



BANCO DE PORTUGAL
Payment Systems Department

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European Central Bank
Secretariat Division
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SUBJECT: TARGET2 - Public Consultation Reply from Portuguese Banks

Relating to the public consultation announced December, 16th, about "TARGET2 - Principles and Structure", we hereby communicate the reception of a formal reply from a relevant group of Portuguese credit institutions, where they express their commonly shared view of the subject, namely stating their business requirements to the Eurosystem in this consultation process.

In the letter (included as an annex, together with the list of TARGET Services Required), they state the following:

- the undersigned credit institutions, as TARGET Users, have voluntarily agreed to make and transmit to the Eurosystem one commonly shared view, which addresses the worries and business needs of the majority of the Portuguese banking community;
- the document with the list of TARGET Services Required reflects a consensus among those institutions and expresses their User Requirements in terms of a future generation of the TARGET system;
- Portuguese banks are concerned that present service level in their RTGS (SPGT and its particular front-end AT), in terms of functionalities, should continue to be provided in whatever future TARGET generation will be (which can be separated from the specificity of the technological solution to be selected);
- Portuguese banks acknowledge that the existing functionalities, developed by Banco de Portugal and SIBS with their cooperation, have a great value in terms of the (daily) treasury and liquidity management;
- they hope to contribute with this reply to identify the main critical elements for TARGET2 implementation and they also state to be available for any further work, even at a more detailed level.

The received reply is subscribed by a total of 24 credit institutions, corresponding to 53% of our RTGS users, intervening in 92% of RTGS volumes and 91% of RTGS values. *[Note: besides the undersigned credit institutions we have already received the commitment from other CIs to the mentioned reply; we can provide an updated status by the new deadline, April, 25th]*

Yours sincerely,
[signed]

Eugénio Gaspar
Head

Cc: Jean-Michel Godeffroy, Chairman of the PSSC

Enclosures:

Letter and list of TARGET Services Required