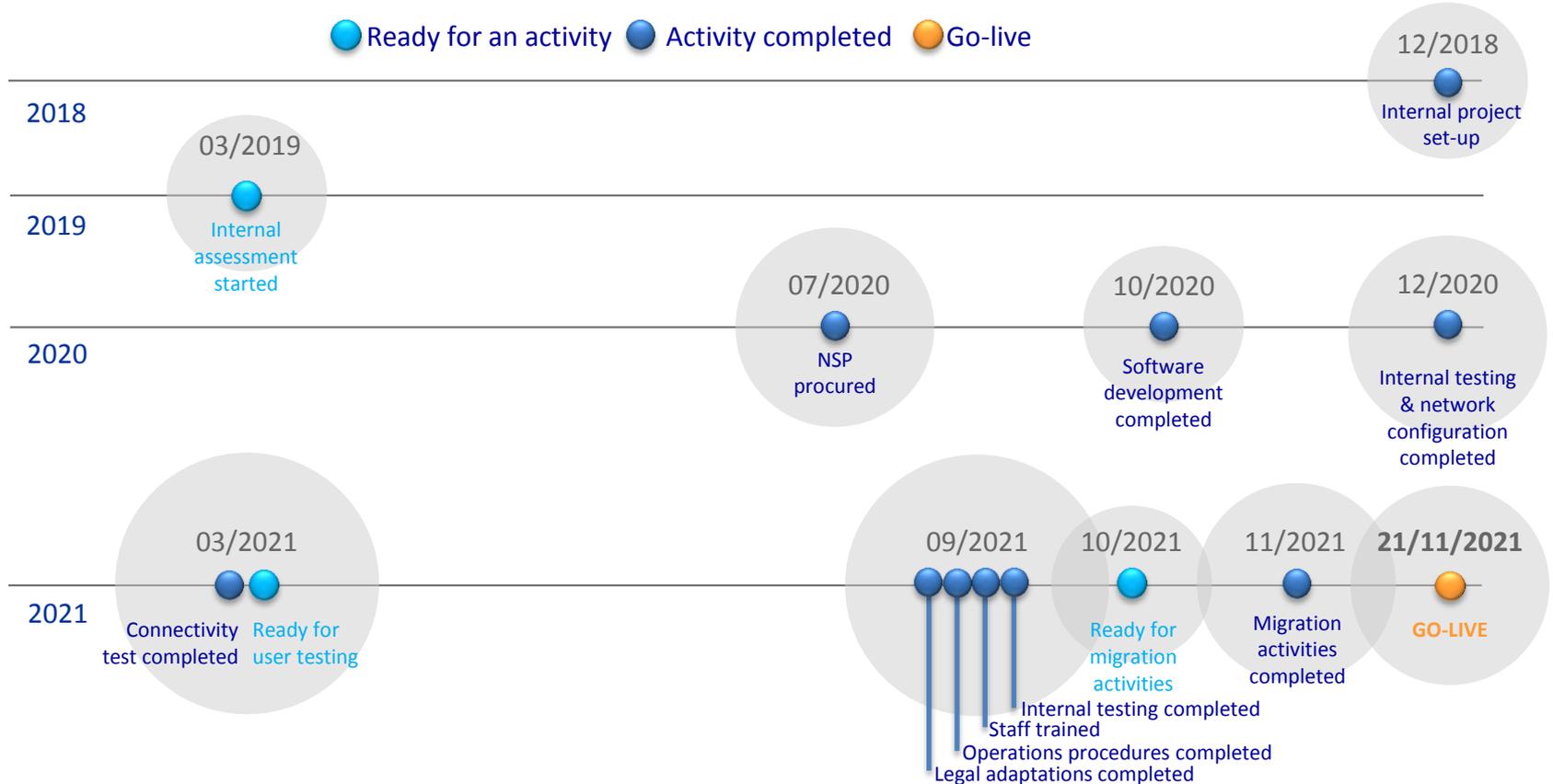Project funding

Management awareness

Risk management

… while checking the readiness of others…

WHAT are the main tasks and milestones?

Legend: ● Ready for an activity ● Activity completed ● Go-live

2018
- 12/2018 — Internal project set-up

2019
- 03/2019 — Internal assessment started

2020
- 07/2020 — NSP procured
- 10/2020 — Software development completed
- 12/2020 — Internal testing & network configuration completed

2021
- 03/2021 — Connectivity test completed; Ready for user testing
- 09/2021 — Internal testing completed; Staff trained; Operations procedures completed; Legal adaptations completed
- 10/2021 — Ready for migration activities
- 11/2021 — Migration activities completed
- 21/11/2021 — GO-LIVE

HOW will the readiness be facilitated?

Client **readiness** monitoring:

☑ TARGET2 participants to take ownership of milestones they set on themselves (and on each other)

☑ Eurosystem to confirm feasibility of these milestones

☐ National Stakeholders Groups (NSGs) will play key role in monitoring.

☐ Reporting to ECB Governing Council