

OUTCOME

**MEETING OF THE JOINT ADVISORY GROUP ON MARKET
INFRASTRUCTURES FOR PAYMENTS (AMI-Pay) and SECURITIES AND
COLLATERAL (AMI-SeCo)**

5 December 2024, 9:30 – 10:45 CET

Teleconference (MS Teams)

0. Introductory remarks and approval of the agenda

Outcome:

The Chair welcomed the participants to this joint session of AMI-Pay and AMI-SeCo. Participants agreed on the agenda.

1. Update on the Eurosystem’s exploratory work on new technologies for central bank money settlement of wholesale financial transactions

The ECB informed AMI-Pay and AMI-SeCo participants on the developments related to the Eurosystem exploratory work on the use of new technologies for central bank money settlement, including some reflections on the lessons learnt.

Outcome:

The ECB provided an update on developments in the Eurosystem’s exploratory work on new technologies for central bank money settlement of wholesale financial transactions since the last AMI-Pay and AMI-SeCo meeting in June 2024. The Eurosystem completed its experiments (test transactions) and trials (real transactions) on the use of new technologies for central bank money settlement over the 6 month-period between May and November 2024. A total of 60 key market stakeholders participated from 9 euro area countries. The work and intensive discussions with the market revealed an accelerating appetite for the use distributed ledger technologies (DLT) in the market, most visible in the securities issuance, settlement and asset servicing domain for which real transactions were possible: Overall, almost 1.6 billion EUR worth of transactions were settled in the trials, which made, together with its wide scope, the Eurosystem explorations the largest among similar central bank money initiatives around the globe. The work shows that DLT provides opportunities to increase efficiency and reduce costs, while its scope of

application covers the full securities and payments value chain and can extend beyond the capabilities of current [individual] core financial market infrastructures. The exploratory work is an example of successful public-private cooperation and partnership. Several market stakeholders requested the Eurosystem to continue with its explorations and / or provide DLT-based EUR CeBM service already over the short term. The Eurosystem will analyse the lessons and takeaways in detail (also based on set of key performance indicators) and will base its decision on its next steps on this analysis. Members welcomed the work by the Eurosystem and highlighted that more experience is needed with this technology to understand its impact and implications on the ecosystem.

Documents:

Presentation – Update on Eurosystem ntwCeBM exploratory framework

2. Update on possible extension of T2 operating hours

Following the June 2024 AMI-Pay discussion on value dating for instant payments, the ECB provided an update on the next steps on the possible extension of T2 operating hours.

Outcome:

Following up on the June 2024 AMI-Pay discussion on the management of liquidity on TIPS accounts during the weekend, the ECB provided an update on the envisaged next steps with the Eurosystem looking at the possibility to extend the operating hours of T2 towards 24/7 and consulting the market on this topic.

Participants took note of the update and welcomed this initiative.

Some members raised the question on the impact on T2S and whether this work will have any relationship or dependency with the work on T+1 (which may also have an impact on the schedule of the settlement day in T2S). It was noted that the T+1 discussion has a specific timeline (with a deadline of October 2027) while the roadmap for a possible extension of the T2 operating hours would take a longer timespan to implement, possibly in a staggered manner, thus allowing enough time for the market to adapt while also addressing possible adjustments to short-to-medium-term needs. The envisaged market consultation on the extension of T2 operating hours would explain the interplay and the difference of timelines between the two workstreams.

AMI-Pay and AMI-SeCo will be kept updated on developments on this topic.

Documents:

Presentation – Update on possible extension of operating hours

3. Any other business

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